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PROCEEDINGS AND DEBATES

OF THE

SECOND SESSION OF THE SEVENTY-THIRD CONGRESS

OF

THE UNITED STATES
OF AMERICA

VOLUME 78—PART 10

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SEVENTY-THIRD CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 2, 1934

The House met at 12 o'clock noon.

Rev. E. P. McAdams, pastor of St. Joseph's Church, Washington, D.C., offered the following prayer:

Great Eternal God, Creator, Redeemer, and Sanctifier of Men, graciously look down upon this assembly opening its deliberations in Thy name.

Remember that in spite of the waywardness of the nations and individuals, the representatives of the people of the United States and its possessions have always maintained their living faith in Thy power and love and a consciousness of their dependence upon Thee.

We pray Thee, then, to infuse into their minds the spirit of wisdom to seek and to apprehend the truth, the spirit of counsel, and fortitude to enact those measures which will best serve the Nation's interest and will direct this Nation along those ways which will enable its citizens to pursue that peace and good will which was broadcast first by angels for the Infant King and again by Himself personally on the day of His resurrection.

We bow our heads and hearts asking Thy benign benediction upon this humble and sincere protestation of our loyalty, whilst we repeat the prayer which Thou thyself has given us, "Thy will be done on earth as it is in heaven." Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7353. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes.

The message also announced that the Senate had passed, with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9370. An act to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 3696. An act authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia; and

S. 1780. An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes.

MEMORIAL DAY ADDRESS AT ANTIETAM BATTLEFIELD

Mr. LEWIS of Maryland. Mr. Speaker, I ask unanimous consent to print in the CONGRESSIONAL RECORD a historical address delivered by the gentleman from Idaho, Mr. THOMAS C. COFFIN, on Decoration Day.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LEWIS of Maryland. Mr. Speaker, in accordance with permission granted me, I include herewith the remarks of my colleague Mr. COFFIN, of Idaho, on the occasion of the memorial services at the battlefield of Antietam, delivered at Sharpsburg, Md., on Memorial Day.

The privilege which has been accorded me of taking part with you in these memorial services here today can have come to me only as an expression of that great courtesy which distinguishes the people of Maryland. To one like myself, a native of the great West, whose pioneer builders came in almost equal proportions from those who wore the blue and those who wore the gray during the great War between the States, it is possible only to look upon this spot, one of the outstanding milestones in our national history, from a standpoint which those of you more intimately connected with that great struggle, through environment and tradition, may possibly not entirely appreciate. To me the armies which contended here over 70 years ago were composed entirely of countrymen of mine who, in that generation, found a resort to arms the only means by which a disputed question of constitutional development could be decided.

As we come here on Memorial Day, we come as Americans, proud of the opportunity to pay our tribute of respect to those who made the supreme sacrifice in defense of principles in which they honestly believed and which in the ultimate were decided, not by force of arms but by the power and the direction of a Divine Providence, the purpose of which has become more clearly discernible as the years go by.

In the sense in which history is teaching us to look upon the battle that was fought here in September 1862 we are coming more and more to realize the omnipresence of a divine guiding hand in the destinies of this Nation. We are coming to realize that Antietam stands out as one of those whitehot forges wherein the power that fashions order out of chaos was most active.

To me the significance of Antietam on this day, so long after the tide of war flowed across the spot whereon we stand, is that of a milestone in the development of this great country, which all of us now enjoy. It is as such that we of this generation should be eternally thankful to those brave men of an earlier generation who struggled here that our national destinies might be fulfilled.

When the forces of Robert E. Lee and George B. McClellan met at South Mountain and in and around Sharpsburg, at Antietam Creek, there were opposed to each other probably the finest armies that had ever been developed in the history of the world up to that time, and certainly the two outstanding military geniuses of the Civil War. In practically every conception having to do with our country, Robert E. Lee and George B. McClellan differed only as the environment from which they came differed. To each of them the issue of the Civil War, up to that time, was the same. It did not concern the institution of slavery but rather in the broad constitutional sense it concerned the character of Federal Union which had been born with the American Constitution. It concerned nothing more than the right of one of the sovereign States, by its own action, to dissolve the contract by which it was bound to the other sovereign States as an American Union.

Had the war ended by the complete triumph of General McClellan at Antietam, and had General McClellan remained a dominating figure in the days that would have followed there can be little doubt that the dark and tragic days of the reconstruction period would have been avoided and the price which this country has paid in the long period of prejudice and partisanship could, to a large extent, have also been avoided.

Not far from here, upon the Union left, on September 17, 1862, was stationed General Burnside with between 10,000 and 12,000 men. Owing to the fierce fighting which was going on on the Union right and center, General Lee had found it necessary to withdraw all but a very few of the men upon his extreme right facing Burnside. That was a movement which General McClellan had anticipated and had sought to bring about, and with the knowledge that the strategy in that respect was having the desired edge that the strategy in that respect was having the desired result, he ordered Burnside, even at the point of the bayonet, if necessary, and regardless of the loss of life that might be entailed, to advance across Antietam Creek and on the rear of Sharpsburg to the end that he might interpose a wedge between the Confed-

erate center and the reinforcements that were hurrying from Harpers Ferry. Although the Confederate position, as official reports now very clearly demonstrate, was held by probably not to exceed 500 men, Burnside was delayed for hours; and although opposed by this meager handful of Confederates, suffered in the neighborhood of 2,000 casualties.

Before the movement ordered by McClellan had actually been accomplished, the division hurrying from Harpers Ferry had arrived upon the field and the opportunity to have made Antietam a complete and crushing Union victory was lost. As one analyzes the movement that took place upon that day, it is difficult, indeed, to understand why the orders repeatedly given to General Burnside by General McClellan were not carried out. The fact remains, they were not carried out, and the fact remains that Antietam goes down in history as the bloodiest single day's battle ever fought upon this continent, but without any ultimately decisive results. Following this great battle, General McClellan, by a march and by strategy that military experts and students are coming to regard as one of the really great military feats in our history, placed himself in a position before Culpeper Courthouse, where he could have dealt with the armies of Longstreet and Jackson separately, and where both of those great Confederate commanders realized that their positions were most precarious. Again was interposed that force which seems to have dominated every movement in the war between the States, and McClellan, whom General Lee, years after the war, described as the ablest Union commander he was called upon to face, was removed from the command of the army and supplanted by Burnside, who immediately neutralized the favorable position in which McClellan had placed the Union Army and permitted the joining of Longstreet and Jackson, almost without firing a shot. It would almost seem that it was predestined that the war between the States was to continue until the blood and treasure of this Nation had been poured out without stint and the long aftermath, the end of which we are only now beginning to see, was left to plague our people.

Antietam marked the first of the titanic struggles of the Civil War which were apparently destined to be indecisive and to be, and to remain, but one of those pages of frightful carnage from the 4 years' trial out of which our more perfect Union was to be consolidated.

Slightly less than a year later occurred a similar episode in our history when the 3 days of battle at Gettysburg again resulted in a stalemate. At Gettysburg, however, it was the interposition of fortuitous and unforeseen and unforeseeable circumstances that prevented the decisive defeat of the Union Army.

And again, 2 years later, although in a much lesser degree, from the standpoint of the men engaged, the delay administered to General Early at Monocacy rendered indecisive a thrust by General Lee which failed by hours only. Again, it was the interposition of unforeseen and unforeseeable circumstances that resulted in great loss of life and another stalemate.

It was only in the following year that Grant, with an utter disregard for the loss in human life that might be entailed, made slaughter the order of the day to end the great holocaust.

Following in the train of these bloody, and increasingly bloody years, there grew up that intolerable sentiment, without which the cankerworm of reconstruction days would never have been imposed upon the South.

In the almost 70 years which have elapsed since Appomattox, in varying degree, we have felt the aftermath of the passions and the prejudices that had their roots in this conflict between the States. As we look back over that long period we fail to discern a single time, until the past 2 years, when it could truly be said that the administration of our country was national in its scope. With every new administration we have been made to feel that sectionalism, born of the War between the States, was one of the controlling features in the elevation of one of our citizens to the Presidency. We of today are the first, since the days of the Civil War, who can truly say that our national administration is one dependent upon no section and no class for either its existence or its support. Our country has returned to the position which it occupied before the War between the States in that our national policies and our national destinies can once again be directed and controlled by an administration representing industrial New England and the North and East, as well as the great southern section and the great undeveloped West. We stand today for the first time in a position where we can honestly say that the passions and the prejudices born of our great internal struggle no longer control our national policy or mold or modify it in any respect. Today we can look back upon our national travail, which began at Antietam, and can almost feel that the Divine Providence in whose special keeping have been the destinies of this Nation has completed the task of molding a finer and a more perfect instrument of government for the benefit of all the people—North, South, and West.

STATE OF NEBRASKA

Mr. SHALLENBERGER. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I wish to ask a question. It is the intention of the gentleman from Nebraska to call up a bill authorizing the issuance of a duplicate check for $10,451.12, which it is asserted has been lost. The bill as drawn provides that this duplicate $10,451.12 check shall be issued without the requirement of an indemnity bond.

If the gentleman will accept an amendment changing the word "without" to "with", thereby incorporating in the bill the requirement for indemnity bond to protect the Government, there will be no objection to the bill; but there ought to be an indemnity bond to protect the Government, because there is outstanding a check for $10,451.12 which somebody might get hold of and cash. Such things have happened in the past; so the Government must be protected.

Mr. SHALLENBERGER. Mr. Speaker, I agree with the gentleman from Texas, and I shall offer an amendment providing that there shall be an indemnity bond.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. SHALLENBERGER. Mr. Speaker, on the 17th of last January the Department of Agriculture issued a check to the treasurer of the State of Nebraska for $10,451.12, which check the Department of Agriculture and the treasurer of the State report has been lost in the mails, destroyed, or stolen; at any rate, it has disappeared. At the request of the Secretary of Agriculture I have introduced this bill; and the form of the bill is the form the Secretary of Agriculture sent to me. Since the gentleman from Texas has called attention to the fact that the bill as drawn reads "without the requirement of an indemnity bond", I shall offer an amendment to strike out the word "without" and insert in lieu thereof the word "with."

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. SHALLENBERGER. I yield.

Mr. BLANCHARD. Does the Treasury Department approve this bill?

Mr. SHALLENBERGER. This bill comes from the Secretary of Agriculture and also from the treasurer of the State of Nebraska. The check is from the Department of Agriculture to the treasurer of the State of Nebraska.

Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the disbursing clerk of the Department of Agriculture is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of original check numbered 15757, drawn January 17, 1934, in favor of "State treasurer of Nebraska trust fund" for $10,451.12 and lost, stolen, or miscarried in the mails.

Mr. SHALLENBERGER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHALLENBERGER: Page 1, line 6, strike out the word "without" and insert in lieu thereof the word "with."

The amendment was agreed to.

The bill, H.R. 9820, was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RICHMOND PEARSON HOBSON

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 3380) providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade, and immediately consider the same.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. SNELL. Reserving the right to object, will the gentleman tell us what this does and how much extra cost it involves?

Mr. VINSON of Georgia. I will endeavor to inform the House on the objects and purposes of this bill.

The purpose is to permit the resident to commission Captain Hobson as an admiral in the line, and automatically and immediately retire him and place him upon the retired list of the Navy. The total cost to the Government will be $4,500 a year.

I may say that today is the thirty-sixth anniversary of the sinking of the collier *Merrimac* in the War with Spain, and it is indeed appropriate that this character of recognition should be accorded Captain Hobson at this time. The bill has been unanimously passed by the Senate, and, after a long and careful hearing by the Naval Affairs Committee of the House, it was unanimously reported to the House. I am asking the House now to consent to the immediate consideration of this bill and to unanimously enact the same.

Thirty-six years ago tonight, while the United States was at war with Spain, the United States collier *Merrimac*, under heavy fire from forts and ships, was taken into the harbor and sunk in the channel of Santiago de Cuba.

ASSETS FOR THE NAVY AND THE NATION

Mr. Speaker, this legislation on the anniversary of the sinking of the *Merrimac* in many ways is unique. Extensive hearings held by subcommittees of the Naval Affairs Committees of both Houses brought out facts around which hang high values constituting assets to the naval service, to the country, to humanity, and especially to the youth of this and other generations.

While delays due to the congestion on our Private Calendar permitted the Senate to pass the bill first, the House by the delay has this anniversary for its day, and feels a more intimate relationship, as the commander of the *Merrimac* was from 1907 to 1915 a Member of the House from Alabama. A few of our older Members remember him with admiration and affection. We hardly realized at the time the far-reaching significance of his tireless work in the Committee on Naval Affairs—one result of which was the establishment of the Office of Chief of Naval Operations, in the face of the disapproval of the Secretary of the Navy. Highest authorities have testified that this office alone produced the efficiency that enabled us to get our armies overseas in time to save the World War to the Allies. It is realized now in all responsible quarters that in this Office of Naval Operations is bound up the efficiency of our Navy in the wars that the future has in store for America.

THE WORLD WAR AND NATIONAL DEFENSE

The older Members remember how they considered lightly the warning that Captain Hobson sounded year after year of the approach of the World War as he pleaded for building up the Navy so that America could be the great neutral, able to exert powerful influence to prevent the World War, and if it came, to inspire respect for our rights as a neutral by both sides and thus to safeguard the rights of all neutrals and of civilization. This policy of a peace-loving nation, far from the hatred and strife of other lands, but holding power adequate for our own home defense and the defense of our commerce and vital interests everywhere, is as sound for America now as it was then. The older Members recall the persistency with which Captain Hobson pointed out the rising importance to America's peace of the control of the sea in the Pacific, and the positive danger of letting that control pass to foreign hands. It was Captain Hobson who secured the authorization of the naval base at Pearl Harbor and raised his voice for the strong fortification of the Panama Canal, and urged year in and year out the assembling of the Navy into one great fleet with its home in the Pacific Ocean.

HOBSON AND AIR POWER

The older Members recall the incident when the Democratic floor leader, John Sharp Williams, shortly after the first feeble flight of the Wright brothers, taunted his young kinsman, Captain Hobson, with being such a Navy jingo that he would put a fleet in the air as well as on the sea. Captain Hobson's answer was:

> I expect to see the day when great fleets will carry on in the air, and my hope shall be that America in that day will be in aviation the biggest and the best.

It would not be amiss in these days for Congress to give consideration to Captain Hobson's up-to-date formula for our safety—America as a minimum to maintain power on the sea second to none, and simultaneously power in the air adequate to control the air out to midocean on both oceans at the same time.

Mr. Speaker, in the course of the hearings on this bill, many features of the first order came out in line with the Navy traditions. It was the first time that a naval constructor was ever included in the staff of a fleet at sea. Captain Hobson brought this about against strong opposition. Sending naval constructors to sea is now an established practice.

NAVAL CONSTRUCTORS AT SEA

The practical advantages came out in many ways in most cases for the first time in any navy. The improvising, placing, and securing of the torpedoes on the *Merrimac* and the hawser and stops for the bow anchor, applied as in the launching of a ship; elaborate calculations of stability in damaged condition applied to battle tactics; cutting out woodwork, throwing inflammables overboard, reorganizing fire mains and fire conditions for battle; conquering buoyancy sufficient to float the beached Spanish flagship *Maria Teresa*.

Mr. Speaker, it was 49 years ago, Monday of last week, May 21, 1885, when Midshipman Hobson entered Annapolis. His 4 years' training there, standing first in his class, its youngest member holding the highest position in the corps, and his subsequent training for 3 years in the French Government's postgraduate schools for its engineers, graduating there with honor, seem to have brought forth a scientific method that makes Captain Hobson especially helpful and reliable in approaching unsolved problems, especially his insistence upon exhaustive research to establish the facts, holding conclusions and questions of judgment and of policy in abeyance.

HOBSON AND ALCOHOL EDUCATION

Older Members recall his research into the properties of ethyl alcohol and his classic speech in Congress, called "The Great Destroyer", and the permanent influence his distribution of millions of copies of this speech had in promoting real temperance among our people.

Few are aware that he disappeared from the prohibition picture because the drys rejected and scorned his earnest pleadings for alcohol education, thoroughly organized and sustained, to be made the policy, leaving legislation to follow naturally on the heels of education and public sentiment. Better it would have been for them and for the country if the drys had followed his counsel instead of plunging into the opposite policy of radical legislation and the neglect of alcohol education.

HOBSON AND THE WORLD DOPE RING

It came out in the hearings, though few of us are aware, that for 12 years this American has headed up scientific warfare against the world illicit narcotic drug traffic, through founding and directing the International Narcotic Education Association (incorporated, California, headquarters Los Angeles) and the World Narcotic Defense Association (incorporated, New York, headquarters New York City and Geneva, Switzerland). Until these organizations appeared the great dope ring of the world was unchecked in its ruthless exploitation of mankind, running roughshod over all the efforts of individual nations and their groupings. A 6-year drive culminated in a great treaty convention going into effect last summer and now operating in 42 nations. In the brief time that has elapsed the cost of morphine in the illicit traffic in America has gone up more than 500 percent, and is still rising. This tells the tale of the effectiveness of this American scientific leadership in this warfare, regarded formerly as hopeless.

Mr. BLANTON. Mr. Speaker, reserving the right to object, when the gentleman states this will cost $4,500, does he mean that is in addition to the retired pay which Captain Hobson would have otherwise drawn as a retired captain in the Navy?

Mr. VINSON of Georgia. No. Captain Hobson does not draw retired pay at this time.

Mr. BLANTON. No; but he would be retired?

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. What would his retired pay be if he were retired in the grade of a captain?

Mr. VINSON of Georgia. It would be identically the same after 20 years' service. If Captain Hobson had been retired instead of resigning from the Navy, he would have been entitled after 30 years' service to $4,500 a year.

Mr. BLANTON. As a captain in the Navy?

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. This does not increase the pay that he would have drawn as a retired captain after 30 years' service?

Mr. VINSON of Georgia. That is correct.

Mr. BLANTON. This is the thirty-sixth anniversary of the sinking of the *Merrimac*?

Mr. VINSON of Georgia. Yes.

Mr. BLANTON. I think he deserves this belated recognition, and I shall not object.

Mr. BANKHEAD. Mr. Speaker, I am in a rather peculiar situation with reference to this request, and I do not know whether I should make this statement or not, but those who were familiar with political conditions in Alabama a number of years ago will recall that Captain Hobson and I had quite a contest when I first came to Congress. This is merely a personal statement, but it gives me gratification on this anniversary of the heroic exploit of Captain Hobson to appeal to all of my colleagues on the floor of this House to grant this consent to the passage of the bill. I trust no objection will be offered.

Mr. VINSON of Georgia. I yield to the gentleman from Oklahoma.

Mr. McCLINTIC. Captain Hobson has not been drawing pay from the Government since he resigned?

Mr. VINSON of Georgia. The gentleman from Oklahoma is correct. Captain Hobson has never drawn one dollar of pay, because he resigned his commission in the Navy on account of his health.

Mr. CULKIN. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. CULKIN. I think the recognition of Captain Hobson at this time is entirely proper, although belated. May I ask the chairman of the committee if any recognition has been given to the other participants in the sinking of the *Merrimac?* For instance, Ensign Joseph Wright Powell commanded the launch that was under fire for some hours in broad daylight, and I understand brought Captain Hobson out.

Mr. VINSON of Georgia. No. The captain was captured by the Spaniards and stayed in prison until after the Battle of Santiago.

Mr. CULKIN. I stand corrected, but the launch commanded by Ensign Powell was under fire of the Spanish fleet and shore batteries for some hours after daylight came.

Mr. VINSON of Georgia. Some years ago one of the men who accompanied Captain Hobson reenlisted in the Navy and later on deserted. This man was given an honorable discharge. We cleared his record and put him back in good standing so far as pension rights and other considerations were concerned.

Mr. CULKIN. I earnestly urge consideration of Ensign Powell and his gallant men who were in this open launch and who remained under fire for some hours in broad daylight. They made a brave but futile attempt to bring off Captain Hobson.

Mr. VINSON of Georgia. That has not yet been presented to the House.

Mr. CULKIN. I trust the committee will consider that matter to the end that Ensign Powell and his associates may be given their proper place in history.

Mr. VINSON of Georgia. May I say to the Members of the House that this bill does not carry any back pay whatsoever. If the President approves this bill, the captain is put upon the retired list as an admiral of the lower half, and he will commence to draw retired pay from the date he goes on the retired list.

Mr. FISH. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from New York.

Mr. FISH. May I say that this was one of the outstanding acts of great heroism in the history of our country. Captain Hobson volunteered for this dangerous service. In other countries, such as Great Britain, when their citizens and subjects have done heroic acts they are likewise rewarded in a financial way, but far beyond anything dreamed of in this country, particularly officers of higher rank. I hope this bill will pass unanimously. [Applause.]

Mr. HOEPPEL. Will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from California.

Mr. HOEPPEL. May I make the statement that it has been my observation that there is entirely too much consideration given by the Congress to the officers of the Navy and not sufficient consideration to the enlisted men.

There are at present on the retired list of the Navy 182 officers who have been placed on the retired list, not because of disability but because they have not been selected for promotion. These able-bodied men are receiving $668,000 per annum from the taxpayers, and I maintain that if we are going to consider this bill favorably we should add an amendment to it providing adequate and proper consideration to the only known living enlisted man now on the retired list who was on the *Merrimac* with Captain Hobson. Until such amendment is offered I shall object.

Mr. VINSON of Georgia. Mr. Speaker, I may state to the gentleman that that very subject matter is now being considered, and we are trying to do something fair and right by every man who accompanied Captain Hobson on this expedition. Let us cross one bridge at a time and I am satisfied the gentleman will have no complaint to make.

Mr. HOEPPEL. Will the gentleman, as the Chairman of the Naval Affairs Committee, assure me that he will give favorable consideration and approval to a bill which I shall introduce to at least advance this enlisted man one rank on the retired list and also to grant adequate consideration to any other enlisted men who were on the *Merrimac* with Captain Hobson and who are not retired?

Mr. VINSON of Georgia. I will say to the gentleman that I will lend favorable consideration to the subject matter, but the details will have to be worked out, and I shall be pleased to cooperate with the gentleman.

Mr. HOEPPEL. If the gentleman will assure me that he will at least approve of one increase in rank on the retired list for the only known living enlisted man who was with Hobson, I shall not object.

Mr. VINSON of Georgia. As I have just stated, we can handle only one bill at a time. We are trying to take care of everyone who accompanied Captain Hobson on this occasion.

Mr. HOEPPEL. Will the gentleman at least approve of this?

Mr. VINSON of Georgia. I am thoroughly in accord with that principle.

Mr. HOEPPEL. Mr. Speaker, as I have the utmost confidence in the Chairman of the Naval Affairs Committee, Mr. VINSON of Georgia, and am sure that he will cooperate with me to extend adequate consideration to these enlisted men, I withdraw my objection.

Mrs. KAHN. Mr. Speaker, will the gentleman from Georgia yield?

Mr. VINSON of Georgia. I yield.

Mrs. KAHN. May I express my approval of this belated recognition, because, along with the gentleman from New York, I feel we do very little for the men in our services who perform heroic service. For a long time I have tried to get recognition for a bill that would provide for promotion in rank to Maj. Andrew Rowan, who is famous as the man who

carried the message to Garcia, a real exploit in American history. I have been unable to get it favorably considered. I am pleased, however, to see that at least someone has been more successful than I have been in according to Captain Hobson the belated recognition he deserves and hope this will serve as a precedent.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Kentucky.

Mr. MAY. Mr. Speaker, I am thoroughly in accord with the proposal to enact this bill today. I think this is the time and the hour when it should be done, but I think there has been one point in favor of Captain Hobson that has not been mentioned, and that is that almost immediately after he performed this heroic deed he was eligible for retirement, but due to the fact that on account of the exposure he had endured on this occasion his health was impaired and he had to resign, and by reason of his resignation at that time his retirement then was postponed, and he has not received a dollar from the Government since then. I am very strongly in favor of the enactment of this measure.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Ohio.

Mr. TRUAX. I should like to call the attention of the Chairman of the Naval Affairs Committee to the fact that just a few days ago there were two pension bills considered by the Committee on Pensions, one for the widow of General Bliss, who without question was one of the foremost men of the World War, representing the President in many cases in foreign conferences; and the Honorable Newton D. Baker, Secretary of War during that period, appeared before the committee speaking in favor of this pension. There was also a pension bill introduced for the widow of Admiral Moffett. Both of these pensions were rejected by a majority of the committee on the ground that no preference should be given to dependents of officers over those of enlisted men. I merely wanted to get this in the RECORD for the purpose of ascertaining when the gentleman will give consideration to the enlisted men who were on the *Merrimac* with the distinguished Captain Hobson.

Mr. VINSON of Georgia. I may state to the gentleman from Ohio that we propose to have a committee meeting Monday and will go into the subject at that time and see what we can accomplish.

Mr. TRUAX. I hope the gentleman will give his most sincere consideration to these enlisted men. I like Captain Hobson. He is a distinguished citizen of this country, and I shall offer no objection to the bill; but it is time we began to consider the men down at the bottom instead of always considering the men at the top. [Applause.]

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield to the gentleman from Illinois.

Mr. SABATH. As one of the very few left who had the privilege of serving in this House with this great, brave, and courageous gentleman, Captain Hobson, I am indeed appreciative that the Naval Affairs Committee has brought in this bill authorizing and conferring upon him the deserved honor—that of rear admiral—and I hope that no one will oppose its immediate consideration.

While Captain Hobson, with whom I have had the pleasure to serve, though I was obliged to oppose him frequently, I felt the House lost a great legislator when he left us; but it was fortunate for the House and for the country that in his place we gained a gentleman who today is recognized by all as one of the great legislators, although we lost a splendid Member in Captain Hobson, the country and the House have been benefited by the election at that time of the gentleman from Alabama [Mr. BANKHEAD] to succeed him.

Not only was Captain Hobson a brave and courageous soldier, he was also a very capable and efficient legislator. During the 8 years I served with him I found him to be a man of unusual ability, full of vigor and determination. Naturally we could not always agree on important measures, and especially on the question of prohibition. However, that did at no time alter our, as I believe, mutual friendship and his great accomplishment was not in any way minimized in my estimation. I am pleased to say that he was just as fearless on the floor of the House as he was in Santiago Bay 30 years ago, and when I learned that he was supplanted as a Member of this House I indeed regretted it. Though that district has lost a valuable representative, yet after these years I am pleased to say that by his loss they have gained one of the most useful statesmen and diplomats in this House, as I do not know a single man who stands higher in the estimation of his colleagues or who possesses greater ability or who has achieved more for his district than our beloved, revered colleague, WILLIAM B. BANKHEAD, and who today occupies the third highest and most important position in this House. [Applause.]

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. VINSON of Georgia. I yield.

Mr. OLIVER of Alabama. Mr. Speaker, Captain Hobson, technically speaking, is a citizen of Alabama and one whom we are very proud of, but the pending bill seeks to honor him as a citizen of the Nation and one of its most beloved heroes. As a member of the Alabama delegation, I wish to express to the Naval Affairs Committee of the House and to its distinguished chairman, the gentleman from Georgia [Mr. VINSON], our sincere appreciation for their thoughtfulness in calling up this bill for passage at this time. It has just passed the Senate without a dissenting vote, and I am sure there will be no one opposing its passage in the House.

From the act conferring the Congressional Medal of Honor on Captain Hobson it is appropriate to here quote this excerpt:

> For distinguishing himself conspicuously by extraordinary courage and intrepidity at the risk of his life on June 3, 1898, by entering the fortified harbor of Santiago, Cuba, and sinking the partially dismantled collier *Merrimac* in the channel under persistent fire from the enemy fleet and fortifications on shore.

[Applause.]

Mr. GUYER. Mr. Speaker, will the gentleman from Georgia yield?

Mr. VINSON of Georgia. I yield to the gentleman from Kansas.

Mr. GUYER. Mr. Speaker, the two outstanding heroes of the War with Spain were Gen. Frederick Funston, whose home was in the district which I have the honor to represent, and Capt. Richmond Pearson Hobson, of Alabama, the former of the Army and the latter of the Navy. Both attempted seemingly impossible undertakings. Funston, by the capture of Aguinaldo, practically ended the Philippine insurrection. Captain Hobson did not completely succeed in his objective of bottling up Cervera's fleet in the harbor of Santiago by sinking the *Merrimac* in its entrance, but the superlative heroism with which he did his perilous work crowned him with the chaplet of immortality. The people of our country have long since enshrined both of these popular heroes in their hearts, and Funston was promoted until he became the head of the Army of the United States as ranking major general.

Today we tardily perform a duty already too long delayed in rendering this honorable recognition to the hero of the *Merrimac*.

Three weeks before the declaration of War with Spain, Col. Eugene F. Ware, a gallant Union soldier who wrote under the pen name of "Ironquill", wrote a poem under the title of "Kansas to Alabama" which was published widely at the time. It appeared in a St. Louis newspaper, and 4 days thereafter a reply "Alabama to Kansas" appeared in the same paper. Inquiry failed to disclose the author. The little poem of "Ironquill" is the more significant, since Kansas and Alabama furnished these two fine specimens of American manhood who became idols of the Nation.

KANSAS TO ALABAMA

Are you there, are you there, Alabam?
There seems to be a lot of trouble coming.
There's music in the air, Alabam—
The music of the fifing and the drumming.
Be my pard, be my pard,
And we'll fight them mighty hard, Alabam.

Our old war made it plain, Alabam,
We neither one was lacking spunk or mettle.
This little round with Spain, Alabam,
Will have a question I would like to settle.
Can you march day and night
And outfight me in the fight, Alabam?

If you should, if you should, Alabam,
My sunflower on your bosom I'll be pinning;
Might feel sore—but I would, Alabam—
I'd honor both the hero and the winning.
Here's to you, here's to you,
And to what we both can do, Alabam.

—*Ironquill.*

ALABAMA TO KANSAS

Bet your life, bet your life, Kansas boy,
The Yankee and the Johnnie are for Cuba.
Just hail me with your fife, Kansas boy;
I'll answer with my Alabama tuba.
Count me in, count me in,
I am eager to begin, Kansas boy.

Here's my hand, here's my hand, Kansas boy,
The cotton-bloom to sunflower sends greeting;
On the ocean and the land, Kansas boy,
Soon the grandees and the dons we'll be meeting,
North and South, heart to heart,
Nevermore will fight apart, Kansas boy.

Get your flag, get your flag, Kansas boy,
If you fall I will anchor it in glory;
'Tis not for me to brag, Kansas boy—
I fought it once—but that's another story.
Light is come, wrong is past,
Now I'm Union to the last, Kansas boy.

—*Anonymous.*

This recognition of Captain Hobson is all the more deserved by reason of the fact that his exposure and imprisonment in a Spanish prison physically incapacitated him for further service in the United States Navy.

During the years succeeding the War with Spain he represented his State with distinction in the House of Representatives, and after that service rendered valiant service to his country in the interest of temperance and against the evils of narcotics. His character reflects credit upon American manhood, and every good citizen will applaud our action in honoring him today on the thirty-sixth anniversary of the sinking of the *Merrimac*. [Applause.]

The Clerk read the bill, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized to appoint Richmond Pearson Hobson, formerly a captain of the United States Navy, a rear admiral in the Navy, with the rank, pay, and allowances thereof, and upon his acceptance of such appointment and the issuance of the commission in pursuance thereof, he shall be retired by the President as from active service and be placed upon the retired list in the grade of rear admiral, as of 30 years' service, and with the pay of that grade.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. BRITTEN] may have permission to extend his remarks on the bill at this point.

The SPEAKER. Is there objection?

There was no objection.

THE SPIRITUAL VALUES ATTACHED TO HOBSON AND THE "MERRIMAC"

Mr. BRITTEN. Mr. Speaker, it is happy indeed that on this the thirty-sixth anniversary of the sinking of the *Merrimac* the House should complete the legislation making the commander of that exploit a rear admiral on the retired list, thus settling right the matter that has been unfinished business for Congress for 32 years.

Mr. Speaker, it has been a general impression, due to the fact that the steering gear was shot away and the ship sank farther in than designed, that the exploit of the *Merrimac* failed of its purpose. On the contrary, it fulfilled its mission in a perfect way. The hearing brought out the report of Captain Concas, captain of the Spanish flagship *Maria Teresa* and chief of staff of Admiral Cervera, that the *Merrimac* compelled the Spanish ships to come out by daylight and to slow down, without formation or support, and turn prematurely very slowly, even then their propellers barely missing the hulk of the *Merrimac,* and pass out at reduced speed, far apart, one at a time—conditions that were perfect for their complete destruction and the quick ending of the war.

Mr. Speaker, the hearings brought out the fact that the commander of the *Merrimac* has been entitled to retirement for the last 32 years, on account of disabilities incurred in excessive service in the Tropics during and immediately after the Spanish War, and this legislation is but an act of justice; but I maintain that this action is a tardy but a proper recognition for extraordinary heroism, a recognition that is necessary if the Navy and our country are to harvest the full, permanent spiritual benefits of the deed.

I do not detract from the merits of the scientific and professional values so eloquently cited by Chairman VINSON when I place above them the imponderables, the rare spiritual values attaching to the sinking of the *Merrimac*. Who can measure the full value to the Nation, especially to the youth, when the press brought the first news, then day by day the further details of the exploit? Certainly the exaltation that thrilled me has been one of the experiences that I can never forget. Who can measure the value to the Navy of the added consciousness and affection for the Navy this brought to the American people? Who can measure the permanent value to the Navy and the Nation as Hobson and his crew of the *Merrimac* take their places in America's Westminster?

VOLUNTEERS FOR DEATH

Mr. Speaker, I have always been fascinated by the manifestation when hundreds upon hundreds of the officers and enlisted men volunteered for a task that looked like certain death. It seemed that the whole personnel of the fleet would have volunteered, had not the flagship signaled the fleet, "No more volunteers." The *Iowa* was typical in answer to the admiral's call to the fleet: "I want volunteers to sink the *Merrimac*." Captain Evans—Fighting Bob Evans—in a short while answered back, "My entire crew has volunteered. How many men do you want?" In his Sailor's Log, Admiral Evans recites:

The answer came back promptly, "I want one seaman from the *Iowa*." The question then was how to select 1 man out of 600 good ones. I was naturally anxious to send a man who would die reflecting credit on the ship. I had no idea that anyone would ever come out of the scrape alive. Two men were selected, one by me and one by the executive officer. I took a petty officer named McLean, who had served with me in the *Yorktown*, a first-class man in every respect; the executive took a young seaman named Murphy, a native of the State of Maine, also first class in every way. When told that I was going to sentence one of them to death in a few minutes, and being asked if they still wanted to go in the *Merrimac*, they both smiled and said "Yes." McLean offered Murphy $50 for his chance, which was promptly declined, and the toss of a penny decided the case in Murphy's favor. Then McLean offered him $150 for his chance, which was also promptly declined, and the poor fellow went forward with the tears streaming out of his eyes because he had lost a chance to have his head shot off! They were fine fellows to tie to, those blue-shirted chaps of mine.

Further on the admiral recites:

It was from this position that I watched the *Merrimac* make her last trip on the morning of June 3. During the night of the 2d I caught sight of her several times, but it was nearly daylight when I saw her distinctly as she made for the entrance of the harbor. The Spaniards were on the alert, and just as the *Merrimac* turned into the channel I saw the flash of a small gun, and immediately afterward the firefly sparks along the shore indicated that the infantry had opened on her with their Mausers. Then the guns on *Socapa* began to blaze and were followed by those on the *Morro* and *Esmeralda* batteries and the Punta Gorda Fort. Within 3 minutes the *Reina Mercedes* and other ships opened up, and as their heavy guns flashed the doomed ship stood out clear and distinct in the accumulating clouds of smoke. Finally the whole entrance to the harbor was a roaring blaze of powder smoke, and the *Merrimac* was shut out from our view. It was a dreadful sight—to my mind, what hell might look like with the lid off. I had seen all I cared to look at, and, convinced that the gallant Hobson and his equally gallant men had gone aloft forever, I retired to the pilot house, where I consoled myself with a pipe.

In his Relations of the United States and Spain, Admiral Chadwick, who had been captain of the *New York* and Sampson's chief of staff, writes:

The final question as to command had arisen during the afternoon. Sampson recognized the claim of the commanding officer, Commander James M. Miller, who protested against being displaced by anyone. Hobson had energetically urged his own claim as being more thoroughly conversant with the preparations than anyone else. Several young officers persistently asked to go, but Sampson finally concluded that Hobson, as having done the main work of preparation and being perfectly conversant with it, should, as a matter of fairness, be given preference. The question in his mind was wholly one of fairness. Hobson had been an officer of the line and had as such served at sea; he had left the military branch to enter the construction corps, so that the propriety of the choice from the standpoint of his ability to handle a ship could not well be gainsaid. There was much feeling over the decision, and most urgent requests were advanced by various officers; but the admiral's view, embodied in the remark, "Hobson has done the work", should be allowed full weight. Nor was there any question of a crew; practically all the men of the fleet were volunteers for the service, and the ship had to be searched and stowaways removed before she started in.

Captain Hobson, in his book, the Sinking of the *Merrimac* writes:

The call for volunteers had been made by signal, and names were pouring in by the hundred. It may be said broadly that the bulk of the fleet was anxious to go. The admiral had thought that perhaps it might be well to have a junior officer, and had asked for volunteers from the junior officers of the *New York*. The junior officers' mess responded en masse. Powell, one of my pupils at the Naval Academy, was on deck when I came on board, and begged me to take him. Eggert, another of my pupils, saw me, and pleaded to go. Men of the *New York's* crew pressed upon me and used all kinds of arguments to persuade me to take them. It was as though a great favor were being asked and every means were taken to have it granted.

Captain Miller had now returned to the *Merrimac*. When I was about to leave, the admiral sent for me and said that Captain Miller claimed it as his right as commanding officer of the vessel to go in with the *Merrimac*.

Further on he writes:

While on the *Merrimac*, Mullen, the boatswain, had asked to go. As the letting go of the bow anchor would be especially perilous, with the running out of the chain and the breaking of stops and hawsers, and no one would appreciate the danger better than the boatswain, he was accepted.

About the same time, Charette came to me and said that he had put down his name with the volunteers before leaving the *New York*, and he hoped I would take him for he had served with me when I was a midshipman on the *Chicago*.

Elsewhere he writes:

A fine-looking seaman was at the wheel. I went close and examined him and said to myself: "Unless looks deceive, he is the man for the additional work with the torpedoes." Before being spoken to, he asked if he might go with us. "What is your name and rate?" I asked. "Clausen, coxswain of the barge, sir." The rating confirmed by judgment from his looks, and I replied: "Yes; you may go. When relieved at the wheel you will be given your station and duties." The delight in the man's face could be seen in the moonlight.

And again:

Good-byes were now exchanged. The *New York's* men, Powell, and the pilot disembarked. Just then Mr. Crank came up and reported engines and boilers ready for the run, the boilers requiring no further firing. The launch had shoved off and was some distance away, and Mr. Crank repeated the tender of his services to go in. It would have been wrong to accept them. I hailed the launch. * * * Then it was that this gallant engineer left the *Merrimac*. He had not gone from her for a moment during the whole course of preparation, had not had a moment's rest in 2 days and 2 nights, and had been repairing the boilers and putting them in shape while the others were unengaged. He had expected to go in the first day and had passed through all the experience of suspense preceding action.

Elsewhere he writes:

Those were hours of interesting experience before the start. There was no diversion of the senses, and this fact and the feeling of loneliness seemed to deepen the impression of the closeness of God and nature. My business affairs had been disposed of at the beginning of the war and I had no disquieting thoughts as to the past or the future. The mind and heart accepted the reality of things with deep, keen, exquisite delight. There were singular emotions as the thoroughness of preparation and the sureness of execution became clearer and clearer, while the details and the processes were gone over again and again. Toward midnight, when there was no longer any chance of the moon failing, these emotions amounted to exultation, so much so that I could not help giving it expression. Charette had been stirring near at hand; in fact, a little while before, when someone in the darkness had made a noise, Charette expostulated in a vehement whisper: "Can't you keep quiet there? Don't you know Mr. Hobson is sleeping here?" I called out: "Charette, lad, we are going to make it tonight. There is no power under heaven can keep us out of the channel!" He seemed surprised that the outer channel was the objective, and said that he and all the other men thought we were going up into the harbor; that the admiral, Captain Chadwick, and I had been seen consulting the chart which took in the inner harbor and they all thought that we would go inside 3 miles beyond the entrance. Such was the mission for which these brave men had so ardently volunteered.

After describing the transfer to the *Morro*, he said:

I asked Captain Bustamante if he would be kind enough to have the surgeon directed to give careful and constant attention to the wounded men and to allow one of the crew, Charette or Montague, to come in to receive instructions as to details in taking care of their health in confinement.

Soon after the captain left, directions for the door to be left open during the daytime were issued by the authorities, and in a few minutes Charette was sent in. He had his usual cheerful look, unperturbed by the sight of the men's wretched cell and by the uncertainties of our confinement. He referred to the heavy situation we had passed through, and said, "Every man would do it again tonight, sir." Indeed, throughout the whole term of imprisonment the men showed the most remarkable spirit of cheerfulness. They never had the support of kind words and courteous visits, as I did, yet never once did they exhibit signs of anxiety or fear.

CHIVALRY IS NOT DEAD

Mr. Speaker, the courteous intercourse between the commander of the *Merrimac* and his Spanish captors stands out unique in the history of warfare and has a value for all the world. As you recall, the Spanish-American War was inaugurated by the blowing up of the *Maine*. The gruesome scenes in the long process of extricating the bodies of the dead from the wreckage of the ship had set American psychology for a war of revenge, with the slogan, "Remember the *Maine*." The Nation was electrified when, a few hours after the sinking of the *Merrimac*, a tugboat came out under a flag of truce bearing the chief of staff with a message from Admiral Cervera, commending the *Merrimac* men and announcing that they were safe and would be treated with every consideration. From time to time further news came out of incidents of courtesy, while the reports of the commander of the *Merrimac* are largely an account of the extraordinary chivalry displayed toward him and his men by Admiral Cervera, his staff, the officers of the *Reina Mercedes*, the officers of the *Morro*, the officers of the military prison in Santiago City. We all remember the happiness it gave the American Navy and the people everywhere to acclaim the gallant Admiral Cervera wherever he appeared and to entertain him and his officers at Annapolis and his men at Norfolk as guests of the Nation, a just tribute to a brave and chivalrous foe. By the time the war ended the spirit of revenge had been completely displaced by a spirit of appreciation, of admiration, and positive affection. The treaty was negotiated on a minimum basis to meet the logic of events, free from exactious reparations, indemnities, humiliations. America paid Spain $20,000,000 for territory captured and at her own expense transported the Spanish armies from Cuba back home to Spain. The peoples of the two nations have had a better understanding and a higher regard for each other ever since, and another war between them is literally unthinkable.

TODAY CHIVALRY IN EUROPE WOULD PAY

The European nations, close neighbors that should be the best of friends, might well study this American method before they again seize each other by the throat in a super-induced frenzy of anger, hate, and fear. It is useless to dismiss the idea as too idealistic for the realities of Europe since America's participation in the World War. Certain it is that European methods were in a stalemate when Americans reached the fronts. The Germans were not conquered. Their armies were still far out in enemy territory. American fighting had hardly begun. It was not the force of the physical blows, but the psychological power of the higher spirituality of the Americans that broke the German morale and quickly ended the war with the saving of hundreds of thousands of lives on both sides. In the light of history, posterity will surely proclaim that it would have been better

had American ideals prevailed at Versailles instead of the dictation of an assumed conqueror. The time will come when the example first set by Cervera and Hobson at Santiago will be the attitude of all combatants, and America's method of dealing with Spain, with Cuba, and the Philippines will be adopted by all victors, until at last spiritual forces shall rule the world and the nations will war only on a common front against the foes of mankind.

HOBSON BELONGS TO THE HOUSE

Mr. Speaker, the Senate may have preceded us by a few days in passing his bill, but Captain Hobson belongs to us; he is an alumnus of this House.

Having known him for a quarter of a century, I will make an appraisal on this notable occasion while he is still with us. I do not take second place even to Chairman VINSON in appreciation of Captain—soon Admiral—Hobson's scientific attainments and the powerful scientific method he always brings to bear upon problems that come to challenge him. But anyone who studies the 49 years of his eventful public service will see that the deepest, the dominant, strain in his life is spiritual. He is tenth in descent from Elder Brewster of the *Mayflower*, and the Puritan in him dominates the cavalier. It is because he puts God into the equation, takes conscience for his guide, and makes maximum service his goal that he has gladly attacked one after another the foes of his country and of humanity, no matter what the odds, no matter what the consequences to himself. Well do I remember when the powerful Democratic floor leader, Mr. Underwood, his colleague from Alabama, warned him on the floor of the House that his attack on the liquor traffic might seriously injure the Democratic Party. His reply was thoroughly characteristic:

Mr. Speaker, if the Democratic Party, my party, can only live by serving the liquor traffic, then in God's name let it die.

Well I remember, too, when the Brownsville bill was up with its threat of political death for Southern Members, and his friends pleaded with him just to retire to the cloakroom and not vote at all if he felt he could not vote against the bill. Instead, he asked for 3 minutes' time, made a fearless appeal for justice, and voted for the bill. In 48 hours three candidates had announced against him in his district.

I am told that the first time he became officer of the day at Annapolis he reported his classmates as well as others for infractions of the regulations. He took the consequences without complaint, 2 years in coventry, but he held to his course, and a new policy in the corps was the result.

There are traditions in the Navy that on several occasions, when he considered the right involved, he defied his senior officer at the risk of his career.

He has confided to me that his last spiritual preparations made it very easy to take in the *Merrimac* with efficiency. He considers the high spiritual attitude of the fleet in a just war for humanity as accounting for the thousands who volunteered and for the matchless loyalty of the crew of the *Merrimac* as they stayed with him during the ordeals against the strong dictates of self-preservation. He confided to me that when left alone lying on the bunk in the stateroom of Commander Acosta, of the *Reina Mercedes*, and he relaxed for the first time, the cry of his soul, half aloud, was one of gratitude, "O God, had life ever gone through such fire, and not a man lost."

Whether Hobson is attacking at fearful odds the army and navy of Spain at Santiago, or the liquor traffic of America, or the entrenched dope ring of the whole world, I see the same calm courage, the same fearlessness of consequences springing from great spiritual depths.

I join gladly, Mr. Speaker, with all Members of both Houses to do justice to a faithful public servant and to extend tardy recognition to a gallant naval officer for extraordinary heroism in war, but I hope I may contribute something to make this occasion even more memorable by bringing up to the light, as a national asset, a life so consistent that every father, every mother, every teacher, every minister in this country, or any country, can point to it without reservation, now and forever.

COMMUNICATIONS BY WIRE OR RADIO

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 411.

The Clerk read as follows:

House Resolution 411

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3285, an act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continued not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment and any other amendments recommended by the Committee on Interstate and Foreign Commerce, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

THE UNDERLYING REASONS FOR THE GAG RULES—TO KILL OFF M'LEOD AND FRAZIER-LEMKE BILL

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGUGIN. Mr. Speaker, the greatest existing menace to representative government in the United States is the political chicanery too frequently practiced by Members of Congress upon their own constituents. So far as the present session of Congress is concerned, the outstanding political trickery which is being practiced is found in the case of the McLeod bank pay-off bill and the Frazier-Lemke farm-mortgage bill.

The Speaker of this House and the majority leader, following the wishes of the President, are unalterably opposed to the consideration of these two bills in the House of Representatives. Every Member of this House, particularly the Democratic Members, knows that the Speaker and the majority leader are unalterably opposed to these bills being voted upon in this House. A petition has been signed by 145 Members to force a vote on the McLeod bill. Under the rules this is a sufficient number of signers to force a vote. One hundred and fifty-five Members have signed the petition to force a vote on the Frazier-Lemke bill. Political pressure from the Democratic leadership in the House prevailed upon some 15 Members to withdraw their signatures from this petition. Yesterday it was perfectly apparent that the necessary 145 names would be obtained for the Frazier-Lemke bill.

Under the rules of the House, after a petition has been signed by 145 Members to force a vote on a bill, the bill must lie on the Speaker's desk for 6 legislative days, and thereupon the House must vote upon it. Therefore, yesterday, it became perfectly apparent that, irrespective of White House opposition and of the opposition of the Speaker and the majority leader, there was going to be a vote on the McLeod bank pay-off bill and the Frazier-Lemke bill. Thereupon the Democratic leadership, under the pretense that it had to have gag rules in order to keep 115 Republicans from running over 315 Democrats, pushed through the gag rules of yesterday, which will prevent any vote on these bills. Of course, there is no one so silly and so gullible as to believe that this unprecedented "gag rule" passed by the House yesterday was necessary in order to protect 315 Democrats from 115 Republicans.

One of these new gag rules provides that the majority leader may move to recess the House from day to day rather than to adjourn from day to day. By the taking of a recess, the legislative trickery can be practiced of making any number of calendar days just one legislative day. For example, recessing from Saturday to Monday, from Monday to Tuesday, and from Tuesday to Wednesday, would leave the situa-

tion whereby Monday, Tuesday, and Wednesday would be the legislative day of Saturday. In other words, 4 calendar days are 1 legislative day, while the following of the regular rule of adjourning from day to day each calendar day would be a legislative day. By this legislative trickery, it is now within the power of Speaker RAINEY and Majority Leader BYRNS to make it utterly impossible for 6 legislative days to expire before the adjournment of this Congress even if we are in session until December 1. In this way it will be utterly impossible for the necessary number of legislative days to be obtained in order to pass upon either the McLeod bank pay-off bill or the Frazier-Lemke farm mortgage bill.

Therefore, by this legislative sharp practice, every Member who yesterday voted for these gag rules then and there voted to make it impossible to obtain a vote in this House during this session on the McLeod bill or the Frazier-Lemke bill. There can be only one exception to this, this trickery might be carried one step further and permit a vote on these two bills on the last day or two of this session and at a time when every Member knows that there will be no chance for these bills to be considered by the Senate.

Here is the political trickery and deceit which is being practiced by Members upon their own constituents. Many of them signed the petition to force a vote on the McLeod bill and the Frazier-Lemke bill. They have written to their constituents and have told them that they have done all that they can do to bring up these bills; that they have signed the petition in order to force a vote. They will go into the campaign and point out that they signed a petition to force a vote on these two bills. By this legislative trickery they are going to depend upon their constituents being unable to understand the effect of and the real purpose of the special gag rule adopted yesterday.

So that there may be no misunderstanding and so that there may be no injustice done to any particular Member, I wish to state that every vote cast for these gag rules, which make it impossible to have a vote upon the McLeod bill and the Frazier-Lemke bill, was cast by Democratic Members. Not a single Republican vote was cast for these rules. There were five Democratic Members who voted against these gag rules. They were CROSSER and SWEENEY, of Ohio, DUNN, of Pennsylvania, HOEPPEL, of California, and CONNERY, of Massachusetts. Out of the tremendous Democratic membership in this House, they stand out in bold relief as the Members who will not vote for gag rules which will make it utterly impossible to accomplish the very purpose which they signed a petition to accomplish.

These remarks are no criticism against any Democrat who has refused to sign any petition to bring up any of these bills and who yesterday voted for the gag rule. They have practiced no deception upon their constituency. They have not held out to their constituents that they were in favor of these particular bills and then voted for a rule which makes it impossible to have a vote upon these bills. An example of this is my colleague from Kansas [Mr. AYRES]. He voted for the gag rules of yesterday, but he is practicing no deception upon his constituents because he has not signed a petition, and he has not led any of his constituents to believe that he is trying to force a vote on the McLeod or Frazier-Lemke bills. While as a matter of free and open legislative government these gag rules are an outrage, there is no deception involved upon the part of a Member who voted for the rule and who has not endeavored to lead his constituents to believe that he favors the McLeod and Frazier-Lemke bills.

The merits or demerits of these bills pale into insignificance as compared with the greater question of retaining public confidence in congressional government by Representatives playing the game absolutely square with their own constituents, their neighbors and friends.

The Democratic leadership made bold the statement that the Republicans were carrying on a filibuster to wreck the administration program. Of course, they know better. Most assuredly every Democratic Member who has ears to hear and a mind to understand what he hears knows better. They all know that the Republicans were protesting against the leadership of this House forcing this House to be in session on Memorial Day and against unwarranted arbitrary conduct on the part of the Democratic membership in denying to the minority Members their rights. They also know that the Republicans were protesting because the majority had refused to show the time-honored respect of adjourning for a day upon the death of a member. Mr. Brumm, Republican Member of Pennsylvania, died May 29. The death of a Republican Member and Memorial Day together were not enough to prevail upon the Democratic leadership for the House to stand adjourned on Memorial Day. Furthermore, what administration legislation was before the House on the days on which the Republicans were protesting? The silver bill was before the House on Memorial Day. It is purely a political bill and is branded as such by true friends of silver, such as Senators LONG, of Louisiana, and THOMAS, of Oklahoma, both Democrats. On the second day on which the Republicans were protesting, the Tarver bill, providing for the setting up of a new commission to perform the duties in relation to Federal prisons which are now performed by the Attorney General, was brought before the House.

Since when did that insignificant frivolous bill become a part of the administration emergency program? After the Tarver bill it was the program to bring up the Lozier census bill, which is to provide jobs for thousands of faithful deserving Democrats to take a wholly unnecessary census at the expense of the taxpayers of this country. Since when did that become a part of the administration emergency program?

The people of this country are not so dumb as some politicians may think. Sooner or later they are going to catch up even with the most shifty congressional politician. The American people like fair play. The ordinary American citizen will excuse and have respect for a Member of Congress who honestly disagrees with him, but he will detest the Member who tries to deceive him. In the end this legislative and political duplicity is not even going to be good politics.

This legislative and political dishonesty and duplicity cannot possibly work from the standpoint of representative government unless, indeed, Franklin did not know what he was talking about when he laid down the proposition that "honesty is the best policy."

THE CRIME-BREEDING MOVIES

Mr. CULKIN. I make the same request.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CULKIN. Mr. Speaker, I have introduced a measure (H.R. 9912) entitled "A bill to protect the motion-picture industry against unfair trade practices and monopoly; to provide just settlements of complaints of unfair dealings; to provide for the manufacture of wholesome motion pictures, both silent and talking, at the sources of production; to create a Federal Motion Picture Commission, and defining the powers of said Commission."

I am fully conscious that the bill introduced by the gentleman from Texas [Mr. PATMAN], H.R. 6097, has the right-of-way as a matter of legislation and I intend to support it when it comes to the floor of the House. This measure I propose is perhaps, in some respects, broader in scope and in my judgment provides more surely that the productions of the moving-picture industry shall become a real cultural and educational agency in America. If my measure is enacted it will definitely prevent picturized poison being fed the young people of America, 39,000,000 of whom are in attendance at the motion pictures weekly and drink in without stint, let, or hindrance, the weird and antisocial presentments of crime and love as interpreted by decadent Hollywood.

CRIME BREEDERS

I here and now definitely charge and indict the motion-picture industry with being a crime-breeding influence among the youth of America. It could not be otherwise. Immature and innocent minds, week in and week out, drink

in the hectic stories of sex appeal, white slavery, and criminalistic vice. These alleged presentments of life constantly present illicit love affairs which ever make virtue appear odious and vice attractive.

The coming generation eagerly absorb these presentations of the underworld and crime life, and morning, noon, and night see scenes that make pleasing every vice of self-stimulation or self-abasement.

Public officers in every branch of the Government service are ridiculed and particularly those charged with the enforcement of the law are presented in humiliating roles, while the underworld racketeer is glorified and uplifted.

THE INDUSTRY FAILS TO REFORM ITSELF

Since the birth of the movies in 1895 the situation has grown steadily worse, and the country is now being flooded with misrepresentations of life and its meanings. Seventy percent of the presentations are salacious, criminal, or indecent. Thirty percent of the pictures produced are in fact rational and artistic presentations of life and nature. For these productions I have nothing but praise and commendation.

A national board of review was created by the chief sinners to enforce a self-imposed censorship. The national association of the moving-picture industry has repeatedly adopted resolutions promising the production of motion pictures depicting life in artistic, uplifting fashion. The industry has repeatedly promised to court-martial its own offenders in this field, but steadily the stream of pollution which has flowed forth from Hollywood has become wider and more turbulent. Many of the agencies for reform are either subsidized or controlled by the outfits which are doing incalculable harm to the oncoming citizenship of America. It is my definite opinion that the one solution of the situation is regulation. It is my belief that the motion-picture industry is incapable of self-discipline or of court-martialing these grievous offenders against public taste and decency within its own ranks.

That interesting citizen, Will H. Hays, president of the Motion Picture Producers and Distributors of America, concedes in effect that the industry itself is incapable of self-discipline and proper censorship by reason of the fact that he himself condemns the cheap vulgarity and sex perversion presented in so many of the present-day films.

The industry has set up self-regulating bodies which under the spell of Hollywood and fat subsidies have functioned in name only. The opportunity for exploitation of the young and the immature through the box-office window is so great that no hope of self-regulation can be expected from the industry itself.

COST OF CRIME IN THE UNITED STATES

I definitely charge that the movies as presented today are direct incentive to crime. As presented today they glorify it. It should be remembered in this connection that crime is one of the biggest businesses in America and costs the country annually more than $10,000,000,000. The cost of crime in the United States each year is several times greater than the aggregate value of all the agricultural products of the United States. It is a huge organized business with a direct cost of $4,000,000,000; an overhead of four billions and a waste of five billions more. Even in these days of depression it is safe to say that crime is, from an economic and moral point of view, the greatest single problem which the United States faces.

For many years I served as district attorney and as trial judge in cases of felony. For a number of years I was judge of a children's court. Out of these experiences I naturally drew certain conclusions as to the cause of conditions in America. Out of this experience and in all sincerity I definitely charge the spoken movie as presented today with being a prime factor in the break-down of law enforcement in the United States. I definitely charge the movie with being one of the major sources of juvenile delinquency and crime. The bill which I have presented will, if enacted into law, aid materially in curing the condition which every American deplores.

The tawdry environment of the movies is an actual breeding place of crime, for there the juvenile delinquent first learns to circumvent the law. The gangman, the thug, and potential murderer are all graduates of the movie school. There he first learned how to "pull a job and bump off a guy."

THE EVIL OF BLOCK BOOKING

Many of the theater owners and managers in the country are definitely restive under the existing order. In the beginning they protested against the films that were sent them. They protest in vain, for they have to buy block booking, with the result the majority allotment to a neighborhood picture house consists of salacious films. The independent is therefore tied hand and foot. This measure will release the independent exhibitor from his chains. What have the gentlemen who constitute the board of review done to regulate the practice of block booking? Satisfied with their subsidy, they have done nothing. The children who patronize the neighborhood picture house continue to get the same poison diet that is presented in the houses in the commercial centers. This statute will break up that practice. This bill, if enacted into law, will make enforceable the producers' own code of standard of quality for films adopted in 1921. This measure does not in fact create a censorship any more than it is a breach of personal liberty to arrest a man, who, having unjustifiably shot down his neighbor, still stands with a smoking pistol in his hand. The adoption of definite standards does not mean censorship, and that, in fact, is what this statute does.

CHARACTER OF COMMISSION

My bill provides for the appointment of a commission of 5 members, 2 of whom shall be women. It definitely provides for the correction of the existing evil in this industry now ranked as the fourth in the United States. Federal intervention and control of this outfit which has gotten beyond bounds is essential in the interests of law and order and public decency. Under such a commission the spoken movie can become a sound vehicle of public entertainment. It will become a sound vehicle of public culture. Continued in its present form and under its present agencies, it will be and remain a recruiting station for crime and a breeding place for juvenile delinquency.

COMMUNICATIONS BY WIRE OR RADIO

Mr. BANKHEAD. Mr. Speaker, I would like to ask the gentleman from Massachusetts if he has any requests for time?

Mr. MARTIN of Massachusetts. I have one request.

Mr. BANKHEAD. I yield 30 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. Speaker, I shall make a very brief statement on the rule, because I think only a brief statement is necessary. I am informed that this bill comes from the Committee on Interstate and Foreign Commerce with a practically unanimous report.

This is a measure that has been under investigation by the Committee on Interstate and Foreign Commerce for some time. It was inaugurated originally with the recommendation of the Secretary of Commerce. It has the approval of the administration, and the provisions of the bill will be fully explained by the chairman and other members of the committee.

The only purpose in waiving points of order against the bill is to avoid the requirements of the Ramseyer rule in reference to reporting changes made in the statutes.

Now, unless there is some request for time, I will ask the gentleman from Massachusetts to use some of his time. I will say that the rule provides for 2 hours' general debate, and to consider the House amendment to the Senate bill as an original bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Speaker, this is an important bill dealing with the supervision and control of radio broadcast-

ing and the necessary organization that has control of this important function.

It not only deals with radio but it consolidates under one bureau all lines of communication and takes from the Interstate Commerce Commission its jurisdiction over telephone and telegraph lines of the country, and apparently takes jurisdiction of legislation affecting communications from the Merchant Marine, Radio, and Fisheries Committee and places it all in the Interstate and Foreign Commerce Committee.

The development of radio in the United States and its importance, which is equal to that of the press, was provided for in the Constitution when our forefathers drew that important document. The people of the country were given free and open expression at all times through the press. Of course, in those days nothing like the radio and the important part it was to take in the dissemination of information was thought of. This development of radio is to my mind more important than is the control of the press of the United States. I direct the attention of the membership of the House to the growing control over all lines of communication. I mean by that the attempt at censorship which is being made and to an extent attained, not only over the press but over the radio. Radio is probably the most effective method of reaching every class of people and is more important than any other medium. Many people who do not read the newspapers listen in on radio, and form their opinions from this source. Under this tremendous development of radio during the past few years we have seen built up the use of this particular function to an extent that is almost unbelievable. We see it being used for propaganda purposes, we see it being used effectively for advertising, we see it being used in culture. Those who are in control of the agencies of publicity are particularly alive to the importance of the control of this function of radio. We have seen it used effectively by political parties, by candidates, and I do not hesitate to say that which you all know, that policies of a political party disseminated with the free use over radio can control public sentiment to an extent of political decisions. It is possible to assert personality into radio talks, oftentimes more effectively than by personal contact. Any administration in power which sees fit to use this instrument can control the sentiment of the citizenry, as the same cannot be controlled through any other medium of propaganda, not even by the press.

In a speech that I delivered on the floor of this House earlier in this session I referred to the attempt of the administration to further control the use of radio, and in that connection I read from an article from Broadcasting, which is the official organ of radio, appearing in the issue of October 1, 1933:

> Pettey made Democratic committee liaison man on official broadcasts.
>
> Herbert L. Pettey, secretary of the Radio Commission, has been designated by Postmaster General James A. Farley, who is chairman of the Democratic National Committee, as liaison man for the committee on all matters relating to broadcast speeches under the committee's auspices. Mr. Farley on September 8 wrote letters to that effect to Cabinet officials and all ranking Government bureau chiefs and to the presidents of the two national networks.
>
> Mr. Farley explained that it has come to attention of the committee that many individuals have been contacting the networks and stations with requests for time, representing themselves as spokesmen for the Democratic National Committee on radio matters. "The only person authorized to represent the Democratic National Committee on matters of this kind", Mr. Farley's letters stated, "is Mr. Herbert L. Pettey, who you will recall as the director of radio during the past campaign."
>
> Persons wishing radio time are asked to clear their requests through Richard F. Roper, executive secretary of the committee, who then takes up the requests with Mr. Pettey, the direct radio contact. The plan applies only to radio time requests represented as being endorsed by the Democratic committee.

That shows what the Democratic Party is doing in regard to the control of broadcasting for political purposes over these systems. When the change of administration took place and the Democrats came into office, they found that the control of radio was very much in the hands of and very much to the advantage of the outgoing administration; that it had been used to a great extent by the previous administration and dominated to a great extent by it.

Mr. FITZPATRICK. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. In just a moment. I do not want to yield at this time.

Mr. FITZPATRICK. It is important at this point.

Mr. McFADDEN. The question of the political control of the use of radio is an important thing to the American people, and I call attention to the fact that the incoming administration felt they had to deal with this subject, else it might be controlled to their detriment. So there was immediate action as to a change in personnel of the Commission. Key men were arranged for. Hanley and Pretty and others were put in, and there was immediately appointed this special committee, of which the Secretary of Commerce was the head, who made this study that has been the basis of this particular legislation which is before you, and this is particularly an administration measure. It is the President's bill. He has seen to it that no changes are made. It was drawn in the administrative departments and was presented to the committees of the Senate and the House and has had very little consideration by either one of those committees. It is true there were hearings held and a lot of protests were entered, but no attention was given to amendments. The bill was kept just as the President wanted it.

This bill we find here today strikes out everything after the enacting clause of the Senate bill and substitutes the House bill. It is proposed here that this bill shall go through this House without any amendment or any proper consideration of it by the House. It is a long bill. The Senate bill is 175 pages long. There is not going to be an opportunity for the Members of the House to do any more, practically, than to listen to the reading of this bill, and I point out that this is another one of those administration measures dealing with an important function which affects all of the people of the United States, and which is being put through in the same manner that all of this other legislation has been proposed and passed by this House. Just as the President wishes, this House is again signing on the dotted line without crossing a "t" or dotting an "i."

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 10 minutes more to the gentleman from Pennsylvania.

Mr. McFADDEN. Prior to the introduction of this bill, I introduced a bill dealing with the question of the discrimination or censorship with regard to broadcasting. Extensive hearings were held on my bill before the Merchant Marine, Radio, and Fisheries Committee during this session, where there was evidence presented that the two leading broadcasting systems of this country, the National Broadcasting Co. and the Columbia, were practically working in unison so far as the question of consorship was concerned. This committee was told by the president of the National Broadcasting Co., Mr. Aylesworth, that they had arbitrarily set up a board of censorship and it was also disclosed that the Columbia system went along on censorship with them. And these two systems control over 80 percent of the facilities of broadcasting in the United States, and if any independent stations permit anything to be broadcast that either of these two systems object to, the independent station is immediately in hot water and placed in fear of losing its station license to broadcast. The National Broadcasting Co. and Columbia seem to dominate the Commission. The independents are scared to death at the present time.

Mr. Aylesworth said specifically in regard to that, that that was an arbitrary matter; that they felt they had a right to determine who should broadcast. Those two systems, the Columbia and the National Broadcasting, are attempting to control broadcasting in the United States. He said it is radio's contribution. The control of the Columbia Broadcasting System is now in the hands of one family, and Mr. William P. Paley and his family completely control

and dominate this important system of broadcasting. The N.B.C. is controlled by General Electric, Westinghouse, American Telephone & Telegraph, and a few of these other corporations and individuals, but they have a monopoly. The interests which have been placed in control of the question of censorship, Mr. Aylesworth told the committee, was vested in a board which they had chosen, which they said was representative of the various interests of the country, but I am frank to say that an analysis of that board of censorship indicates that it might just as well be one man. They are of one mind; they stand for the things that are international—League of Nations, World Court, and so forth.

Mr. KURTZ. Will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. KURTZ. Who is William P. Paley?

Mr. McFADDEN. He is the owner of the Columbia Broadcasting Co.

Mr. KURTZ. What other business is he engaged in?

Mr. McFADDEN. I cannot say whether he has any other business or not. I do not know. But it is important on this question of the use to which radio is put to know for a fact that there is censorship, what kind of censorship it is, and how and where it came from. It would be well to keep in mind section 29 of the present Radio Act, and in doing this, see whether the Commission in permitting this kind of censorship to continue are within this law, or are just letting these two systems do as they please.

I want to point out how the control of this system is being used for propaganda purposes. Take, for instance, the question of the discussion over the radio of religious subjects.

This board which passes on the right of people to speak on any religious subject over the radio is composed of a committee designated under the direction of Mr. Aylesworth, head of the National Broadcasting Co. He stated to the committee that they had picked a Catholic, a Jew, and a Protestant as a board. As far as that committee is concerned in its action, they are largely under the direction of the Federated Council of Churches of Christ in America, an institution which was established and which is being carried on largely at the expense of the Carnegie Foundation, under the direction of the Twentieth Century Fund, which is an international propaganda outfit which has for its main purpose, under the leadership of the Carnegie Foundation, of which Nicholas Murray Butler is president, the destruction of our form of government in the United States.

The purposes of the Carnegie Foundation and the purpose they are serving are to do away with our form of government and turn this country over as a colony to Great Britain—a big brother of Canada—and millions of dollars of the funds of these foundations are being used to disseminate this idea camouflaged under various agencies, many of which are promoting our adherence to the World Court, the United States joining the League of Nations, further control of our finances by the Bank for International Settlements, and further cooperation by the labor groups in the United States with the International Labor Union with headquarters at Geneva. We must recognize the fact that the International Labor organization is affiliated with the League of Nations, that the World Court is the legal end of the League of Nations, that the Bank for International Settlements at Basle, Switzerland, is the financial part of the League of Nations, and that the Carnegie Foundation, the Rockefeller Foundation, and these other large foundations, whose policy is largely dominated by Nicholas Murray Butler and the trustees of the Twentieth Century Fund, are tied in with the Foreign Policy Association, the Foreign Affairs Committee, and their many affiliations, and through these channels an internationalization of all lines of communication is in contemplation.

This consolidation of lines of communication, as provided for in this bill, has a British origin; and the use of these various lines of communication is made readily available to the interests of this particular group to put across their propaganda at any and all times.

Now, as to this board of censorship which is established and so largely dominated by the group who are running the Federated Council of Churches of Christ in America, headed by S. Parkes Cadman, the British propagandist who is in our midst for the very purpose of helping to carry out the internationalization of the United States and bring it under the domination and control of the British Empire, there is no reason whatsoever why the National Broadcasting Co. should permit this council to decide for Protestant religions of the United States what religious subjects should be broadcast. The Federated Council of Churches of Christ in America is a self-instituted organization and does not speak for the Protestant churches in the United States. It is an attempt to amalgamate the Protestant, Jewish, and Catholic religions and is a part of the whole international scheme to internationalize the United States and take away our independence, and the Federal Radio Commission are acquiescing in permitting this board of censorship to continue in what I believe to be a violation of section 29 of the radio law.

I know that there is provided in this bill that a study of this entire situation shall be made. I mentioned the religious end of it because that is only one phase. There are several other phases to which the use of the radio is being put that is not to the best interest of the American people. So I say that the manner in which these important matters are handled is of vital interest to every man, woman, and child in the United States, particularly those who believe in constitutional government and in the protection of that form of government, because I say to you that there is being carried out to an almost unbelievable extent through the use of radio a very insidious plan of propagandizing the United States on these particular subjects. There is no fair distribution of time in opposition to the various doctrines that are disseminated throughout the country today, and much of this kind of stuff is broadcast with no opportunity to answer. The air is full of it.

Mr. Speaker, at this point I ask unanimous consent to extend my remarks by including a copy of the resolution which I presented to the Committee on Merchant Marine, Radio, and Fisheries, dealing with the subject of censorship.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. KOPPLEMANN. Reserving the right to object, I will object unless the gentleman will permit a question.

Mr. McFADDEN. I yield to the gentleman.

Mr. KOPPLEMANN. My question is this: Approximately 3 weeks ago the gentleman from Pennsylvania delivered an address over the radio——

Mr. McFADDEN. I yield for a question only.

Mr. KOPPLEMANN. I am going to ask the gentleman a question. The gentleman delivered an address. He found no difficulty, evidently, in delivering the address over the radio, which had for its purpose an attack upon a defenseless and innocent people on account of their religion. Did the gentleman have any difficulty in voicing his mean statements?

Mr. McFADDEN. I will say to the gentleman in reply, regardless of the motive, that I was invited to deliver that address by a broadcasting company, and I did deliver the address to which the gentleman refers. It was not, however, an attack upon the Jews on account of their religion.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The resolution is as follows:

No person, persons, company, association, or corporation owning and operating a radio broadcasting station, and receiving and broadcasting radio programs for hire, shall discriminate in the use of such station in favor of a program of speech sponsored by any person who is a legally qualified candidate for any public office, and/or by any religious, charitable, or educational company, corporation, association, or society, or any other like association or society, and against or to the exclusion of another person who is a legally qualified candidate for any public office, or of another religious, charitable, or educational company, corporation, association, or society chartered or licensed under the laws of the United States, because and for the reason that such person, religious, charitable, or educational company, corporation, association, or society holds and promulgates and advocates views contrary to those expressed in programs that have been broadcast. The owner, lessee, or operator of any broadcasting station contracting for or

accepting and broadcasting radio programs for one legally qualified candidate for a public office, and for one class of religious, charitable, or educational company, corporation, association, or society, and refusing to contract for or to accept and broadcast for hire radio programs of speech offered for broadcast by another legally qualified candidate for a public office, or by any other religious, charitable, or educational company, corporation, association, or society within the provisions of this section, because or for the reason that such legally qualified candidate, or such religious, charitable, or educational company, corporation, association, or society holds or promulgates a contrary or different view from that which is expressed by the person or parties broadcasting programs, shall be deemed guilty of an unlawful discrimination. All persons, companies, corporations, or associations owning and operating a radio station who shall be guilty of a misdemeanor shall be punished by a fine of not less than $500 nor more than $5,000, and in addition thereto may be required to forfeit the license for operating such broadcasting station.

No person, persons, company, association, society, or corporation shall by threats, or by coercion, or by misrepresentation, or any other like manner interfere with or prevent, or attempt to interfere with or prevent, the broadcasting of any radio program by any owner, lessee, or operator of any radio broadcasting station; or interfere with or attempt to interfere with, or to prevent any owner, lessee, or operator of any radio broadcasting station from entering into a contract with another person, persons, company, association, society, or corporation, to accept, receive, and broadcast programs of speech and music by radio. No person, persons, company, association, society, or corporation shall induce or attempt to induce any person, persons, company, association, society, or corporation to withdraw business or financial support or social intercourse from any radio broadcasting station, or the owner, lessee, or operator of any radio broadcasting station in the use and operation of such radio station or in the broadcasting of any and all programs offered to be broadcast, or which may be broadcast at any such station. Any person, persons, association, society, or corporation violating this section shall be guilty of a misdemeanor punishable by a fine of not less than $500 nor more than $5,000, or in the case of an individual or the responsible officials of an association or corporation, by imprisonment for a term of not less than 60 days nor more than 2 years, or by both such fine and imprisonment.

Mr. McFADDEN. I should like to have this resolution made a part of this bill and would offer it as an amendment, but I know that such an amendment to this bill would not have any chance of being adopted, as no amendments are going to be accepted by the men having this bill in charge; and on this account I am not going to waste the effort by trying to have the bill accepted. I shall hope that the Merchant Marine, Radio, and Fisheries Committee will report favorably upon my bill, H.R. 7986, which embodies this provision, and thus not ignore the wishes of over two and a half million people who have petitioned the Congress to pass this bill dealing with the subject of proper control of broadcasting and censorship.

Mr. CULKIN. Under the present law these licenses for broadcasting continue from year to year if they are extended. Is that not true?

Mr. McFADDEN. Yes.

Mr. CULKIN. That is, they may be revoked at the end of a year?

Mr. McFADDEN. Yes.

Mr. CULKIN. What is the advantage of this law over the present statute? What is the necessity for it?

Mr. McFADDEN. I suppose it is in order to keep a more complete control over broadcasting. I might say in that connection that the board having jurisdiction over this is exercising a control over the small stations, which are the independent stations, which is a subject which this committee, if it is appointed to make the study, must give very careful consideration to, because I find that the action of the Commission in dealing with the small stations is to drive them out of business, which seems to be the plan of the two big chains. Broadcasting in the United States is rapidly becoming a monopoly in the hands of those two systems. They have now under contract 80 percent of all the available stations and their time. The Columbia Broadcasting System is very responsive to suggestions from the other important system, the National Broadcasting Co. These two outfits dominate the chain systems. It is a situation that looks to me—and anyone who will study it must believe likewise, for he cannot come to any other conclusion—that the purpose is to have a centralized system completely under the control of one dominating influence—and that the National Broadcasting Co., which is owned, operated, and controlled by the Radio Corporation of America. It would seem from the method and manner in which the Commission has been operating, as though it were encouraging doing away with the small stations, just in accordance with the aim of the National Broadcasting Co.

I might say in that connection as an illustration that a station located in western Pennsylvania has recently been going through a critical period with the Commission, in which they are finding all kinds of fault with the operations, which is similar to that which is taking place with all of the small stations throughout the country, making it utterly impossible for those stations to comply with the regulations of the Commission. The Commission in their dealings with the small independent stations, particularly those stations who are not now under contract with N.B.C. or Columbia, are carrying on a policy of absolute intimidation. They do not dare say that their souls are their own, lest the license be taken away from them. If you do not believe this statement, read the hearings on my bill held before the Merchant Marine and Radio Committee just recently.

These facilities are then transferred to other companies. It is a situation which confronts the independent broadcaster in the United States today.

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 additional minutes to the gentleman from Pennsylvania.

Mr. McFADDEN. In this connection it would be interesting for the Membership to know that which has occurred with regard to this station at ashington, Pa., operated by Mr. Spriggs, an American citizen, who has invested a large amount of money in the running of a small 100-watt station. They have practically made it impossible for him to continue to operate; and when you go through all of the detail in connection with this one situation, as I have, you cannot fail but to see that the strong hand of influence is drying up the independent broadcasting stations in the United States and the whole thing is tending toward centralization of control in these two big companies, if not one company.

Mr. BLAND. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. BLAND. Does the gentleman feel that it is fair to try the merits of any particular station on the floor without knowing all the facts? The gentleman has brought a very grave charge against the Federal Radio Commission, one in which I absolutely cannot concur.

Mr. McFADDEN. Replying to the gentleman, I shall be very glad to include in these remarks supporting data.

Mr. Speaker, I ask unanimous consent to include at this point statements pertaining to this matter which I am sure will give the House more satisfactorily the information I am attempting to outline briefly in these few minutes. This matter is in regard to the station at Washington, Pa.

Mr. O'BRIEN. Mr. Speaker, are these the gentleman's own remarks?

Mr. McFADDEN. They are excerpts from statements pertaining to this particular station.

Mr. O'BRIEN. Mr. Speaker, I object.

Mr. McFADDEN. Mr. Speaker, I am sorry the gentleman from Illinois objects. I shall, however, be very glad to give the specific information to any Member of this House who desires to have it, because it shows not only an involvement of the Commission but it shows clearly the desire of these two big broadcasting companies to drive out of existence these small corporations. It involves also political influence to an extent that is unbelievable, of men who are influential in Pennsylvania, in the National Capital, the Department of Justice, and the Radio Commission.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. GIFFORD. The gentleman has probably studied this bill. As I read the bill it simply coordinates the present disjointed action of the various parties supposed to supervise. Is there any statement of policy in this bill based upon the report of the Federal Trade Commission relating to the communications system being monopolies?

Mr. McFADDEN. I do not think there is. There should be a definite policy laid down, one fair to all the people.

Mr. GIFFORD. There is nothing in this bill anywhere on the question of the policy to be pursued relating to educational or communication features laid down for the guidance of this particular new commission?

Mr. McFADDEN. I think it avoids that particular question.

Mr. GIFFORD. Does not the gentleman think, in view of the long report of the Federal Trade Commission relating to this being a very great monopoly, that some attention should have been given to the matter, that some policy should have been stated in the bill?

Mr. McFADDEN. I do.

FOR THE RELIEF OF FRANK J. BOUDINOT (H.R. 6275)

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. HASTINGS. Mr. Speaker, the original bill was prepared and introduced upon the request of the Cherokee Indians themselves. They recognize that Frank J. Boudinot has rendered long, continuous, and effective service in their behalf, and are anxious that he be adequately compensated.

The bill has been rewritten and in its present form recites the fact that it is presented at the request of the Cherokee Indians, and provides that upon final determination by the Court of Claims of any suit or suits pending against the United States brought under the several jurisdictional acts approved March 19, 1924, or as subsequently amended, there shall be considered by the Court of Claims the question of the services and expenses of Frank J. Boudinot, a member of the Cherokee Tribe of Indians, for those services and expenses incurred prior to the enactment of the jurisdictional act above referred to.

The Cherokee Nation was in effect destroyed by the act of June 28, 1898, commonly known as the "Curtis bill." Prior to that time it was a self-governing Indian nation. This act prevented the Cherokees from legislating further without the approval of the Secretary of the Interior, destroyed its judicial system, and prevented it from appropriating or expending its own money in any further effort to continue its national existence.

Later, appreciating that it was useless to further resist the purposes of the Government, the Cherokees themselves, by a vote on August 7, 1902, ratified an act of Congress approved July 1, 1902, commonly known and referred to as the Cherokee Agreement. This agreement embodied many of the features of the act of June 28, 1898, and the disintegration of the Cherokee Nation, which had started with the enactment of the Curtis bill, continued. Rolls had to be made, the lands allotted, and many details had to be administered.

The Cherokees insisted upon a final settlement of the numerous claims which they had against the Government, and they met on many occasions and at various places, prepared and sent letters to the Interior Department, and sent resolutions to Congress, and, in fact, took every step necessary to keep alive the many claims which they were desirous of having presented and adjudicated against the Government.

It must be remembered that this was before statehood had been granted to Oklahoma. Therefore, Oklahoma had no Representative either in the Senate or House and, insofar as these particular claims were concerned, the views of the Cherokee Indians were presented to the Department and to the committees of Congress through organizations of their own, and all meetings on these matters, from time to time, and year to year, wherever held, were attended by Frank J. Boudinot, who assisted in the preparation of letters and resolutions setting forth the views and will of the Cherokee Indians.

Frank J. Boudinot, in addition to having a literary education, is a graduate of the law department of Ann Arbor University, and has been admitted to practice law in all the tribal courts in the Cherokee Nation, Oklahoma State and Federal courts, and the Court of Claims and Supreme Court of the United States. His people were distinguished representatives of the Cherokees before their removal from Georgia, and throughout the entire history of the Cherokee Tribe the name of Boudinot, with that of Watie and Ridge—all of the same family—may be found.

From 1898 Frank J. Boudinot, to my personal knowledge, continued to assist in keeping alive the claims insisted upon by the Cherokees, and but for his efforts and of those associated with him I feel safe in asserting that no jurisdictional act would finally have been passed.

When Congress admitted Oklahoma to statehood on November 16, 1907, Boudinot, with renewed energy, continued his efforts to secure a forum where the claims, later filed in the Court of Claims, might be filed. For the past 25 or 30 years, to all intents and purposes, he has lived in Washington, and has spent all his personal means in a continuous effort to provide a forum where these claims might be adjudicated.

I was elected to Congress in the November 1914 election. Mr. Boudinot immediately, through me, continued his efforts in the form of bills to secure the right of the Cherokees to go into the Court on Claims, with the right of appeal to the Supreme Court, to adjudicate their claims. He discussed the matter with me from year to year. He appeared before the departments, before the committees of Congress year after year, in an effort to secure the Cherokees the right to present their claims in court. With his cooperation I introduced and secured the enactment of the first jurisdictional bill of March 19, 1924.

This was the result of 28 years of almost continuous effort of a man who has tenaciously insisted that the Cherokee Indians should have their day in court. He has impoverished himself and the members of his family and has made great financial sacrifices for a principle. Delays have been encountered in the trial of the cases in that reports have not been forthcoming as quickly as was anticipated, and as a result the suits that were filed under the original jurisdictional act of March 19, 1924, have not as yet been brought to trial.

Mr. Boudinot has cooperated in securing the enactment of much amendatory legislation, including the act of May 19, 1926, which authorized any number of suits to be brought under the original jurisdictional act of March 19, 1924, and the joint resolution of February 19, 1929, which extended the time within which these suits might be brought under the original jurisdictional act, until June 30, 1930.

Largely as a result of his efforts nine suits have been brought on behalf of the Cherokees, involving various amounts, including accountings and interest.

Subsequently I assisted in the preparation and enactment of the act of April 25, 1932, which authorized either new suits, or permitted the eastern and western Cherokee Indians to be made parties to the suits which had previously been filed in behalf of the Cherokees, in order to make sure that all the rights of the Cherokees might be tried on their merits.

In the meantime the Cherokee Indians, appreciating that Frank J. Boudinot had spent a lifetime and all his personal means in making the fight for them, met and passed a resolution to grant him additional compensation of not to exceed 5 percent for his services and expenses on behalf of the Cherokees prior to the enactment of the original jurisdictional bill.

In this connection I think I am justified in saying that I believe that former Senator Robert L. Owen, of Oklahoma, himself a Cherokee, and myself, also a member of the tribe, know more of the services of Frank J. Boudinot on behalf of the Cherokees than any other persons.

Former Senator Owen, prior to his election to the Senate, was active in Cherokee affairs, later was United States Indian agent, and finally conducted some litigation for the Cherokees, and upon the advent of statehood in Oklahoma, was elected one of the two United States Senators from that State and served the State in the Senate for 18 years. During all this time, both before and after he entered the Senate, he knew Frank J. Boudinot personally, knew of his



services to the Cherokees, and of the sacrifices he made in their behalf.

Personally I have known Mr. Boudinot all his life. He formerly lived in my home town of Tahlequah, Okla., and I have known in detail of his services in behalf of the Cherokee Indians. Both Senator Owen and I appeared before the Bureau of Indian Affairs in behalf of this legislation in behalf of Frank J. Boudinot, and Senator Owen made an earnest plea for favorable consideration of the bill. I supplemented his efforts. Later when the bill was introduced in Congress and was pending before the House and Senate Indian Committees, Senator Owen appeared before the Senate Indian Committee and urged favorable action on the rewritten bill. I appeared before both committees and before a subcommittee of the House Indian Committee, and gave the bill my unqualified approval.

The bill, as rewritten, provides that in the event any judgment or judgments should be rendered in favor of the Cherokees, the Court of Claims is directed to include in its decree allowances to Frank J. Boudinot for a reasonable percentage, not to exceed 5 percent, of such recovery.

I have never introduced a private bill in Congress which I think had more merit in it than this bill in behalf of Boudinot. Here is a man who has spent all his private means, has made great personal sacrifices, and impoverished himself and his family, tenaciously clinging to the hope that these claims on behalf of the Cherokees would be finally adjudicated. He has finally reached the end of the trail. His financial condition impedes his further progress. He has reached the age when his physical condition is weakened. No man within my knowledge or experience has so completely given his entire life to the service of an Indian tribe or group of people.

The Cherokee tribe, of which Boudinot is a member, appreciate his services and passed resolutions, which are included in the hearings, urging favorable action on this bill. A representative of the tribe, when these hearings were in progress, came from Oklahoma to Washington to renew the representations of the Cherokees and to urge favorable action on this bill.

I have had no hesitancy in earnestly pressing before the committees of the House and Senate, and on the floor of the House itself, favorable action upon this bill. If this bill becomes a law, and if and when a judgment is rendered in behalf of the Cherokees in any of the pending suits, the question of the allowance of a reasonable fee for compensation and money for expenses of Frank J. Boudinot comes before the Court of Claims for consideration, I feel safe in asserting that the court, after considering the length of time and lifetime record of Boudinot in behalf of the Cherokees, will not hesitate to grant him fair and reasonable compensation, which will meet with the approval of those familiar with every detail of his efforts in behalf of the Cherokee Indians.

COMMUNICATIONS BY WIRE AND RADIO

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. HOIDALE]. Then I shall move the previous question on the resolution.

DROUGHT SITUATION IN MIDDLE WEST

Mr. HOIDALE. Mr. Speaker, those of us who live in the drought-stricken areas of the Middle West, have had our attention nailed so intently to the suffering and distress of our people that we have almost lost sight of anything and everything else.

We have anxiously been watching the weather map upon the wall from day to day without seeing a sign of relief. Days have gone by, weeks have gone by, months have gone by, and no rain. In many sections of the West the soil has blown off the fields, filling up depressions, ditches, and piling up along fences like snow drifts.

Cattle, and other farm animals, are dying from starvation, and in some places from lack of sufficient water. A letter received this morning says that the writer has talked with a farmer from Clarkfield, Minn., who says that in that part of western Minnesota they are shooting cattle by the hundreds to keep them from starving to death.

I am just in receipt of two telegrams, which I will read:

No rain; pastures dead; crops destroyed; cattle dying from starvation; farmers broke, with no credit; local system of relief broken down; situation is of national concern; we look to the Federal Government for aid in our emergency; urge immediate generous additional appropriation to avert wholesale loss of livestock; every additional day without aid disastrous.

ART SPENCER,
Chairman Mass Meeting Farmers of Bigstone and Traverse Counties.

Drought conditions in Sibley County most serious ever known; many instances of live stock dying because feed unobtainable at any price; absolutely imperative that Government waive restrictions in corn-hog rental contracts, permitting planting of forage crops not only on uncontracted acres, but also on contracted areas without forfeiture of rental payment; we are in the toughest spot known since the county was settled, and ask that you contact Agricultural Adjustment Administration immediately and spare no effort in impressing upon them the necessity for quick action.

H. H. BONNIWELL, Jr.

These are only samples of hundreds of telegrams and letters that come in describing the situation and praying for help.

A great deal has been done by the Government, but this catastrophe has developed into such proportions that it has been impossible to adequately supply the demand for relief.

A week or two ago some of the Members of Congress, including myself, from nine States, got together for the purpose of devising ways and means of handling this situation. In the 2 weeks that have passed since we had our first meeting more than 12 additional States have been added to those that are in need of relief. The situation is as yet little understood and the consequences will reach far into the future.

Instead of working themselves out of debt, our farmers will this year, because of crop failure, be saddled with an increasing load of obligations. Taxes that cannot be paid because there is no income from the farm will add to the increasing debt burden.

Immediate relief must, of course, be provided for those in distress, but we must bear in mind that the relief that is furnished at this time to take care of hungry people and starving cattle is not going to be an adequate remedy. We must have in mind and we must act to provide help for the farmer upon a permanent basis. If this is not done, agriculture will crumble in financial ruins. I am not going to attempt this morning to set out in detail the things that should be done and must be done to help agriculture, but I do want to impress upon this Congress and upon the country the seriousness of the situation and the necessity for reaching a helping hand to our rural communities and to those who live upon the farms.

And another thing that we must immediately set about to accomplish is to provide for water conservation in order to avoid calamities of this kind in the future. It is well to take care of the situation today, but we must also have our eyes upon the future.

This drought has been creeping in upon us for many years. For years we have suffered from a decreasing supply of surface water with the result that our lakes and rivers have gone dry and our subsurface water level has been lowered to a danger point.

Let me give you some of the facts that indicate what is facing us.

When I came to western Minnesota as a boy I helped dig many a well when an abundance of water was found at a depth ranging from 14 to 25 feet. There was a good supply of moisture in the subsoil. This subsoil mixture, so necessary to production, and the subsurface water level was maintained by surface waters in the sloughs and low places which soaked into the ground and furnished a subsoil moisture that helped materially to carry crops through in dry seasons. This surface water level has now been lowered to such an extent that it is necessary to go down from 80 to over 200 feet in order to get a supply of well water. The change has been tremendous and disastrous.

Back in the eighties our farm was normally one-third under water. Our hay was cut by rimming around the low places. Now the boys play golf on the lowest part of what was then our farm.

At this very time our State is suffering terribly from the result of last summer's drought. The price of grain or other products of the farm can do the farmer no good if he cannot raise enough on his land to keep his stock from dying.

As chairman of a committee appointed to investigate what may be done to conserve water, I have just submitted a report to the full committee as follows:

What has transpired since this committee was appointed 2 weeks ago has emphasized the need for speedy and far-sighted action in efforts that must be made to increase precipitation and conserve the waters from seasonal rains and snows.

Statistics prove that the last 8 or 9 years have given to the States of the Middle West a reduced and steadily declining rainfall. Normal rainfall in the State of Minnesota, for instance, is about 26 inches. During the last 5 years our average has been slightly over 21 inches. The rainfall this year has been less than 40 percent of normal. Substantially the same conditions have prevailed in the other States of the drought-stricken section.

No problem facing our Nation today is of greater moment than this question of water. The most fertile and promising area in the great agricultural West is being converted into a semiarid region. A continuation of these conditions not only means financial and economic ruin to the Middle West, but its direful effect will be felt in the Nation at large in more ways than one. It is a threat that hangs like a dark cloud over the land.

We have had dry seasons before, but never one of such devastating severity as this.

What is the cause and what can be done about it?

No doubt we have ourselves to blame in the first instance in that we entered upon very unwise drainage operations that resulted in the dumping of our rain and snow waters into the ocean a few hours after the earth had been blessed by this moisture. When we did that we were interfering with the laws of nature. Today we view the wreckage and suffer the consequences.

It is conceded that precipitation comes from air moisture created by evaporation from surface waters. It is a compensating process continuing in an endless cycle. A desert that yields up no moisture gets nothing from above.

Not only have the surface waters of earlier days disappeared from our lakes and rivers but the moisture in our subsoil is gone and we get no evaporation from below. The subsurface water level which in former years in Minnesota stood at less than 20 feet has now fallen to 100 feet, and in many places it is necessary to go below that for water.

What is the remedy?

1. Build dams in rivers and at the outlets of lakes throwing the waters back into lakes and low places that can serve no better purpose.

2. Build water reservoirs in places that make that kind of water storage feasible.

3. Close, temporarily at least, drainage ditches and tiling.

It is understood, of course, that fair compensation must be made to landowners whose lands are appropriated for the common good.

The planting of trees and the conservation of forests must be taken into account.

This is a brief statement of the conditions that now confront us.

We need action and we need it quickly. There is no greater or better field for the expenditure of the P.W.A. money than is afforded by a sensible plan to divert and conserve waters now going to waste.

A delay of another year may be very costly. The West cannot stand another crop failure. The consequences would be too dreadful to contemplate.

We had a conference this week with Colonel Waite for the purpose of ascertaining what has been done in the way of surveys and plans along the lines here suggested. We found that some work has been done and that a report on the situation will probably be forthcoming in July. We gave to Colonel Waite the assurance that we would take an active part in bringing about quick action and that we would insist that it is imperative that work on a big scale get well under way this summer in order that we may retain such spring water as may fall next spring.

We are impressed with the thought that it is necessary to take immediate steps to arouse the public to a realization of the fact that we are facing a major calamity that must be met promptly and courageously.

A rainfall tomorrow or the next day will afford a measure of temporary relief, but we will be face to face with a calamity until we restore nature to the position which we so ruthlesaly destroyed some years ago in our eagerness to put every acre into production.

This program would cost some money, but the cost will be small compared with the money that we are now spending and will continue to spend if this situation is not remedied.

We call upon municipalities and farm organizations to join in this effort to bring water back to lands that are now parched and sterile because of lack of moisture.

This situation is serious enough so that this Congress should immediately appoint a committee to take charge of and direct efforts in connection with this drought situation. The agencies of the Government now established for different purposes seem to be so taken up and engrossed in other matters that they are not prepared to take charge of this situation. This is something that will require all the time and all the attention of one man or a body of men, and it is my opinion that arrangements should be made immediately to have this matter of water conservation given immediate and constant attention until the problem is solved.

I am calling your attention to this now in order to plead with you for your sympathy and support in such efforts as will be put forth to alleviate the most devastating drought condition from which this country has suffered in its history.

We must immediately provide enough money to furnish complete relief, but this is only patchwork. We must get down to the big question of taking care of the future.

Mr. TRUAX. Will the gentleman yield?

Mr. HOIDALE. I yield to the gentleman from Ohio.

Mr. TRUAX. The gentleman does not have to go as far west as his own State. The State of Ohio, my State, is literally burned up.

Mr. MOIDALE I know it, and so are Indiana, California, and other States.

Mr. HOEPPEL. Will the gentleman yield?

Mr. HOIDALE. I yield to the gentleman from California.

Mr. HOEPPEL. I should like to have the gentleman explain to this Congress how we are going to legislate effectively to grant relief to these people inasmuch as the proposed legislation coming to this floor Monday and all of next week comes in under a gag?

Mr. HOIDALE. The people who are in control of the gag may have some sympathy for the people of the United States, and I trust they will have.

Mr. GLOVER. Will the gentleman yield?

Mr. HOIDALE. I yield to the gentleman from Arkansas.

Mr. GLOVER. Will the gentleman give us for the benefit of the RECORD the number of States over which this drought extends?

Mr. HOIDALE. I understand some 22 or 23 at the present time.

[Here the gavel fell.]

Mr. HOIDALE. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to include a report of mine.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

REGULATION OF COMMUNICATIONS BY WIRE OR RADIO

Mr. RAYBURN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3285, with Mr. DISNEY in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. RAYBURN. Mr. Chairman, the rule provides an hour to each side for general debate. I shall certainly take a very small part of that time because I do not deem it necessary to take up very much time on this matter.

With reference specifically to the remarks of the gentleman from Pennsylvania [Mr. MCFADDEN], I may say that they do not apply in anywise to this bill, for the reason that in the House draft of the bill we do not in anywise

amend or change the Radio Act. I think it is also a fair statement to make that the bill as a whole does not change existing law, not only with reference to radio but with reference to telegraph, telephone, and cable, except in the transfer of the jurisdiction and such minor amendments as to make that transfer effective.

I think I am also justified in saying that this is a unanimous report from the Committee on Interstate and Foreign Commerce.

Mr. CULKIN. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from New York.

Mr. CULKIN. The gentleman says the existing law is substantially reenacted. Will the gentleman tell the House specifically whether section 29 is reenacted? Section 29 relates to the right of free speech by means of radio and communication and provides that no obscene language may be used.

Mr. BLAND. Will the gentleman yield?

Mr. RAYBURN. I yield to the gentleman from Virginia.

Mr. BLAND. I think a reading of title III in the bill as reported shows that this is not affected in any way, because the gentleman's committee simply transferred the powers of the Federal Radio Commission to this new Communications Commission and does not undertake in any respect to change or to modify the existing radio law.

Mr. RAYBURN. That is the statement that I made, and I felt sure I was correct. I am certainly glad to have the assurance of the gentleman from Virginia [Mr. BLAND], who knows more about radio legislation than any member of our committee.

Mr. CULKIN. May I say briefly that section 29 is of first importance and should be continued in any subsequent legislation.

Mr. RAYBURN. That is what we intended to do.

Mr. BLAND. Will the gentleman yield on that point?

Mr. RAYBURN. I yield to the gentleman from Virginia.

Mr. BLAND. I may say to the gentleman that as Chairman of the Committee on Merchant Marine, Radio, and Fisheries I believe this is the best that could be effected at this time, dealing with such a delicate article as the radio.

Mr. RAYBURN. I may say to the gentleman from Virginia that we have brought all of the elements of communication under one head. We did not set out to amend the law with reference to radio especially, a matter about which our committee knows little, because it has not handled that legislation, and we thought we were doing about as much as we might be expected to do at this time.

I shall put in the RECORD with my remarks a further explanation of some of the provisions of the bill as an extension of my remarks.

Section 1 states the purpose of the act and provides for the creation of the Federal Communications Commission.

Section 2 (a) states the application of the act to interstate and foreign communication by wire or radio and transmission of energy by radio. The Canal Zone is excepted, because all radio activities in that area are under military and naval authorities. The Philippine Islands are excepted because their distance from the United States makes it inadvisable for a commission in the United States to try to regulate interference in the Philippines. The present laws governing communications do not apply to either the Canal Zone or the Philippines.

Section 2 (b) exempts from most of the provisions of the act small independent telephone companies whose only interstate business is through physical connection with a nonaffiliated company. The sections to which such independent companies are subjected are those providing for the regulation of rates and prohibiting unjust discrimination in interstate and foreign service.

Section 3 contains definitions taken largely from existing law and international conventions.

Section 4 provides for a bipartisan seven-man commission serving 7-year terms. In paragraph (f) the commission is authorized to appoint certain general officers without regard to the civil-service laws or the Classification Act of 1923. By paragraph (k) the commission is directed to make a special report not later than February 1, 1935, recommending such amendments to the act as it deems desirable in the public interest.

Section 5, authorizing the commission to organize itself into not more than three divisions, follows section 17 of the Interstate Commerce Act. The full commission has the right to review decisions of a division, but such review lies within the discretion of the commission and is not mandatory.

TITLE II. COMMON CARRIERS

Section 201 (a) is based upon section 1 (4) of the Interstate Commerce Act which relates only to transportation. It establishes the duty of common carriers to furnish communication service upon reasonable request; and requires them where ordered by the commission after a hearing to establish physical connections with other carriers and to establish through routes and charges.

Section 201 (b) provides that charges, practices, classifications, and regulations in connection with such interstate and foreign communication service shall be just and reasonable. It is based upon the Interstate Commerce Act, section 1 (5) and (6), which mentions only charges in connection with communications. The types of messages listed in the classification are taken from the Interstate Commerce Act. The proviso permits carriers subject to the act to enter into or operate under contracts with other common carriers for the exchange of services if the Commission is of the opinion that such contract is not contrary to the public interest. The proviso differs from the present law in that it applies to existing contracts and makes such contracts subject to the jurisdiction of the commission, whereas under present law the commission has no jurisdiction of the contracts. The usual type of contract contemplated is that by which the telegraph companies furnish message service to railroads in return for transportation of men and materials and perhaps for rights-of-way.

Section 202 (a), based upon sections 2 and 3 (1) of the Interstate Commerce Act, forbids unjust and unreasonable discriminations. The present law is followed, and there can be no doubt that reasonable classifications are permitted. This is the section against which some newspapers and stock-exchange firms are protesting because of a possible restriction of leased wires. Their protests are really based upon amendments which Postal Telegraph suggested to the section, which amendments were not adopted by the committee. There is no ground for fear that the law will not recognize existing classes of service.

Section 202 (b) is a new provision designed to make doubly sure that charges for wires in connection with chain broadcasting are within the jurisdiction of the commission.

Section 202 (c) is a penal provision which will apply to those small independent companies made subject to sections 201–205, inclusive, but exempted from the other provisions of the act under section 2 (b).

Section 203, regarding the filing of schedules of charges, is based upon section 6 of the Interstate Commerce Act, which relates only to transportation. It is clear that the commission must have information as to the charges made by the carriers if it is to regulate rates.

Section 204 providing for hearing as to the lawfulness of new charges and for the suspension of such new charges for 3 months in proper case is based upon section 15 (7) of the Interstate Commerce Act, which relates to transportation only. It is an essential power if rates are to be regulated. It did not apply to communications in the Interstate Commerce Act because that act did not require the filing of schedules of charges and therefore the Commission had no information as to the new rates upon which to call for a hearing or to base a suspension.

Section 205, authorizing the commission to prescribe just and reasonable charges and to fix maximum and minimum charges, is taken over from section 15 (1) of the Interstate Commerce Act without important change.

Section 206, covering liability of carriers for damages, is based on section 8 of the Interstate Commerce Act.

Section 207, dealing with recovery of damages, is based upon section 9 of the Interstate Commerce Act.

Section 208, relating to complaints to the commission, is based upon section 13 (1) and (2) of the Interstate Commerce Act.

Section 209, relating to orders for payment of money, is based upon section 16 (1) of the Interstate Commerce Act.

Section 210, relating to franks and passes, is based upon section 1 (7) of the Interstate Commerce Act. It carries over existing law permitting communication companies to exchange franks for messages and to exchange such franks with railroads for passes.

Section 211 (a), requiring common carriers to file with the commission copies of their contracts with other common carriers, is taken from section 16 (5) of the Interstate Commerce Act. Section 211 (b) authorizes the commission to require the filing of other contracts of any carrier, but permits it to waive the filing of minor contracts. This new provision is desirable to enable the commission to determine whether any such contracts are designed to enable carriers to escape the effects of the law.

Section 212, relating to interlocking directorates and to the dealing by officials in securities of their companies, is based upon section 20 (a) (12) of the Interstate Commerce Act, relating only to transportation.

Section 213, relating to the valuation of carrier property, differs from section 19 (a) of the Interstate Commerce Act in that valuation is made permissive instead of mandatory and the commission is left wider discretion as to the method of valuation to be employed.

Paragraph (e) is taken from the Emergency Railroad Transportation Act of 1933 and requires the commission to keep itself informed of new construction and improvements. The Interstate Commerce Commission has made considerable progress in the valuation of telegraph companies. Paragraph (g) permits it to complete such valuations if requested to do so by the communications commission.

Section 214, relating to extension of lines, is based upon section 1 (18) to (24) of the Interstate Commerce Act, which relates only to transportation. It requires a certificate of public convenience and necessity from the Commission for the construction of a new interstate line but permits the construction of local lines and the supplementing of existing lines without such certificate. The section is designed to prevent useless duplication of facilities, with consequent higher charges upon the users of the service.

Section 215 directs the commission to make three separate studies and to report its findings to Congress, with recommendations for any additional legislation which may be found to be needed.

First. Paragraph (a) directs an examination into transactions relating to the furnishing of equipment, supplies, research, services, finances, credit, or personnel which may affect charges or services. It is designed particularly to develop the facts with respect to intercompany transactions and to the relation of holding companies to operating companies. State regulation of communication companies has been greatly handicapped because the State commissions have been unable to get information of the type which the commission is here directed to obtain.

Second. Paragraph (b) directs the commission to investigate the methods by which and the extent to which the telephone companies are furnishing telegraph service and vice versa. The telegraph companies have complained bitterly that they are being subjected to unfair competition through the entry of the telephone company into the telegraph field using its byproduct facilities. It is contended that the telephone company is taking the cream of the telegraph business without assuming common-carrier telegraph obligations, and that its tactics have seriously handicapped the telegraph companies. The commission is directed to find the facts in the matter.

Third. By paragraph (c) the commission is directed to examine into the so-called "exclusive contracts" by which one telegraph company keeps another from competing for public business in public places such as railroad stations and hotels. Such contracts have been objected to on the ground that they operate as a restraint of competition in the face of the congressional mandate that the telegraph business be competitive.

Section 216, relating to the application of the act to receivers and trustees, follows the Interstate Commerce Act.

Section 217, relating to the liability of carriers for acts and omissions of agents, follows the Interstate Commerce Act.

Section 218 follows section 12 (1) of the Interstate Commerce Act in authorizing the commission to make inquiry into the management of business of carriers subject to the act. It contains a new provision directing the Commission to keep itself informed of technical developments and improvements in order that the commission may be able effectively to regulate communications. Another new provision authorizes the commission to obtain from holding and affiliated companies information necessary to enable the commission to carry out its duties.

Section 219 providing for annual and other reports is based upon section 20 (1) of the Interstate Commerce Act. It adds new provisions authorizing the commission to require such reports from holding and associated companies and providing that reports shall show the amount and privileges of each class of stock and the names of the 30 largest holders of each class of stock and the amount held by each.

Section 20, paragraphs (a) to (g), relating to accounts records, memoranda, and depreciation, is based upon section 20 (5) to (8) of the Interstate Commerce Act with changes necessary to permit State commissions to prescribe the systems of accounts for the intrastate operation of carriers. Paragraphs (h) to (j) are new. Paragraph (h) authorizes the commission to classify carriers and to except the carriers of particular classes in any State from the requirements of the section where the State commission regulates accounts or depreciation for the particular class of carriers. Paragraph (i) requires the commission to consult the State commissions before prescribing new systems of accounts and paragraph (j) removes any limitation upon the power of a State commission to prescribe, for the purposes of the exercise of its jurisdiction, rates of depreciation. The last three paragraphs named were placed in the bill at the request of the State commissions which feel that their task of regulating intrastate communications will be greatly facilitated by the adoption of these paragraphs.

Section 221 (a), providing the procedure for the consolidation of telephone companies, closely follows section 5 (18) of the Interstate Commerce Act. Paragraph (b) leaves local exchange service to local regulation even where a portion of such local exchange service constitutes interstate communications. It is designed to cover cases of cities located within two States, as Texarkana.

Paragraphs (c) and (d) authorize the commission, in making valuations of telephone property, to value only that part of the property used in interstate or foreign telephone toll service.

TITLE III. PROVISIONS RELATING TO RADIO

Section 301 abolishes the Federal Radio Commission and transfers its functions and powers to the new Commission.

TITLE IV. PROCEDURAL AND ADMINISTRATIVE PROVISIONS

Section 401, relating to jurisdiction to enforce the act and orders of the commission, follows sections 20 (9) and 16 (12) of the Interstate Commerce Act.

Section 402, relating to the application of the district court jurisdiction acts, adapts the procedure now applicable to orders of the Interstate Commerce Commission. Inasmuch as the Radio Act of 1927 is not amended by the present bill, the procedure applicable to appeals in matters now coming under that act will continue to be as provided in the Radio Act of 1927. Thus, the review of orders affecting the common-carrier aspects of the commission's jurisdiction will be by the district courts, while that of the radio orders will be by the Court of Appeals of the District of Columbia.

The remaining provisions of the bill are believed to be sufficiently explained in the committee report.

I think it would be enlightening to the Members of the House if in their study of this communications problem

they would read the report made to the Committee on Interstate and Foreign Commerce of the House by Dr. Splawn, our special counsel, on the question of communications, in which he sets out very fully the whole financial and physical set-up of all communications and makes some recommendations that we did not carry into this bill, for the reason we thought it was a wise thing to do to allow this new commission to study these matters in the future and, based upon that report, bring in such recommendations for new legislation as they deem necessary and proper.

Mr. HOPE. Is the report which the gentleman mentions available to the Members of the House?

Mr. RAYBURN. Yes; it was made some time ago. The first volume was published 5 or 6 weeks ago, and the second volume came out just a day or two ago.

It may be of interest to the House if for just a moment I take the time to explain something about the size and scope of communications in the country.

In the telephone field there are 88,303,231 miles of wire; in telegraph and cable there are 2,336,976 miles of telegraph and cable wire; and power lines are estimated at 200,000 miles.

The capitalization of the telephone is $6,025,678,634; telegraph and cable, $349,542,130; and power—and this is an estimate—$15,000,000,000.

In plant and equipment, the telephone has $4,660,662,997; telegraph and cable, $465,639,421; and in comparison with the railroads, the investments of railroads in plant and equipment is estimated at $26,036,990,995. The capitalization of the railroads is $29,129,250,000.

In the telephone field the average per capita revenue amounts to $8.41 to each person—man, woman, and child—in the United States. In the telegraph and cable field, 88 cents; electric service, $15.82; and in railroad freight, $19.91.

The dividends in these industries for 1932 were about as follows:

In the telephone field $340,000,000; in the telegraph field, $2,500,000; and in the radio communication about one-third of $1,000,000. The estimated number of radio sets in the United States is 16,500,000.

The number of employees is about as follows:

In the telephone field there are 300,000 employees, or 80 percent of all the employees in the communications field; and in the telegraph 65,000, or 15 percent; and in radio about 22,000, or 5 percent.

The telephone companies have sixteen and two-thirds million telephones and 11,000 central offices; the telegraph, 26,000 central offices; and the radio broadcasting is estimated to have 50,000,000 listeners.

The extent of the use of these facilities is about as follows:

In the telephone field it is estimated that per year there are 28,000,000,000 conversations, or 222 per capita. In the telegraph field there are 127,000,000 messages sent per annum, and in radio 2,500,000 messages.

The age of these industries is about as follows:

Telephone, 58 years; telegraph, about 82 years; and the radio had its inception about 38 years ago.

The competition in the industry will run about as follows:

Telephone: American Telephone & Telegraph Co., 95 percent of the business; 100 independent companies, 5 percent of the business.

In the telegraph field: The Western Union, 75 percent; the Postal, 24 percent; and the independents, 1 percent.

In telephone service the American Telephone & Telegraph is practically a monopoly. At present and for several years past American Telephone & Telegraph has paid dividends at the rate of $9 per year.

The things we expect this commission to consider, among others, are these:

There has been great complaint about excessive depreciation charges in these fields. There has been great complaint about so-called "watered stock." There has been no complete regulation of security issues in these fields as there has been since 1920 in the railroad field. They should study this question and make some recommendation to Congress as to further need for regulation along these lines.

These public utilities have been practically a monopoly for quite a long time. There has been no national planning in this field.

Some of the few reasons for the bill are as follows: We think that we ought to bring the regulation of all these communications under one authority.

Today we have the telegraph and telephone and cable, with control and regulation by the Interstate Commerce Commission, but the Interstate Commerce Commission in all these years has had the great question of the transportation of the railroads to handle, and they have devoted very little time to any sort of regulation of the telegraph and telephone and cable. There is no hope in the future that they will have more time to devote to it than they have had in the past.

Also, the Post Office has some telegraph jurisdiction and, of course, the Radio Commission has the radio.

The State Department has jurisdiction over cable landings, and the Army and Navy have some radio and telegraph facilities. It is not our intention to take away from the Army or the Navy their small control which they have over radio and telegraph, because we think it would be unwise.

As to the Interior Department, the only control they have is in the public parks of the country, and we think that should remain there. And by and large we think, as the President stated in his message, and by common consent, all these instrumentalities should be brought into this one body.

We are forming a new commission and we are abolishing the existing Commission. The Radio Commission at the present time has a membership of five. We provide that the new commission shall have a membership of seven, and for a very good reason. We anticipate a division of two members for the radio, with the chairman of the commission as a third; we anticipate a division for the telephone of two members, with the chairman of the commission as a third; and we anticipate a division of two for the telegraph, with the chairman as a third. The Senate provided a commission of five and made a division for the telephone and telegraph and one for radio. We believe—and the membership of the House committee believes—that into the telephone and telegraph field at the present time in their breadth and in principle and set-up we should bring some kind of real control, and that there ought to be a division of the telephone and a division of the telegraph. The influential thing about that was that Dr. Splawn, who made the investigation, said that the telephone and telegraph should have a separate division each, and that they will have plenty of business.

Mr. SNELL. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. SNELL. Is there anything in the bill that in any way interferes with the telephone companies in favor of the telegraph companies?

Mr. RAYBURN. Not unless it is in the present law. We did not change it.

Mr. SNELL. No change in the present law?

Mr. RAYBURN. We transfer the jurisdiction to the new commission, and the only amendment as to the telegraph and telephone companies is to make effective their transfer.

Mr. MEAD. Will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. MEAD. The Senate provided for a certain fixed percentage of radiobroadcasting. Is there any provision in the House bill of that kind?

Mr. RAYBURN. No.

Mr. MEAD. What is the gentleman's idea?

Mr. RAYBURN. We had up what is known as the "Father Harney amendment", that came to us in the House as it did in the Senate. That provided for the allocation of 25 percent of all the time to religious, educational, and, though I do not believe they used the word "uplift", yet they used a word that corresponds to it. If we begin to take away from the Radio Commission its authority to

allocate, we would be in the same position that the Congress would be in if, after giving to the Interstate Commerce Commission its function of regulating railroads and fixing the rates, we would then start out to introduce and pass measures to revise the rate structure. In that way we would probably get into a lot of trouble. Our thought—at least, my thought—was this: If 25 percent should be allocated, or the allocation of it taken away from the Radio Commission, why not take away 30 percent or 40 percent or 100 percent? Also, if you allocate 25 percent to education and religion, then what difficulty is the Radio Commission going to have in dividing that 25 percent between Catholic, Jew, Protestant, and other sects, and also between what colleges, where located, and what else might be supposed to be taken into consideration for morals, education, and uplift? Our committee took that position, and we believe it is a wise one.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. BLAND. Would not an attempt by the committee or by anyone to make this change so involve the broadcasting structure all over the United States that it would have to be studied carefully by some other commission in order to arrive at some equitable solution of the problem?

Mr. RAYBURN. Yes; and if we do this, then it will practically amount to a revocation of every broadcasting license in the United States, because they must all be revised.

Mr. MEAD. If the gentleman will permit, the first proposal in the Senate specifically allocated 25 percent. That was amended, however, and the provision in the Senate bill merely refers the entire matter to the commission for study.

Mr. RAYBURN. That is a matter that will be in conference.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MARTIN of Colorado. To ask the gentleman from Texas if he would indicate the possible reaction of the other body to the action of his committee in eliminating title III, the special radio provisions, and preserving the existing radio law.

Mr. RAYBURN. I could not do it. The committee of which Senator DILL is chairman, and of which Senator COUZENS was formerly chairman for a while, studied radio, had long hearings, as I understand it, and I think the gentleman from Virginia [Mr. BLAND] will bear me out, that they reported a rather far-reaching bill during the last session of Congress.

Mr. BLAND. Yes.

Mr. RAYBURN. It did not pass. They wanted to incorporate some of it as a provision of this law. I do not know what position the House committee would take. We did not think we should go into a revision of the radio law, and I think personally it is much better to go ahead and formulate this commission and let them study all these questions and make their recommendations in the light of their study.

Mr. MARTIN of Colorado. The reason I asked the question is that it has been brought to my attention that some of the small operators are very much concerned over title III of the act as it appears in the Senate bill.

Mr. RAYBURN. I know they are; but we did not want to go into that, and in writing our amendment we have left title III out.

Mr. BLAND. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. BLAND. I notice there is a section here that deals with procedural and administrative matters. Do the provisions of this bill materially alter the procedural provisions of the existing radio legislation?

Mr. RAYBURN. Io do not think so. I know they do not as far as the administration under the Interstate Commerce Act is concerned. We did not intend to do that.

Mr. DIRKSEN. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. DIRKSEN. I understand that some of the stations are now over their quota in their assignment of radio units. Is it the implication of the bill that if the Commission should so find and seek a more equitable distribution to put arbitrarily some of the private radio stations out of business? It would be almost necessary to do that.

Mr. RAYBURN. That is a matter in the hands of the Commission, because whatever power the Commission has now this new commission will have in the administration of the law.

Mr. DIRKSEN. Was that question raised in the course of the deliberations of the committee?

Mr. RAYBURN. All those questions were raised, and we decided to leave them out by leaving the Radio Act as it is at the present time.

Mr. MILLIGAN. Mr. Chairman, will the gentleman yield?

Mr. RAYBURN. Yes.

Mr. MILLIGAN. Under the present Radio Act they can reallocate them. They grant a license for only 6 months.

Mr. RAYBURN. Yes.

Mr. BLAND. The only possibility which I can see is in the procedural provisions.

Mr. RAYBURN. We did not intend to do that.

Mr. MILLIGAN. As I understand it, the same procedure is retained for the Radio Commission in this new commission.

Mr. RAYBURN. That is my impression also. I thank the Members of the House for their attention. [Applause.]

Mr. MAPES. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MERRITT].

Mr. MERRITT. Mr. Chairman, I have nothing of great importance to add to what the chairman has said. I agree substantially with what he has said.

I approached this question with considerable prejudice against the formation of any new commissions, but I found that the control of the telegraph and telephone, which is now under the Interstate Commerce Act, had not received very much attention, because, as the chairman has said, the Interstate Commerce Commission was entirely occupied with railway communication. Several things of interest have developed in the course of the examination of this question. In the first place, with regard to the very important matter of telephone communication, it developed that some 97½ or 98 percent of all telephone communication is intrastate, which this bill does not affect.

At one of our first hearings we had before us the State commissioners, to see what their attitude was. Their attitude in general was that they needed this bill to help them to do their own intrastate duties well. In the course of that examination I asked the men who represented the State commissioners whether, as far as they knew, there was any nation in the world that had as efficient telephone service as the United States. They all said, "No." Then I said, "Is there any particular criticism as to the rates for the 2½ percent of communication which is interstate?" They said, "No." Then it occurred to me that if that is so, if we have the best service and the interstate rates are not to be criticized, what is the use of doing anything about it? It developed as the hearings went on that by reason of improvements and inventions and the mechanical part of the service, telephone and telegraph and radio are becoming more and more interconnected, so that it is hardly possible to regulate one without regulating the other. I think, however, that the House should feel as I do, that it is very much to the credit of the men who founded and who have developed the great telephone system in this country, that they have done it on such absolutely sound, honest, and conservative lines.

It may interest the Members of this House to know that not only is there no "water" in the capitalization of the telephone companies but that the company has received $114 for every $100 share of stock, so there is no "water" in the company. As the State commissioners have said, in

general there has been no complaint of the rates and no complaint of the service.

I do not know so much about the telegraph companies, but I believe the capitalization of those companies is sound. I know still less as to radio. Of course, there has been great talk as to "water" and supersalesmanship of radio stock. I should have been glad if this legislation had confined itself to setting up a committee to investigate and report; but as to radio, that is exactly what this act does. All legislation about radio is found in section 301, which provides that the Federal Radio Commission is hereby abolished, and all the duties, powers, and functions of the Federal Radio Commission under the Radio Act of 1927, as amended, or under any other provision of law, are hereby imposed upon and vested in the new commission. That is the only thing that is in this bill about the power over radio.

As to the other parts of the bill, with regard to the remarks of the gentleman from Pennsylvania, you will find in section 215 and in section 202 very specific provisions against any discrimination in service or in charges. Of course, it is not possible, with human imperfections, to form any commission which may not do unfair things, but in a Government of this sort, covering such a great extent and such enormous range of matters, I do not see any other solution if any services are to be regulated except to form a commission of this sort and gradually make rules and regulations from experience. As the chairman has said, it is much safer to give this commission the power to do that than to attempt, with what little knowledge we have, to lay down a code which will cover all sorts of conditions and all sorts of individual practices. We found that out in the N.I.R.A. All that any regulatory body can safely do is to lay down a set of general principles and allow the parties who are doing the work to formulate the details as to carrying out those principles.

Mr. FULMER. Will the gentleman yield right there?

Mr. MERRITT. I yield.

Mr. FULMER. Does this bill give the new commission any more power over the regulation of radio than the present Radio Commission has?

Mr. MERRITT. It does not.

Mr. FULMER. Is it not a fact that about all this bill hopes to accomplish is to transfer the activities of the Radio Commission and certain jurisdiction on the part of the Post Office Department and the Interstate Commerce Commission to this new commission?

Mr. MERRITT. That is right.

Mr. FULMER. May I ask the gentleman a further question? Is it not a fact, from the testimony that was given before your committee, and especially the testimony of Dr. Strawn, that the main thing is that a thorough investigation should be made of the radio corporations at this time?

Mr. MERRITT. That is right.

Mr. FULMER. I will say that I introduced a resolution at the beginning of the session; and from all the information I have, it would go to show that a thorough investigation should be made; but apparently the Department of Commerce recommended this bill to get away from an investigation.

Mr. MERRITT. There is a provision in this bill that the commission shall report by January 1935.

Mr. FULMER. That investigation will be made by the new commission?

Mr. MERRITT. That investigation will be made by the new commission; yes, sir. Of course, the advantage of that is that the commission can make a report, Congress can act as its wisdom counsels it to act, and then that same commission, knowing all the facts, can carry it out better than if they were not already acquainted with the subject matter. I think it is good business, because, just like the Interstate Commerce Commission, they act on their judgment, and the Congress on its judgment, and the combined wisdom of the two bodies will result in better regulation than if they were independent.

Mr. FULMER. Is it not a fact that the present Radio Commission is of that opinion at this time, but they are not interfering with radio operation?

Mr. MERRITT. I think the difference is that this new commission will have acquaintance not only with radio but also with the telegraph and telephone; they will all work together.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MERRITT. I yield.

Mr. PATMAN. The gentleman called our attention to section 215 relating to uniform charges for the same service. Does the gentleman have any knowledge of telephone companies giving free privileges to use the long-distance telephone to certain people in the country; in other words, giving them the franking privilege over their long-distance lines?

Mr. MERRITT. I do not know whether they do or not.

Mr. PATMAN. Does not the gentleman know that that has been done in the past?

Mr. MERRITT. I assume that is true of every company, especially in regard to its employees.

Mr. PATMAN. And if this law is enacted that practice would be prohibited.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman, I assume from the fact this bill was reported out unanimously by the Committee on Interstate and Foreign Commerce that the bill must be meritorious and that it merely transfers powers that are already authorized to one separate commission. I, therefore, do not propose to take much time in discussing the merits of the proposals before us; and I do not assume to know very much about it except the general purpose of the legislation.

I admit that I am somewhat worried over the fact that the Democratic administration finds it necessary to employ hundreds of publicity agents to support the socialistic policies of the administration and the policies of the President and of the Democratic Party.

Four or five years ago some of us on the minority side thought that President Hoover knew something about publicity. He probably was the best publicity manager that we had ever had as President of the United States up to that time, but President Hoover was a mere piker compared to this administration, which has completely outclassed him. There are literally hundreds of paid publicity agents throughout the United States receiving substantial salaries. I venture to say that there are over a hundred who receive salaries in excess of $3,000, a very large proportion of them former members of the press—intelligent, likeable, and competent. Go to any department of the Government, small or large, or to any bureau of the Government, and you will find a publicity agent. They are frank and open about it; you will find the title right on the door. It may not always be "publicity agent", for they have various terms; it may be "director of publicity", "agent of publicity", "director of bureau of information", "public-relations division", and so on. Then there are hundreds of people employed at Government expense who clip newspaper articles and who mimeograph publicity articles. The result is that we are in the midst of a government of propaganda, by propaganda and ballyhoo, largely for the Democratic Party at the expense of the taxpayers of America. I think that fair-minded Democrats must sympathize with the Republicans who have not even got a look in. We have not got a chance at all. The only rights we have are once in a while to take the floor of the House of Representatives when there are about a score of Members present and express our views. Until recently it has been very difficult to get on the radio. A year ago Republicans could not get on the radio anywhere, but I imagine they feel they can be generous with the Republicans now because they keep adding to their publicity agents every time a Republican talks on the radio. So they can afford to let one or two of us

speak now and then and develop an excuse for some more jobs for deserving Democrats to handle publicity.

I think it is unfortunate that the radio is controlled by the administration or terrorized by the administration to the extent that the policies of the administration literally burn up the radio time day and night.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. BROWN of Kentucky. Possibly the reason they will not let you Republicans talk on the radio is for fear you might start a filibuster.

Mr. FISH. No; they are afraid we will convert the country; and they are in with the Democrats, as the Democrats are in power. But you will have the same experience we have had. We have been in power for many years, and all the big interests try to exploit the party in power. They are like barnacles on a ship, they will grab hold of you just as they grabbed hold of us in the past. They will not let go as long as you are in power.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield for a brief question.

Mr. TRUAX. The gentleman spoke about the number of publicity agents in this administration. The lesser number in the Hoover administration is probably accounted for by the fact that the Hoover administration had nothing to publicize.

Mr. FISH. Well, for several years they did not need any publicity as the Democrats do today to take care of the socialistic doctrines of the new deal.

Permit me, Mr. Chairman, to say to the "Senator" from Ohio [laughter] that you may have fooled the people this year with the depreciated dollar; but when you increase the cost of living another 25 percent and give them a 50-cent dollar, then you will need all the help you can get from the radio. It is all right now, because some of them think you are just soaking the rich; but when the time comes that they realize they are getting soaked too, then look out. You will have need of every publicity agent you now have and a lot more besides, hundreds of them, to make this new deal go over and make the consumer and American wage earner think they are getting somewhere when they pay for a 50-percent increase in cost of living with a 50-cent dollar.

I hold in my hand a clipping from a magazine. I do not want to do an injustice to the Democratic Party, of course. [Laughter.] I would not think of that for a moment, nor would I interfere with your publicity agents or other deserving Democrats. But here is an article published in the American Political Science Review of October 1933, entitled "American Government and Politics."

It is entitled "Campaign Funds in a Depression Year", by Louise Overacker, of Wellesley College, and reads as follows:

> The Democratic records show a curious situation so far as radio expenses are concerned. During the campaign itself, only $182,451 was spent for this purpose; but the list of unpaid obligations filed at the end of the year showed $160,964 outstanding in radio bills, more than $100,000 of which was owed to the National Broadcasting Co. Almost all of these debts remained unpaid on May 31, 1933. * * * Such a situation is certainly unhealthy and gives rise to the suspicion that there may have been some kind of understanding between the Democratic National Committee and the radio companies.

I do not want to make specific charges on a matter of this kind. I assume, of course, all Democrats are honest, but what commitments were made during the campaign by party managers and whether any promises were indirectly made to radio corporations I am not able to prove. At the same time, it does look as if something were wrong if these bills have not been paid. They ought to be paid in fairness to yourselves and your own party and to the country.

I should like to propose an amendment, or I should like to have some Democrat propose it instead, that no public official or member of his family shall be paid any money for speaking over the radio. There is no reason in the world why the secretary to the President, Mr. Howe, should receive $900 for making a radio speech that is not worth 9 cents.

Mr. HEALEY. How is the gentleman going to prevent it?

Mr. FISH. All you have to do is to write into the law a definite prohibition that no public official or member of his family shall receive any money for speaking over the radio.

Mr. HEALEY. Or any other place.

Mr. FISH. That applies to both Republicans and Democrats, because we expect to be in power in 1936.

Mr. BLAND. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from Virginia.

Mr. BLAND. The gentleman said, as I understand him, that in the campaign the Republicans were unable to get time over the radio.

Mr. FISH. No; I did not make that statement. We pay for our time. I think the Republicans paid the bills for their time in the last Presidential campaign. A year ago some of us Republicans could not get time, but today a few of us can.

Mr. BLAND. May I call the gentleman's attention to the specific provision that equal facilities shall be given to all candidates and parties.

Mr. FISH. During the campaign we paid for our time.

Mr. BLOOM. Will the gentleman yield?

Mr. FISH. I yield to the gentleman from New York.

Mr. BLOOM. In reading this clipping, there is no mention that the Democratic National Committee owes this money or any part of it.

Mr. FISH. Oh, yes, there is.

Mr. BLOOM. I beg the gentleman's pardon. I have read the article over very carefully.

Mr. FISH. As of May 31, all of those debts remained unpaid.

Mr. BLOOM. It does not say by whom?

Mr. FISH. It is by the Democratic National Committee. You read the paper, and then we will discuss that matter later. There is no dispute about that proposition, and I am not going to quibble with the gentleman.

I want to show you Democrats how far you have gone on this publicity question. I do not know how far you are going, but you are away ahead of anything the Republicans ever thought of. Here is a new wrinkle in the T.V.A.

Mr. BLOOM. What is the T.V.A.?

Mr. FISH. The Tennessee Valley Authority. It is that socialistic venture down in Tennessee. The gentleman will know more about it when he pays his bills next year.

> Indeed, it was the T.V.A. which devised a new wrinkle in the promotion and propaganda field when it entered into a 4-months' contract with a leading advertising agency of New York City, which was announced by Director E. Lilienthal on April 28.

Mr. RAYBURN. I am not going to raise a point of order at this time, but I shall after this. The discussion and debate is supposed to be and must be under the rule confined to the bill. I would appreciate it very much if the gentleman would confine himself to the bill, because I do not want to let him run along and then have to object to someone else.

Mr. FISH. This article merely goes on to say:

> This is the first time a department of the Federal Government has retained an advertising and merchandising agency for consulting services. The cost is $10,000.

It is just a sample to what extent the Democratic administration has gone to waste public funds and to use propaganda to support the gradual loss of confidence in the socialistic features of the new deal.

Mr. BLOOM. He is from the gentleman's district.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MALONEY].

Mr. MALONEY of Connecticut. Mr. Chairman, I have no special desire to speak at length on this bill today. My natural inclination is to bow to the superior wisdom and experience of our very able and courageous chairman; but I had been hopeful that those who were chiefly responsible for amendments which were offered to this bill on the other side of the Capitol would be afforded an opportunity to make some reference to them in the debate here today. Because they are unavoidably absent, I feel obliged to make some particular reference to one suggested amendment already very briefly discussed.

Those of you who have read the Senate bill know that provision is made therein for a study of the allocation of radio time, which would properly take care of education, religion, agriculture, and labor.

I have not yet heard any serious reason why the Radio Commission, or the new organization which will administer this bill, should not make such a study or should not have authority to reallocate time to those all-important groups and institutions. Of course, every Member of the Congress knows that these particular groups represent the very cornerstone of our Government, and that education, religion, labor, and agriculture should be afforded a proper time to tell their story, and to spread their advantages over the radio broadcasting systems of this country.

During committee consideration of this bill I offered a more modified amendment than had been proposed. I was particularly prompted to do that by the very able presentation of Father Harney, and partially prompted by the interest of many Members of the Congress in some such addition to this bill.

I am not going to offer an amendment now. I choose to go along with the majority of my committee, which has perhaps wisely decided that this is not the time nor the place to offer this amendment. I continue to be hopeful, however, that if the bill is passed in its present form, without amendment by the House, that the conferees will give further careful consideration to that part of the Senate bill. I would like to take these few minutes more of your time to express the hope on my part, and I am sure on the part of many others, that those who will administer this law will be particularly careful of radio, and not permit it to fall into the careless ways of the motion-picture industry. Most of us are hopeful that there will not be built up the tyranny that exists in the motion-picture field, which allows certain producers to ride roughshod over the interests of independent theater owners and a great majority of the careful and clean-thinking people. I have no such fear, but I think I would be a little bit remiss if I did not express my feeling and give what I think is the principal reason why the people concerned with this amendment want this subject further considered.

I know that the great majority of radio-broadcasting companies—and I am certain more than a majority of those representing the great networks—are determined to give these groups a fair allotment of time and proper representation; but there has been evidence of real selfishness on the part of one group, and that particular selfishness is what prompted these proposed amendments; that selfishness is what prompted this particular portion of the Senate bill. These people have now within their own hands a means of correction. [Applause.]

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, I rise for the purpose of submitting to the House an editorial written by John Borg, editor and publisher of the Bergen Evening Record.

The editorial, entitled "The New Deal Critics Forget to Remember", appeared in that newspaper published at Hackensack, N.J., Thursday, May 31, 1934. It is probably the finest editorial yet written on the phases of our national recovery. Accordingly, it deserves the thoughtful consideration of every Member of this House.

In presenting Mr. Borg's editorial, permit me to pay tribute to his high character, his marked ability, and his record of useful service in promoting the cause of good government. A Republican, he has always risen above partisan politics; and, not without sacrifices, he has faithfully and unswervingly dedicated the columns of his newspaper to the service of that great majority of unorganized taxpayers which constitutes the backbone of Bergen County, N.J. His influence, nevertheless, is not limited or confined to Bergen County, for his ability and energy, which have been combined in him for the promotion of the public welfare, are felt and appreciated widely in the State and Nation.

[From the Bergen Evening Record, Thursday, May 31, 1934]

NEW DEAL CRITICS FORGET TO REMEMBER

If intelligent critics of the National Industrial Recovery Act would realize that the Nation is confronted, not by a depression, but by an era of drastic economic readjustment, they would probably commend rather than condemn the fundamental principles of the new deal.

There have doubtless been many errors of omission and commission. It would be surprising if the reverse were true. The problems which harassed the United States last year were without precedent in our national experience. Necessarily we were compelled to embark on an uncharted economic sea to reach the harbor of sane solution.

Our debts—private, corporate, and public—exceeded the Nation's total wealth for the first time in our history. We were collectively insolvent. Commodity prices had to be raised in an attempt to increase the capital values dependent on them. That was surely a meritorious effort to restore our national solvency, to enable private as well as public debtors to meet their just obligations, and to prevent complete economic collapse with its attendant possibilities for the collapse of our civilization itself.

Such an end justified the employment of every means at the Government's command to prevent it. Out of that travail was born N.R.A., which socialized the world's greatest capitalistic nation, figuratively, overnight.

Ten million unemployed had to be fed, clothed, and housed; property rights had to be subordinated to human needs; concentrated wealth had to be redistributed; wages and salaries had to be raised to increase the ability of the masses to consume our unsalable agricultural and industrial products; and, above all, a revolution with all its attendant bloodshed and social intolerances had to be averted.

Instead, therefore, of damning N.R.A. and all its works, the conservatives of America ought to be supporting it, at least in principle. It enabled them to salvage many of the advantages and comforts of the old individualistic system, whereas without its orderly control of the crisis they might have lost everything, including something more precious to them than individual wealth.

Despite its minor frailties and faults, the fundamental principles of N.R.A. are still vital to the reconstruction program, now merely in its initial stages. The Nation is not going to be socialized—it already has been.

Our great middle class, constituting 95 percent of the country's population, is equally impatient of its 1 percent of millionaires and its 4 percent of bums who wouldn't work if they could. The chaos of early 1933 compelled a new deal; they got it, and are now experiencing its first stages. To imagine that they would permit its essential benefits to be scrapped without a fight is self-delusive. It will, therefore, probably be strengthened instead of weakened as its logical sequences are developed by trial and error.

An ultimate possibility is that corporation executives, excluding those who risk their own capital by owning actual control of their enterprises, may be restricted in the emoluments of their positions. Practically all corporations whose stocks are listed on our exchanges are owned by the public and not by the directors and officers who manage them by the grace of stockholders' proxies. To that extent they are therefore quasi-public corporations and might be legally classified as such.

The principle seems equitable that no quasi-public corporation executive, selling nothing but his services to the passive stockholders who take all the business risk, should receive more for such services than the President of the United States, who manages the largest business enterprise in the country.

It might even be argued with some logic that such executives should be restricted in their salaries to the proportion their gross business volume bears to the annual gross expenditures of the Federal Government. Thus quasi-public corporation executives would be scaled down from the President's annual $75,000 salary in the proportion that their annual business bears to our four-billion-a-year National Budget, the resultant savings to be passed along to wage earners, consumers, and stockholders to increase mass buying power.

All of this may be some years ahead of the procession which the economic chaos of our past financial jazz era set in motion. Certainly N.R.A. did not create the conditions which almost engulfed the world's richest Nation. It was merely erected afterward in a desperate effort to control the aftermath and provide some semblance of orderly direction out of the abyss.

Obviously, if damnation is merited, we ought therefore to damn the indiscretions and excesses which undermined the country's economic health, not to curse the remedies that had to be emergently applied to save its life.

Mr. RAYBURN. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, the gentleman from New York—and we all like him, even though he does complain a good deal—reminds me of a time when I was selling hogs down in the South. I stopped at a railroad station, and there was a cracker sitting there with a 'coon dog and the dog was sitting on his haunches dismally howling. I said to the cracker, "Why does the dog howl?" "Well", he

said, "he has got the hookworm", and I said, "Why does the hookworm make him howl?" and he said, "He just howls", and I said, "I want a better reason than that", and finally he said, "Well, to tell you the truth, that there dog is sitting on a sand burr and he hasn't got sense enough to get off of it, and he just sits here and howls because it hurts." [Laughter.]

Now, my friend from New York is trying to find issues, but being unable to do so he just naturally comes up here and howls, day by day, about the Roosevelt administration. [Laughter.]

I am deeply pained that it was my misfortune to miss the free-for-all scrap that was staged in the House yesterday, and the various and sundry roll calls pertaining thereto.

When it comes to answering roll calls, I yield to no Member of this House. When it comes to a proposition of sitting on this floor day after day listening to debate, taking part in debate, and fighting for the oppressed and distressed common people I yield to no Member of this House. When it comes to putting forth heroic efforts and giving the best there is in me for the rights of the common people, I yield to no Member in a free-for-all scrap such as was staged here yesterday.

My reason for missing the roll calls and the belligerency that took place was because of a necessary visit to my home State of Ohio. No; I did not go back for political reasons. I did not return to see how the horizon looked with reference to my campaign. I returned for the sole purpose of participating in an event that comes but once in the life of every Member of this Congress—the graduation from high school of his eldest son.

Had I been blessed with the income and wealth of some, I might have made this round trip to Ohio upon palatial, expensive, air-conditioned trains and Pullmans. But not having been anointed with the wealth and income of the silk-stockinged aristocracy, I made the trip in my faithful Ford, using one day, Thursday, to go to Ohio, the commencement exercises being held Thursday night, and using the next day, Friday, to drive back through a sun-baked and dust-clouded Commonwealth with prevailing temperatures of 103 degrees.

I am here today, back in the harness for the farmers, the unemployed, the war veterans, and small business men and producers. Upon arrival I was glad to learn that the roll calls I missed were practically of unimportance, since they were forced by the Republican side in their ill-fated and abortive attempt to filibuster against the Roosevelt recovery program and the N.R.A.

Without regard to the merits of the facts found or alleged to have been found by the National Recovery Review Board, the significant fact is its bold recommendation as an official body of the United States Government to the President of the United States to pursue a course of State socialism.

A study of the history of this Board and of its members and agents leads one to the unavoidable and alarming conclusion that the final recommendation of the Board was part of a preconceived plan on the part of some of its members and their advisers to undermine the confidence of the people of the United States in their Government in a time of national emergency. They used this opportunity for high public service to spread socialistic and communistic doctrine on the front page of all the newspapers throughout the land.

When an obscure professor from Indiana became alarmed at certain alleged statements of subordinate officials at a dinner party, this body conducted an investigation to determine whether or not our administration was infected with communistic and socialistic doctrines. How much more important it is that we make clear to the American people just how this scandalous report came to be made. If it were not for the high position that this board holds and the fact that its report was an official message to the President of the United States, the personal theories of government held by some of its members would not be of any importance. But the way this report was publicized and the way that certain Members of Congress have taken up its battle cry makes it imperative as our duty to the people of the United States that we clear this matter up. A slight investigation into the real facts demonstrates the obvious bad faith of the board. In order to lay the basis for the astounding recommendation to abandon the recovery movement and move to state socialism, naturally it had to be demonstrated that the National Recovery Administration was not succeeding. Since this was a large order, the oppression of the little fellow was taken up as the most convenient vehicle.

Now, of course, there are cases where the codes have worked some hardships against small enterprise. It was this very fact and the difficulty of bringing to light these few cases that caused General Johnson to recommend the appointment of this special board so that the flexible machinery of N.R.A. could right the wrongs. However, the board found that as a general rule N.R.A. uniformly promoted monopoly and oppressed small enterprise.

To get away from allegations and counterallegations here are some facts: Dun & Bradstreet's review shows that the failures per hundred establishments with liabilities under $100,000 progressed steadily from 0.34 in 1919 to 1.38—a record high—in 1932; or, in other words, out of every 1,000 small business men in 1919, 3 went into bankruptcy. The cutthroat competition of the chain store and the large manufacturer, by virtue of quantity buying and production, forced the little fellow to the wall, so that in 1932 there were over 13 small business men out of every 1,000 who had to give up the ship—an increase of over 400 percent. Even during the boom years of 1924 to 1928 over nine out of every thousand small enterprises went into bankruptcy every year. Now, during 1933, especially since the passage of the Recovery Act and the codes, we find that at the end of the year there was not even one little fellow going into bankruptcy out of every thousand but that only 1 out of every 2,000 failed. But, of course, everyone that does fail lays his failure to N.R.A.

I would like to pause here to read an editorial appearing in the Cleveland (Ohio) Plain Dealer for May 17, 1934, which brings out this point:

NOT SO SICK

It is current fashion for the foes of Roosevelt recovery to beat their breasts on behalf of the little man. One is told that N.R.A. has become the handmaiden of monopoly and that its codes are putting a millstone around the neck of all the little businesses of all the little men.

Yet a report from Washington that the codes for the service industries will be abandoned brings several thousand protests to the N.R.A., mostly from the dry-cleaning industry, admittedly one of N.R.A.'s problem children. Manifestly most of them must have come from the little man for there are not that many big ones.

Another index of the business health of the little man is the steady decline in commercial failures. Last week, reports Dun & Bradstreet, failures were fewer than for any similar period in 14 years. They numbered 222 against 437 a year ago, and a weekly average of over 400 in predepression years.

Still another indication that all the little men are not dead or dying is the substantial decrease in the number of vacant stores noted in Cleveland and almost every other city. They should be increasing if one is to believe the recovery critics' tales of woe, for in the main it is the little men who do business in the little stores.

Many little men in business have been having their troubles, even as have the big men. But many of them seem to be convalescing very successfully.

The Darrow Board heard the evidence of the few but disregarded the evidence of the many, and what is more, disregarded the facts.

There is another side to the picture that the Board neglected. The National Industrial Recovery Act gives a mandate to the administration not only to rehabilitate industry, large and small, but to reemploy the millions of destitute workers; the individual worker is the real little fellow in this economic world. For him the Darrow report had little or nothing to say. And yet the most recent report on reemployment, that of the National Industrial Conference Board, in a survey issued May 23, estimated the total unemployed for the month of May as 7,907,000. This figure represents a decline of 114,000 from March 1934, and a reduction of 5,296,000, or 40.1 percent, as compared with the total unemployed in March 1933, the high point of unemployment in this country.

So we see that there has been a tremendous improvement in employment and in the condition of the small business man under N.R.A. But there was another mandate in the act—that the benefits accruing to the employer and to the employee should not impair the public interest. In other words, the interest of the consumer was also to be protected. We have heard much from self-styled champions of the consumer—which means champions of the whole people—admitting the benefits to industry and labor, but contending that prices increased too rapidly and that recovery is, therefore, more apparent than real, since the consumer cannot afford to buy at existing price levels. These allegations are not supported by the facts. The columns of our public press, especially those appearing under financial and business pages, are literally swamped with statistics from reliable sources to the effect that production is booming and that the volume of unit sales is higher than at any time since the crash. There are more and more people who are willing to buy and are buying at existing price levels. Certainly it is not the employers of the country that are doing all this buying of consumer goods. The consumer is the employee, and as his wages go up he is buying more and more, causing more production and more employment. The vicious descending spiral has been reversed and the theory of the National Industrial Recovery Act has been vindicated.

Here is an article in the Washington Post of Tuesday, April 17, 1934:

INDUSTRIAL RECOVERY IS FOUND ADVANCING ALONG WIDER FRONT—SURVEY REVEALS FIRST QUARTER'S BUSINESS MOVED FORWARD VIGOROUSLY—GAINS RECORDED IN PRODUCTION, SALES, PRICES, PAY ROLLS, AND EMPLOYMENT

NEW YORK, April 16.—Industry moved ahead vigorously in the first quarter of 1934. Increased activity, visible in a number of lines late in 1933, was extended to all major industries in the first 3 months of 1934, with gains in production, sales, prices, employment, and pay rolls recorded on a far greater scale than in the corresponding period of any recent year, according to a survey of industry for the first quarter of 1934, which has just been completed by the research department of Dun & Bradstreet, Inc.

The extent of the industrial gains is shown in the trends of seven primary factors, the survey points out, all of which point to but one conclusion: That American industry enters the second quarter of 1934 with recovery in full swing.

The preceding months have been a period of steady progress and outstanding achievement, emphasized and made more striking by the low level from which the forward movement began. Fundamental conditions not only have improved greatly but the momentum of industry has been accelerated sharply.

PRODUCTION UP 10.8 PERCENT

The extent of the industrial improvement in the first quarter of 1934 is shown in the movement of the index of industrial activity during that period. The December index figure was 71.6. In the following 3 months it advanced successively to 72.5 to 73.2, and finally, in March, to 79.3. The gain over the December level of activity was 10.8 percent. This is the most impressive first-quarter-activity increase recorded in any recent year.

A continuance of the expansion of the volume of industrial sales also was a feature of the first 3 months of the year. For the first time in a number of years the sales of each one of the 25 industries chartered was higher than in the corresponding quarter of the year before.

In the third quarter of 1933 the sales average of 16 of the 25 industries were over 100 percent. In the fourth quarter 100 percent or more was shown by 23 of the 25. Among the most outstanding gains were those of steel, automotive, chemical, and household-products industries.

EMPLOYMENT AND WAGES GAIN

First-quarter wage increases were of striking proportions, manufacturing pay rolls in February reaching a new high in a gain of 12 percent over the January figures, restoring a peak untouched since early in 1931, and making the greatest 1-month improvement in 15 years. The increases affected workers practically in all industries, and applied both to salary and to wage earners. The average increase in wage scales was slightly greater than the average increase in salary scales.

The gains in employment in the first quarter of 1934 were equally as impressive as the wage increases. The average total of unemployed in the period was a little more than 8,000,000, whereas the total for the corresponding period of 1933 was over 13,000,000. The same totals, on the basis of 50,000,000 normally gainfully employed, show a gain in employment of 14.2 percent.

There is no need to recount endless statistics. Every reliable index now at hand shows that since the adoption of the codes of fair competition under N.I.R.A. there has been a steady recovery caused by the fact that the fundamental principles on which it is based have been put to work and are working as anticipated. When the National Recovery Act started its effort, business was stagnated. The plea was heard on all sides to start the great flywheel of industry. The President's plan was simple. If all employers would shorten their hours and take on more men at higher wages, this would increase the purchasing power of the great army of the unemployed who had had nothing to buy anything with for years. This was to be the spark which would turn the great wheel over. That is exactly what has happened. Millions of men have been reemployed and pay rolls are increasing and nothing now can stop it, not even abortive attempts to sidetrack the issue by pessimistic recommendations of a resort to state socialism as our only way out.

But people are inclined to lose sight of this simple fact. In the beginning of March the Administrator paused to take a breath in the tremendous task of supervising the formulation of codes by industry groups and asked for constructive criticism. No such appeal was ever before made by an administrative officer of our Government in so important a position. The well-founded criticism was received with open arms and was used and is now being used in the reorganization of N.R.A. along lines suited to its new task of supervising the administration of the codes formed during the past year. Criticism makes news. The slow, steady, internal improvement does not make news. This is always a fact, but people are inclined to forget it. They see only the critical side and do not see the answer.

There are those who say that N.R.A. is too rigid and inflexible. Nothing is further from the fact. A more flexible method of administration has never before been devised. The recent action of the President in relaxing the trade-practice provisions of the local service trades, except where there is majority agreement in each locality, is a perfect example of this flexibility. Yet destructive critics allege that this forward step toward consolidation and improvement of administrative methods after fair trial is the beginning of the crack-up. This is typical of the destructive and subversive attacks to which I have referred.

It is time that we reconsidered the fundamental philosophy of N.R.A. as expounded by the President on June 16, 1933, when he signed this act. Let us look at some of the things he said then and see how well he foresaw the problems and how well his program has been carried out. He said:

The law I have just signed was passed to put people back to work—to let them buy more of the products of farms and factories and start our business at a living rate again. This task is in two stages—first, to get as many hundreds of thousands of the unemployed back on the pay roll by snowfall, and second, to plan for a better future for the longer pull. While we shall not neglect the second, the first stage is an emergency job. It has the right-of-way.

Now, many of N.R.A.'s critics have complained because the whole army of 12,000,000 unemployed was not absorbed by industry by last Christmas, and alleged that the original promise had been broken. The President said many hundreds of thousands. As a matter of fact, the figure actually was in the millions. I quote again:

In my inaugural I laid down the simple proposition that nobody is going to starve in this country. It seems to me to be equally plain that no business which depends for existence on paying less than a living wage to its workers has any right to continue in this country.

Here again may I pause to point out that critics of N.R.A. who shed crocodile tears for the little fellow are weeping for those who owe their existence in industry to paying less than a decent living wage. Of all of the complaints of small business men received by N.R.A., over 90 percent can be traced to the complaint that they are unable to pay the minimum wage and to abide by the maximum hour provisions of the codes.

Now, we come to the fundamental philosophy of this law. The President said:

The challenge of this law is whether we can sink selfish interest and present a solid front against a common peril.

It is a challenge to industry which has long insisted that given the right to act in unison, it could do much for the general good which has hitherto been unlawful. From today it has that right.

Now, there are critics of N.R.A. who have filled the public press and the ether with outcries of "regimentation." I wish to call your attention to the fact that not one code has been adopted which was not written by the industry and agreed upon by the vast majority of that industry. There is no regimentation by fiat—there is self-organization by the will of industry itself, under the rules established by this Democratic Congress.

The President further said that—

> This law is also a challenge to labor. Workers, too, are here given a new charter of rights long sought and hitherto denied—

Further—

> This is not a law to foment discord and it will not be executed as such.

Now, there are vociferous critics of the administration who claim that N.R.A. has sold out to labor. Other critics say that N.R.A. has sold out to industry The very fact that the volume of this criticism is so evenly divided is an indication of how well N.R.A. has done its job. Every time a benefit is given to labor there are those in industry who squeal. Every time labor is not given all that its extreme advocates demand there are those who make violent outcry. The very essence of N.R.A.'s job is compromise. It must constantly compromise conflicting special interests for the benefit of the public interest. This is the very essence of democratic government.

The President foresaw on the date he signed this act that this resolving of conflicting interests was the most difficult problem before us, and he said:

> It is further a challenge to administration. We are relaxing some of the safeguards of the antitrust laws. The public must be protected against the abuses that led to their enactment, and to this end we are putting in place of old principles of unchecked competition some new Government controls. They must, above all, be impartial and just. Their purpose is to free business—not to shackle it—and no man who stands on the constructive, forward-looking side of his industry has anything to fear from them. To such men the opportunities for individual initiative will open more amply than ever.

He further stated that—

> Government must guard those who play the game for the general good against those who may seek selfish gains from the unselfishness of others, and it must be done quickly. We must see that our haste does not permit favoritism and graft. All this is a heavy load for any government, and one that can be borne only if we have the patience, cooperation, and support of people everywhere.

The facts and statistics which I have set forth above show how well this challenge has been answered.

But there are still those who are skeptical. There are those who becloud these fundamental facts with insidious propaganda. The President foresaw this, too, the day he signed the act. He said:

> Finally, this law is a challenge to our whole people. * * * This great cooperation can succeed only if those who bravely go forward to restore jobs have aggressive public support and those who lag are made to feel the full weight of public disapproval.

The worst enemies of our country in a time of emergency are those who attempt to destroy the faith of the people in their power to meet the emergency. One of the most insidious ways to shake that faith is by stirring up rumblings of communism and socialism.

I cannot believe that Clarence Darrow, who in his younger days was one of the most able lawyers of his time, would, upon sober reflection, repeat his demoralizing recommendation. I cannot think that he would allow himself to be misguided and misled further by those counselors and intimates who have apparently impressed their own cynical and destructive theories of government and human relations upon him. However, I do feel that the activities of these counselors, who took advantage of Mr. Darrow and of the position of high public trust which he holds to propagate their political theories contrary to the Constitution of the United States and in violation of the oath of office of this Board, should be investigated, particularly with regard to their apparent attempt to corrupt Members of the Congress with soviet and communistic doctrines.

In conclusion, it is heartening to note that some of our leaders and molders of public thought, who through the darkest hours of N.R.A., while it was embattled in the conflict of special interests, doubted and lost faith, have now become reimbued with a belief in the fundamental soundness of the program and are convinced of its success. Mr. William Randolph Hearst, who recently sailed for Europe, when asked his views on the National Recovery Act, stated—I quote from the Washington Herald of May 2:

> It is much better than it was. I talked with General Johnson in Washington, and he seemed to have a very judicious and admirable attitude. He said that the codes were very satisfactory to many industries and they preferred to have them rather than not to have them.
>
> I have sympathy for the National Recovery Act and all is right with it so long as they don't try to tell you to do something you cannot do.

Of business in general Mr. Hearst said:

> I should say that there is a very definite change, a distinct change. Our own business—newspapers—is a very good barometer. If it were not so, we could not carry out the provisions of the N.R.A. Advertising is increasing, and that is an indication of improved business.

This is no time for scoffers and cynics to smirk at the courageous efforts of a great people. This is no time to cast down and discredit the efforts of loyal and devoted public servants, who are helping that people to reestablish faith in itself and in its ability to throw off this nightmare of despondency. This is no time for enemies of our form of government to sabotage this great cooperative effort to advance their own selfish ends. This is the time to inquire into the motives back of this campaign of planned destruction of faith. I demand a complete investigation into the personnel and motives of the Darrow Review Board.

Mr. FISH. Mr. Chairman, I would like to be advised what the N.R.A. has to do with this legislation.

Mr. TRUAX. Just about as much as the gentleman's own remarks. As a matter of fact, they have more to do with it because these are constructive utterances of mine and the gentleman's were destructive. [Laughter and applause.]

Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD, and to include therein statistics printed in the Cleveland Plain Dealer and in the New York papers as evidence of the success of N.R.A.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Now, Mr. Chairman, I want to talk on the bill. The President of the United States has asked Congress to pass this bill. He is asking for unified control of the great lines of communication. If there were anything I could add to this bill which would create a commission to handle and to supervise and investigate the communications of this country, it would be that something be done, and in the near future, to lower the rates of the telephone octopus of this country, to lower the rates of the Western Union, and the Postal Telegraph, and any other lines of similar service.

These public utilities are the only ones I know of, outside of the gas monopoly and the Power Trust, that all during this depression have not only refused to lower their rates, but have raised them, doubled, and trebled them.

We put a tax of 5 cents on telegrams. I do not know how it is in other States, but in my State, Ohio, the Western Union charges the consumer this 5-cent tax on a 25-cent telegram, while the Postal Telegraph Co. pays the tax itself. Surely the cost of operation of one telegraph line is no greater than that of the other. It is high time we had a thorough and complete investigation looking toward the lowering of rates of the telephone companies of this country, largely owned by J. P. Morgan & Co., of Wall Street. In my State this is true, because the Ohio Bell Telephone Co. is owned by Morgan & Co.

I understand that the American Telegraph & Telephone Co. is largely owned by Morgan and his band of pirates and buccaneers down in Wall Street. Think of it! When the

price of farmers' hogs is only 3 cents a pound, eggs selling at 12 dozen cents a dozen; when in my State the farmers will not even have a garden; when they will have to cut their hay with a lawnmower or a safety razor; when they have nothing to sell—Mr. Wallace's program of crop reduction is working in my State at 100 percent, and the reason you have dollar wheat on the Chicago Board of Trade is that the farmers will not have any wheat to sell. High prices when he has nothing to sell and low prices when he has a bumper crop. This unfair condition, coupled with the pig-killing, plowing-under Wallace program is sending the farmer straight to an economic hell in a double-geared, super-streamlined hanging basket.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. GIFFORD].

Mr. GIFFORD. Mr. Chairman, I am not against the bill; but each time a radio bill has been before the House for the last several years I have expressed myself with this thought in mind: There ought to be some expression of policy from Congress for these boards set up to handle radio problems. If we do not set up a policy, are they expected to take the initiative?

We all know that in general we have to listen to what may be furnished by those who buy time to advertise their products.

The thought I have expressed here often is that we ought to have an investigation leading to an enlarged use of radio for use in sending messages similar to telephone and telegraph.

It would seem that when we are traveling or located where we may not have the use of the telephone we ought to have communication by the use of the radio. Perhaps it is not yet practical. Do we not telephone by radio across the seas? Why not telephone by radio between points in the United States? Some 2 years ago we received volumes from the Federal Trade Commission tending to show that radio was controlled by a monopoly which seemed to have agreed not to go into competition with telephone and telegraph companies. I am wondering if the committee paid any attention to these reports of the Trade Commission and ever discussed any policy suggested by these reports. Is this little statement in the bill that this new board will make a study sufficient? As before, will not complaints as to present allocations be their chief concern? Congress should determine the general policy of the use of this great invention, and the board should carry out such instructions.

I want to make the point clear as I can that we should know why the radio cannot be used for the more important matters of transmitting messages, news, and educational features. People in other countries seem to be willing to pay for service they receive, rather than surrender the air to advertisers who may be able to pay for such privilege. The board should study the way that it is carried on elsewhere and make recommendations. Congress itself should suggest to this new board a broad field of investigation in the radio field.

[Here the gavel fell.]

Mr. MAPES. Mr. Chairman, I yield myself 5 minutes. I am not going to attempt to discuss the bill in detail. Frankly, I do not know enough about it to do so, but I do want to take the opportunity to express my approval of the general purpose of the bill. For several years there has been an agitation to put all communications by wire and wireless under the jurisdiction of one commission. I think that is desirable, and that is what this bill primarily does. Speaking broadly, it does not attempt to do anything further than that. Under existing law the Postmaster General has certain powers over telegraph companies, the Interstate Commerce Commission has a great deal of power by statute over telegraph and telephone companies, which, for the most part, it has never exercised, and, of course, the Radio Commission has complete control under existing law over the radio. This bill proposes to put all of the powers now exercised by these different agencies under the new communications commission and it abolishes the authority which these other agencies now have in that respect. It abolishes the present Radio Commission. Primarily that is all this bill attempts to do. There are some amendments to the laws relating to telegraph and telephone and cable, but no amendments have been proposed to the radio law. The Interstate and Foreign Commerce Committee has felt it is not sufficiently informed and that there is not enough time remaining during this session of Congress to enable it to go into the various phases of existing law to justify it in recommending any substantial amendments to the law as it now stands. The bill provides that the new commission shall report back to Congress its findings on different matters and make such recommendations for amendments to the law as it thinks should be made. These can be taken up and considered more deliberately some other time than they can be at the close of a session of Congress such as we are in at the present time.

To repeat, I am in sympathy with the general purposes of this bill and shall vote for it.

The CHAIRMAN. There being no further general debate, the Clerk will read the bill for amendment.

The Clerk read as follows:

DEFINITIONS

SEC. 3. For the purposes of this act—

(a) "Wire communication" or "communication by wire" means the transmission of writing, signs, signals, pictures, and sounds of all kinds by aid of wire, cable, or other like connection between the points of origin and reception of such transmission, including all instrumentalities, facilities, and services incidental to such transmission.

(b) "Radio communication" or "communication by radio" means the transmission by radio of writing, signs, signals, pictures, and sounds of all kinds, including all instrumentalities, facilities, and services incidental to such transmission.

(c) "Licensee" means the holder of a radio-station license granted under the Radio Act of 1927, as amended.

(d) "Transmission of energy by radio" or "radio transmission of energy" includes both such transmission and all instrumentalities, facilities, and services incidental to such transmission.

(e) "Interstate communication" or "interstate transmission" means communication or transmission (1) from any State, Territory, or possession of the United States (including the Philippine Islands and the Canal Zone), or from the District of Columbia to any other State, Territory, possession of the United States (including the Philippine Islands and the Canal Zone), or to the District of Columbia; or (2) between points within the same Territory, or possession (except the Philippine Islands and the Canal Zone), or the District of Columbia; or (3) between points within the United States but through a foreign country if the point of origin and the point of reception are not in the same State.

(f) "Foreign communication" or "foreign transmission" means communication or transmission from or to any place in the United States to or from a foreign country, or between a station in the United States and a mobile station located outside the United States.

(g) "United States" means the several States and Territories, the District of Columbia, and the possessions of the United States, but does not include the Philippine Islands and the Canal Zone.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. A few moments ago one of the gentlemen on the Democratic side of the aisle spoke with reference to section (c), page 51, of the Senate bill, which was left out of the House bill. I am sure the gentleman spoke the sentiment of many Members on the Democratic side of the aisle. Many Members on the Republican side have spoken to me about this particular subsection, which reads as follows:

The commission shall study the proposal that Congress by statute allocate fixed percentages of radio-broadcasting percentages to particular types or kinds of nonprofit radio programs or to persons identified with particular types—

And so on. I understand that is not in the House bill but is in the Senate bill and that that matter could go to conference. There are many people, not only on both sides of the aisle in this House but in the country, who are anxious to have some consideration given to that. While I realize the specific 25 percent is stricken out, all that would do would be to have the commission study the matter and report back at a later date with some kind of findings. I just wanted to take 2 or 3 minutes to call attention to the fact that there are many Members on our side of the aisle as well as on the Democratic side of the aisle who are interested in this.

Mr. RAMSPECK. Mr. Chairman, I rise in opposition to the pro forma amendment.

I am also interested in this subject, although I say frankly to the Committee that, with the present information I have, I am opposed to mandatory allocation of wave lengths by the commission. However, I do think that the conference committee would do a service to the country by considering the question of whether or not we ought to have consideration by the commission of this question, which is getting to be a very acute one, and on account of which Congress is receiving a great deal of pressure from various organizations, to force the commission to allocate certain specific parts of the radio facilities to various organizations.

As a member of the Committee on Merchant Marine, Radio, and Fisheries I have had some opportunity to study this question. It is one that needs a great deal of study, because, when you get into the field of trying to allocate by law to various organizations, no matter how good their purpose may be, you find you are dealing with a very difficult question. In the religious field, for instance, you find many various forms of religious organizations that would like to participate in the radio facilities of the country; yet, as far as I have been able to see at this time, no radio station can operate under the American system without having sustaining programs. When they accept sustaining programs they enter the commercial field. For that reason I would not have favored the amendment of the Senator from New York, which was attempted to be put on this bill in the Senate. However, I hope the conferees will consider whether or not it will be helpful to have this new commission make a study and report to Congress along that line. I wish to commend the commitee for its work on this bill. In my opinion it is greatly improved as compared with the Senate draft.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 205. (a) Whenever, after full opportunity for hearing, upon a complaint or under an order for investigation and hearing made by the Commission on its own initiative, the Commission shall be of opinion that any charge, classification, regulation, or practice of any carrier or carriers is or will be in violation of any of the provisions of this act, the Commission is authorized and empowered to determine and prescribe what will be the just and reasonable charge or the maximum or minimum, or maximum and minimum, charge or charges to be thereafter observed, and what classification, regulation, or practice is or will be just, fair, and reasonable, to be thereafter followed, and to make an order that the carrier or carriers shall cease and desist from such violation to the extent that the Commission finds that the same does or will exist, and shall not thereafter publish, demand, or collect any charge other than the charge so prescribed, or in excess of the maximum or less than the minimum so prescribed, as the case may be, and shall adopt the classification and shall conform to and observe the regulation or practice so prescribed.

(b) Any carrier, any officer, representative, or agent of a carrier, or any receiver, trustee, lessee, or agent of either of them, who knowingly fails or neglects to obey any order made under the provisions of this section shall forfeit to the United States the sum of $1,000 for each offense. Every distinct violation shall be a separate offense, and in case of continuing violation each day shall be deemed a separate offense.

Mr. FISH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FISH: Page 126, at the end of line 8, add section (c): "No official of the Government or member of his family shall receive pay for speeches over the radio."

Mr. RAYBURN. Mr. Chairman, I make a point of order against the amendment. The gentleman spoke on this awhile ago?

Mr. FISH. Yes.

Mr. RAYBURN. I make the point of order, Mr. Chairman, that the amendment is not germane to the bill.

The CHAIRMAN (Mr. DISNEY). The point of order is sustained.

The Clerk read as follows:

EXTENSION OF LINES

SEC. 214. (a) No carrier shall undertake the construction of a new line or of an extension of any line, or shall acquire any line, or extension thereof, or shall engage in transmission over or by means of such additional or extended line, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, or operation, or construction and operation, of such additional or extended line: *Provided*, That no such certificate shall be required under this section for the construction, acquisition, operation, or extension of (1) a line within a single State unless said line constitutes part of an additional interstate line, (2) local, branch, or terminal lines, (3) wires or cables added to existing pole lines or conduits or other structures constituting established routes, or (4) any lines acquired under section 221 of this act: *Provided further*, That the Commission may, upon appropriate request being made, authorize temporary or emergency service, or the supplementing of existing facilities, without regard to the provisions of this section.

(b) Upon receipt of an application for any such certificate the Commission shall cause notice thereof to be given to and a copy filed with the Governor of each State in which such additional or extended line is proposed to be constructed or operated, with the right to be heard as provided with respect to the hearing of complaints; and the Commission may require such published notice as it shall determine.

(c) The Commission shall have power to issue such certificate as prayed for, or to refuse to issue it, or to issue it for a portion or portions of a line, or extension thereof, described in the application, or for the partial exercise only of such right or privilege, and may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require. After issuance of such certificate, and not before, the carrier may, without securing approval other than such certificate, comply with the terms and conditions contained in or attached to the issuance of such certificate and proceed with the construction, acquisition, operation, or extension covered thereby. Any construction, acquisition, operation, or extension contrary to the provisions of this section may be enjoined by any court of competent jurisdiction at the suit of the United States, the Commission, the State commission, any State affected, or any party in interest.

(d) The Commission may, after full opportunity for hearing, in a proceeding upon complaint or upon its own initiative without complaint, authorize or require by order any carrier, party to such proceeding, to provide itself with adequate facilities for performing its service as a common carrier and to extend its line; but no such authorization or order shall be made unless the Commission finds, as to such extension, that it is reasonably required in the interest of public convenience and necessity, or as to such extension or facilities that the expense involved therein will not impair the ability of the carrier to perform its duty to the public. Any carrier which refuses or neglects to comply with any order of the Commission made in pursuance of this paragraph shall forfeit to the United States $100 for each day during which such refusal or neglect continues.

Mr. BACON. Mr. Chairman, I move to strike out the last word for the purpose of asking a question. Perhaps the gentleman from Michigan [Mr. MAPES] can answer the question. I want to ask with reference to section 214. It seems to me that the way it is worded would prevent the construction of emergency lines, due to some flood or fire or something like that. There are many times a year when emergency lines must be erected. It seems to me the way this section is worded, the emergency construction of lines would be prevented.

Mr. MILLIGAN. If the gentleman will read page 134, he will notice it makes provision for just such a case as the gentleman has stated.

Mr. BACON. I simply ask the question to clear the matter up.

The Clerk read as follows:

INQUIRIES INTO MANAGEMENT

SEC. 218. The commission may inquire into the management of the business of all carriers subject to this act, and shall keep itself informed as to the manner and method in which the same is conducted and as to technical developments and improvements to the end that the benefits of new inventions and developments may be made available to the people of the United States. The commission may obtain from such carriers and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control with, such carriers full and complete information necessary to enable the commission to perform the duties and carry out the objects for which it was created.

Mr. BACON. Mr. Chairman, I move to strike out the last word for the purpose of asking a further question. Does section 218 prevent a man who has made an invention from patenting that invention?

Mr. RAYBURN. Oh, no.

Mr. BACON. It does not deprive him of any right that he may have as an inventor?

Mr. RAYBURN. None whatever.

Mr. BACON. In other words, the company can use any inventions that they might make?

Mr. RAYBURN. For the time the patent runs; yes.

Mr. BACON. No patent rights are taken away?

Mr. RAYBURN. None whatever.

Mr. BACON. From either the individual or the company?

Mr. RAYBURN. None whatever.

Mr. McFADDEN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, supplementing what I said in my remarks on the rule in which I called attention to attempts to take off the air station WNBO at Washington, Pa., I want the House to know and understand something more about this particular instance, because it has to do with the question of censorship and the treatment that is being meted out to the little independent broadcasting stations in this country by the Radio Commission. It is the practice, apparently, of the Commission to deal in this question of censorship directly with the broadcasting station—and may I say the Commission have no authority in law on the subject of censorship—and if they are not successful in the case of these small stations, they file complaints against them for letting certain people broadcast over their facilities.

In this case Mr. Spriggs, who operates station WNBO, was the object of certain charges—foolish charges mostly—in regard to operations that were paid for and otherwise. He wanted to continue his operations when he found out the Commission were after him and began appealing to sources from which he thought he could get relief. He employed certain attorneys in this city. Not being successful, he sought political influence. He sought the assistance of Joseph F. Guffey, chairman of the Democratic State Committee in Pennsylvania. Mr. Guffey turned him over to his appointee in the Department of Justice, a Mr. Vann, and Mr. Lohnes, an attorney here, and they assured him that they would get the matter straightened out with the Commission. They undertook it and certain other attorneys in the city of Washington, D.C., were employed apparently to assist Mr. Spriggs. All of a sudden Mr. Spriggs found out that the attorneys here employed were working in the interests of Mr. Guffey, and that Mr. Guffey wanted this radio station for his own account for political broadcasting in Pennsylvania.

I have here the correspondence between Mr. Guffey and Mr. Spriggs, showing the activities of these attorneys and the attorneys to whom Mr. Guffey turned him over, showing the activities of Mr. Vann, of the Department of Justice, using political influence. Mr. Spriggs found himself being double-crossed in this respect, after having paid large and voluminous fees; and apparently the Radio Commission were cooperating fully with Mr. Guffey and his man Vann, of the Department of Justice, and Messrs. Lohnes and George Sutton, because Mr. Spriggs was finally told, within the last 30 days, that that which he wanted most of all, the continuance of the right to operate his station, had been taken away from him and was to be given to a station in Canton, Ohio.

I submit that such tactics should not be permitted to continue. Here is a letter from Mr. Joseph F. Guffey to Mr. Spriggs, written from the Mayflower Hotel, November 15, 1933, where Mr. Guffey was located, and was dealing with all matters of Pennsylvania patronage and matters pending before the departments of the new-deal administration. He wrote Mr. Spriggs as follows:

NOVEMBER 15, 1933.

DEAR MR. SPRIGGS: This will acknowledge receipt of your telegram of the 9th, regarding the application now pending before the Radio Commission for the licensing of radio station at Washington, Pa. I understand this case is now in good shape before the Commission and that it will receive early consideration. As you probably know, Mr. Vann, of the Department of Justice—

The appointee of Mr. Guffey—

has now returned after an absence caused by an automobile accident. I am asking him to keep in touch with this matter, and I will be glad to be of every possible help in connection therewith.

Sincerely,

JOSEPH F. GUFFEY.

I would call your attention also to the fact that WNBO had made an application before the Commission, which was pending since 1930, to move its station to Monessen, the hub of five counties and the center of one and three-quarter millions of people. WNBO is the only independent broadcasting station in the cosmopolitan area of Pittsburgh. One can thus understand how Mr. Guffey, Mr. Farley, and their political associates were interested in controlling this particular station, a station which Mr. Spriggs did not wish to sell but wanted to continue to operate; and what a contemptible trick Mr. Guffey and his political associates were resorting to, and with the aid and cooperation of their political-controlled Radio Commission. I want to register my protest against such tyranny.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. I want to point out that the original license to WNBO was granted February 19, 1927. The original license was granted at 15 watts and its place on the dial was 1,420 kilocycles. Their station is located at Silver Haven, near Washington, Pa., and within a radius of 25 miles reaches a population of a half a million at the present time.

In 1927 the wattage of the Pittsburgh broadcasting stations was as follows:

KDKA, a National Broadcasting station, Pittsburgh, 25,000 watts. This has been increased to 400,000 watts. This station is owned by the Westinghouse Co. and is leased to the National Broadcasting Co.

WCAE, at Pittsburgh, is owned by William Randolph Hearst and carries almost exclusively N.B.C. programs, was 500 watts and has been increased to 1,000 watts. This increase was granted by the Federal Radio Commission without even notice to WNBO, in violation of the rules and regulations of the Radio Commission.

KQV, owned by Sam Brennan, is used almost exclusively by Columbia Broadcasting Co., started with 500 watts, and remains 500 watts.

WJAS, Columbia Broadcasting Co., was 500 watts and was increased to 2,500 watts.

WWVA, Wheeling, W.Va., used almost exclusively by the Columbia Boadcasting Co., now has 5,000 watts, has an application pending to go to 10,000 watts.

WWSW, Pittsburgh, used almost exclusively by the Pittsburgh Post-Gazette, owned by Paul Block (was originally Monessen and moved to Pittsburgh), started out with 100 watts and increased to 250 watts daytime and was again increased to 5,000 watts.

The station WWVA, of Wheeling, is in exactly the same status as WNBO. It has been increased from 250 watts to 5,000 watts, and this station was granted permission to move to Charlestown, W.Va., without notice to anybody. This move was restrained by a small station at Charleston by an injunction proceeding. Following the injunction granted, the Federal Radio Commission permitted WWVA to move to Moundsville, W.Va., its present location, without any notice to anyone. Notwithstanding the fact that WNBO had an application before the Commission since 1930, it could not get any favorable consideration by the Commission except through the employment of a prominent West Virginia politician who was paid a fee of $500. WNBO's increase from 15 watts to 100 watts was granted. The matter was handled by the West Virginia politician with Mr. Robinson, of the Federal Radio Commission, and George Sutton, of the Federal Radio Commission, who was at that time the technical adviser to the Commission.

In 1929 or early 1930 George Sutton resigned as technical adviser to the Commission and commenced practicing before the Commission. He then advised WNBO that he could increase their wattage to 250 watts and also could obtain permission for them to move to the Monongahela Valley for a fee of $750. This fee was paid to Sutton. Sutton then advised WNBO that it would be necessary to reequip the station completely with Western Electric equipment. This was done at a cost of approximately $10,000. The result of

Sutton's effort and the reequipment was that WNBO at its hearing was taken completely off the air by the Radio Commission. This was June 1, 1932.

From that time up until the late summer of 1933 Mr. Spriggs was subjected to all kinds of trouble and punishment by the Commission. The 6 a.m. to 9 a.m. hours were taken from him; 12 to 3 p.m. were taken from him; 6 to 9 p.m. were taken from him. Hearings were set, witnesses proceeded to Washington, the cost of which exceeded the sum of $3,500. In May 1932 he applied to have his station moved to the Monongahela Valley, and a hearing was had in February 1933. This hearing was continued repeatedly. His application was refused.

The Radio Commission placed WNBO back on the air pursuant to pressure from approximately 200,000 supporters in the form of letters and telegrams directed to the Radio Commission and to the Congressmen and from various Congressmen and Senators.

When the Radio Commission did permit WNBO to go back on the air they divided their time with WHBC, Father Graham's station at Canton, Ohio—the other station I referred to. And this is another story which I will not at this time go into.

In 1933, in the late summer or early fall, at the testimonial dinner held in the William Penn Hotel in honor of Robert L. Vann, new appointee in the Department of Justice, sponsored by Joseph Guffey and attended by James Farley, Mr. Vann was introduced to Mr. Spriggs, of WNBO. Vann proposed to Spriggs that if WNBO would furnish several thousand dollars of advertising for the various candidates in whom he and Guffey were interested, that he and Guffey would have his station moved to the Monongahela Valley overnight and they would pay the legal expenses and increase their power to 1,000 watts. The expense to be covered was the legal expense and the actual expense of moving.

WNBO permitted the candidates endorsed by Vann and Guffey to speak over the radio and furnished approximately $2,000 of advertising. Guffey and Vann advised Spriggs that the nature of the broadcasting in favor of their candidates would be outlined to him by Charles B. Wagner, of Washington, Pa., who was the Democratic member of the Pennsylvania Legislature from Washington, Pa.

The net result of the radio-advertising deal made at this dinner, which was so agreeable then, as arranged between Vann, Guffey, and Farley and Spriggs, was that Mr. Spriggs was "double-crossed" and an attempt was made by Mr. Guffey and his associates to take over this station and ruin Mr. Spriggs by destroying the value of his broadcasting station, as it would be worthless without a license to operate, which license could only be secured through the Radio Commission.

When they found out that the facts in these cases were a matter available to the public they withdrew their activity, fearing that they might not be able under the circumstances to take Mr. Spriggs' station away from him and devote it to the use of the present campaign in Pennsylvania, which covers an area of some 12 counties.

The necessary money was to be furnished Mr. Guffey by his financial political sponsor from Pittsburgh and the only condition attached to the whole matter was that a microphone was to be attached to the sponsor's desk.

It is interesting to note that Mr. Guffey advised Mr. Spriggs, of WNBO, that Mr. Horace L. Lohnes, of Washington, D.C., would act as his counsel, whereupon a conference was held with the interested parties in Mr. Guffey's office in the Mayflower Hotel. I am advised that this meeting was attended by Messrs. Spriggs, Guffey, and various others and that frequently Mr. Guffey left the room to confer with Mr. Farley. Attorney Lohnes, when approached by Mr. Spriggs, stated that he accepted the case of WNBO as his client and told them he would handle the matter in accordance with the arrangements made by Mr. Guffy and Mr. Vann, and he then proceeded to file the application. Many conferences were held between the interested parties—Guffey, Vann, Spriggs, and the Pittsburgh friend.

Finally it was made known that the Radio Commission would not grant a renewal application to WNBO. And I call your particular attention to a letter written by Robert L. Vann, of the Department of Justice, August 4, 1933, as follows:

DEAR SPRIGGS: Write a letter to the Radio Commission at once asking a permit to withdraw application. Do this now. There is a reason. I'll see you Sunday or Monday.

ROBERT L. VANN.

It is a great advantage to have a lobbyist who is on the inside of a great governmental department, who has access to other departments like the Radio Commission; and in December 1933 Robert L. Vann advised Mr. Spriggs that he and Guffey had washed their hands of the whole matter and were going to support another application for facilities of WNBO.

On February 20, 1934, there was filed before the Radio Commission an application by the Tri-State Radio, Inc., a newly formed corporation, asking for the facilities of WNBO. I should like to point out to this House that this is the first time in the history of the Radio Commission, at least so far as is known, that any radio station or any other person has filed an application for the facilities of an existing station, and I also wish to point out the utter impossibility for such an application to have been filed without the Radio Commission having disclosed the fact that WNBO's license would not be renewed. I want to call to your attention the fact that the Radio Commission sent out a notice of a hearing on this application dated March 22, 1934, fixing the hearing date for May 3, 1934, in which WNBO was not named as a respondent and to whom no notice was mailed. And on April 3, 1934, the Radio Commission filed a complaint against WNBO and enclosed a copy of the application of the Tri-State Radio Co., Inc.

The application of the Tri-State Co., Inc., discloses that Charles B. Wagner is the president, and that one of Mr. Guffey's associates, Judge Stone, is a party in interest. State Senator Wagner was Mr. Guffey's agent to arrange the political broadcasts. It is interesting to note that the attorney for the applicant, the Tri-State Radio Co., Inc., was the same Mr. Lohnes, who accepted the fee in connection with the application to move WNBO to the Monongahela Valley, and that he is the same man who was the attorney designated for WNBO as representing the interests of Messrs. Guffey, Vann, and his other financial political party in Pittsburgh. Prior to this it was common talk in Washington, D.C., that the license of WNBO would not be renewed.

If this is a fair example of the plight of the average independent broadcaster in the United States, I submit that all independent broadcasting is on its way out, particularly if they are to be unprotected by the Commission that is established with an idea of protecting this industry and to see to it that each and every one gets a square deal.

Mr. TRUAX. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TRUAX: On page 128, line 26, after the word "created", add "the Commission shall investigate the exclusion of addresses of Father Charles E. Coughlin and other crusaders against the international bankers and money kings by the National Broadcasting Co. and Columbia Broadcasting System."

Mr. RAYBURN. Mr. Chairman, I make the point of order that that is not germane.

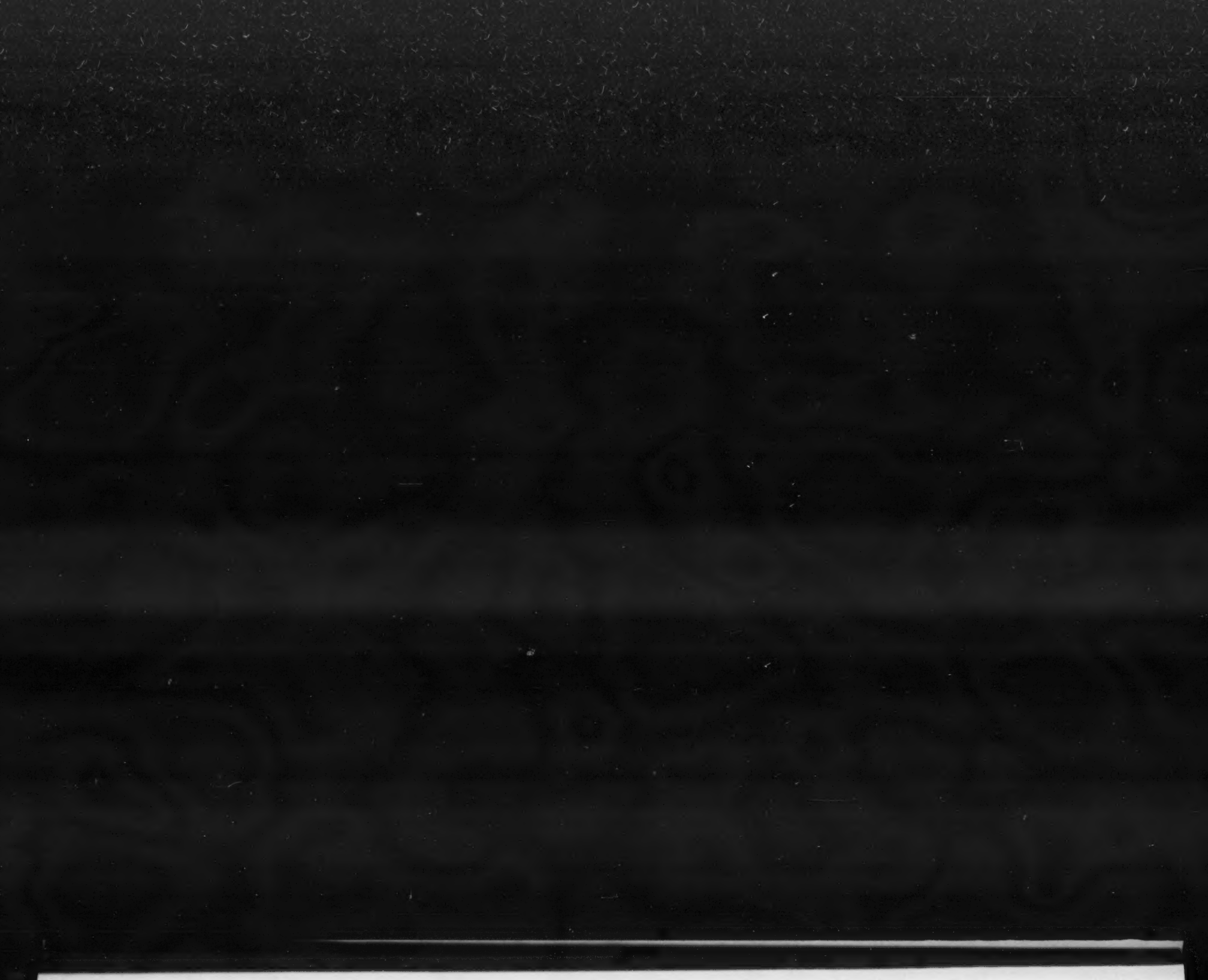
The CHAIRMAN. The point of order is sustained.

Mr. TRUAX. Mr. Chairman, I desire to be heard on the point of order.

The CHAIRMAN. The Chair is ready to rule on the point of order. The Chair sustains the point of order.

Mr. TRUAX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is a well-known fact that the addresses of one of the greatest crusaders for the common people in this country, the Reverend Father Charles E. Coughlin, have been barred by the National Broadcasting Co. and the Columbia Broadcasting System. Why? Simply because he reflects and makes certain charges against the very interests



who have the monopoly of the broadcasting systems of this country.

Moreover, they will refuse to sell time to anyone who wishes to address the millions of listeners on old-age pensions. Why? Merely because that is a measure for the benefit of the common people of this country, the poor, the needy, the aged and distressed, against whom their master, J. P. Morgan, is eternally and unalterably opposed.

I want to call the attention of this House and the people of this Nation to the fact that these two major broadcasting companies are thus throttling such magnificent voices raised in behalf of the people in distress as, for instance, Father Coughlin, who has crusaded for months past to abandon the gold standard, for nationalization of the currency, and for such measures as the Frazier-Lemke bill to refinance the farmers of this country, and for the bank pay-off bill. I maintain that the throttling and strangling of this information from the millions of people of this country who are in distress and need aid, and need it now, is something that this Congress should not overlook.

You may strangle the daily press, you may strangle the weekly and the semiweekly publications; but when it comes to that point where we, the people, permit the millionaires of Wall Street to own and control the great systems of broadcasting that come to the ears of the poor man, the farmer, the wage earner, and all of these distressed, toiling millions so that they can hear only what their masters say they shall hear, it is time that this Congress took decisive action to make the air what it used to be and what it should be today, free for all the people. [Applause.]

[Here the gavel fell.]

The Clerk read as follows:

SPECIAL PROVISIONS RELATING TO TELEPHONE COMPANIES

SEC. 221. (a) Upon application of one or more telephone companies for authority to consolidate their properties or a part thereof into a single company, or for authority for one or more such companies to acquire the whole or any part of the property of another telephone company or other telephone companies or the control thereof by the purchase of securities or by lease or in any other like manner, when such consolidated company would be subject to this act, the Commission shall fix a time and place for a public hearing upon such application and shall thereupon give reasonable notice in writing to the Governor of each of the States in which the physical property affected, or any part thereof, is situated, and to the State commission having jurisdiction over telephone companies, and to such other persons as it may deem advisable. After such public hearing, if the Commission finds that the proposed consolidation, acquisition, or control will be of advantage to the persons to whom service is to be rendered and in the public interest, it shall certify to that effect; and thereupon any act or acts of Congress making the proposed transaction unlawful shall not apply. Nothing in this subsection shall be construed as in anywise limiting or restricting the powers of the several States to control and regulate telephone companies.

(b) Nothing in this act shall be construed to apply, or to give the Commission jurisdiction, with respect to charges, classifications, practices, services, facilities, or regulations for or in connection with wire telephone exchange service, even though a portion of such exchange service constitutes interstate or foreign communication, in any case where such matters are subject to regulation by a State commission or by local governmental authority.

(c) For the purpose of administering this act as to carriers engaged in wire telephone communication, the Commission may classify the property of any such carrier used for wire telephone communication, and determine what property of said carrier shall be considered as used in interstate or foreign telephone toll service. Such classification shall be made after hearing, upon notice to the carrier, the State commission (or the Governor, if the State has no State commission) of any State in which the property of said carrier is located, and such other persons as the Commission may prescribe.

(d) In making a valuation of the property of any wire telephone carrier the Commission, after making the classification authorized in this section, may in its discretion value only that part of the property of such carrier determined to be used in interstate or foreign telephone toll service.

Mr. McGUGIN. Mr. Chairman, the real depository of the liberties of the people is to be found in freedom of speech and freedom of the press. No lesser person than Thomas Jefferson, upon reading the Constitution, made the remark, in substance, that it did not make so much difference the form of government a people had so long as they had a free press; that with a free press a good government could not go far wrong, and with a free press a bad government could not long survive.

With the coming of radio it is not enough to have freedom of speech, which includes the right to stand upon a street corner and speak one's views. With radio there must be reasonable freedom of speech over the air, otherwise the benefits of freedom of speech have been taken away from the people.

I know of no way that radio can be operated except on the basis of a license from the Government, for the simple reason that there are not enough air channels to take care of all the radio stations that might want to operate. Therefore, there must be a limitation upon them.

When the Government has the power to issue licenses to operate radios it inherently follows that this Government agency has too great a control over freedom of speech. Whether the Radio Commission or any other Government agency turns it hand, the fact remains that throughout the years the broadcasting systems which are looking to the Radio Commission for courtesies are going to be found upon the side of the administration in power. So, after all, the real protection of the people yet rests in the freedom of the press rather than in freedom of speech since the coming of radio.

We have had a fair example of this since this administration came into power. I have no concrete evidence that this administration has laid down upon any radio station and said, "You must carry new-deal propaganda, and you must not carry anything to the contrary", yet the fact remains that radio broadcasters currying the favor of a Government agency, have given unlimited facilities to new-deal propaganda and have unwarrantedly denied the right of the air to those who would rise to criticize any part of the new-deal program.

I have no personal complaint. No Republican Member of Congress can have any personal complaint, so far as I know. It is my understanding that a Republican Member of Congress can get on the air whenever he wants to with either of the chains on any reasonable time or occasion, but there it stops. The ordinary private citizen who is a Republican cannot get on the air to discuss the other side of some of this so-called "new-deal" legislation.

Mr. DINGELL. Will the gentleman yield?

Mr. McGUGIN. No; I cannot yield now. I will at the end of my remarks.

Former United States Senators who are Republicans have been denied the opportunity to appear upon the chains to discuss these public questions. I can say of my own personal knowledge that the Honorable James A. Reed, former United States Senator from Missouri, was denied the right of the air to discuss his views of the proceedings in the Wirt hearings. This was a denial of freedom of speech. A Republican Member of Congress—yes—could have had the air to discuss it if he had wanted to, but it is not enough that Members of Congress of the minority party or with minority views may have the benefit of the air. This right must be extended to other citizens. The very week that former Senator Reed was denied the opportunity to discuss over a national radio hook-up the treatment accorded to his client, there appeared upon that same network propaganda from private citizens who were denouncing and criticizing Dr. Wirt.

[Here the gavel fell.]

Mr. McGUGIN. Mr. Chairman, I ask unanimous consent to proceed for 3 more minutes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McGUGIN. In other words, private citizen James A. Reed was denied the opportunity to discuss one side of that question, while other private citizens had an opportunity to use the air to discuss the other side of the question. The only answer can be that those in charge of the radio facilities were either currying the favor of this administration in permitting private citizens to take the air to denounce Dr.

Wirt, or they were afraid of currying the disfavor of the administration if they permitted Senator Reed to speak over the air to criticize any of the "brain trusters."

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. Not now.

There still remains the freedom of the press. The press carried this same subject matter openly, both sides of it, and carried the views of Senator Reed as well as the views of those who had contrary ideas.

So in conclusion I wish to say that with all the greatness of radio, the liberty of the people of this country yet rests in the press and not in the radio. I hope that at some time a plan may be devised whereby the use of the air will be free without censorship or discrimination.

[Here the gavel fell.]

Mr. RAYBURN. Mr. Chairman, I want to make a remark or two in reply to the gentleman from Kansas [Mr. McGUGIN] about this Wirt fiasco.

This platform for the work of investigation was laid in the Committee on Interstate and Foreign Commerce. We were asked if we were going to call Dr. Wirt, and we said no; that he was a garrulous old man, and it was thought that he would not be very enlightening to the minds of the American people.

Mr. WEARIN. Mr. Chairman, I rise in opposition to the amendment to ask a few questions of the chairman of the committee, if he will be so kind as to answer them. On page 142 is a provision that "the Commission shall at all times have access to and the right of inspection and examination of all accounts, records, and memoranda", and so forth. That reminds me, and if I am wrong I trust the chairman will correct me, that it is the general procedure to incorporate such a provision in all legislation that creates or, for that matter, reorganizes the existing Commission from the standpoint of investigating books, records of that corporation.

Mr. RAYBURN. That is true. That is in the Interstate Commerce Act. Section 20 gives that authority over common carriers.

Mr. WEARIN. That is my understanding. But they did not have that provision in the Stockyards Act of 1921. That does not give that authority. Now, there is one other question in reference to the bill from the standpoint of supervision that extends over radio stations: I presume that goes to all stations regardless of their size?

Mr. RAYBURN. If that is the law, it now remains in the bill, because we do not amend the Radio Act.

Mr. WEARIN. Now, with reference to the operation, does it affect the small mutual companies that operate within the States?

Mr. RAYBURN. They are not affected.

Mr. McFADDEN. Mr. Chairman, I move to strike out the section. I do this in order to enlighten the House by quoting from a letter from Lucian A. Spriggs to Mr. Guffey, dated October 2, 1933:

> We are following and will continue to carry out Mr. Van's recommendations to the letter. Our contact with Attorney Horace L. Lohnes, Munsey Building, was made by Mr. Van prior to his accident. When we called to see Mr. Van at the hospital in Hagerstown he directed us to Attorney Lohnes (attorney for all important radio stations in the United States), who has interceded for us to the point where we now are. Mr. Lohnes informs us that every detail will meet with the approval of the Federal Radio Commission.
>
> Mr. Van has already contacted Chairman Eugene Sykes and James Hanley (Democratic members of the Commission) and Senator Patrick Harrison, Mississippi, all of whom are favorable.
>
> We understand that a decision will likely be handed down this week dealing with our station. With your help and that of other necessary persons the decision will be favorable and will be rendered before the end of this week.
>
> Every recommendation made by Attorney Lohnes is satisfactory to Mr. Van and to us. In spite of not having to move the station, the set-up, as now recommended, will give us better coverage over the 12 counties, with remote control in each of the counties and microphones in places that you suggest. It is even better than we had anticipated when the project was first brought to your attention. This new idea gives us the needed increase in wattage.
>
> Now the important thing is a favorable decision, and this week. We know you can get it.
>
> With sincerest appreciation for your continued interest.
>
> Yours very truly,
>
> LUCIAN A. SPRIGGS,
> *Radio Station WNBO.*

This letter indicates how completely Mr. Spriggs was carrying out his part of this political-broadcasting deal in order to get through Mr. Guffey, the Democrat politico major domo of Pennsylvania, that which should have been available, and would have been available had not the whole matter been messed up in the Federal Radio Commission by first one outfit and then another who wanted to take Spriggs' station away from him.

Apparently Mr. Spriggs had definite assurance from Mr. Guffey that his desire would be fulfilled. I now read a letter from Joseph F. Guffey, dated the Mayflower, Washington, D.C., which would seem to confirm this; it is dated November 15, 1933:

> DEAR MR. SPRIGGS: This will acknowledge the receipt of your telegram of November 9, regarding the application now pending before the Radio Commission for the licensing of a radio station at Washington, Pa.
>
> I understand that this case is now in good shape before the Commission and that it will receive early consideration.
>
> As you probably know, Mr. Van has not returned to Washington, after his absence on account of an automobile accident. I am asking him to keep in touch with this matter, and I will be glad to be of every possible help in connection therewith.
>
> Sincerely yours,
>
> JOSEPH F. GUFFEY.

I read now a telegram dated September 29, 1933, to Lucian A. Spriggs, Radio Station WMBO, Washington, Pa.:

> Certificate already filed with Commission along with other pertinent papers.
>
> HORACE L. LOHNES.

Also a telegram of October 9, 1931, from George O. Sutton to Spriggs:

> I will prepare all briefs, appearances, and notices to be submitted to Commission. Have you received formal notice of hearing? Forward this and all pertinent information to me immediately so I may acquaint myself fully. Am writing you with instructions as to information to gather.

These gentlemen at that time were cooperating with Mr. Spriggs because of the fact that they were making good use of his station in disseminating political information over the broadcasting station. I have already referred to the contract price in regard to that advertising. This became so effective apparently that they were not satisfied to let Spriggs continue to operate his own plant where they could get this advertising free, but they concluded it would be better for their interests to take over the station absolutely, and that is what has been taking place here, and the Radio Commission has been carrying out the suggestions in regard to the closing of the Washington station.

This matter was called to my attention in the following manner: Mr. Spriggs came to my office and told me of all the trouble he was having in connection with the operation of his radio station and explained to me in detail that which I have set forth in this discussion. At the time of his coming to my office he had been notified by the Commission that a hearing on his application for renewal of license was scheduled for May 8. The time was nearly up, and he and his attorneys, who later called at my office, asked me if I could not arrange a postponement of this hearing. This I tried to do with Judge Sykes, of the Radio Commission, and through the General Counsel's office, all of which was to no avail, as Mr. Spriggs was advised on April 23 by Mr. Herbert L. Pettey, secretary of the Commission, that his request for a continuance of the hearing on his application for renewal of license scheduled for May 8, 1934, had been denied, and that the hearing would take place as scheduled. What the final disposition of his case has been is not known to me at this time.

The Clerk read as follows:

ORDERS NOT FOR PAYMENT OF MONEY—WHEN EFFECTIVE

SEC. 408. Except as otherwise provided in this act, all orders of the Commission, other than orders for the payment of money, shall

take effect within such reasonable time, not less than 30 days after service of the order, and shall continue in force until its further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction.

Mr. CULKIN. Mr. Chairman, I move to strike out the last word, and I do so briefly to call to the attention of the Committee and those on both sides of the House who may be conferees on this bill, the importance of the reenactment of section 29, which is found on page 30 of the Radio Laws of the United States, a pamphlet, without number, that covers all radio enactments since the beginning. Section 29 is really the Magna Carta of the whole procedure and covers generally the complaints that have been made here today with regard to the freedom of the air. Section 29 provides:

That nothing in this act shall be understood or construed to give the licensing authority the power of censorship over radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the licensing authority which shall interfere with the right of free speech by means of radio communication.

Of course, that section is in the law. It is complicated by the fact that under the law now a broadcasting station is liable for an action in slander and so it must necessarily have power, as a newspaper has to edit what appears in the newspaper, but this section, I am informed, is not in the Senate bill, but it is reenacted in the House bill; and I expressly commend it to the tender care of the House conferees on both sides of the aisle when the bill goes to conference. It is of the highest importance that this section should be retained in the law.

The Clerk read as follows:

DOCUMENTS FILED TO BE PUBLIC RECORDS—USE IN PROCEEDINGS

SEC. 412. The copies of schedules of charges, classifications, and of all contracts, agreements, and arrangements between common carriers filed with the Commission as herein provided, and the statistics, tables, and figures contained in the annual or other reports of carriers and other persons made to the Commission as required under the provisions of this act shall be preserved as public records in the custody of the secretary of the Commission, and shall be received as prima facie evidence of what they purport to be for the purpose of investigations by the Commission and in all judicial proceedings; and copies of and extracts from any of said schedules, classifications, contracts, agreements, arrangements, or reports, made public records as aforesaid, certified by the secretary, under the Commission's seal, shall be received in evidence with like effect as the originals: *Provided*, That the Commission may, if the public interest will be served thereby, keep confidential any contract, agreement, or arrangement relating to foreign wire or radio communication when the publication of such contract, agreement, or arrangement would place American communication companies at a disadvantage in meeting the competition of foreign communication companies.

Mr. McFARLANE. Mr. Chairman, I desire to offer an amendment. I ask unanimous consent to return to page 120 for the purpose of offering an amendment with respect to service charges.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to return to page 120 to offer an amendment. Is there objection?

Mr. MILLIGAN. Mr. Chairman, I regret that I shall have to object to going back to that page.

The CHAIRMAN. Objection is heard.

The Clerk read as follows:

SEC. 414. Nothing in this act contained shall in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this act are in addition to such remedies.

Mr. RANKIN. Mr. Chairman, I desire to refer briefly to the attack on the Tennessee Valley Authority made a few moments ago by the gentleman from New York [Mr. FISH]. His remarks, of course, were directed at the power policies of the Roosevelt administration—using the same arguments that are advanced by the Power Trust and its advocates from one end of this country to the other.

One of the greatest accomplishments of this administration—one of the greatest accomplishments of any administration in all the history of our country—is that of putting into effect the power policies of the Roosevelt administration through the instrumentality of the Tennessee Valley Authority, thereby giving to the American people electric lights and power at rates based upon the cost of production and distribution, and not upon the alleged values of watered stocks, exorbitant overhead charges, and expenses of maintaining holding companies and their subsidiaries—or based upon the helpless consumer's ability to pay. As I said on this floor once before, if President Roosevelt had never done anything else for the American people, this one act alone would be sufficient to carry his name down the centuries. It is one of the greatest achievements of modern times.

The hydroelectric power of this country is our greatest natural resource, outside of the soil from which we live. There is enough potential electric energy in our navigable streams now going to waste to supply all the needs of the American people. Heretofore this power has been used for the benefit of a favored few, and has been monopolized and so used as to maintain rates so high as to prevent its liberal use by the average individual or by the small enterprise.

When the Tennessee Valley Authority was created, something like a year ago, the President asked them to work out a "yardstick", showing a reasonable rate to be charged the ultimate consumers for electric light and power. That yardstick was worked out and the rates thereunder were applied in the first contract signed by the Tennessee Valley Authority with the city of Tupelo, Miss.

Those rates are as follows:

CITY OF TUPELO,
Tupelo, Miss.

STANDARD RESIDENTIAL RATE FOR SERVICE, EFFECTIVE FEBRUARY 7, 1934

Available to all residential customers at local distribution secondary voltage, either 2-wire or 3-wire service, as municipality may require:

First 50 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 150 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 200 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 400 kilowatt-hours, per month, at 0.4 cent per kilowatt-hour.
Minimum monthly bill:
5-ampere meter, 25 kilowatt-hours, 75 cents.
15-ampere meter, 33⅓ kilowatt-hours, $1.
50-ampere meter, 50 kilowatt-hours, $1.50.

BASIC COMMERCIAL RATE FOR SERVICE, EFFECTIVE FEBRUARY 7, 1934

Available to commercial customers taking service from the municipality's secondary system:

First 250 kilowatt-hours, per month, at 3 cents per kilowatt-hour.
Next 750 kilowatt-hours, per month, at 2 cents per kilowatt-hour.
Next 1,000 kilowatt-hours, per month, at 1 cent per kilowatt-hour.
Excess: Over 2,000 kilowatt-hours, per month, at 0.8 cent per kilowatt-hour.
Minimum monthly bill:
5-ampere meter, 50 kilowatt-hours, $1.50.
15-ampere meter, 66⅔ kilowatt-hours, $2.
50-ampere meter, 100 kilowatt-hours, $3.
Surcharge: Basic rate subject to a surcharge initially established by municipality and modified from time to time as net revenues improve of 10 percent. Surcharge to take the form of straight percentage added to customer's bills.

BASIC INDUSTRIAL RATE FOR SERVICE, EFFECTIVE FEBRUARY 7, 1934

Available to industrial power users having demands in excess of 10 kilowatts. Service at primary-distribution voltage or secondary-distribution voltage, at discretion of municipality.
Demand charge: $1 per kilowatt per month.
Demand: Maximum integrated 30-minute period.
Energy charge:
First 10,000 kilowatt-hours, per month, at 10 mills per kilowatt-hour.
Next 25,000 kilowatt-hours, per month, at 6 mills per kilowatt-hour.
Next 65,000 kilowatt-hours, per month, at 4 mills per kilowatt-hour.
Next 400,000 kilowatt-hours, per month, at 3 mills per kilowatt-hour.
Excess: Over 500,000 kilowatt-hours, per month, at 2.5 mills per kilowatt-hour.

It has been charged by the private power companies that these rates are below the cost of production of electric energy. That is not true; the T.V.A. took into consideration every element of cost involved. They even added an item for taxes which a private corporation would have to pay. They did this in order to be absolutely certain that they were not selling this power below the cost of production. These rates will be lowered in the years to come. They are higher than the rates in Canada, where they have had

public ownership of power facilities for many years. They are higher than the rates in Tacoma, Wash., where they have had public ownership for many years; and, if private power companies will squeeze the water out of their stocks, get rid of useless holding companies, whose stocks as a rule are all water, and quit spending so much money for high-salaried officials, attorneys' fees paid to lawyers who are hired for political purposes, and stop their expensive propaganda through the newspapers, magazines, and otherwise, they can deliver electric energy to the American people anywhere in the United States at the T.V.A. rates.

The Tupelo contract went into effect on February 7, 1934. On that date the T.V.A. began to furnish electric energy to the city of Tupelo to be retailed at the yardstick rates. Up to that time we were paying the same exorbitant rates that were charged for electric energy throughout the country by the private power companies—the same unreasonable, unconscionable and exorbitant rates that are now being paid by the constituents of the gentleman from New York [Mr. FISH].

In order that Members of the House and everyone else who reads this RECORD may appreciate what this reduction in rates has meant to the ultimate consumer, I am going to read into the RECORD at this point duplicate power bills paid in Tupelo in the month of January under the old rates and then in the month of March under the new T.V.A. rates. In order that everyone who desires to do so may get first-hand information from the people referred to, I am going to insert the names of the consumers.

I will take the domestic consumer first, since he has been the most unjustly imposed upon in the past. He was the forgotten man until the Roosevelt administration came to his rescue. Let us see what has been done for him. I hold in my hand the power and light receipts of Mr. A. E. Berkley and others of Tupelo, Miss. In January Mr. Berkley used 24 kilowatt-hours of electric energy, at a cost of $2.40, under the old rates. In March he used 27 kilowatt-hours of electric energy, for which he paid 81 cents, under the T.V.A. rates.

F. M. Laney used 63 kilowatt-hours in January, for which he paid $4.02. In March he used 62 kilowatt-hours, for which he paid $1.74.

Let me read you a list of a few of the domestic consumers in Tupelo, showing the amount of electric energy used in January 1934 and the cost to them under the old rates, together with the amount used by the same consumers in March 1934 and the cost to them under the new T.V.A. rates.

Name	Electricity used in January 1934 under old rates	Cost	Electricity used in March 1934 under T.V.A. rates	Cost
	Kilowatt-hours		*Kilowatt-hours*	
R. O. Perkins	72	$6.98	61	$1.72
Dr. W. C. Spencer	35	3.50	28	.84
T. L. Power	13	1.30	11	.75
W. O. McLean	26	2.60	24	.75
T. J. Bowen	21	2.10	11	.75
T. H. Curtis	344	15.26	386	6.36
R. B. Farrar	29	2.90	24	.75
Neville Edmonds	21	2.10	22	.75
J. B. McGuire	28	2.80	30	.90
J. P. Nanney	83	4.82	80	2.10
W. A. Moore	23	2.30	22	.75
H. E. Wilson	52	5.18	48	1.44
J. H. Merrit	244	11.26	227	4.77
M. T. Bonner	88	5.02	78	2.06
R. C. Beckham	18	1.80	23	.75
Claude Smith	218	10.20	216	4.66
M. E. Leake	124	6.46	161	3.72
Wm. Guthrie	24	2.40	18	.75
Carl Smith	65	4.10	44	1.32
R. W. Reed	116	6.14	135	3.20
L. W. Trice	23	2.30	21	0.75
W. E. Patrick	232	10.73	268	5.18
Dr. L. C. Feemster	229	10.06	348	5.98

I could fill pages of the RECORD with similar examples, but that is not necessary. These few are sufficient to show what the T.V.A. is doing for the domestic consumers of electric energy.

In addition to that, the Tennessee Valley Authority, through the Electric Home and Farm Authority, has made arrangements whereby home owners may secure electrical equipment, such as Frigidaires, electric ranges, washing machines, water pumps, water heaters, and so forth, at prices far below what they have been paying for these things, and may secure loans through the Electric Home and Farm Authority with which to pay for them. These loans are made on long terms and at low rates of interest. Thus, for the first time in history cheap electrical equipment and cheap electricity are both provided, and each helps to promote the more extensive use of the other.

Let me cite one example. I have before me a letter from a friend of mine in Tupelo, whom I have known for many years, in which he says:

> The people in this section are certainly crazy about the T.V.A. Before we put in our Frigidaire our ice bill ran around $9 to $12 a month and our electricity bill was from $7 to $10 a month, under the old rates. Now, we don't buy any ice at all, and last month (April) our electricity bill was only $2.38, a saving of $16 to $18 per month.

We are making a drive to take these benefits to all the people within the distribution radius of Muscle Shoals as early as possible. Not only the people in the towns and cities but the farmers, the people in the small villages, and out in the rural sections are to be served this cheap power and given the benefits of cheap electrical equipment through the Electric Home and Farm Authority. This will do more to brighten the farmer's home and make it pleasant and attractive, lighten the burdens of the farmer and his wife and children than any other one thing that has ever been done for him since farming began. It will help to keep people on the farm who are there now and will help to take our young people back to the farm.

I repeat, this is one of the greatest movements of modern times. It is merely the beginning of our drive to take cheap electric lights and power into every American home.

But it is charged by the power interests that under these rates we discriminate against commercial and industrial users in order to reduce the rates to the domestic consumer. Let us see about that. Here are the receipts of a few of the commercial consumers in Tupelo, showing the amount of electric energy used by them in January and the costs thereof under the old rates, and also the amount used in March and the costs thereof under the new rates.

Name	Electricity used in January 1934 under old rates	Cost	Electricity used in March 1934 under T.V.A. rates	Cost
	Kilowatt-hours		*Kilowatt-hours*	
Berry & Baker Furniture Co	210	$17.78	311	$9.59
Hotel Tupelo	2,977	145.58	3,233	46.60
Joyner's Odoriess Cleaners	110	10.79	99	3.27
Won Stop Service Station	821	62.85	840	21.23
Hinds Bros. & Co	326	27.45	258	8.43
400 Service Station	288	16.97	329	9.99
Tupelo Military Institute	596	29.80	641	16.85
Morrison-Rinehart Grocery Co	2,153	94.36	2,417	39.42
Pegues Furniture Co	151	13.58	152	5.02
L. P. McCarty & Son	350	29.25	367	10.82
R. W. Reed Co	966	65.14	952	23.69
The Peoples Bank & Trust Co	220	19.10	250	8.25
Hardin's Bakery	1,152	68.70	1,131	26.19
Tupelo Steam Laundry	345	16.14	341	10.25
Tupelo Floral Co	185	11.75	184	6.07
Harrison Cleaners & Dyers	103	10.30	99	3.27
333 Service Station	445	31.65	413	11.84
Tupelo Journal	708	41.38	736	18.94
J. L. Aldridge	69	6.90	52	1.72
Bank of Tupelo	348	29.10	361	10.69
Hotel Jeff Davis	1,035	67.44	1,173	26.65
Tupelo Daily News	1,080	61.50	1,024	25.01

These figures show that the merchant, the hotel keeper, the small business man, is also given the benefit of this cheap electric energy, thereby lightening his burden to a large extent.

But it has been asserted by the critics of the T.V.A. that industries are forced to pay higher rates, in order to make up for these low rates to domestic and commercial consumers. I also have before me some duplicate industrial

receipts for the months of January and March. I will read one or two of them. Listen to this:

The McLeran Ice Cream Co., of Tupelo, consumed 1,680 kilowatt-hours during the month of January, for which it paid $92.19. In March, this same company consumed 2,080 kilowatt-hours, for which it paid $56.23.

Reed Bros, Inc., garment manufacturers, consumed 6,580 kilowatt-hours of electric energy during the month of January, for which it paid $210.25. In March they used 6,690 kilowatt-hours, for which they paid $145.38.

The Tupelo Cotton Mills, manufacturers of cotton cloth, consumed 204,803 kilowatt-hours of electric energy in January, at a cost of $3,181.33. In March they used 258,000 kilowatt-hours, for which they paid $1,896.40. They used 26 percent more power in March than they did in January, and yet their power bill was reduced 40 percent.

If this cotton mill had paid the same rates for power in March that it paid in January, this 258,000 kilowatt-hours would have cost $4,008. In other words, that cotton mill saved $2,112 on its March power bill. Spread that over 12 months, and, at that rate, this one small cotton mill would save $25,000 a year on its power alone.

These unquestioned facts and figures show what the American people would save on their electric light and power bills if we could only get electric energy furnished to them at rates based upon the cost of production and distribution.

This is just the beginning of a national policy which we hope and expect to pursue until we bring cheap electric light and power to every human being in America.

For my part I can truthfully say that my cup of gratification is literally running over. Passage of the Muscle Shoals bill was the culmination of a battle which I have helped to wage for more than 10 years. Members of the House know of the fight I made here for the passage of that bill a year ago. Today this cheap energy from Muscle Shoals is being supplied to the people in a majority of the counties of the district which I have the honor to represent, and we hope to have it supplied to the rest of them at an early date. So long as I live, whenever I see the twinkle of an electric light, especially in my section of the country, whether it be in the factory window, over the merchant's counter, or in the humblest farmer's home, I can say in my heart that I have helped to lighten that man's burden. In that respect, at least, I can feel that my public services have not been in vain.

The power development under this administration marks the dawning of a new day of hope and progress for the masses of the American people; and to think that the sunlight of this new era first broke over the district I represent and that its first benefits came to the people I serve and who have honored me with their suffrage brings to me a degree of satisfaction that has come to few public men on this earth.

This is not a temporary benefit to be enjoyed by a favored few. It is a lasting blessing, one that reaches every human being—the strong, the weak, the rich, the poor—and one that will be passed on down to our children and our children's children for a thousand years to come. [Applause.]

The Clerk read as follows:

LIMITATIONS AS TO ACTIONS

SEC. 415. (a) All actions at law by carriers for recovery of their lawful charges, or any part thereof, shall be begun within 1 year from the time the cause of action accrues, and not after.

(b) All complaints against carriers for the recovery of damages not based on overcharges shall be filed with the commission within 1 year from the time the cause of action accrues, and not after, subject to subsection (d) of this section.

(c) For recovery of overcharges action at law shall be begun or complaint filed with the commission against carriers within 1 year from the time the cause of action accrues, and not after, subject to subsection (d) of this section, except that if claim for the overcharge has been presented in writing to the carrier within the 1-year period of limitation said period shall be extended to include 1 year from the time notice in writing is given by the carrier to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice.

(d) If on or before expiration of the period of limitation in subsection (b) or (c) a carrier begins action under subsection (a) for recovery of lawful charges in respect of the same service, or, without beginning action, collects charges in respect of that service, said period of limitation shall be extended to include 90 days from the time such action is begun or such charges are collected by the carrier.

(e) The cause of action in respect of the transmission of a message shall, for the purposes of this section, be deemed to accrue upon delivery or tender of delivery thereof by the carrier, and not after.

(f) A petition for the enforcement of an order of the commission for the payment of money shall be filed in the district court or the State court within 1 year from the date of the order, and not after.

(g) The term "overcharges" as used in this section shall be deemed to mean charges for services in excess of those applicable thereto under the schedules of charges lawfully on file with the commission.

Mr. McFARLANE. Mr. Chairman, I had hoped to be able to offer an amendment which would help this measure very much, and I am sorry that the gentleman from Missouri [Mr. MILLIGAN] has objected and cannot see fit to allow me to return to the particular paragraph to which it was applicable to offer it. This measure has been given a scientific reading and in this way the proper place for offering the amendment was passed. The amendment I had in mind was to be inserted at page 120, line 17. It was to this effect:

Provided, That no charge shall be made for installing telephone equipment.

I know and you know that the telephone companies make unreasonable "service charges" for installing telephone equipment. Take the telephone company here in the District of Columbia. They make a charge of $3 for the installation of telephone equipment, even though that telephone is already installed in your home or apartment, and the only thing remaining to be done is to connect it at the board.

To move a telephone within your home a charge of $1.50 additional is made. Charges such as that should be eliminated; they should not be permitted. As long as we sit idly by and permit these utilities to make such additional service charges, they will continue to make them. It ought not to be permitted. I feel it is our duty to stop such a racket as this. The monthly rental should be and is ample to take care of all incidental expenses, and these additional service charges just add to their large profits, and such charges should be stopped.

The telephone rates here in the District of Columbia are unreasonably high. The press recently carried a notice that there are more telephones according to population here in the District of Columbia than in any other city in the United States except possibly San Francisco. Such a record is no doubt due to the large Government pay roll made here in Washington.

Their profits, as shown by the press, are unreasonably high. They ought to reduce their rates. They certainly ought not to be allowed to continue to make these service charges. [Applause.]

The Clerk read as follows:

EFFECTIVE DATE OF ACT

SEC. 607. This act shall take effect upon the organization of the commission, except that this section and sections 1 and 4 shall take effect upon the enactment of this act. The commission shall be deemed to be organized upon such date as three members of the commission have taken office.

With the following committee amendments:

Page 175, lines 4 and 5, strike out the words "upon the enactment of this act" and insert in lieu thereof the words "July 1, 1934"; in line 6, strike out "three" and insert "four."

The committee amendments were agreed to.

The Clerk concluded the reading of the bill.

The CHAIRMAN. The motion occurs on the committee substitute for the Senate bill.

The committee substitute was agreed to.

The CHAIRMAN. Under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DISNEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 3285) to provide for the regulation of interstate and foreign

communications by wire or radio, and for other purposes; and pursuant to House Resolution 411, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the adoption of the amendment.

The substitute amendment was agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the bill was passed.

On motion by Mr. RAYBURN, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the House insist upon its amendment to the Senate bill and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]?

Mr. BLANTON. Mr. Speaker, just on the question of orderly procedure, for the first time since I have been here that was done in the Senate the other day on an appropriation bill, where the Senate, not knowing what the House was going to do, took it for granted the House was going to disagree, and asked for a conference before the House had seen the Senate amendments. This is carrying out that same kind of new procedure.

Mr. RAYBURN. I know the Senate will disagree.

Mr. BLANTON. The chairman of our House committee criticized the Senate the other day for doing that very thing. Now we come along and do the same thing. However, they set the precedent.

Mr. RAYBURN. We just gain a day or two. That is all.

Mr. BLANTON. The Senate set the precedent, so it cannot complain.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. RAYBURN]? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. RAYBURN, HUDDLESTON, LEA of California, MAPES, and WOLVERTON.

DEFICIENCY APPROPRIATION BILL—1935

Mr. BUCHANAN, from the Committee on Appropriations, reported the bill (H.R. 9830, Rept. No. 1879) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, which was read a first and second time, and, with the accompanying report, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. BACON reserved all points of order on the bill.

Mr. BUCHANAN. I wish to state to the Members that a copy of the hearings, a copy of the bill, and a copy of the report are available in the Appropriations Committee room, and any Member who wants them can get them. The bill will be called up Monday.

APPREHENSION OF PERSONS CHARGED WITH CRIME

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9370) to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime, with Senate amendments, and concur in the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 5, strike out "capture, dead or alive," and insert "capture."

Page 1, lines 7, 8, and 9, strike out "who is designated by the Attorney General of the United States as a public enemy."

Page 2, lines 4, 5, and 6, strike out "who has been designated by the Attorney General of the United States as a public enemy."

Page 2, line 17, strike out all after "United States" down to and including "violence" in line 21.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. PATMAN]?

There was no objection.

The Senate amendments were agreed to.

EXTENSION OF REMARKS

Mr. GUYER. Mr. Speaker, this morning I asked unanimous consent to revise and extend my remarks in regard to Captain Hobson. I wish to insert a little poem by Eugene Ware. I did not want to do it without asking permission. I, therefore, ask unanimous consent to include in my extension of remarks the poem with reference to Captain Hobson.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. GUYER]?

There was no objection.

REPUBLICAN REACTION

Mr. BOLTON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting a radio address delivered by myself last evening.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOLTON. Mr. Speaker, under the permission granted me, I am extending my remarks by inserting the following address delivered by me from Station WJSV, Washington, Friday evening, June 1, 1934:

REPUBLICAN REACTION

The second session of the Seventy-third Congress is soon to adjourn. It appears improbable there will be another session before the biennial elections in November, at which time the entire Membership of the next House of Representatives and approximately one-third of the Membership of the United States Senate will be selected. So far as legislative action of this Congress is concerned, the record soon will be completed for the biennial accounting at the polls in November. But, because of the confusion of the scene now presented, only time will tell the effects of the legislation enacted. Notwithstanding the speed with which the administration has proceeded to exercise the vast and unusual powers granted to it in pursuance of its new-deal policies, not one of these policies may be said to have passed beyond the experimental stage. There is such growing uncertainty and confusion, it now seems certain that in the fall campaign, to a very unusual extent in a non-Presidential election year, national issues will engross the attention of the electorate.

This is as it should be. No other administration in the history of the country has asked such unlimited powers or has been given so wide a latitude to try out its policies. No other administration has launched such a multiplicity of experiments so entirely new to our system of government or, in the opinion of many, so utterly incompatible with its spirit and form.

No other administration in the whole history of our Government has launched any program at so stupendous a cost—has poured out so lavishly, so casually for any purpose whatever, such staggering sums as are now being expended by this administration to see if its new deal will work. It is true that these tremendous outlays have been made in the name and presumable interest of the American people, but let it not be forgotten that the people themselves will eventually and inevitably pay the bill.

The confusion in which we now find ourselves—the mounting uncertainty regarding the outcome of this stupendous gamble on futures, worthy the spirit of 1929 before the crash—in short, the where-do-we-go-from-here mood of our people now everywhere in evidence makes imperative the need of the fullest possible discussion of the wisdom, or the lack of it, which has motivated those responsible for the situation, quite aside from any question of their motives.

As pointed out by Mr. Frank Kent in one of his recent articles in the Baltimore Sun, we now seem to be entering the "era of realities." Commenting on events leading up to this situation Mr. Kent said:

"The chief reason the country has been swung so much farther by the new deal than anyone ever dreamed we would go is because there was no effective group or person to put on the brakes. The acuteness of the emergency gained for the administration at the start almost solid press, public, and political support.

"Add to that the combination of propaganda and Presidential popularity, and the whole program was made irresistible. With no one grasping their full implications, a series of great regulatory schemes, not one of which has been thought through, going in different directions and some sharply clashing with others, was launched with bewildering rapidity. Men who disbelieved or doubted were overwhelmed. It was unpatriotic to oppose."

Again and again Mr. Kent has commented on the growing, the "terrific confusion"—to use his exact phrase—of the new deal. In his graphic way—in his capacity as a reporter of the national scene—he has told of his inability to find anyone with a coherent and comprehensive view of the whole plan, if plan it may be called, under the circumstances. It would seem that the national planners would have a plan that could be explained to

so keen an observer as Mr. Kent, and to other eminent observers who have watched developments with fascinated interest, and now join in the demand that stock should be taken of the whole nebulous scheme.

It may be urged that there should be no party activity at this time, that the administration should be allowed to proceed unchallenged on its unchartered course, for good or ill, in the blind hope that someway, somehow, it will lead us out of the wilderness of doubts and fears in which we now find ourselves, and into prosperity and plenty. The time is past for such a course in view of the situation. Those who hold this view should be reminded that the price of liberty is eternal vigilance. The citizens of this country have a duty to perform as well as their chosen representatives. The heedless should "stop, look, and listen." The thoughtful should take stock of what has been going on. They should make a searching analysis of the new deal, the theories of the new dealers, and of all who stand for national office in November.

In the brief time allotted to me I cannot attempt to discuss in detail that maze of new-deal legislation which has been enacted and what may be the results of its application. The forces in charge of the affairs of the Government at this time have been moving so erratically, their destination is so uncertain, if, indeed, they have one definitely in mind, that a prophet would be at a loss to foretell where they will be next month, next week, or tomorrow, for that matter. Like dancers in the mazes of an old-fashioned quadrille, they move to the right, then to the left, then to the center. But they never remain long in one place. Much of the time they are swinging in circles. The difference is there was a pattern in the dance, whereas there seems to be none in the evolutions of the "new dealers."

I speak of an administration that has frankly announced its major policies are experimental—that if they do not prove satisfactory it will try something else. Where may be found the mandate for such a gamble with the destiny of a whole people? The stake is too vast for such a doubtful and unauthorized venture. Statesmanship demands courage—not rashness.

Candid Democrats, in Congress and out, freely admit there is nothing in the new-deal philosophy that remotely resembles original Democratic doctrines. A very distinguished Democrat, Senator CARTER GLASS, has not hesitated to denounce it roundly. In a recent interview he is quoted as saying:

"The new deal, taken all in all, is not only a mistake; it is a disgrace to the Nation, and the time is not far distant when we shall be ashamed of having wandered so far from the dictates of common sense and common honesty."

The promise of a new deal in the last campaign carried with it no implication whatever of the sweeping changes that were to follow so soon after the inauguration of the new administration. Neither was the new deal, as now developed, remotely implied in the last national Democratic platform. If words mean anything, quite the contrary.

The single paragraph declaring for rigid governmental economy is so utterly incompatible with the rash extravagance of the new deal that it proves the point. The platform declaration for "the removal of Government from all fields of private enterprise", comports little with that partnership between Government and business authoritatively enunciated not long ago as a principle of the new deal, and now widely in evidence as the order of the day.

It is generally regarded, I appreciate, a waste of words to discuss broken platform pledges under present conditions. The new deal seems to have brought with it a new code of political morals as well as the codes imposed upon business. But broken platform pledges will be a proper topic for discussion in the coming campaign, and well they should be. I say again, there was no mandate in the 1932 election, decisive though it was, for so rash an adventure into a field purely experimental, at a cost so great, involving such potentialities for evil to the form and spirit of our institutions.

There was no mandate to the legislative branch of the Government to delegate to the executive branch, as it has done, powers vested in it, and in it alone, by the Constitution. The representatives of a free people cease to be representative under such a system, and the people cease to be free.

The fundamental principles of our Government will be destroyed if present tendencies are not checked, no less surely than if a dictator were to be placed at its head by force of arms.

I speak with the conviction that a study of its principles, training in its ranks, and association with its membership bring to me when I say the Republican Party, in the face of all odds, will fight in the fall campaign to send Representatives to Congress who will oppose the tendencies of which I speak. The Republican Party's principles are broad enough to meet new conditions with new methods. They always have been. But while our party remains worthy of its name and true to its traditions it will have certain tenets from which it will not depart.

The Republican Party from its birth has been opposed to bureaucratic government. The Democratic Party under its long line of leadership, up to the advent of the present administration, denounced all tendency toward such a system of government. Bureaucratic government has been denounced in vigorous and picturesque language by statesmen whose utterances for centuries have led the thought of the world. In varied phrases it has been declared to be the worst form of government that could torture and afflict mankind. But I do not inveigh merely against a tendency in this country toward a bureaucratic form of government. We have one now—brought to us by the "new deal."

Fed on fabulous sums of the people's money, this bureaucracy has grown with astonishing rapidity. In its various branches and activities it has regimented the farmer, disturbed labor, placed impossible restrictions on business, and increased the cost of living without the compensating increase in purchasing power promised so profusely by its misguided sponsors. In short, it has meddled to no good purpose, so far as results have shown, in everyone's private affairs, after the manner and fashion of all bureaucracies of all time. Made desperate by the futility of their effort, its sponsors, if not checked, inevitably will demand more and more power and undertake more and more experiments.

Republicans regard such a system of government as pernicious, undemocratic, and un-American—not justified by any emergency, past or present—and will fight to rid the country of it with all the vigor at their command.

The Republican Party still believes in a government of laws and not of men. It cannot subscribe to the fallacy now all too prevalent that any emergency can justify the substitution for constitutional government of government by slogans, labels, experiments, and personal whims. It has not been converted to the view that governmental economies, pledged by both parties in 1932 and desired by all at that time, have ceased to be desirable. Nor has it come to believe with the "new dealers" that we should spend before we earn—that we can borrow and squander ourselves into prosperity.

Republicans appreciate that under complex economic conditions of modern times more government is required than in Jefferson's day, when he announced the principle long subscribed to by men of both parties that "that government is best which governs least." But they would not reverse the dictum. They cannot now subscribe to the view that that government is best which governs most.

They cannot bring themselves to believe that the advent of the new deal put in reverse the most fundamental truths woven into the fabric and spirit of our institutions. They would change the instrumentalities of government as needed to conform to new conditions, but never in the process would they undermine the solid foundation on which the whole structure rests. They still cling to the ideal of individual liberty—call it "rugged individualism" if you will, either in praise or derision. They still believe in a sound money system, in the "bill of rights", and the inviolability of all guaranties under the Constitution.

Most of all, they believe in a representative form of government, as provided for in the Constitution, with its checks and balances between legislative, executive, and judicial branches, and all that the term implies. They do not want it changed to any other form by direction or indirection, by intention or tendency. In the campaign to come they will endeavor to send men to represent them in the legislative branch of the National Government who hold to this view and will remain steadfast in this faith.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. DEROUEN for 4 days, beginning Monday, on account of important business.

HOUR OF MEETING

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

NEPOTISM

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MITCHELL. Mr. Speaker, I recognize that it is late in the evening and that the House does not want to be detained.

Early in the Seventy-second Congress and likewise at the beginning of the Seventy-third Congress I introduced a resolution which I think should have the serious consideration of my colleagues in this body. It is H.R. 1684, a bill to prevent the practice of nepotism.

I hope I may have the opportunity a little later to be more fully heard with reference to this particular measure. I know it possesses merit. I respect each and every Member of this great Assembly. I know it is incumbent upon the Members of Congress to set an example, not only for the Federal Government but for State governments and for municipal governments.

Nepotism is defined as a system or custom practiced by several of the earlier popes of granting high honors, dignities, offices, pensions, and the like, to their family relatives,

generally their nephews; hence, family favoritism of any sort.

Webster's International Dictionary defines nepotism:

1. Favoritism shown to nephews and other relatives; bestowal of patronage by reason of relationship, rather than merit.
2. Excessive fondness for one's nephews.

Thomas Jefferson said:

The public will never be made to believe that an appointment of a relative is made on the ground of merit alone, uninfluenced by family views; nor can they ever see with approbation offices, the disposal of which they intrust to their President for public purposes, divided out as family property.

Woodrow Wilson refused to appoint his brother to a Federal position. I am glad that Senator JOSEPH C. O'MAHONEY, while First Assistant Postmaster General, now a United States Senator, ordered all third-class postmasters to discontinue employment of members of their family, effective May 1, 1933. This affected 10,500 post offices in America. Postmasters were ordered to select unemployed and unrelated who were competent and deserving, and those having dependents being given preference who were out of work.

I am indebted to Raymond Clapper, of the Washington Post, for most helpful suggestions in this discussion, taken from his most excellent publication, entitled "Racketeering in Washington", and also to the Universal News Service, the Associated Press, United Press, and International News Service for their loyal cooperation and support.

Congress should not surrender its powers. The "new deal" must not expect republican form of government in the United States to be abandoned. It is true many nations of the earth adopt a one-man government. This must not be in the United States. We have sacrificed too much in blood and treasure through our forefathers to permit government of, for, and by the people to perish.

Mussolini rules Italy. Russia is governed by a group of Communist Party leaders. Japan by a military junta. England by a few able men in Parliament, who are responsible for Great Britain's Government. Germany is controlled and governed by Hitler.

Apparently representative government and legislative branches of government have weakened, and the people have lost confidence in their leadership. Public confidence must be restored in legislative bodies. Congress itself has been in bad repute.

Since the administration of President Roosevelt began conditions growing out of the depression have demanded broad Executive powers, largely because the Congress had ceased to function for the people.

We are now going through an economic and peace-time revolution. Many experiments in government are taking place. Many untried fields are being explored. Many economists have been substituted for politicians. All the people and their businesses are interested in Washington. Decisions are daily made here which affect the lives, occupations, and incomes of 125,000,000 people. This is a big responsibility.

Congress and the President must, therefore, be above suspicion. This is no time or place to pad the family pay roll. It is no time to hire relatives and the next of kin. Too many out of employment in America for this. The people honor the Membership here by voting for and sending them to Capitol Hill as their spokesmen and representatives. It is no time or place for selfishness and greed.

We must have clean men in office. We must have honest men in office. We must have unselfish men in office.

The future of our national life is at stake. We must have a high standard of public service.

We must return from the road of bankruptcy to one of solvency and security. Expenses must cease to go up while revenues go down. The people must be employed with a proper wage scale. The taxpayers must no longer be crucified. The idle relatives must not longer remain on Government pay rolls. Savings for the taxpayers must be had. The sons-in-law, daughters-in-law, and all the other in-laws, and the wives, sons, and daughters should not be on the pay roll. Even if they do the work they are supposed to do, it sets a bad example over the country for the State, county, and municipal governments. Many States, like Oklahoma and Missouri, have constitutions that provide against the employment and appointment of the next of kin of the appointing power.

Men sent here are public servants. They represent the people. No reason exists for Government-paid chauffeurs, private elevators, nor private dining rooms, in which a Member of the House or the Senate may take his personal guests and next of kin to eat food served by waiters who are paid by the taxpayers of America.

The people who elect and send us here have no such comfortable and palatial surroundings. Why should their representatives become so much preferred over those who pay the bill? This should not be the case. The Members of both branches of Congress will profit by keeping in close touch with the people. No stream should undertake to rise above its source.

We will not deserve, nor will we have, the confidence of the people as long as Members at either end of the Capitol have their relatives on the pay roll, and who, at the time, are often many miles away from their work. We will not merit public confidence if this is continued. We will not have public respect unless we deserve it.

We get in life that to which we are entitled. Not only Congress but the departments of government are filled with those guilty of nepotism. Many wives, sons, and daughters are employed by some department head not because of merit but because of family relationship. It is indirectly obtaining money by means of false pretense. It is a crime against the taxpayers. It is a crime against America. It is selfishness and greed that resembles the practices of the rulers of the Dark Ages. It is modeled after the so-called "divine right of kings."

Many underpaid clerks are forced to do the work of some wife or daughter or son of a Member, who receives most of the pay, and the clerk who does the real work gets a starvation wage. Shame on a practice of this kind. It is graft of the rankest kind to put the next of kin on the pay roll as a clerk in the Member's office at a salary of $3,900 per year, when he or she does not come to the office once a month, but, instead, employs a stenographer at $50 or $60 per month to do his or her work, while the difference is kept in the family purse. This is robbing the taxpayers to that extent, and in the amount represented by the steal.

It is a disgrace. Millions are still unemployed, hungry, and walking the streets and highways while Congressmen pad their own salaries by the practice of nepotism and take the allowance provided for them to themselves for clerk hire and put it in their own pockets or send their children to school on the proceeds, or the wife enters so-called "society" in the Nation's Capital and entertains at the expense of the people back home. No wonder Congress has suffered in the estimation of the people. The Members of both branches here are guilty of this nefarious practice. They seek to outlaw and belittle anyone who may arise to protest this practice of greed, graft, and selfishness. It is necessary that the practice be clothed in secrecy and kept in darkness.

Those guilty meet in cloakrooms and secret conferences to console each other and seek a way to justify the graft on the basis that they are worth to their people and district more than the salary allowed. Wonder if they would advise their constituents back home that they are getting extra pay in this way?

> Vice is a monster of so frightful mien,
> As to be hated needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

The public have rights. The people are entitled to know. Through the bill introduced by me in the Seventy-second and Seventy-third Congresses the Clerk of the House was forced to reveal how the public money was being spent by the Members. The records are now open for inspection, and, to the discredit of the present Membership, many names appear on the Clerk's rolls during the Seventy-third Congress as related to the Members.

It was impossible for a long time to know from the Clerk's report who was a Member's secretary.

The bill I have introduced and which is now pending before the Committee on Accounts is no. 1684.

By its provisions a Member cannot employ any of his relatives within the third degree.

It also makes it unlawful for a Representative or Senator to employ the relatives of other Members. I hope all those who want clean government will help in my efforts to have this bill favorably reported by the Committee on Accounts to the floor for passage this session.

It is no excuse or justification that the Vice President and the Speaker of the House have their wives employed as clerks on the pay roll. At the last session of Congress more than 133 Members were guilty. At this session about 65 Members still practice it. The Members in the other Chamber are more guilty of this practice. Thirty-seven out of the ninety-six total in that body are guilty, or were, in the last Congress.

No Member will keep down appropriations in other departments of Government where his next of kin are employed or benefited by his actions. He handicaps himself by his own wrong. It is not only a financial loss to the taxpayers, but a moral loss to the Member. It costs him much in his own self-respect, to say nothing of the lack of confidence and esteem which he suffers by those who look to Washington for an example in good government. Let us right this wrong.

Every Member of the House is allowed $5,000 for clerk hire per year. The Representative may divide this between two employees, but he is restricted in that he can only pay $3,900 a year to any one employee—the remainder to the second clerk. The chairmen of committees are allowed extra clerks.

Senators are allowed $10,320 per year for clerk hire, which they must divide among four clerks at salaries ranging from $3,900 down to $1,800 a year. Committee chairmen in the Senate are allowed one extra clerk and often more.

Mileage of 15 cents per mile each way to cover cost of travel of Members in both branches should be eliminated altogether. In the House this costs $175,000. With good roads and automobiles we can now easily and inexpensively come to Washington from all parts of the country. It is no longer expensive to travel. The present mileage rate was fixed in 1866 and was not reduced until last year, from 20 to 15 cents per mile.

It does not cost as much to travel now as it did when the rate was fixed before the automobiles and the pikes. We are not entitled to mileage and it should not be allowed. As a matter of economy and saving to the taxpayers mileage should be discontinued.

The Members of the other Chamber force the taxpayers to pay for their shaves and haircuts, their marble baths with professional rubbers, a pool of filtered water, violet-ray lamps, rowing and weighing machines; also many different kinds of mineral waters, free transportation from office to Senate, and free garage service in the new Senate garage. Each Member who dies in office has the expense of the funeral borne by the taxpayers and the casket expense included, which must not exceed $400. The widow of the Member is paid a salary of $10,000 for the next year, and the deceased Member's clerk is paid for 1 month, and his estate gets the balance of the stationery allowance unexpended.

I have introduced a resolution which, if adopted by the House, will stop all this in the future.

Members of Congress have the use of free mail, or the franking privilege on Government business from the day of their election.

Farmers, who pay the taxes to support their Representatives in luxury, have a right to rebel at this condition.

The Senate, for the year ending June 30, 1933, spent over $3,000,000 for its own operations and personnel.

The House, with 435 Members, spent over $8,000,000; the Architect of the Capitol, $1,800,000; the Speaker's office costs about $20,000 per year; the Clerk of the House costs $163,730 per year; different committees cost about $300,000 per year; the Doorkeeper of the House costs $250,000 per year; clerk hire of Members, $2,200,000 per year.

Graft and greed is not confined to any particular political party—each is equally guilty—the Democratic leader in the Senate formerly had 3 out of 5 secretaries close relatives—one a brother-in-law who lived in Little Rock, Ark., and drew a salary of $2,200 per year, while he was president, at the time, of the S.W. Joint Stock Land Bank. He was called a contact man.

The majority leader had his aged mother-in-law as a clerk. She received $2,580 per year and lived in Arkansas with her son, and did nothing to earn the pay. He took her off the pay roll when criticism came thick and fast, and appointed the wife of his nephew, to be certain not to violate the principle of nepotism. At the same time, the nephew was a clerk in the office.

During the Hoover administration, Senator TOWNSEND, of Delaware, was president of a construction company which did $200,000 worth of work for the Government in the District of Columbia. At the same time, his son was vice president of this company and secretary to his father's Senate committee, which passed on senatorial expenditures. The son drew $3,900 per year.

In 1932, Senator Brookhart, who is now in the Government service and a Republican from Iowa, drew a salary of $10,000 per year as Member of the Senate and had his son clerk of his committee at the time at $5,400 per year; another son, his clerk in the Senate office at $3,900 per year; and a daughter at a salary of $2,200 per year; and a brother referee in bankruptcy at $2,500 per year; and another brother bailiff in court at a salary of $1,800 per year; and a daughter, Miss Florence, on a salary of $2,200 per year, and Miss Edith took her place and finished school at George Washington University in Washington at the time she was supposed to be clerk in her father's office.

This is the same Republican now holding an appointment in the Department of Agriculture under the administration of President Roosevelt, which calls for a new deal. I know of no reason why this nepotic Republican, who drew $25,000 per year from the taxpayers through himself and family, should be rewarded with any Democratic patronage. Why give him a place when so many deserving Democrats are without means of support? This is part of the new deal with which I cannot agree, and know of no defense for his appointment from a Democratic viewpoint. Surely the ex-Senator is most selfish and far removed from being entitled to Democratic patronage. His own State at the time had a law against nepotism, yet we take up this Republican and defend his actions of greed and graft and appoint him to a position he is most unsuited to fill and most unworthy to adorn. While he was a Member of the Senate he was absent 49 days, making speeches at $200 and $300 per day, and should have deducted this salary, but no deductions were made. He drew $30 per day and was not present to earn one cent of it. He came to Washington to get his mileage and had the Clerk note his presence so as to perfect the graft and went to the disbursing clerk and drew $416 in mileage, which, as a matter fact, with a lower berth, would have cost only $97.48. The next day he went West and was lecturing to the people on public affairs and honesty in Government. "By their fruits ye shall know them." "Upon what meat hath this our Caesar fed that he hath grown so great?" Why give him an appointment anywhere? Certainly not a Democratic one.

Senator DICKINSON, the Republican keynoter of Iowa—"Hell-raising Dick"—had as his secretary Rollin Hunter, his son-in-law, on the House pay roll, and his son as clerk in his father's office at a salary of $275 per month. His son-in-law was listed as a messenger in the House post office, which may have meant a messenger or college student or just a plain excuse for collecting a salary off the taxpayers.

The Democratic keynoter, Hon. ALBEN W. BARKELEY, who spoke at Chicago, had a son and a daughter on the Senate pay roll as his clerks. His son drew $3,900 per year, and his daughter, L. L. Barkley, drew $1,800 per year.

Many others equally prominent might be mentioned if time would permit.

There is no rule governing the appointment of secretaries to Members of Congress other than the fact that no one appointee shall receive more than $3,900 of the $5,000 allowed per year.

The Members of the House and Senate are permitted to use their discretion in making their appointments.

To our shame, more than 50 percent of the Members of Congress appoint their relatives to Government positions. Not only do Members of Congress appoint their relatives, but the different departments are filled with the relatives of those in charge, all appointed because of being related rather than because of merit or fitness for the position to which they are assigned.

They are selected because of family tie rather than merit. This cannot be defended. It is practiced in the dark. If it cannot be defended in the light, it is indefensible anywhere and everywhere. Some are appointed who do not even come to Congress, and who perform only nominal public service, but look after the private or political affairs of the Members back in their home districts, at the expense of the taxpayers.

Many State legislatures have prevented this by statute. Then why should the Federal Government tolerate it longer in Congress or in any of the departments of Government? It permeates every department, from and including the White House down to the janitors who work in the Capitol.

It is most difficult to obtain the names of all the offenders. Time and space will not permit in a speech here to give them all. The report of the Clerk of the House is supposed to carry the names, as is also the report of the Secretary of the Senate. The report of the Clerk is obscure and concealed in a medley of statistics.

The congressional pay roll is most difficult to obtain, though it is supposed to be public. Those who endeavor to get access to the rolls are confronted with much difficulty and many questions. The clerks in charge frown upon them. They themselves are equally guilty of the practice, and have their next of kin on their pay rolls and staff, so it is necessary to prevent the "pitiless light of publicity" to be turned upon this system of family greed, graft, and selfishness.

The New York World recently carried this statement:

> It is of record that one western Representative, who was chairman of a committee, employed his son at $2,240, a daughter at $1,440, and a nephew at $2,230 a year. It is of record that one Senator had his wife for secretary, his father-in-law for a clerk, and a son engaged as a page. And one Congressman had his 15-year-old daughter down on the pay roll for $940 a year, which helped to pay the child's way in school and gave her the pin money that any schoolgirl can use incidental to getting an education.

We talk of unemployment. Why not get outside the family and afford others opportunities for a job and a position in the Nation's Capital?

They talk of the jobless and at the same time practice nepotism and contribute to the wrong of which they complain aloud to the country and the galleries, and while doing this in secret use dummies and so-called "working secretaries" in Washington who do most of the work and frequently receive least of the pay.

There is an army of wives, sons, daughters, and relatives yet remaining on the congressional pay roll at both ends of the Capitol. It has decreased some since the introduction of my bill on this subject in the House during the Seventy-second Congress, yet is practiced all too much.

The President of the United States and the Speakers of the House and the Senate each are guilty of this practice before the country and taxpayers of America today. The more prominent the offender the greater the wrong in the public eye.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes; to the Committee on the Library.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 2032. An act for the relief of Richard A. Chavis;

H.R. 3985. An act for the relief of Charles T. Moll; and

H.R. 9061. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 48 minutes p.m.) the House, pursuant to its previous order, adjourned until Monday, June 4, 1934, at 11 o'clock a.m.

MOTION TO DISCHARGE COMMITTEE

MAY 1, 1933.

To the CLERK OF THE HOUSE OF REPRESENTATIVES:

Pursuant to clause 4 of rule XXVII (see rule on last page), I, Hon. F. B. SWANK, move to discharge the Committee on Agriculture from the consideration of the bill H.R. 2855, entitled "A bill to liquidate and refinance agricultural indebtedness at a reduced rate of interest by establishing an efficient credit system, through the use of the Federal Farm Loan System, the Federal Reserve Banking System, and creating a Board of Agriculture to supervise the same", which was referred to said committee March 10, 1933, in support of which motion the undersigned Members of the House of Representatives affix their signatures, to wit:

1. F. B. Swank
2. Magnus Johnson
3. Will Rogers
4. Ernest Lundeen
5. Harold Knutson
6. Theodore Christianson
7. E. W. Marland
8. Wesley E. Disney
9. Wm. Lemke
10. Jed Johnson
11. Wilburn Cartwright
12. W. D. McFarlane
13. Edgar Howard
14. Gerald J. Boileau
15. F. H. Shoemaker
16. Tom D. McKeown
17. Henry Arens
18. Gardner R. Withrow
19. Hubert H. Peavey
20. Raymond J. Cannon
21. James A. Frear
22. Fred C. Gilchrist
23. J. V. McClintic
24. Fred H. Hildebrandt
25. Finly H. Gray
26. John H. Hoeppel.
27. Kathryn O'Loughlin McCarthy
28. J. H. Sinclair
29. Paul John Kvale
30. W. Frank James
31. Terry Carpenter
32. Randolph Carpenter
33. Ray P. Chase
34. Charles V. Truax
35. Theo. B. Werner
36. M. A. Zioncheck
37. Knute Hill
38. Mon C. Wallgren
39. Martin F. Smith
40. Frank H. Lee
41. R. T. Wood
42. Frank Gillespie
43. M. A. Dunn
44. B. K. Focht
45. Chas. I. Faddis
46. Charles N. Crosby
47. Walter M. Pierce
48. G. W. Blanchard
49. J. Murray Turpin
50. Carl M. Weideman
51. J. C. Lehr
52. Roy E. Ayers
53. Joseph P. Monaghan
54. G. Foulkes
55. C. W. Henney
56. W. P. Lambertson
57. Otha D. Wearin
58. James W. Mott
59. L. T. McFadden
60. G. M. Gillette
61. Vincent Carter
62. J. G. Polk
63. A. C. Willford
64. Edward C. Eicher
65. C. C. Dowell
66. J. Will Taylor
67. Sterling P. Strong
68. George B. Terrell
69. Leo E. Allen
70. Thomas O'Malley
71. James Hughes
72. Clyde Kelly
73. John Lesinski
74. Carroll Reece
75. J. T. Buckbee

76. Fred Cummings
77. T. Alan Goldsborough
78. Jesse Wolcott
79. Lloyd Thurston
80. Walter Nesbit
81. Roy O. Woodruff
82. M. J. Hart
83. George G. Sadowski
84. Frank R. Reid
85. Martin L. Sweeney
86. Martin J. Kennedy
87. Frank C. Kniffin
88. John A. Martin
89. Glenn Griswold
90. Sam L. Collins
91. Braswell Deen
92. Wm. I. Traeger
93. Warren J. Duffey
94. Abe Murdock
95. Tillman B. Parks
96. C. W. Turner
97. D. D. Glover
98. William P. Connery, Jr.
99. Henry E. Stubbs
100. Clarence J. McLeod
101. J. Howard Swick
102. Oscar De Priest
103. I. H. Doutrich
104. P. H. Moynihan
105. Kent E. Keller
106. John E. Miller
107. L. T. Marshall
108. Ben Cravens
109. Einar Hoidale
110. J. Banks Kurtz
111. Harry W. Musselwhite
112. C. C. Dickinson
113. Wesley Lloyd
114. Clifford R. Hope
115. U. S. Guyer
116. R. M. Duncan
117. Edward R. Burke
118. Robert F. Rich
119. George A. Dondero
120. Prentiss M. Brown
121. B. M. Jacobsen
122. Stephen W. Gambrill
123. C. W. Tobey
124. Fred Biermann
125. J. O. Fernandez
126. Paul H. Maloney
127. George F. Brumm
128. E. M. Dirksen
129. Compton I. White
130. William T. Schulte
131. Stephen M. Young
132. John H. Morehead
133. T. A. Jenkins
134. Joseph W. Bailey, Jr.
135. A. C. Shallenberger
136. J. G. Scrugham
137. William I. Sirovich
138. I. Bacharach
139. B. Fletcher
140. Harold McGugin
141. John G. Cooper
142. Isabella Greenway
143. James A. Meeks
144. D. C. Dobbins
145. Harry L. Englebright

This motion was entered upon the Journal, entered in the CONGRESSIONAL RECORD with signatures thereto, and referred to the Calendar of Motions to Discharge Committees June 2, 1934.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 9740. A bill to authorize the city of South Sioux City, in the State of Nebraska, to construct a bridge across the Missouri River between the States of Nebraska and Iowa; with amendment (Rept. No. 1868). Referred to the House Calendar.

Mr. BUCHANAN: Committee on Appropriations. H.R. 9830. A bill making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes; without amendment (Rept. No. 1879). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. S. 1760. An act for the relief of the Snare & Triest Co., now Frederick Snare Corporation; with amendment (Rept. No. 1869). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 1786. An act for the relief of Lucile A. Abbey; without amendment (Rept. No. 1870). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2242. An act for the relief of the Collier Manufacturing Co., of Barnesville, Ga.; without amendment (Rept. No. 1871). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2272. An act for the relief of Bert Moore; without amendment (Rept. No. 1872). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2617. An act for the relief of the estate of Jennie Walton; with amendment (Rept. No. 1873). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2619. An act for the relief of E. Clarence Ice; without amendment (Rept. No. 1874). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2906. An act for the relief of Ransome Cooyate; with amendment (Rept. No. 1875). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3096. An act for the relief of John T. Garity; without amendment (Rept. No. 1876). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3366. An act for the relief of C. O. Meyer; with amendment (Rept. No. 1877). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3486. An act for the relief of George L. Rulison; without amendment (Rept. No. 1878). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. IGLESIAS: A bill (H.R. 9825) to amend an act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", approved March 2, 1917; to the Committee on Insular Affairs.

By Mr. WILLIAMS: A bill (H.R. 9826) granting the consent of Congress to the State highway commission to construct, maintain, and operate a highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H.R. 9827) granting the consent of Congress to the State highway commission to construct, maintain, and operate a highway bridge across Eleven Points River in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.; to the Committee on Interstate and Foreign Commerce.

By Mr. KENNEY: A bill (H.R. 9828) to regulate fares and tolls on certain bridges in the case of pedestrians and motor-bus passengers; to the Committee on Interstate and Foreign Commerce.

By Mr. FLANNAGAN: A bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs; to the Committee on Agriculture.

By Mr. BUCHANAN: A bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes; to the Committee on Appropriations.

By Mr. IGLESIAS: A bill (H.R. 9831) to enable the people of Puerto Rico to form a constitution and state government and be admitted into the Union on an equal footing with the States; to the Committee on the Territories.

By Mr. SUMNERS of Texas: Resolution (H.Res. 416) to print the manuscript entitled "Provisions of Federal Law Held Unconstitutional by the Supreme Court of the United States"; to the Committee on Printing.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4915. By Mr. BOYLAN: Letter from the Expanded Metal Engineering Co., New York City, favoring the passage of Senate bill 3603 providing loans for remodeling to responsible borrowers; to the Committee on Banking and Currency.

4916. Also, resolution presented at the annual meeting of the Metropolitan League of Savings and Loan Association, comprising associations in the five counties of Greater New York, and the counties of Nassau, Putnam, Rockland, Suffolk, and Westchester, favoring the establishment of decent

and adequate minimum wages and the limitation of maximum working hours comporting with the increased productive power of our workers and the need for spread of work, etc.; to the Committee on Labor.

4917. By Mr. JOHNSON of Texas: Memorial of J. E. Hintz, president Oil Field Lumber Co., Mexia, Tex., favoring House bill 9620, national housing bill; to the Committee on Banking and Currency.

4918. By Mr. LANZETTA: Petition of the Knights of Columbus, New York Chapter, and the Harlem Council No. 346, Catholic Daughters of America, Court Columbia no. 45, all of New York City, and the Supreme Council, Catholic Benevolent Legion, Brooklyn, N.Y.; to the Committee on Merchant Marine, Radio, and Fisheries.

4919. By Mr. LINDSAY: Petition of the Metropolitan League of Savings and Loan Associations, New York City, favoring wide-spread relief projects to relieve unemployment; to the Committee on Labor.

4920. Also, petition of the Sperry Products, Inc., Brooklyn, N.Y., opposing the Wagner-Connery bills; to the Committee on Labor.

4921. Also, telegram of Greenhill & Daniel, Inc., Brooklyn, N.Y., objecting to the passage of the Wagner labor bill; to the Committee on Labor.

4922. Also, petition of the Magnuson Products Corporation, Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

4923. Also, petition of K. & O. Co., Inc., Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

4924. Also, petition of the Seabrook Bedding Co., Inc., Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

4925. Also, telegram of the Brass Goods Manufacturing Co., Brooklyn, N.Y., opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

4926. Also, petition of Abram Hussey, of Brooklyn, N.Y., opposing the passage of Senate bill 2926, the Wagner labor-disputes bill; to the Committee on Labor.

4927. Also, petition of Fairchild Sons, morticians, Brooklyn, N.Y., opposing the Wagner labor bill in its present form; to the Committee on Labor.

4928. Also, petition of F. H. Von Damm, Brooklyn, N.Y., opposing the Wagner labor dispute bill; to the Committee on Labor.

4929. Also, petition of the MacFadden Publications, Inc., New York City, opposing the Wagner labor bill; to the Committee on Labor.

4930. By Mr. RUDD: Petition of Greenhill & Daniel, Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor bill; to the Committee on Labor.

4931. Also, petition of Brass Goods Manufacturing Co., Brooklyn, N.Y., opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

4932. Also, petition of Bernarr McFadden, publisher, New York City, opposing the Wagner labor disputes bill; to the Committee on Labor.

4933. Also, petition of the Brooklyn Borough Gas Co., Brooklyn, N.Y., opposing the revised Wagner labor disputes bill (S. 2926); to the Committee on Labor.

4934. Also, petition of Abram Hussey, 380 Pearl Street, Brooklyn, N.Y., opposing the Wagner labor disputes bill (S. 2926); to the Committee on Labor.

4935. Also, petition of K. & O. Co., Brooklyn, N.Y., opposing the Wagner labor disputes bill (S. 2926); to the Committee on Labor.

4936. Also, petition of the Magnuson Products Corporation, Brooklyn, N.Y., opposing the Wagner labor disputes bill (S. 2926); to the Committee on Labor.

4937. Also, petition of the Baseball Magazine Co., New York City, favoring appropriation for the construction of baseball diamonds generally throughout the United States; to the Committee on Appropriations.

4938. By Mr. GLOVER: Resolution of Pine Bluff Printers Club, Pine Bluff, Ark.; to the Committee on Ways and Means.

4939. By the SPEAKER: Petition of the Conference on Problems of Minorities; to the Committee on Indian Affairs.

4940. Also, petition of the American Mining Congress, supporting the 30-hour-week bill; to the Committee on Labor.

4941. Also, petition of Julius Egger and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

4942. Also, petition of W. F. Frawley and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, JUNE 4, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 10 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. HARRISON, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 1, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. HARRISON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Robinson, Ark.
Ashurst	Couzens	Kean	Russell
Austin	Cutting	Keyes	Schall
Bachman	Davis	La Follette	Sheppard
Bailey	Dickinson	Lewis	Shipstead
Bankhead	Dieterich	Logan	Smith
Barbour	Dill	Lonergan	Steiwer
Barkley	Duffy	Long	Stephens
Black	Erickson	McCarran	Thomas, Okla.
Bone	Fess	McGill	Thomas, Utah
Borah	Fletcher	McKellar	Thompson
Brown	Frazier	McNary	Townsend
Bulkley	George	Metcalf	Tydings
Bulow	Gibson	Murphy	Vandenberg
Byrd	Goldsborough	Norbeck	Van Nuys
Byrnes	Gore	Norris	Wagner
Capper	Hale	Nye	Walcott
Caraway	Harrison	O'Mahoney	Walsh
Carey	Hastings	Overton	Wheeler
Clark	Hatch	Patterson	White
Connally	Hatfield	Pittman	
Coolidge	Hayden	Pope	
Copeland	Hebert	Reynolds	

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO], due to continued illness, and the absence of the Senator from West Virginia [Mr. NEELY], the Senator from Virginia [Mr. GLASS], and the Senator from Florida [Mr. TRAMMELL], who are necessarily detained from the Senate.

Mr. HEBERT. I announce that the Senator from Pennsylvania [Mr. REED] and the Senator from Indiana [Mr. ROBINSON] are necessarily absent from the Senate.

The VICE PRESIDENT. Eighty-nine Senators have answered to their names. A quorum is present.

DEFICIENCY AND SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS UNDER DEPARTMENT OF JUSTICE (S.DOC. NO. 187)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal years 1930, 1931, and 1932 in the sum of $659.49, and supplemental estimates of appropriations for the fiscal year 1935 in the sum of $2,933,673, amounting in all to $2,934,332.49, and draft of a proposed provision pertaining to an existing appropriation under the Department of Justice, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS FOR VOCATIONAL EDUCATION (S.DOC. NO. 186)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, supplemental estimates of appropriations for the Department of the Interior, fiscal year 1935,

for carrying out the provisions of the act entitled "An act to provide for the further development of vocational education in the several States and Territories", approved May 21, 1934, in the sum of $3,144,603, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SETTLEMENT OF CLAIMS AND SUITS, DISTRICT OF COLUMBIA (S.DOC. NO. 184)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, estimates of appropriations submitted by the Commissioners of the District of Columbia to pay claims which have been settled by them under the provisions of law, amounting to $1,238.45, and requiring an appropriation for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

THE DRUG TRAFFIC

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Treasury, transmitting a draft of proposed legislation to provide for the forfeiture of vessels, vehicles, or other means used to transport or conceal unstamped narcotic drugs, or to facilitate the purchase and sale thereof, and for other purposes, which, with the accompanying paper, was referred to the Committee on Finance.

PROPOSED CHILD-LABOR AMENDMENT TO THE CONSTITUTION

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Commonwealth of Pennsylvania, which, with his accompanying amended certificate relative to ratification by Pennsylvania of the proposed amendment to the Constitution regarding labor of persons under 18 years of age, was ordered to lie on the table and to be printed in the RECORD, as follows:

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF STATE,
Harrisburg, May 31, 1934.

PRESIDENT OF THE UNITED STATES SENATE,
Washington, D.C.

DEAR SIR: We are transmitting herewith a new certificate showing the action of the General Assembly of Pennsylvania in ratifying the child-labor amendment to the Constitution of the United States.

This certificate replaced one previously mailed and shows the date when the joint resolution was approved by the Senate and the House of Representatives of the Commonwealth of Pennsylvania. In all other respects this certificate is identical with the one previously mailed to you.

The change is made in accordance with the request of the Secretary of State of the United States addressed to the Honorable Gifford Pinchot, Governor of this Commonwealth.

Sincerely yours,

RICHARD J. BEAMISH,
Secretary of the Commonwealth.

IN THE NAME AND BY AUTHORITY OF THE COMMONWEALTH OF PENNSYLVANIA

OFFICE OF THE SECRETARY OF THE COMMONWEALTH.

To the honorable the SECRETARY OF STATE OF THE UNITED STATES:

I, Richard J. Beamish, secretary of the Commonwealth of Pennsylvania and keeper of the great seal thereof, do hereby certify that the following joint resolution was approved by the Senate of the Commonwealth of Pennsylvania the 18th day of December 1933, by the house of representatives of said Commonwealth the 21st day of December 1933, and by the Governor the 22d day of December 1933, and that the following is a full, true, and correct copy of the said joint resolution of the general assembly:

"Joint resolution approving the proposed amendment to the Constitution of the United States relative to the labor of persons under 18 years of age

"SECTION 1. *Be it resolved by the Senate and House of Representatives of the Commonwealth of Pennsylvania in general assembly met*, That the proposed amendment to the Constitution of the United States, providing as follows:

"'SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"'SEC. 2. The power of the several States is unimpaired by this article, except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress"

"is hereby ratified by the General Assembly of the Commonwealth of Pennsylvania.

"*Be it further resolved*, That a certified copy of the foregoing preamble and resolution be forwarded to the Secretary of State for the United States, in accordance with section 205 of the Revised Statutes of the United States, and also to the President of the United States Senate and the Speaker of the United States House of Representatives."

E. C. SHANNON,
President of the Senate.
GROVER C. TALBOT,
Speaker of the House of Representatives.

Approved the 22d day of December, A.D. 1933.

GIFFORD PINCHOT.

In witness whereof I have hereto attached my hand and the great seal of the Commonwealth of Pennsylvania this 23d day of May, A.D. 1934.

[SEAL]

RICHARD J. BEAMISH,
Secretary of the Commonwealth.

STEAMSHIP CODE

Mr. DAVIS. Mr. President, on behalf of my colleague [Mr. REED] I submit for printing in the RECORD and appropriate reference certified copy of a report adopted by the Philadelphia Board of Trade, protesting the enactment of a steamship code, together with a letter of transmittal signed by H. W. Wills, secretary of the Philadelphia Board of Trade.

There being no objection, the matter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

PHILADELPHIA BOARD OF TRADE,
Philadelphia, May 31, 1934.

Hon. DAVID A. REED,
United States Senate, Washington, D.C.

MY DEAR SENATOR: I enclose you herewith certified copy of a report adopted by the Philadelphia Board of Trade, protesting enactment of a steamship code as referred to therein.

We would appreciate your having this presented and referred to the proper committee.

Very truly yours,

H. W. WILLS, *Secretary.*

EXTRACT FROM MINUTES OF STATED MEETING OF THE EXECUTIVE COUNCIL, PHILADELPHIA BOARD OF TRADE, MAY 21, 1934

PHILADELPHIA BOARD OF TRADE,
Philadelphia.

Your committee, having thoroughly considered and discussed the principles involved in the proposed establishment of the steamship code of fair practice, presents the following:

There being involved under the proposed steamship code the divergent interests of the coastwise, intercoastal, and foreign services, whose intricate operating conditions present such contradictory problems, your committee is at a loss to appreciate the advantage in the public interest which such a code, if established, would present. It would give the National Recovery Administration power of a legislative and judicious character, which power should be exercised only by those tribunals already created for the express purpose of exercising such power, viz, the Shipping Board Bureau and the Interstate Commerce Commission.

Congress declined to vest in the Shipping Board Bureau minimum-rate authority. The proposed code, however, confers that power upon an administrator as the code authority. It provides that the administrator may utilize "the assistance of the Shipping Board Bureau and the Interstate Commerce Commission to the fullest extent deemed advisable by him."

There is no inference that the administrator is obliged to consult either or both these bodies more than he may see fit. This naturally precipitates a conflict under a dual authority, for it is inconceivable that the code administrator will seek to be governed by the views of the Shipping Board Bureau or the Interstate Commerce Commission.

It is the opinion of men competent to judge, and who attended the recent hearing at Washington, that the only serious advocates of the proposed code appeared to be the administrator, supported by a small group of shipbuilders and representatives of the American Steamship Owners Association. This hearing involved primarily the rate-fixing provisions of the proposed code and which provisions were vigorously opposed by representatives of many independent steamship interests, supported by representatives of large shippers' associations.

It is important to note that in the proposed code no differential rates are provided for tramp steamers. If the great volume of cargo is taken into consideration, moving as it does by tramp steamers in cargo lots—the great bulk moving from ports not served by regular lines—to foreign countries, it is easily discernible that with our treaties now in effect (favored-nation clause) varied and serious complications will arise, ending in reprisals against us tending to ruin American-flag services to foreign ports.

Your committee has in mind also the fact that the Federal Coordinator of Transportation has definitely advised that the railroads of the country, being already so thoroughly regulated under the Interstate Commerce Commission, should not be subject to codification under the N.R.A. By virtue of this definite opinion your committee would suggest that the steamship owners and operators under the American flag, being also subject to regulations laid down by the Shipping Board Bureau of the United

States Department of Commerce, are entitled to similar consideration. That while our strictly coastwise and intercoastal steamship services might be susceptible to treatment under a code of some description, the Government of the United States could exert no authority of practical effect upon foreign services. Were these regulations attempted upon services operating to ports abroad under the American flag, the same would be subjected to unfair competition in the service, would suffer retaliatory practices at foreign ports, and such an experiment, if continued indefinitely, must serve to discourage to the point of extinction all operations in the foreign trade under the American flag, to advance which American taxpayers have already invested billions of dollars.

It is obvious from previous experience that vessels calling at the ports of the United States under a foreign flag could not be made to comply with the freight rates, wage conditions, and operating policies necessary in effecting satisfactory regulation of American-flag vessels under such a code, and consequently such regulation as might be placed on the American-flag vessel would ultimately prove an unfair restriction upon its enterprise in trade on the high seas and hence prove a compelling influence in the disorganization of American-flag operation.

Your committee would, therefore, recommend the executive council approve and authorize a suitable communication addressed Congress and proper administrative executives expressing opposition to further consideration or enactment of a steamship code.

On motion the report was unanimously approved and adopted.

True copy.

[SEAL] THE PHILADELPHIA BOARD OF TRADE,
C. C. MORRIS, *Vice President*.

Attest:

H. W. WILLS, *Secretary*.

REPORT OF BOARD OF VISITORS TO THE MILITARY ACADEMY

Mr. SHEPPARD. Mr. President, I ask unanimous consent that the report of the Senate Board of Visitors to the United States Military Academy made to me, as Chairman of the Committee on Military Affairs, be printed in the RECORD and lie on the table.

There being no objection, the report was ordered to lie on the table and to be printed in the RECORD, as follows:

MAY 25, 1934.

Hon. MORRIS SHEPPARD,
Chairman Committee on Military Affairs,
United States Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The undersigned members of the Senate Board of Visitors to the United States Military Academy, visited that institution on May 15 and 16, 1934. Senators REED and LOGAN were unable to make the visit, due to the press of official business.

Arriving at the Military Academy at 10:15 a.m., May 15, we were met by the Superintendent, Maj. Gen. William D. Connor; then proceeded to headquarters, where the official salute was fired; the members of the administrative staff were met, and inspection of the headquarters offices and building made.

The schedule for the balance of the day was as follows:

11:15 a.m., cadet headquarters.
11:30 a.m., cadet rooms.
11:40 a.m., cadet store.
12:10 p.m., observe cadets march to dinner.
12:30 p.m., luncheon, officers' mess, with the academic faculty.
1:30 p.m., Memorial Hall.
1:45 p.m., riding hall.
2 p.m., library.
2:15 p.m., academic buildings.
2:50 p.m., field artillery and cavalry barracks and stables, intramural sports.
4:25 p.m., organ recital.
7:30 p.m., dinner, Superintendent's quarters.

The schedule carried out on May 16 was as follows:

9:15 a.m., arrive at post headquarters.
9:30 a.m., cadet gymnasium, cadet classes, new gymnasium construction.
10:15 a.m., section rooms.
11 a.m., hospital, new addition.
11:15 a.m., cadet visitors' room.
11:30 a.m., drawing academy.
11:50 a.m., cadet mess.
12:10 p.m., observe cadets march to dinner.
12:20 p.m., luncheon with cadets.
1 p.m., cadet parade and review.
2 p.m., departed for Washington.

The general impression gained by the Board of the personal and professional characteristics and performance of members of the administrative staff, academic staff, instruction and tactical personnel, and of the corps of cadets is that of great loyalty and devotion to the academy, of enthusiasm in the performance of their respective duties, and of high efficiency as a coordinated unit. Especially pleasing to the members of the Board was the conviction that this educational institution is one wholly dedicated to the real development of American democracy and a subordination of self to the sole and supreme purpose of service to the Nation and its people. It is very apparent that the motto of the academy, "Duty, honor, country", is observed in spirit and in results.

Following are more detailed observations of the Board:

OBJECTIVE OF THE INSTITUTION

The educational objective of the Military Academy is to give the graduate a broad foundation upon which to build his future life and to base his further technical studies in the Army service schools.

THE INDIVIDUAL CADET

The cadets coming as they do from all sections of the country and from all walks of life undoubtedly present a typical cross section of the American youth found nowhere else in the country except at the Naval Academy. The lives of all cadets are identical, and the former position of a cadet in civil life, whether from a social, financial, or other standpoint, has no bearing upon his status as a cadet, which depends entirely upon what he individually brings with him to the institution. A more democratic theory or treatment would be difficult to imagine.

The completeness of the educational plant in buildings and equipment and the beauty of the natural surroundings suggest the idea of luxury, since neither the Congress nor nature has been niggardly in its treatment of this national academy. It was gratifying, therefore, to find that the life of a cadet is marked by extreme simplicity in living conditions, both as to his quarters in cadet barracks and as to his subsistence. Every cadet has exactly the same type of clothing, bedding, furniture, and equipment. All live identically the same life and all must conform to the same requirements and measure up to the same standards. Two, or sometimes three, live in a room. The rooms are without ornament or luxury and are characterized by neatness, orderliness, and austere simplicity. Cadets sweep their own floors, make their beds, dust the woodwork, and arrange their belongings for daily inspection.

CADET TRAINING

As a cadet's training progresses, he is gradually given more responsibility. He commands at drills and ceremonies and assists in training cadets of the lower classes. He is instructed in the theory and practice of command, and emphasis is laid upon the proper and considerate handling of enlisted men.

In order that a cadet may better understand the point of view of the soldiers that he will later command, he is required to perform, at sometime, all the duties of an enlisted man from currying a horse to peeling potatoes. This practice was exemplified in the cavalry and artillery drills observed during the Board's visit.

While half of the corps was at military instruction, the other half was at intramural athletics, every cadet being required to play on a regularly organized team in some athletic sport. Companies alternate each day between drill and athletics and rotate in the various games that they play.

Unlike the student of other institutions, a cadet's time, his personal contacts, and practically all his activities are controlled and supervised by his military and academic instructors. The high standards of honor, deportment, and discipline can in a large measure be attributed to the fact that these instructors are themselves graduates of West Point, familiar with the viewpoint of cadets and zealous in maintaining the traditions that in times past have reflected credit upon their Alma Mater.

CADET MESS

On the 15th an inspection was made of the cooking facilities, mess equipment, and the dining hall. The cooking is done by civilian personnel with modern steam and gas equipment. The present gas equipment is operating at a 50-percent saving as compared with the cost of coal used with the old equipment. The kitchen equipment is plain, durable, and is kept immaculate.

The dining hall is sufficiently large to accommodate the Corps of Cadets at full strength at one time and is so arranged as to permit the cadets to enter and leave without confusion. The cadets are seated 10 to a table, with approximately an equal number from each class at a table. One civilian waiter brings the food for three tables and service at the table is performed by the cadets. Each member of the Board had lunch on the 16th at a table with nine cadets. We found the table service simple but scrupulously clean, and the food plain but very palatable and wholesome.

RATION ALLOWANCE

The ration allowance was reduced on April 1, 1933, by 15 percent, from 75 cents to 63¾ cents per day. This amount must provide not only meals for the cadets, but for all civilian mess employees as well and must pay for many incidentals in the upkeep of the mess, such as dishes, linen, kitchen utensils, and cleaning supplies.

Much difficulty has been found and is still being experienced in keeping within the present allowance of 67½ cents. The cost of food has increased considerably since the ration allowance was reduced, thus causing much more than a 15-percent cut. Only by the full use of the mess facilities, such as the bakery and the cold-storage and freezing equipment, and using the cheaper kinds of meat, can the cost to the cadets be kept near the allowance. Any additional expense over the authorized allowance must be paid for by the cadet from his pay. The original 80-cent allowance would be more in keeping with present-day prices.

HOSPITALIZATION

An inspection was made of the station hospital, which provides hospital and out-patient medical, surgical, and dental treatment for all personnel at the post, including cadets, officers, soldiers, and their families.

We found the hospital and allied medical activities very efficiently administered. The hospital of 112 beds was found to be immaculately clean, well arranged, and otherwise in excellent condition. The equipment is ample and of the most modern type. An additional ward is now under construction and will be ready for occupancy about the 1st of next June. This addition is of the most modern type, and will give additional facilities for the care of seriously ill patients and those patients suffering with communicable diseases who must be isolated.

The medical staff, composed of selected officers of the Medical Department, is well organized, and the character of work performed conforms to the highest standards of civilian institutions.

The percentage of sick is low, seldom running higher than 2.5 percent. No cases were very serious at the time of our visit, and about half of them were minor sprains and bruises, apparently arising out of the active athletic lives led by the cadets.

ACADEMIC WORK

The academic work at the United States Military Academy is carried on by 12 departments, each headed by a professor. Eight of the professors are permanent and four are detailed for periods of 4 or 5 years each. Nine of the professors are graduates of the Military Academy and three are graduates of civilian institutions.

Each professor is assisted by an associate professor or an assistant professor, or both, and a number of instructors, all of whom are detailed from officers of the Army with the exception of 3 civilians in the department of modern languages—2 Frenchmen and 1 Spaniard. Some of the instructors are graduates of civilian institutions, but the majority of them are graduates of West Point, many of the latter having done work in civilian institutions and holding degrees from them. A number of well-trained civilians, who are on the civil-service list, are also assigned to various departments to handle special lines of work, such as that of laboratory assistants and mechanics. The instructor personnel is believed to be very able and well equipped to perform their duties.

METHODS OF INSTRUCTION

We visited several different section rooms during recitations and were very favorably impressed by the enthusiasm, thoroughness, and drive with which the instruction was conducted. We met personally practically all the members of the academic board and discussed with them the courses of instruction.

Each of the four classes under instruction at the Military Academy is divided into sections of from approximately 12 to 16 cadets, depending upon the class and upon the subject of instruction. Each section is under the direction of an instructor, usually a commissioned officer of the Army. In modern languages, French and Spanish, native French and Spanish instructors are used to supplement the instruction given by the officer instructors.

In the section room in general the period of instruction ranges from 1 hour for certain subjects to 1 hour and 25 minutes for others. The necessary preliminary instruction is given at the beginning of the period. This instruction is intended to bring out points in the lesson of the day which have presented unusual difficulty to the cadet in his preparation of the lesson assignment, to extend the presentation set forth in the text, and to give to the cadet as broad a view of the subject as available time permits. Likewise, points in previous lessons which may still be causing trouble are cleared up. This preliminary instruction, which may last from 10 to 20 or even 30 minutes, depends upon the nature of the subject. The preliminary instruction is then followed by specific assignments to individual cadets, who usually prepare their assignments at blackboards for formal recitations. Others may undergo written tests at their seats. In many subjects during the period in which the cadet is preparing his work at the blackboard, or answering a written test at his seat, the instructor questions one or more cadets on the lesson of the day or on matter already covered. After a considerable length of time, cadets at the blackboards take their seats, the oral questioning is discontinued, and more or less formal recitations on various subjects of the day's assignment are made. In some subjects this work covers practically the entire period, and in others near the end of the period some 10 or 15 minutes are devoted to clearing up additional points not covered by the preliminary period of instruction or in the series of recitations. Each class under instruction is kept arranged in sections in each particular subject from the top to the bottom of the class on the basis of aptitude in that particular subject. Instructors are assigned to sections in accordance with their special aptitude for instruction in the part of the class to which assigned. The instruction is well coordinated, thorough, and painstaking. The small number of cadets in each section permits the instructor to have an intimate acquaintance with each of his pupils and a thorough knowledge of his difficulties.

In general, each cadet recites daily, is graded each day on his work of the day, and at the end of each week his grades for the current week are posted for his information. Any cadet deficient in any subject during his first 2 months at the academy is obliged to take extra instruction in that subject. Thereafter any cadet can have special extra instruction in any subject upon request.

INSTRUCTOR PERSONNEL

Instructors in charge of sections at the United States Military Academy are especially selected for duty as instructors, with due regard to their intellectual fitness, military bearing, temperament, maturity, as well as for their special aptitude in and preparation for work in the subjects taught in the department to which they are assigned. Only under special circumstances is any officer assigned to the Military Academy until he shall have been away from the academy for 4 years. The average age of instructors at the Military Academy is in the early thirties. They are men who have settled down to their profession of arms and who, by their services at the academy, in the Army after graduation, and by special training at educational institutions, have become equipped as teachers. They are dignified and serious in their work. Their enthusiasm, earnestness, and teaching ability appealed to us as being of a high order.

In order to prepare instructors for their duties at the Military Academy, many of them subsequent to graduation from West Point have pursued courses of instruction at educational institutions throughout the country, either obtaining degrees or receiving the benefit of special shorter courses of particular value to them.

Instructors in French and Spanish spend the first year of their detail as instructors in Paris or Madrid taking a special course in one of the national universities in the language of the country.

Once they are assigned to duty in a department at West Point, daily conferences are held by the head of the department, or by senior instructors qualified for such work, and during these conferences special effort is made not only to extend and improve their preparation for teaching but also to impress upon them sound pedagogical methods.

Heads of departments prepare themselves for this work not only through continuous study and practice but through frequent visits to other educational institutions. The percentage of instructors at the Military Academy who have taken post-graduate degrees after finishing their course at West Point is large. Likewise each department of instruction is well equipped with up-to-date departmental libraries, current educational literature, technical publications, etc.

We were particularly impressed with the fact that the Military Academy gets practically the choice of its graduates for duty as instructors. As stated above, these men are especially selected not only on their general fitness as evidenced by intellectual attainments and special fitness for the work they undertake, but also on the basis of their success as younger officers of the Army subsequent to graduation. Their efficiency reports are carefully examined, and none but the best are detailed for duty at the Military Academy. A similar condition of affairs can scarcely exist in any other institution in the world. It is well recognized that most educational institutions lose the cream of their product to more highly paid profession than the profession of teaching. Not so at West Point. Since all Army officers who have like grades and length of service receive the same pay, no such condition militates against the instructing staff. They are the choice of the Army for the work in hand, and they are held up to a high standard of performance.

BUILDINGS AND GROUNDS

The buildings of the academy are well adapted to the purposes for which constructed, and both buildings and grounds are maintained at a high standard and with a reasonable cost for maintenance. Most of the buildings in the central part of the post are constructed of stone and are fireproof. These buildings were not built for a day nor a year, but for centuries, and they gave an appearance of solidity, durability, and dignity in keeping with the spirit of the Military Academy.

It was a shock to see in the officers' apartment building and South Cadet Barracks, built within the last few years, that for the sake of economy brick instead of stone had been used for exterior walls. It is felt that such economy is not in the best interest of the Government, and that the cheaper construction detracts from the beauty and dignity of adjacent buildings which have already played an important part in the history and traditions of the Military Academy. All new construction and all changes in existing structures ought to be in keeping with the style of architecture and the quality of workmanship that now dominate in the institution. The granite used in the principal buildings was quarried from the adjacent hills, thus materially reducing the ordinary cost of such durable construction.

New construction at the Military Academy has followed a building program approved long ago by the War Department. For several years prior to 1933, the normal annual appropriation for this program was approximately $500,000. The allotment of $2,500,000 from the Public Works Administration has advanced the program materially. New construction, now in progress, includes a Quartermaster plant with warehouses, shops, commissary, and stables; 50 sets of quarters for lieutenants; nurses' quarters; two barracks for enlisted men; a grammar school for the children of the post; an extension of the present cadet gymnasium; a veterinary hospital; an incinerator, and a seawall and ramp for the airplane hangar. With the completion of the new construction now under way, the most immediately pressing needs of the Military Academy will have been met.

Some further construction is needed to complete the building program; the most important projects required are the completion of the extension to the cadet gymnasium, a garage for the official motor transportation, a storage plant for coal, and the completion of the road system at West Point.

Our visit culminated in a review of the entire corps of cadets. Such a ceremony by an organization enjoying the reputation of being the best drilled body in the world was indeed impressive.

There are appended hereto certain data in tabulated form which we recommend be studied.

RECOMMENDATIONS

That future Senate Boards of Visitors make the visit each year as a body and with complete membership, and spend not less than 3 days at the Academy.

That all appropriations for building at the Academy specify that such construction should be such material and architecture as to completely harmonize in appearance and permancy with the principal granite buildings.

Respectfully submitted.

MARCUS A. COOLIDGE,
ROBERT R. REYNOLDS,
ROBERT D. CAREY.

PROGRAM OF INSTRUCTION AND COURSE OF STUDIES

(Including changes effective Sept. 1, 1933)

85. Program of the course of instruction: First term, September 1 to December 23; 95 periods with Saturday recitations and 80 periods without Saturday recitation. Second term, January 2 to June 4; 130 periods with Saturday recitations and 109 periods without Saturday recitations. Semiannual examination, December 26 to 31. Annual examination, June 5 to 12. Academic day, 7:55 a.m. to 11:55 a.m. and 1:00 p.m. to 3:00 p.m. Military exercises, all classes, from 3:15 p.m. to 4:15 p.m. Supervised athletics, from 3:15 to 4:25 p.m. Voluntary study hour and additional instruction, 5:10 to 6:10 p.m.

Class	Subject	Attendance	Part	Hours
Fourth (1st year)	Mathematics	Whole class daily	Half	7:55 to 9:25 Sept. 1 to Jan. 31.
Do	do	do	do	9:25 to 10:55 Sept. 1 to Jan. 31.
Do	do	do	do	7:55 to 9:15 Feb. 1 to June 4.
Do	do	do	do	10:35 to 11:55 Feb. 1 to June 4.
Do	Gymnasium	do	do	9:25 to 10:10 Sept. 1 to Jan. 31.
Do	do	do	do	10:55 to 11:40 Sept. 1 to Jan. 31.
Do	do	Half class daily alternating in attendance with drawing Feb. 1 to June 4.	Fourth	8:30 to 9:15 Feb. 1 to June 4.
Do	do	do	do	9:15 to 10 Feb. 1 to June 4.
Do	Drawing	Half class daily alternating in attendance with gymnasium Feb. 1 to June 4.	do	7:55 to 9:15 Feb. 1 to June 4.
Do	do	do	do	9:55 to 11:15 Feb. 1 to June 4.
Do	Laboratory	When ordered, half class daily alternating in attendance with gymnasium Feb. 1 to June 4.	do	7:55 to 9:55 Feb. 1 to June 4.
Do	do	do	do	9:55 to 11:55 Feb. 1 to June 4.
Do	French	Half class daily except Saturday alternating in attendance with English.	do	1 to 2.
Do	do	do	do	2 to 3.
Do	English	Half class daily except Saturday alternating in attendance with French.	do	1 to 2.
Do	do	do	do	2 to 3.
Third (2d year)	Mathematics	Half class daily alternating in attendance with physics	do	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Physics	Half class daily alternating in attendance with mathematics	do	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Laboratory	When ordered, half class daily alternating in attendance with mathematics.	do	7:55 to 9:55.
Do	do	do	do	9:55 to 11:55.
Do	History	Half class daily alternating in attendance with French	do	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	French	Half class daily alternating in attendance with history	do	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	English	Half class daily except Saturday alternating in attendance with drawing.	do	1 to 2.
Do	do	do	do	2 to 3.
Do	Drawing	Half class daily except Saturday alternating in attendance with English.	Half	1 to 3.
Second (3d year)	Philosophy	Whole class daily	do	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Laboratory	As ordered	As ordered	7:55 to 9:50.
Do	do	do	do	10 to 11:55.
Do	Chemistry and electricity	Whole class daily	Half	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Laboratory	As ordered	As ordered	7:55 to 9:50.
Do	do	do	do	10 to 11:55.
Do	Spanish	Half class daily except Saturday, alternating in attendance with drawing Sept. 1 to Jan. 31, and with tactics Feb. 1 to June 4.	Fourth	1 to 2.
Do	do	do	do	2 to 3.
Do	Drawing	Half class daily except Saturday till Jan. 31, alternating with Spanish.	Half	1 to 3.
Do	Tactics	Half class daily except Saturday Feb. 1 to June 4, alternating with Spanish.	Fourth	1 to 2.
Do	do	do	do	2 to 3.
First (4th year)	Engineering	Whole class daily	Half	7:55 to 9:15.
Do	do	do	do	10:35 to 11:55.
Do	Ordnance and gunnery	Half class daily alternating with economics and government.	Fourth	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	Laboratory	As ordered	As ordered	7:55 to 9:50.
Do	do	do	do	10 to 11:55.
Do	Economics and government	Half class daily except last 28 days of spring term (see hygiene).	Fourth	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	Hygiene	Replaces economics and government for last 28 days of spring term.	do	7:55 to 9:05.
Do	do	do	do	10:45 to 11:55.
Do	Law	Half class daily except Saturday alternating in attendance with tactics and riding.	do	1 to 2.
Do	do	do	do	2 to 3.
Do	Tactics and riding	Half class daily except Saturday alternating in attendance with law.	do	1 to 2.
Do	do	do (Riding periods are 50 minutes each. For lectures and practical exercises in the afternoon periods, replacing the assigned recitation periods, law has half class from 1:45 to 3. For applicatory instruction in section room without study preparation the class attends in halves in law or tactics from 1 to 3.)	do	2 to 3.

(1st Ind., W.D., A.G.O., 6/27/33—A.G. 351.05 West Point, N.Y.)

SCHEDULE OF CALLS

Reveille roll call, week days, assembly	6:00 a.m.
Sundays and holidays, assembly	7:45 a.m.
Breakfast roll call, week days, assembly	6:30 a.m.
Sundays and holidays, assembly	8:15 a.m.
Sick call, immediately after breakfast at Washington Hall.	
Call to quarters:	
Daily except Sundays and holidays	7:15 a.m.
Week days except Saturdays	1:00 p.m.
Daily	7:05 p.m.
Assembly	7:15 p.m.
Academic hours daily, Sundays and holidays excepted	7:55–11:55 a.m.
Dinner roll call, daily except Sundays and holidays, assembly	12:10 p.m.
Sundays and holidays, assembly	12:30 p.m.
Academic hours, daily, Saturdays, Sundays, and holidays excepted	1:00–3:00 p.m.
Review and inspection, Saturdays, inspection only in inclement weather, assembly	1:10 p.m.
Formal guard mounting when review is held, assembly 10 minutes after dismissal of last company from inspection (informal when no review).	



Release from quarters, daily except Saturdays, Sundays, and holidays	3:00 p.m.
Drill, daily except Wednesdays, Saturdays, Sundays, and holidays, assembly	3:15 p.m.
Recall from drill	4:15 p.m.
Parade, Sundays only, assembly	5:30 p.m.
Retreat, when no parade	5:30 p.m.
Supper, daily	6:20 p.m.
Tattoo, daily	9:30 p.m.
Taps, first	10:00 p.m.
Taps, second	10:30 p.m.
On occasions of general entertainment first taps will be sounded 20 minutes after the close of the event and second taps 30 minutes after first taps.	
Church on Sundays:	
Catholic Chapel, assembly	8:15 a.m.
Cadet Chapel Sunday School teachers, assembly	9:15 a.m.
Choir	9:25 a.m.
Cadet Chapel, assembly	10:45 a.m.

Enrollment of Corps of Cadets, U.S. Military Academy

Sources of appointments	Authorized strength	Strength on May 15, 1934	Vacancies in the corps
Senators (96)	192	157	35
Congressmen (435)	870	740	130
President	60	58	2
Vice President	2	2	0
Regular Army	90	90	0
National Guard	90	82	8
District of Columbia	4	4	0
Territories (2)	4	4	0
Puerto Rico	2	2	0
Honor schools	20	15	5
Sons of Army officers who died in war	20	10	10
Sons of enlisted men who died in war	20	4	16
Philippine Islands	4	3	1
Total	1,378	1,171	[1] 207
Foreign cadets		4	
Total		[1] 1,175	

[1] The total strength of 1,175 on May 15, 1934, and the total of 207 vacancies as of that date, have been determined by including in the strength 21 ex-cadets discharged in January 1934 for deficiency in studies but who qualified upon reexamination in March and are to be readmitted on Aug. 28, 1934, to fill their own vacancies. Not including these ex-cadets, the total present-and-absent strength of the Corps of Cadets as of May 15, 1934, is 1,154.

First class	251
Second class	284
Third class	296
Fourth class	323
Total	1,154

Total military personnel, morning report of May 15, 1934

Organization	Today	Authorized detached enlisted men's list	Authorized staff	Authorized line
Medical and veterinary	81		80	
Twenty-ninth Ordnance Company	40		40	
Quartermaster Corps Detachment	38		39	
Sixth-ninth Motor Transport Company	39		36	
Ninety-fourth Motor Repair Section	12		14	
Staff noncommissioned officers	7	7		
Band	68	68		
Field music	29	29		
Engineers	104	96		
Service	217	218		
Field Artillery	205	190		
Coast Artillery	27	30		
Military Police	69	70		
Signal detachment	38	37		
Second Squadron, Tenth Cavalry	208			208
Air Corps detachment	7			7
Total	1,189	745	209	215

Authorized strength, Staff Corps	209
Authorized strength, detached enlisted men's list	745
Authorized strength, line organizations	215
Authorized enlisted strength, total	1,169
Authorized strength, Cadet Corps	1,374

Summary

Officers	[1] 224
Cadets	1,154
Nurses	13
Warrant officers	3
Civilian instructors	6
Civilian chaplain	1
Enlisted men	1,189
Attached enlisted men	2
Aggregate	2,592

[1] Includes 3 on construction duty, 4 language students abroad, 1 retired officer on active duty as librarian.

Public animals

Cavalry horses	211
Field Artillery horses	[2] 133
Quartermaster Corps:	
Horses	20
Mules	2
Total	366

Public Works Administration allotments to United States Military Academy

(a) New construction by the quartermaster general:	
Auxiliary detachment barracks	$261,000
Military police barracks	200,000
Quartermaster storehouse	150,000
Quartermaster stable	160,000
Quartermaster shops, commissary warehouse, etc.	175,000
Veterinary hospital	20,000
Grammar school	133,000
Nurses' quarters	120,000
Addition to cadet gymnasium	433,000
50 sets junior officers' quarters	800,000
Seawall ramp and concrete apron in front of hangar	20,000
Insulating and fireproofing hangars	3,000
Incinerator	20,000
Telephone construction	[3] 5,000
Total under quartermaster general	2,560,000
(b) Maintenance expected by the superintendent:	
Painting exterior woodwork and metal work of officers' and enlisted men's quarters in public buildings	50,300
Repointing exterior stone and brick work, officers' and enlisted men's quarters and public buildings, and renewing chimneys where necessary	56,000
Replacing old heating units, 13 sets of quarters	12,290
Installing heating units, N.C.O. quarters	25,279
Replacing defective wiring in public buildings	8,900
Repairing and renewing exterior woodwork in officers' quarters and other public buildings	10,000
Repairs to roads throughout the post	100,000
Replacing all corroded and rusted pipe with brass where needed throughout the post	80,000
Replacement of kitchen sinks and defective toilets where needed	22,779
Miscellaneous repairs to buildings and utilities	[4] 134,252
Total for maintenance purposes	500,000

CIVIL WORKS ADMINISTRATION

Augmenting the P.W.A. allotments the Military Academy was earmarked for 216,210 man-days' labor by the Civil Works Administration together with a grant of $303,086 for materials. A comprehensive plan for the employment of these resources was drawn up but the severe winter and slowness in dispatch of workers to West Point cut active operations under this heading to a meager fraction of the whole. The project as set forth provided such items as road construction, repair to buildings that had deteriorated under restricted maintenance of recent years, and utilities and structures required in connection with concurrent construction under P.W.A. operations.

Of the 216,210 man-days set up at the commencement of operations, only 26,537 actually reported and were employed. However, the labor and materials have been wisely expended and real benefits have accrued.

REPORTS OF COMMITTEES

Mr. WALCOTT, from the Special Committee on Conservation of Wild Life Resources, to which was referred the bill (S. 3411) to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge, reported it with amendments and submitted a report (No. 1238) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which was referred the bill (S. 3693) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt., reported it without amendment and submitted a report (No. 1239) thereon.

Mr. FLETCHER, from the Committee on Banking and Currency, to which was referred the bill (H.R. 8513) to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson, reported it without amendment.

Mr. NORBECK, from the Committee on Banking and Currency, to which was referred the bill (S. 3665) to amend

[2] Upon receipt of motorized equipment number of Field Artillery horses will be reduced to 104.

[3] To be allotted direct to chief signal officer.

[4] To replace shortage in 1934 maintenance funds.

section 28 of the act of May 25, 1918 (relating to deposits of tribal or individual Indian funds), reported it without amendment and submitted a report (No. 1250) thereon.

He also, from the same committee, to which was referred the bill (S. 3666) to amend section 61 (relating to deposits of bankrupt estates) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, reported it with an amendment and submitted a report (No. 1251) thereon.

Mr. THOMAS of Utah, from the Committee on Military Affairs, to which was referred the bill (S. 3618) to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah, reported it with an amendment and submitted a report (No. 1249) thereon.

Mr. LOGAN, from the Committee on Military Affairs, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 1293. An act authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether or not he be placed on the retired list with the rank and pay held by him at the time of his resignation (Rept. No. 1240);

H.R. 2632. An act for the relief of Wilson G. Bingham (Rept. No. 1241); and

H.R. 6497. An act for the relief of James Henry Green (Rept. No. 1242).

Mr. LOGAN also, from the Committee on the Judiciary, to which was referred the bill (S. 3635) to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries, reported it without amendment and submitted a report (No. 1243) thereon.

Mr. VAN NUYS, from the Committee on the Judiciary, to which was referred the bill (S. 3311) to incorporate the National Association of State Libraries, reported it without amendment.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (H.R. 2669) for the relief of Paul I. Morris, reported it with an amendment and submitted a report (No. 1244) thereon.

Mr. WHEELER, from the Committee on Indian Affairs, to which was referred the bill (S. 2894) to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children, reported it without amendment and submitted a report (No. 1245) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 2684) to regulate foreclosure of mortgages and deeds of trust in the District of Columbia, reported it with amendments and submitted a report (No. 1246) thereon.

Mr. McCARRAN, from the Committee on the District of Columbia, to which was referred the bill (H.R. 1646) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia; to prescribe penalties for the violation of the provisions of this act, and for other purposes, reported it with amendments and submitted a report (No. 1247) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (H.R. 9143) providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, reported it with amendments and submitted a report (No. 1248) thereon.

ADDITIONAL EXPENDITURE, SPECIAL COMMITTEE ON CONSERVATION OF WILD LIFE RESOURCES

Mr. WALCOTT (for himself, Mr. PITTMAN, and Mr. McNARY), from the Special Committee on Conservation of Wild Life Resources, reported a resolution (S.Res. 254), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the special committee authorized and directed by Senate Resolution No. 246, on April 17, 1930, to investigate the conservation of wild animal life hereby is authorized to expend in furtherance of such purposes $10,000 in addition to the amounts heretofore authorized.

CONTINUATION OF INVESTIGATIONS OF SECURITY DEALINGS, BANKING PRACTICES, ETC.

Mr. FLETCHER. From the Committee on Banking and Currency, I report a resolution unanimously approved by that committee, for which I ask present consideration.

There being no objection, the resolution (S.Res. 258) was considered and agreed to, as follows:

Resolved, That Resolution No. 56, agreed to April 4, 1933, authorizing the Committee on Banking and Currency to make certain investigations of security dealings, banking practices, and the effects of same, and Resolution No. 97, agreed to June 8, 1933, enlarging the authority of the above-mentioned resolution, hereby are continued in full force and effect until the end of the first session of the Seventy-fourth Congress.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 2d instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 85. An act for the relief of Paul J. Sisk;

S. 177. An act for the relief of Woodhouse Chain Works;

S. 256. An act for the relief of Milburn Knapp;

S. 308. An act to authorize the award of a decoration for distinguished service to Harry H. Horton;

S. 512. An act for the relief of Peter Pierre;

S. 785. An act for the relief of Elizabeth Bolger;

S. 1073. An act for the relief of E. Walter Edwards;

S. 1081. An act for the relief of McKimmon & McKee, Inc.;

S. 1429. An act for the relief of Anthony J. Lynn;

S. 1460. An act for the relief of Edgar Stivers;

S. 1772. An act for relief of the Western Montana Clinic, Missoula, Mont.;

S. 1932. An act for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title;

S. 2002. An act for the relief of R. S. Howard Co., Inc.;

S. 2342. An act for the relief of I. T. McRee;

S. 2623. An act to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended;

S. 2745. An act to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other purposes;

S. 2748. An act to authorize an appropriation for the reimbursement of Stelio Vassiliadis;

S. 2798. An act for the relief of Nephew K. Clark;

S. 2889. An act for the relief of certain Indians of the Fort Peck Reservation, Mont.;

S. 2969. An act for the relief of the Mary Black Memorial Hospital;

S. 2980. An act to modify the effect of certain Chippewa Indian treaties on areas in Minnesota;

S. 3128. An act to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner;

S. 3290. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932;

S. 3307. An act for the relief of W. H. Le Duc; and

S.J.Res. 123. Joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. STEPHENS, from the Committee on Commerce, reported favorably the nominations of Edward Maurer, of Kentucky, and Alvin A. Morrison, of Ohio, to be supervising inspectors, Bureau of Navigation and Steamboat Inspection.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

Mr. CONNALLY, from the Committee on Finance, reported favorably the nomination of Harry P. Hornby, of Uvalde, Tex., to be collector of customs for customs collection district no. 23, with headquarters at San Antonio, Tex., in place of Harry L. Sexton, deceased.

The PRESIDENT pro tempore. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. DAVIS (for Mr. REED):

A bill (S. 3720) conferring jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of John W. Hubbard (with an accompanying paper); to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 3721) for the relief of Charles G. Johnson, State treasurer of the State of California; to the Committee on Claims.

By Mr. McNARY:

A bill (S. 3722) to authorize preliminary examination and survey of De Poe Bay, Oreg.; to the Committee on Commerce.

By Mr. O'MAHONEY:

A bill (S. 3723) to amend the Mineral Lands Leasing Act of 1920 with reference to oil- and gas-prospecting permits and leases; to the Committee on Public Lands and Surveys.

By Mr. WAGNER:

A bill (S. 3724) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; to the Committee on Public Lands and Surveys.

By Mr. RUSSELL:

A bill (S. 3725) for the relief of Nellie S. Barbee; to the Committee on Claims.

A bill (S. 3726) to create a national memorial military park at and in the vicinity of Kennesaw Mountain, in the State of Georgia, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. COOLIDGE:

A bill (S. 3727) for the relief of John J. O'Connor; to the Committee on Military Affairs.

By Mr. WHEELER:

A bill (S. 3728) for the relief of the heirs of Louise Cullooyah and Michel Kizer, deceased; to the Committee on Indian Affairs.

By Mr. NORBECK:

A bill (S. 3729) to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. WALSH:

A bill (S. 3730) granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.; to the Committee on Commerce.

TAX ON FLOOR STOCKS—AMENDMENT

Mr. SMITH submitted an amendment intended to be proposed by him to the bill (S. 3419) to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act, which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS—AMENDMENT

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (H.R. 8731) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, which was ordered to lie on the table and to be printed.

RECIPROCAL TARIFF AGREEMENTS—STATEMENT RELATIVE TO PROPOSED AMENDMENTS

Mr. SCHALL. Mr. President, the two amendments which I hereby submit to the pending bill (H.R. 8687) to amend the Tariff Act of 1930, to be inserted at the proper place in the bill, are to meet the conditions created by the Government itself—conditions that are continuing under Government administration, acts, and policies.

I refer to the known effect of the so-called "new deal" measures—the N.R.A. and the A.A.A.—on production costs of agricultural products.

The Government itself will not deny that the costs of agricultural production in this country have been increased by the so-called "price stabilization" policy of the N.R.A. and the processing taxes of the A.A.A.

The Department of Agriculture, the Consumers' Advisory Board of the N.R.A., the Department of Labor, and the Federal Reserve Board, have all produced data to demonstrate the existence of increased production cost whereby the farmer pays more for everything he buys, although he may receive less for what he sells.

This increase of agricultural production cost in the United States cuts down the power of the American farmer to compete either in the home market or in foreign markets. It amounts to a reduction of protective duties for agriculture—without such action as may be taken pursuant to the terms of the pending bill.

The American farmer has no crop to export this year or next, so that he can receive no benefit from the proposed expansion of foreign markets. His only hope for existence is a fair price for what he has to sell in the home markets. Reduction of duties to invite imports of foreign agricultural products means death to American agriculture under pretense of national recovery.

I ask that the amendment may lie on the table, be printed, and printed in the RECORD.

There being no objection, the amendments were ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

At the proper place in the bill to insert the following:

"*Provided*, That no reciprocal tariff treaties or agreements made pursuant to the provisions of this act shall reduce existing tariff duties on products of agriculture imported into the United States in competition with like products grown or produced in the United States."

At the proper place in the bill to insert the following:

"*Provided*, That pursuant to the terms of this act no reduction of tariff duties shall be made on imported articles entering into competition with like domestic products, the production cost of which has been increased by the Government through levy of processing taxes under the provisions of the Agricultural Adjustment Act of 1933."

NERISSIA V. GRAY, ET AL.

Mr. GOLDSBOROUGH submitted the following resolution (S.Res. 255), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Nerissia V. Gray, daughter, and Leighton O. Talbert, James L. Talbert, and John D. Talbert, sons, of James E. Talbert, late a laborer in the employ of the Senate, under the direction of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of expenses and all other allowances.

INVESTIGATION OF RAILROAD FREIGHT RATES

Mr. GEORGE submitted the following resolution (S.Res. 256), which was referred to the Committee on Interstate Commerce:

[S.Res. 256, 73d Cong., 2d sess.]

Resolution

Whereas it is alleged that the present rate system adopted by the rail carriers of the United States has resulted in higher rates per mile in some sections of the United States than others notwithstanding efforts of Congress to make rail carriers a national system; and

Whereas it is alleged that proposals are now before the Interstate Commerce Commission to make rates on textiles considerably higher from one section of the United States than for a similar distance from another section of the United States: Therefore, be it

Resolved, That the Committee on Interstate Commerce, or any duly authorized subcommittee thereof, is authorized and directed

to examine into the present railroad freight rates with a view to determining (1) the relative investment costs and the value fixed by the Interstate Commerce Commission of the properties of class I railroads in the United States, separating such values so as to show the same in the various freight territories of the country, (2) the cost of hauling freight, or the cost per car-mile of the movement of freight, as determined by the Federal Coordinator of Transportation or from other sources, in each of the several freight territories, (3) the effect of making rates throughout the country and regulating, if necessary, the needs of the different carriers as was done in the New England Divisions case (261 U.S. 184), and (4) the methods pursued by freight associations and railroads in jointly prescribing rates. The committee shall report to the Senate, as soon as practicable after the convening of the Seventy-fourth Congress, the results of its investigation, together with its recommendations.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third and Seventy-fourth Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

ASSISTANT CLERK TO COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Mr. CONNALLY submitted the following resolution (S.Res. 257), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That Resolution No. 111, agreed to January 19, 1934, authorizing the Committee on Public Buildings and Grounds to employ an assistant clerk, to be paid from the contingent fund of the Senate, hereby is continued in full force and effect until the end of the first session of the Seventy-fourth Congress.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 176. An act for the relief of Harry Harsin;

S. 254. An act for the relief of Fred H. Cotter;

S. 1078. An act for the relief of Mrs. Asa Caswell Hawkins;

S. 1994. An act for the relief of Estelle Johnson;

S. 2696. An act to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs";

S. 2750. An act for the relief of Claude A. Brown and Ruth McCurry Brown, natural guardians of Mamie Ruth Brown;

S. 2790. An act for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.;

S. 2918. An act for the relief of N. Lester Troast;

S. 2973. An act for the relief of First Lt. Walter T. Wilsey;

S. 3026. An act for the relief of Lucy Cobb Stewart;

S. 3117. An act authorizing and directing the Court of Claims, in the event of judgment or judgments in favor of the Cherokee Indians, or any of them, in suits by them against the United States under the acts of March 19, 1924, and April 25, 1932, to include in its decrees allowances to Frank J. Boudinot, not exceeding 5 percent of such recoveries, and for other purposes; and

S. 3380. An act providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade.

The message also announced that the House had passed the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes, with an amendment; that the House insisted upon its amendment to the bill, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. RAYBURN, Mr. HUDDLESTON, Mr. LEA of California, Mr. MAPES, and Mr. WOLVERTON were appointed managers on the part of the House at the conference.

The message further announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 620. An act for the relief of Catherine Wright;

S. 1077. An act for the relief of Lueco R. Gooch;

S. 1401. An act to pay a gratuity to Emma Ferguson Starrett;

S. 1430. An act for the relief of M. Thomas Petroy;

S. 1516. An act for the relief of Michael Bello;

S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat); and

S. 2377. An act for the relief of A. E. Shelley.

The message also announced that the House had passed the following bills of the Senate, severally with amendments, in which it requested the concurrence of the Senate:

S. 1191. An act for the relief of the Sultzbach Clothing Co.;

S. 2023. An act for the relief of Claudia L. Polski; and

S. 2636. An act for the relief of James Slevin.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 5109. An act for the relief of Joe G. Baker;

H.R. 5543. An act for the relief of T. Brooks Alford;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims;

H.R. 5835. An act for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce;

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 6998. An act for the relief of Capt. Frank J. McCormack;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians;

H.R. 7163. An act for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7736. An act for the relief of Rocco D'Amato;

H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased;

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8688. An act for the relief of Stella E. Whitmore;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.; and

H.R. 9820. An act for the relief of the State of Nebraska.

PRICE FOR ELECTRICITY

Mr. NORRIS. Mr. President, in the magazine Today the leading article is by Judson King on the subject "What's an Honest Price for Electricity?" I ask unanimous consent that the article may be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Today of May 5, 1934]

THE HIGH COST OF PRIVATE PROFIT IN PUBLIC UTILITIES—WHAT'S AN HONEST PRICE FOR ELECTRICITY?

By Judson King

It is rather amazing that after 25 years of State and Federal regulatory bodies, there never has been an investigation or compilation by any official agency of electric rates charged in the United States. Yet such information is constantly needed and demanded by Members of Congress, municipal, State, and Federal officers, especially progressive State utility commissioners.

Of late there has come a still more vigorous demand for this information from the people themselves. Not only the householders but merchants, professional men, and small power users, and even large manufacturers are uneasy. They have lost confidence in the utilities. They believe they are overcharged. They want to know what other consumers in other States and localities similarly situated are paying.

Most of them simply want to know what is an honest price for service by a private company.

Furthermore, they would like to have these rate schedules, usually as undecipherable as an Egyptian hieroglyph, made clear enough to enable them to figure comparisons. At present there is no uniformity or system in any State, let alone in the United States, and this multiplicity of schedules involving different methods of computation is filled with "demand charges", "service charges", "off-peak" and "on-peak", "variations", "coal clauses", "power factors", penalties, and rebates galore, until the average citizen gives up in despair the attempt to master his problem.

There will be national rejoicing, in consequence, over the investigation into electric rates throughout the United States which the Federal Power Commission has been directed to undertake.

Senator NORRIS easily passed the resolution calling for this inquiry through the Senate weeks ago, but Representative RANKIN, who comes from Tupelo, Miss., the first city to sign up for Muscle Shoals current, encountered opposition from both sides of the aisle.

There was delay in getting the resolution out of the Committee on Interstate and Foreign Commerce. Had it not been for the cooperation of Speaker RAINEY and the knowledge that the White House was firmly behind the resolution, it would have died on the calendar. The power people are opposed to this inquiry and they will be active in the campaign this fall.

Another factor inclined many Members to hesitancy—the prospect of a genuine inquiry and its correlation with others in progress.

For the first time, we have, under Chairman Frank R. McNinch, a Power Commission that respects seriously all the provisions of the Federal Water Power Act of 1920 and holds it is not a mere leasing agency for private enterprise. Mr. McNinch and his Commission prefer private to public operation, provided that private operators respect law established in the public interest. The Commission is by no means a radical body. However, it is keen for facts, and doubtless for that reason is, by order of the President, conducting inquiries into the power resources of the Nation, the transmission of electrical energy, and the cost of distribution.

Hence, this new inquiry into what the consumers are paying for electric service handsomely fits in with the other investigations showing what it actually costs the power companies and public plants to furnish such service.

We must note also the Federal Trade Commission investigation, which already has uncovered more than a billion and a quarter dollars worth of inflated securities put out by the leading power companies, on which dividends are supposed to be paid out of rates, and large amounts annually expended for political and propaganda purposes, all charged up to operating expenses and paid by the consumers. With a complete picture of the industry presented by these examinations, the people will have reliable data on which to base their conclusions as to whether they are being overcharged.

There are today around 15,500 communities in the United States served by some 1,627 private companies and 1,824 publicly operated plants. The only source of general information we have had to date is the annual rate book published formerly by the National Electric Light Association and now by its successor, the Edison Electric Institute. It originally was available to company executives only, but now may be purchased by nonmembers of the Edison Electric Institute for $25. No rates of public plants are included. It contains data for cities of 20,000 population and up (actually fewer than 500), representing only 3 percent of the communities which have electric service.

From all this, it will appear that Senator NORRIS and Representative RANKIN, by insisting upon the resolution, and the President, by promptly signing it, have performed a very useful service.

The Federal Power Commission will discover a startling variety of rates, levied without regard for cost of production or method of generation. If it be urged that rates are fixed by State regulatory commissions, the evidence indicates that the commissions must be as variable in their methods and moods as the rates.

Today the delivered cost of current in large cities, whether generated by water power or coal, varies so little that there is no legitimate reason for such sharp differences in rates to consumers. In large cities top rates run from 4 cents to 12 cents per kilowatt-hour, and in smaller cities and towns all the way from 5 cents up to 10 and 12 cents. In municipal plants the rates are generally lower, but here, again, there are wide variations, depending largely upon how much money the city fathers desire to take from the light plant and transfer to general funds.

Let us illustrate by concrete cases. An average family, living in a 6-room house, needs at least 180 kilowatt-hours per month for light, refrigeration, washing, ironing, sweeping, and a few small appliances.

In New York City the cost for this amount of current in 1932 was $9.55; in Chicago, $6.48; in San Francisco, $6.80; in Washington, D.C., $5.90. These are private plants.

In such plants the cost would have been in Jamestown, N.Y., $5.05; in Springfield, Ill., $4.20; Tupelo, Miss., now charging standard Tennessee Valley Authority rates, $4.10; and Tacoma, Wash., $3.20.

It is perhaps necessary to note here that the taxes and higher interest rates paid by private companies are more than offset by the amortization requirements of public plants and the sums they turn back into plant extensions or transfer to the city treasury.

Just now there is concern among investors in private-company securities that, if material rate reductions are made, their incomes will be cut off, the companies forced into bankruptcy and their savings lost. They will resent this new inquiry. It is not the purpose of the administration to disturb sound investments but rather to protect investors against wildcat speculation. Had the objectives now sought been reached 10 years ago, those thousands of persons who cast in their fortunes with those of Mr. Insull might have had their life savings in hand today.

It is a curious fact that those private companies which have been forced by regulation or by public competition to reduce their rates below the general level of private rates are today the soundest, most successful, and perhaps the most respected utilities in the Nation.

The history of the Electric Illuminating Co., of Cleveland, Ohio, is revealing.

In 1910 this was a typical coal-generating company, charging 10 cents per kilowatt-hour domestic, with commercial and industrial schedules proportionately high. Mayor Tom Johnson was informed by engineers that the total switchboard cost of generating current was only around 9 mills per kilowatt-hour, and that a municipal plant could sell domestic current at 3 cents, cut industrial rates by 30 or 40 percent, and still make money.

Mayor Johnson started the fight. His death intervened, and the $2,000,000 city plant, built by his successor, Newton D. Baker, began operation in 1914. The city council passed an ordinance ordering the private company to reduce its domestic rate to 3 cents. After 5 years the company's legal and technical experts proved to the satisfaction of the State public utilities commission and the State supreme court that the company had to charge 10 cents to protect its investors and give good service. This was in January 1919, and in the following June the company begged the city council to give it a short-time franchise, not at 10 but at 5 cents per kilowatt-hour. This was granted. The people were turning to their 3-cent plant for service.

At the time this 5-cent rate went into effect, companies in other large cities were charging from 8 to 12 cents. Did the Cleveland Electric Illuminating Co. go into bankruptcy? It did not. It has expanded from a $15,000,000 company in 1912 to a $140,000,000 concern covering all northeastern Ohio, selling at the uniform top rate of 5 cents, which lately has been reduced, in Cleveland, to 4 cents. It is very prosperous.

Meantime, the little city plant has grown from a $2,000,000 to a $20,000,000 concern, still selling at 3 cents. It is estimated that the competitive effect of the city plant has been to save the consumers of Cleveland more than $40,000,000 in the last 15 years.

Such instances could be multiplied. They prove beyond question that the private companies can make very material reductions in rates, remain prosperous, and assure sweet sleep to the holders of their securities. They raise the interesting question of how many millions of dollars have been extracted from the pockets of electrical consumers during 25 years above a "fair return" of 7 or 8 percent upon actual investment.

The balance sheets of municipal plants furnish further evidence that rates can be reduced without unjustifiable injury to investors. While many of the smaller public plants have rates as high as, or sometimes higher than, comparable private plants, all the more important ones have had much lower rates.

In 1917 householders of Los Angeles received service from their public plant at an average cost of 4.5 cents per kilowatt-hour as against a national average of 7.5 cents. Los Angeles now is down to 3.4 cents and the national average to 5.5; but in the meantime, out of earnings, the Los Angeles plant has put $40,000,000 into extensions and paid off $14,000,000 of bonds. Private companies do not amortize their investments and they finance extensions by the sale of securities.

If the city were financing its plant on a private basis, it could reduce rates further by 20 percent, according to Chief Engineer Scattergood.

Among farmers the same fluctuations of rates obtain throughout the Nation. Some have been paying top rates of 5 cents, others 8, others 10, and on up to 18 or 20 cents per kilowatt-hour. No one will contend that farm and small-town service can be uniform or as low as in larger places. But these spreads are all out of line with costs or common sense. Farmers of the Tennessee Valley region ere long will be getting Muscle Shoals current at around 3 cents per kilowatt-hour, and, at that, will be paying their own way, including taxes and without subsidy from the Government.

It will be highly interesting one of these days when the Federal Power Commission makes its report to lay existing rates, public and private, alongside the T.V.A. "yardstick" and then the Boulder Dam and others. To achieve success, however, they must have many municipalities connected, as do private superpower systems, and to that end cities desiring such service need financial aid not only to obtain loans from the Federal Government to set up competing distributing systems as now provided but to buy out existing private systems, when possible, and so avoid duplication.

A bill to accomplish this through the Reconstruction Finance Corporation, introduced by Senator HIRAM JOHNSON, is pending in Congress. It should be enacted. Municipalities have difficulty in financing their plants from private sources. Let us give them a fair chance.

ADMINISTRATION OF THE AGRICULTURAL ADJUSTMENT ACT

Mr. COSTIGAN. Mr. President, the administration of the Agricultural Adjustment Act is of daily concern to farmers in all parts of the United States. An article which gives that administration detailed and enlightening discussion appeared in the New York Times of Sunday, June 3, 1934. The article is by the highly capable administrator of the A.A.A., Mr. Chester C. Davis. I ask unanimous consent to have it printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sunday, June 3, 1934]

ONE YEAR OF THE A.A.A.: THE RECORD REVIEWED—THE ADMINISTRATOR SUMS UP THE ACHIEVEMENTS OF 12 MONTHS AND SURVEYS THE FUTURE, PREDICTING THAT THE NATION WILL NOT RETURN TO THE "TOOTH-AND-FANG" ERA OF INDIVIDUALISTIC FARMING

(A year has elapsed since the Agricultural Adjustment Act went into effect. Its effectiveness and its future are under sharp debate in Washington; the controversy centers about the proposal to extend the powers of the Agricultural Adjustment Administration. In the following article the record of the 12 months is reviewed, some of the immediate problems surveyed and the future of the new deal in farming discussed by the man in immediate charge of the gigantic operation.)

By Chester C. Davis, Administrator of the A.A.A.

The launching of the greatest cooperative effort ever undertaken by farmers is the outstanding accomplishment of the Agricultural Adjustment Administration's first year.

Organizing themselves into county production control associations, 3,000,000 farmers in 48 States have signed contracts which make them voluntary partners in planning their production and improving their incomes. These contracts apply to four great staple export crops—wheat, cotton, corn-hogs, and tobacco.

Though incomplete, the experiment marks the beginning of a big-scale transition away from a purely individualistic agriculture. In 12 months these farmers have taken one long step to avert the merciless punishment inflicted upon them by planless competition with one another in an economic world dominated by the centralized and controlled forces of modern finance and industry.

A YEAR OF RECOVERY

The final test of this experiment in agricultural planning will be its benefits to farmers and society. The Agricultural Adjustment Administration's first year has been accompanied by substantial recovery in the economic condition of agriculture. This partial recovery has come from a diversity of causes, among which the better adjustment of supply with demand has been basic. Farm cash income has been increased through better prices due to production adjustments, to the President's monetary policy, and to the revival of city buying power following the Government's vigorous employment measures.

The farmer's cash income, including benefit payments, is up 39 percent for the past 12 months over that for the corresponding period a year ago. Although this income was partly offset by rising prices of things farmers buy, the buying power of farm commodities has improved 20 percent, as shown by the change in the farm price index, from 52 for April 1933, to 62 for April 1934. This index shows the net gain in the exchange value of farm commodities through price improvement alone and does not show the effect of benefit payments.

In addition to income through better prices, farmers have received close to $250,000,000 in benefit payments, rentals, and options paid in consideration of their cooperation in balancing production. These payments are designed to make up, so far as possible, the discrepancy between price and fair exchange value or parity, measured by the pre-war purchasing power of farm products, on that part of the crop consumed in this country.

"A GOOD BEGINNING"

These benefit payments are being successfully self-financed by processing taxes, not by appropriations from the Public Treasury. The increased buying power of producers of cotton, wheat, tobacco, and other products has had important effects upon recovery of industry and trade throughout the country. The program has worked, on the whole, as it was expected to work. A good beginning has been made.

The march of 3,000,000 farmers to join their county production control associations in a voluntary experiment of such scope is a dramatic and historic thing. But the drama of it is magnified as this unprecedented experiment in planned farm production encounters a vast natural calamity—a drought which, as I write, ranks among the greatest in extent and intensity among all rainfall shortages suffered by American agriculture.

This drought already has blasted production in parts of the Dakotas, Minnesota, and Nebraska. It has cut sharply into yields over a much wider area, including most of the corn belt. It has added the blind cruelty of nature to the punishment suffered by farmers through blind production in recent years. The experiment in agricultural adjustment therefore is to progress in 1934 not under normal and predictable conditions but under conditions which are abnormal in the extreme.

But acute need for agricultural planning always arises out of acute human distress. Ultimately, the usefulness of any farm plan would be measured not only by its function in meeting the everyday problems of agriculture, but also upon its adaptability to the unusual needs of extreme emergency.

THE FORCES MOBILIZED

The Agricultural Adjustment Administration has now mobilized its forces to combat the menace of drought. Cooperating with the Federal Emergency Relief Administration, the Farm Credit Administration, and with units of the Department of Agriculture, we have made a series of moves which have been reported daily by the press. What relief may fall from the skies upon the parched plains in the coming months we do not know. But the planning has been done, through provision for buying and removal of cattle, for movement of money, food, feed, and seed, and for encouragement of production of forage, to cope with drought conditions at their worst.

The predicament of burned-out farmers thus far this year is unprecedented, perhaps more because of the scope than because of the intensity of drought. Drought is no stranger to the American farmer. He had the shortest grain crop last year in 40 years, and the devastation of rainless 1894 is talked about in the West as a pitiless parallel of 1934.

NATURAL MISFORTUNES

Every year in this country some farmers somewhere see their crops ruined by drought, hail, flood, or pest. Year after year, farmers in these stricken areas have pleaded for some constructive social planning which would shield them from brutish exposure to unseeing natural misfortune. Such appeals have been based on the unanswerable ground that society loses when the productive power of whole regions is blasted, perhaps beyond recovery for several years.

Farm spokesmen have urged that common sense, humanity, and national security all demand provisions for assuring to agriculture some continuity of income against crop losses caused through no fault of the farmer. Such protection has been sought as a part of reasonable compensation and sensible safeguard of continuous production of the Nation's food and raw materials. These appeals all have contemplated agricultural planning practical enough to include large-scale crop-income insurance as a vital feature.

This was one of the needs which the Agricultural Adjustment Act was devised to meet. The adjustment plan will function in this way this year for all the hundreds of thousands of farmers in the drought States who signed production-control contracts. With this in view from the very first, the production-control contract payments have been based upon past averages of production, not upon the current production of the year in which the payment is made. Therefore the amount of the payment in any one year is not affected by the size of the crop that the farmer gets in that year. His yield may be burned out, hailed out, or flooded out, or destroyed by grasshoppers, chinch bugs, or weevils. But if he signs a production-adjustment contract and fulfills its terms, the farmer gets his benefit payment just the same.

In the drought area the farmer now has a taste of the same kind of protection which the flour miller long has enjoyed in insuring himself through the device of the hedge in buying wheat. Agricultural planning as worked out by M. L. Wilson and put into effect by the Adjustment Administration's production programs has offered in its first year the greatest crop-income insurance measure ever undertaken for farmers by any nation anywhere in the world. It applies to cotton, corn-hogs, and tobacco just as to wheat. It does not apply to dairying because the dairy industry has not united upon any program.

BENEFITS OF INSURANCE

What such crop-income insurance means in emergency can be understood from the fact that South Dakota farmers in last year's drought year got several times as much cash out of their wheat benefit payments as out of the sale of their poor little wheat crop. It is estimated that South Dakota farmers got $3,400,000 out of their wheat-benefit payments, and possibly only about $320,000

out of all the wheat they had left over for sale after feed and seed needs were met.

In time of a calamitous drought the crop-income insurance feature of agricultural planning may mean the difference between misery and sustenance, and the difference between prostration of the producing power of a region and a fighting chance for the farmer to get a new start in another year.

So the drought, while it has placed a great burden of responsibility upon the Agricultural Adjustment Administration and has intensified some and lightened other problems confronting the administration, has demonstrated the need for agricultural planning as nothing else could have done.

I am aware that there are people, many of them speaking vehemently for interests already safeguarded by efficient protective controls and devices, who denounce any planning and decry any protective devices for agriculture. But the individualistic "let-alone" philosophy becomes more repugnant the more closely its effects on agriculture are observed.

In its sheerest form, unplanned rugged individualism for agriculture means refusal of governmental assistance in collective effort of farmers to protect themselves against drought or any other similar calamity. It means exposure of the farmer to lone-handed contest with the blind forces of nature, with which his trade forces him always to match his strength. It means misery and starvation somewhere for some farmers every year.

Remember that agriculture nationally may be penalized by low prices due to surplus accumulation, while simultaneously some smitten areas may suffer the added penalty, due to drought, of having little or nothing to sell even at the depressed prices. I am now describing not some mere theory but the stark fact that staggered thousands of farmers last year and will confront them again in 1934.

A GLUTTED WORLD MARKET

Does anyone imagine that the stricken Wheat Belt would have had to take the modest market prices of 1933, or the inadequate wheat prices thus far this year, for any reason except long-continued surplus production and glutted world wheat markets? Because of the crushing combination of national and world surplus with regional drought, important spring and winter wheat States have been compelled for 2 successive years to take very modest prices for low yields of wheat. In this situation the benefit payments to those who cooperated in crop adjustments, while not large enough to compensate for crop shortage still were a big help.

The situation in the last 14 years has cried out for agricultural planning, production adjustment, and farm-income insurance. Grain merchants who collect the more commissions bushel by bushel when surplus ruins the price, and speculators who scramble for profits when drought raises the price, may not want farmers to do any planning of production. Many of them object to the thought that the farmers should even try to have any influence on price, or try to "hedge" collectively against the worst losses from drought. But I doubt whether the farmers of this country will ever want to go back to the dog-eat-dog individualism these opulent gentlemen prescribe in the place of agricultural planning which now has been begun.

The drought has brought into sharp relief the crop-income insurance features of the Agricultural Adjustment plan and has emphasized the fact that these provisions afford farmers a hitherto unattainable degree of protection from such misfortune on a higher and juster plane than that of charity. This protection could not have been afforded on an equal scale without governmental assistance, because the farmers, acting as individuals, could not combine either to influence production or to insure their crops. The Government, through this plan, has begun to perform a rightful function in protecting a great economic group which has been unable to protect itself.

But the insurance feature, while right now of superlative importance, is in the long run not the principal measure in the broad program of farm planning undertaken under the Agricultural Adjustment Act.

The main objective of agricultural planning is to seek and maintain, through good years and bad, the best possible balance between production and effective demand for farm products, so as gradually to restore parity of exchange value to agriculture.

While this does not necessarily mean curtailing production—it might mean encouraging greatly increased production—the biggest handicap to agriculture, as every farm administration in the past 12 years has recognized, has been caused by accumulation of surpluses of the staple crops.

PILING UP OF SURPLUSES

War-time expansion of plantings by 50,000,000 acres, followed by loss of export markets with this country's transition from a debtor to a creditor Nation and the resulting accumulation of surpluses all served to drive down farm prices.

One of the primary objectives of the farm plan is to get that 50,000,000 acres back into forage crops. The adjustment contracts have been drafted with this in view. Roughly, the removal from surplus production of about 40,000,000 acres has been pledged by farmers.

The adjustments in production of the basic crops represented by this shift, with favorable effects on prices and benefit payments to cooperating farmers, have been supplemented by other measures. These include the marketing agreements and licenses for fluid-milk producers and producers of certain fruit, vegetable, canning, and nut crops.

The agreements or licenses provide improved price schedules for farmers and eliminate unfair practices in processing and distribution of farm produce. Cotton and corn loans sustained prices of these commodities, assured the advantages of price increases to producers instead of to speculators, and provided badly needed purchasing power to two great farming regions, thus stimulating general business revival.

SUGAR AND BEEF CATTLE

At the present time the administration is undertaking programs for sugar, for beef cattle in connection with drought relief, and for a large number of special crops through agreements. These are in addition to the current programs of wheat, tobacco, corn, hogs, and cotton, including administration of the Bankhead Act.

Events during the Adjustment Administration's first year have confirmed the soundness of the basic objectives of the act, though they have also brought the necessity for numerous adjustments as to method. On the experience of the first year it is now possible to determine the long-time direction which planning for agriculture is likely to take.

Adjustment properly places increased emphasis upon transition away from production of the surplus crops, where markets have been glutted with oversupply. Unless and until the United States recovers its lost export markets, the adjustments in production will have to be made. They would be made under the sheer economic compulsion of low prices in the absence of any agricultural planning. The use of benefit payments to compensate farmers for making these adjustments facilitates accomplishment of the transition without the economic disturbance and widespread individual losses and the unfavorable consequences to business and industry which would otherwise occur.

Such relief from grain surplus as is gained at the fearful cost of drought alters the A.A.A. problem in some respects, but not in others. Crop loss of this kind, concentrated in a definite area, has about it none of the fairness of adjustments which are spread equally over all farms. But it does have temporary price effects which, while they do not compensate farmers fairly for losses, do tend to induce new production.

ACREAGE AND VOLUME

The long-time relationship between acreage and volume of production is very close, despite the disparity caused by a year or two of severe crop damage. The man whose whole crop is ruined has not reduced wheat or cotton in the sense that he would have done if a proper portion of his farm had been transferred into permanent pasture. Drought has temporarily reduced the grain surplus and has reduced the immediate visible incentive to get from grain to grass. But it has affected very little the permanent need for that transition, or for agricultural planning to help bring it about.

Keeping uppermost in mind the long-time aspects of the agricultural adjustment, even while placing in action the emergency programs for cotton, wheat, corn, hogs, and tobacco, we have established in the Adjustment Administration a planning division under direction of H. R. Tolley.

This division is now working on plans for the future course of the Adjustment Administration. This course will iron out many of the crudities in the present emergency programs. The division will gather information to forearm the A.A.A. as to the outlook for agriculture, and the future objectives for assuring continuance of sound recovery.

Changes from present methods probably will involve selective distribution of lands removed from surplus production and the use of a composite contract to cover all products grown on a farm, rather than single crops. This would reduce administrative machinery and expense, and increase the total benefits available for mixed farming regions.

MARGINAL LANDS

Permanent removal of submarginal lands from crop production will be part of a long-time effort that must be made. The planning division is cooperating with the Department of the Interior and the Federal Surplus Relief Corporation in working out the details of this program. Twenty-five million dollars already has been provided to finance a beginning.

This means planning for better use and conservation of the Nation's soil resources. Submarginal lands which now are poverty farms can be gradually removed from surplus production and be put into use as forests, parks, game refuges, and preserves. Water and timber resources of the soil can be conserved. Erosion, which has been destroying the fertility of our soil just as surely and completely as it has devastated the Yellow River Valley of China, can be checked.

All these measures will contribute not only to the prosperity of agriculture and to alleviation of human distress but also to the safety and welfare of the whole country. Good soil is the ultimate foundation upon which this welfare rests. The recent dust storms have been a dramatic reminder of the peril to our soil resources to which we have been brought by long years of shameful neglect.

The ruthless policy toward agriculture which this country pursued forced the farmers into unsound crop practices, mining the soil to produce surpluses, and robbing it of precious fertility. The enlightened policy now being followed makes it possible for farmers to conserve soil resources by keeping lands out of useless cultivation of surplus crops, and by planting soil-building and erosion-preventing cover.

MANY HUMAN PROBLEMS

The Agricultural Adjustment Administration's first year has brought forth a host of human problems. Work as we would, we never have been able to move fast enough to meet the needs of agriculture. Think of the task involved in handling 3,000,000 contracts, of verifying them all and mailing out checks to the farmers. It has taken much more time than we planned, and the delay hurts the farmers when they desperately need the money. Think of the achievement of the 3,000,000 farmers in organizing the production-control associations. To hundreds of thousands of them the whole idea was new and the social experience of working with their neighbors on production problems was unprecedented.

Large numbers of cases of individual dissatisfaction have arisen, as is inevitable when millions of adjustments have to be made in a program so new. Our delays in getting out checks and the numerous administrative technicalities of it all have irritated farmers.

Then there have been numerous petty misunderstandings, bickerings, and complaints, oftentimes deliberately fomented to arouse sectional jealousies; for example, complaints from the West that the South was getting $160,000,000 in cotton payments, from people not stopping to think that the corn-hog producers also will get a comparable sum.

We have heard agitation against the jute tax from Idaho, though the increase in shipments of Idaho potatoes to Atlanta increased from 5 cars in 1932 to 33 cars in 1933 after the cotton plow-up, and the tax on the bags was just a drop in the bucket compared to the increased demand in the more prosperous South for the Idaho potatoes that went into the bags.

OPPOSITION TO TAX

The Agricultural Adjustment Administration could have had an effective cattle-buying plan in operation weeks ago in the drought States, and strong income-insurance protection to the dairy producers there. But opposition to the processing tax, apparently in many instances inspired by the processors for obvious reasons, caused us to amend the beef-cattle plan and defer the dairy plan.

It is not the policy of the Adjustment Administration to impose any program upon any farming industry. It must be convinced that an overwhelming majority of the farmers want a program so as to insure a practicable degree of cooperation before the administration undertakes to place a program in effect.

The difficulties I mention are, in a sense, only minor when compared to the achievement of enlisting 3,000,000 farmers in a voluntary attack upon basic production problems. But the outcome will depend upon how greatly such irritations finally weigh after the new and difficult ground is broken and when balanced in true perspective against the program's substantial benefits. The farmers will determine what will be the future of the Agricultural Adjustment undertaking. Many improvements and changes will be made in the program as time goes on. But I do not think that, once they understand the fundamentals involved, farmers will give up agricultural planning for the "tooth-and-fang" individualism of the old-deal days.

"CRIME AND A REVISED NATIONAL POLICY IN EDUCATION"—ADDRESS BY SENATOR COPELAND

Mr. VANDENBERG. Mr. President, the able Senator from New York [Mr. COPELAND] delivered an important address on May 18 before the American Council on Education. He discussed the subject of Crime and a Revised National Policy in Education. It is a subject to which he has given earnest study. He has made a tremendous contribution to social service and to crime cures at the source. This address deserves to be widely read. I ask unanimous consent that Senator COPELAND's address may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD as follows:

CRIME AND A REVISED NATIONAL POLICY IN EDUCATION

Because of the interest of your director in my work, each of you has received a copy of the digest of testimony presented before the Committee on Crime, of which I am chairman. My address to the Cleveland convention of the National Education Association on the subject of Education and Crime Prevention has been reprinted in your journal, the Educational Record. Copies of my address in the Senate on January 11 have been supplied to many of you. I assume, accordingly, that the invitation for me to speak before this group today was prompted by a desire to hear more about the educational policy I have set forth, and particularly by a desire to have me point out its relation to the work of your American council.

In essence, that policy calls for prompt and continuous readjustment of educational aims and methods as conditions and necessities change. We are in a war against ignorance and crime; battle fronts must shift as we discover the movements of the enemy.

The primary lesson gained from our senatorial investigations is that antisocial conduct looms as a greater national menace than ever before in our history. In consequence, we must develop a quality of character higher than that required by any previous social order.

I wish time served to discuss the significance of the greater freedom and range of choice that comes to each succeeding generation of young people. As I see it, the only way to equip youth for this freedom is to formulate a suitable, but not too inflexible, pattern of social habits. Then we must help them to accept and adopt standards of value which will appeal to their intelligence and influence their choice of the right behavior.

There is abundant reason for alarm today because of the fact that large numbers of professional men, with highly developed intellectual capacity, have displayed utter lack of inclination to live by the codes of ethics of their respective professions. I need not enumerate well-known examples in the persons of lawyers who have amassed wealth through aiding and abetting criminals and helping predatory interests to keep within the law. The public is informed of cases of ostensibly respectable attorneys receiving annual retainers for advice and counsel as to how to commit criminal acts with a minimum of danger of conviction. The list is so long that there has been a complete undermining of the confidence of many of our people in the ethical standards of professional men.

We ask ourselves: Upon what agency can we depend to make sure that the next generation is brought up with a more adequate sense of trusteeship than the present generation has disclosed? Is there any single agency under public control, other than the schools, to bear the responsibility of training in the qualities of citizenship essential to modern cooperative living?

You all know I ask this question without a thought or inference that the public schools have been remiss or negligent in the past. Rather, I make the question a preface to issuing a challenge to the public schools of the future.

My thinking is colored, naturally, by experience in health education. Experience in that field indicates that the greatest return for energy expended comes from our work with children—the children of tender years. If you have read the testimony at the hearings before the Committee on Crime, you will find data to support the hypothesis that the most critical years for citizenship training are the early years of the child's life in school.

During the New York hearings I was greatly distressed to hear a well-known and highly placed professor state that preceptorial instruction is useless in character education. I am well aware of the importance of example and the necessity of placing increased emphasis on developing habits which make for social effectiveness. But so long as authorities deny any place to precept in the character-training program, my old-fashioned mind insists that there is a crying need for further research in the field of better character and improved citizenship.

I have been much impressed by the inability of the motion-picture industry to find ways of interpreting and applying the results of the Payne fund researches in that field. This is too bad as I view it. Personally, it seems to me we should not be content to see research in character education halted until the movies, the public press, the radio, and all the general educational agencies are contributing, through voluntary cooperation, only that which is of positive value to the lives of our young people. Neither should we be content until such time as we find how to coordinate the efforts of all the character-building agencies—the Boy Scouts, Girl Scouts, the Big Brother movement, the 4-H clubs, and the two hundred other more or less prominent national movements, which are contributing to the prevention of juvenile delinquency, as well as to the happiness of our boys and girls. We certainly need closer cooperation with the home through the parent-teacher movement and similar agencies. I venture to suggest also that we must find some more effective means of giving force to these religious influences which are brought to bear upon the inner life of the youth.

I appeal to you for support in character education of a research program whose scientific worthwhileness, if I may use the word, will be built upon a better record system than is yet in customary use. I am not unmindful of the valuable efforts of the American Council on Education in spreading the use of the continuous-record card. I observe that Dr. Charters follows me on this program. He can be counted upon to discuss and press newer techniques which we may safely accept. I merely refer to the elementary fact that good records are basic to scientific thinking and scientific criticism. We medical practitioners took a long forward step when we adopted the practice of keeping complete records of the condition and progress of every patient. My emphasis on the use of continuous behavior records is due to the conviction that without them children will not be dealt with properly, no matter how competent the teachers may be. In the modern scientific sense a child cannot be understood in the absence of a behavior record kept from early childhood. Without it the diagnosis of the teacher is founded on nothing more substantial than an expression of interest, affection, or a mere "hunch." In this, I am merely supporting the admonition of Professor Morrison, of Chicago, when he entreated teachers to "learn" their children before trying to "teach" them.

May I venture to urge also the responsibility resting on you in relation to the character of the graduates from your colleges and universities? We all know that professional degrees are granted in large number without any genuine examination into the moral character of the men receiving these degrees. So far as I know, never before has a nationally representative body, like this council, fairly faced the implications of the fact that a degree or other credential from an educational institution at the present time certifies only to scholarship and technical competency. Only a

national crisis like this could give force to the question, Do we not owe it to society and to our Nation to see to it that no one receives a credential and the implied endorsement of one of our institutions unless he has established a behavior record to justify its receipt? The granting of a degree should represent a vote of complete confidence in the character, sense of service, and public spirit of the recipient. It is my belief, as you know, that there should be a review and a restatement of the objectives of education. In my opinion, too, these times demand of every institution that it check objectives to see that qualities of citizenship and character have an adequate place in plan and practice.

You are far more competent than I to decide how much attention should be given the character status of your entering students, the observation of their behavior while they are with you, and the guidance and treatment essential to developing the best capabilities of each of your undergraduates. My purpose in coming here today is to ask, in all respect, that you reflect upon your objectives and practices in dealing with these responsibilities. Particularly, I ask that you consider how your policies fit in with the sound national policy which demands looking toward training in citizenship and a sense of social responsibility throughout the educational career of every youth.

You won't mind my saying that you will not have adjusted your policy completely until we have a new deal in education. We shall not be contributing to that quality of citizenship to which I have referred until the fundamentals of American education are set up in terms other than the "three R's" and schoolbook content. The practice of the past in focusing upon subject matter needs no defense. A century ago the need of the times was for a higher level of literacy. Just as clearly today the need of the times is for a higher level of character.

In this company, such a statement is a platitude. But we shall not have a revised policy recorded as the settled will of the American people, and we shall not be fully free to act upon such a policy, until the boards of education of every school district of this land and the majority of the people of these United States have come to understand and accept our standard. I have come here to ask your collaboration in a drive to win universal acceptance of the idea that citizenship, rather than the "three R's", should be regarded as the foundation of American education.

You are turning out each year hundreds of thousands of men and women who will be largely responsible for forming the public opinion of the next generation. We must depend upon you that, through your faculty and students, this educational policy shall be established if it is deemed worthy of general acceptance.

There can be no doubt that training received during the tender years has a basic influence upon character. It follows, then, that the hope of recruiting into your student body boys and girls of well-matured personality, depends upon your success in extending character training throughout the public-school system. To this end, you must exert the same sort of leadership in character education that traditionally you have exercised in the field of content and scholarship.

Such leadership must be founded on patient study of the problem. It involves a determination of the quality and range of technique appropriate for each age group. You will guide and train dynamic leaders and supervisors to construct adequate citizenship programs and to administer them effectively. You will train a new generation of teachers prepared according to new specifications. The new teacher-training program will center upon the practices and perhaps the insight, through which teachers will learn to know their pupils as human beings, rather than upon subject matter through which students may achieve high scholarship. The new teacher will come to understand how to use the methods which specialists have developed through the child-study clinics. When this system is perfected and in use, we can afford to be reconciled to some sacrifice in mastery of intellectual content and of acquaintance with historic educational methods.

You will appreciate the success with which you have trained these teachers and the success with which you have built up public opinion to support them, when a new generation of youth, trained by the new teachers, offers itself for admission to the higher educational institutions. If you have succeeded, applicants for matriculation will meet the high standards which you will then set for character, as fully as they meet the high standards which you now set for scholarship.

I should be truly sorry if the teaching profession should decide to continue the old objectives of scholarship which have a minimum concern for the moral, ethical, and social training of the student. In achieving the new program you will have the double task of turning out graduates of high character, as well as of high achievement in scholarship and technical competency, but the results will be well worth the price.

By this time you may be asking yourself the question: "What is the most promising beginning of a new deal in education?" Reflection upon this question calls for an expansion of my earlier addresses in which I argued for research and the establishment of spearhead demonstration centers. I feel confident of a sympathetic understanding of my suggestions in this field, because I know of the emphasis that the council has placed upon research in the past. Dr. C. R. Mann, your director, and the editors of the Education Record have been diligent in seeking out and reporting important experiments and researches.

I am appealing for your collaboration with the Education and Law Conference associated with my committee, in all those projects designed to improve the technique of citizenship training and promote the acceptance of this technique by all our schools. The statement cannot be too often repeated, that there is a critical need for expansion of knowledge in this field and for adoption of higher standards of quality in citizenship training.

My attention has recently been called to a bulletin of the Office of Education, No. 11, published in 1931, entitled "Educating All the Children of All the People." Many, if not all of you, have this publication in your files. This bulletin describes an interesting experiment of the Granite Consolidated School District of Utah, an experiment designed to achieve unusually broad objectives. In its preface, outlining these objectives, the bulletin states that "Education, in the large sense, includes the duty of following up every child to the age of 18, for 365 days of the year, in and out of the classroom, with the aim of helping him develop his capacities to their greatest usefulness."

I ask you to review this bulletin and to reflect upon the effect of achieving, on a national scale, the objectives which are stated therein. If we accounted effectively for every boy and girl up to the eighteenth year, as they undertake to do in Granite district, the evidence seems to indicate that we would cut our crime bill at least in half. What is more important, we would, through guidance, greatly multiply the happiness and usefulness of large numbers of youngsters now maladjusted. Obviously, this program calls for an extensive coordination of efforts in the community. It assumes a broadened administrative policy, as well as a pupil-centered program in guidance and teaching. Such a demonstration deserves national recognition and the support of the best technical advice available, to insure the achievement of its fullest national values.

It has been your policy in the American Council to give encouragement to such projects by extending recognition to them. Last year's program was devoted to such encouragement of four great demonstrations in as many States. I am advised you thus recognized the Nebraska experiment in individualized instruction. As I understand it, it is in the same general field as the Winetka experiment and the experiments with the Dalton plan. All of these are in a field of experimentation which leads us toward a pupil-centered, rather than a content-centered, education.

The question I raise is, Would these demonstrations be benefited by receiving added recognition at this time? Should we of the education and law conference collaborate with you in the encouragement of these fertile experiments? Have you set a precedent which we, with others, should follow, in your appointment of a joint advisory committee for Dr. Ballou's project?

Dr. Ballou and Dr. Charters, who will follow me, are far more competent than I to discuss the technique for the conduct of such spearhead experiments. I must run the risk of anticipating their addresses by saying that the theory of the spearhead attack involves the abandonment of "panaceas" in education. It assumes that a good educational job involves putting to work all the good ideas, good techniques, and information known to the education profession. It assumes a plan of attack which begins by fully modernizing the instruction program in a few centers, taking them on, if necessary, one at a time.

Further, while we are learning to do a quality job in each center, we must learn how to adapt the procedures learned in that center, to other schools and other persons all the way across the land. We must do this, moreover, by methods which fall within the available financial and human resources of the average community. I am aware that hundreds who have been convinced of the merits of the Winetka and Dalton programs have adopted these plans, only to fail in practice through a lack of information as to the detailed steps necessary to the transition. For myself, I am entirely willing, and I am sure this will be a relief to those who have suffered my preachments, to do everything possible to aid a plan of initiating, one at a time, growing centers of pupil-centered programs. These should adequately express a new deal in education, both in breadth of objectives and in techniques employed.

To summarize, let me say, the present national emergency demands that you, as leaders of American education, shall do something now about citizenship training. I invite your attention to what I regard as the two major considerations:

First. Let us restate our national policy in terms of personnel objectives and win popular support for our plan. We seek a dynamic policy which shall bring about continuous progress.

Second. Let us achieve in practice a new deal in education. My associates in the technical committee of the education and law conference are organizing and assisting in spearhead demonstrations of the new deal.

We are proud of the past evolution of our American schools, in which you have played a distinguished part. I would join with you in volunteer and unofficial efforts to further a continuous and a more rapid evolution.

THE STRIKE CRISIS—ARTICLE BY SENATOR WALSH

Mr. MURPHY. Mr. President, in the New York Times of yesterday appeared an interesting article written by the senior Senator from Massachusetts [Mr. WALSH], Chairman of the Senate Committee on Education and Labor, entitled "To Combat the Strike Crisis, WALSH Urges the Wagner Bill." I ask unanimous consent that the article may be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, Sunday, June 3, 1934]

TO COMBAT THE STRIKE CRISIS, WALSH URGES THE WAGNER BILL—THE MASSACHUSETTS SENATOR SAYS THE MEASURE, WHILE DEFINING UNFAIR PRACTICES, WOULD LEAVE EMPLOYERS AND EMPLOYEES FREE

(By DAVID I. WALSH, Chairman of the Senate Committee on Education and Labor)

A rising tide of labor unrest is plainly manifest. Strikes and threats of strikes are increasing in number and magnitude. We are witnessing riots and bloodshed and many fear we may witness more. Indeed, signs on the horizon seem to point to more strikes rather than less during the coming months. Industrial peace—an indispensable element of industrial recovery—is in serious jeopardy.

Whence come these labor difficulties? What are their causes? Can the causes be eliminated? And if that be impossible, how ought the resulting situation be dealt with? These paramount questions admit of no short and easy answer.

The causes of labor disputes are various, and some of them are inherent in a society where men are free to work or not, according to their will, and employers are free to employ whom they will. And I am moved to add that America wants no other sort of society.

THE RIGHT TO STRIKE

Labor, with a capital "L", regards the right to strike as one that cannot be alienated and of which it cannot be deprived except in circumstances where public safety is jeopardized. The public necessity of the operation of our railroads as paramount to the right of rail employees to strike has been upheld by our courts. Strikes by these employees and by public employees are exceptions to the rule. As matters stand today it is neither lawfully possible, nor, in my judgment, socially expedient to attempt under the guise of public necessity and public safety to outlaw all strikes by legislative fiat.

If we accept the foregoing premise, then it is obvious that we cannot by statute make arbitration of all labor disputes mandatory, for compulsory arbitration, if it is to be effective, must carry with it compulsory obedience, and that destroys the right to strike.

Disputes between employer and employee resulting in strikes and lockouts have been said to be a usual accompaniment of a period of increasing production and rising prices. That has been the record in the past. Labor disputes at the height of a boom or at the bottom of a depression have been less common. At the bottom, the worker has been willing to work on any terms. At the top the employer has been willing to employ on any terms. These are broad generalizations, but sufficient for the present discussion.

INACCURATE DIAGNOSIS

The present labor unrest and the rising tide of strikes are being pointed to as indubitable proof that industrial recovery is in progress, and as a usual and indispensable concomitant of recovery. This seems to me to be a superficial and inaccurate diagnosis.

There is a highly important and significant distinction between the predominating causes of the present labor troubles and those in prior periods of labor unrest. Wages and hours of labor have been the predominating causes of a majority of our strikes and lockouts in the past. Wages and hours of labor are not the predominating causes today.

The more prolific and the more deep-seated cause of the present strikes and threats of strike is with respect to the right of collective bargaining and the efforts of labor to organize and to be organized. It is important to keep in mind that prior to the passage of the National Industrial Recovery Act only a small percentage of industrial laborers were members of labor unions. Certain large industries were highly organized. There have been few strikes, if any, in these industries. But taking on the one hand the total number of the men and women employed in industry, or potentially to be employed in industry, and on the other hand the total roster of all of the trade unions affiliated with national labor organizations, it is apparent that by a large majority labor was nonunion.

SECTION 7A

Congress, in setting up a new deal for industry in N.R.A., likewise provided a new deal for labor. No section of the recovery act was more intensely disputed than section 7a, both in the framing of the bill and in its subsequent operation. Section 7a provided "that employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor or their agents in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection." That is not all of section 7a, but it is the crux of it.

Collective bargaining presupposes some kind of organization of employees. Existing national labor organizations quite naturally sought to organize employees and to bring them within their folds. Labor organizations independent of the American Federation of Labor, in some plants and in some industries sought to preempt the field for themselves. Such employers as viewed with reluctance, if not with hostility, the organization of their employees into the regular trade union sought covertly or openly to discourage such organization or to encourage the maintenance or formation of the employees-representation plan, usually, but not always accurately, described as the "company union."

This drive for the spread of employees' organizations as a vehicle of collective bargaining is, in my opinion, at the root of a great deal of our present labor troubles. It was largely inevitable. The relations between employer and employee are in a transition stage. Many employers are resisting the onsweep of the closed shop. Some of them openly declare that they will never under any circumstances bargain collectively with a labor union.

READJUSTMENTS AHEAD

Congress has laid down the principle of a collective bargaining. That principle, in my judgment, is here to stay, irrespective of the future or the permanence of the N.R.A. That means that we are in for a long period, and how long no man can say, of readjustments of the relationships between the employer and the employee. And these readjustments are bound to be attended by disputes and by strikes. I see no escape from it.

The best that we can hope for is for some degree of reasonable restraint and tolerance and fairness on both sides, and, as far as the Government itself is concerned, for the setting up of such appropriate agencies for conciliation and mediation, for voluntary arbitration and for the enforcement of fair play as may be possible and feasible under our form of government.

Neither the present National Labor Board nor the proposed National Industrial Adjustment Board can be an enforcer of industrial peace. It cannot settle strikes. It can harmonize and it can conciliate, but if the two sides insist on fighting, it can be little more than an umpire, little more than a referee who shall insist that both sides observe the rules of the game, with authority to call a foul or to disqualify if the rules are violated. And the rules are the unfair labor practices which it is proposed to define by statute.

The National Labor Board, created last year by Presidential Executive order and headed by Senator ROBERT F. WAGNER, of New York, has valiantly attempted to compose labor disputes, to interpret the collective-bargaining provision of the N.R.A., and to ascertain and inhibit unfair labor practices. The jurisdiction of this Board and its authority have been challenged in various instances, and there has been very general recognition of the desirability, if not, indeed, the necessity, of some statutory enactment defining the Board's powers and procedure if it is to be an effective and permanent instrumentality for the adjustment of labor disputes.

THE WAGNER BILL

It was the apparent need for legislation along this line which was the genesis of the Wagner labor disputes bill, introduced in Congress early in the present session. This bill, in the form introduced, provoked a vast deal of controversy, and the subject was fully aired in extensive hearings before the Senate Committee on Education and Labor.

The committee has now favorably reported to the Senate a substitute bill which it is proposed to entitle the "National Industrial Adjustment Act" and which proposes to create a national industrial adjustment board to supersede the present National Labor Board. The substitute bill seeks to meet many of the objections raised to the original bill, objections which in the judgment of our committee appeared to have considerable validity.

Nothing in the bill allows the National Adjustment Board or any other branch or agency of the Government to fix wages, to regulate rates of pay, to limit hours of work, or to affect or govern sanitary or similar working conditions in any establishment or place of employment. In such matters the Board (like any nongovernmental group of persons) is available for voluntary arbitration if, and only if, all the parties invoke its aid.

As now drafted, the bill does not apply to domestic servants or agricultural laborers. It does not affect establishments in which less than 10 persons are employed, and it does not relate to individuals employed by their parents or spouses.

There is nothing in the bill which requires any employee to join any form of labor organization or any employees in any industry to form a labor organization. If employees choose to organize, nothing in the bill will prevent them from organizing a shop committee or a union for a particular plant or company, free and independent of any national or international organization as well as of any employer.

In cases in which employees choose to belong to an organization there is nothing in the bill to compel an employer to make a closed-shop agreement with that organization or to consent to a deduction of pay to meet the dues of that organization (that is, the check-off). These matters are left to the parties to settle by the orderly process of collective bargaining, and free from suggestion, much less direction, from the Government.

LOCAL MACHINERY

There is nothing in the bill which makes it impossible for grievances or disputes to be settled locally or through the aid of appropriate machinery in the several States; and every effort has been made to avoid the embarrassment and inconvenience to both employers and employees of being called to settle in Washington a dispute which might be adjusted locally.

The Board is not going to be empowered to settle all labor grievances. The quasi-judicial power of the board is restricted to four unfair labor practices and to cases in which the choice of representatives is doubtful, and even the Board's compulsory action is limited to cases that have led or threaten to lead to labor disputes that might effect commerce or obstruct the free flow of commerce. Employers and employees engaging in a local or intrastate business are not within the jurisdiction of this bill.

The Board is not given any unusual powers to hear evidence, summon witnesses, or require testimony. Every power granted to

the Board with respect to the taking of testimony, summoning of witnesses, and like matters, is duplicated in at least a majority, if not all, of the Federal administrative tribunals, such as the Federal Trade Commission, the Interstate Commerce Commission, the United States Employees' Compensation Commission, and the proposed communications commission.

The bill is designed primarily to clarify rather than to extend the existing law governing relations between employers and employees and to provide for a means of enforcement. Briefly stated, the measure defines merely those acts by an employer that interfere with the right of employees to engage in collective bargaining.

ORDERLY HEARINGS

A second important objective is to establish some orderly method by which cases involving supposed violations of the law may be heard. At the present time there exist many different Federal (not to mention State) agencies that deal with labor questions. The Department of Labor has a conciliation service; the National Recovery Administration has a compliance board; the National Labor Board, set up by Executive order, exists in Washington and 20 regional boards have been established throughout the country subordinate to that National Labor Board; and recently the N.R.A. has been establishing in various industries industrial boards.

It is important that these agencies should not be multiplied, lest parties fail to know either the proper tribunal to which to resort or the proper construction of law to follow. Three essentials of justice are that it shall be administered promptly, clearly, and with finality. By establishing a quasi-judicial board this bill definitely establishes the agency that shall give the final administrative interpretation of the law. Of course, court review remains available, as it always does under our system of Government.

Another important aspect of the bill, as amended, is the emphasis it places on the strictly judicial aspect of the work of the Board. It is not primarily a prosecuting agency to ferret out offenders. So far as possible all disputes will continue to be adjusted by conciliatory methods, such as those used in the Division of Conciliation of the Department of Labor. When a case cannot be adjusted because of the continuance of unfair labor practice or because of disputes over representation, it can be referred to the National Industrial Adjustment Board, which can then judicially consider it. This makes two things plain: First, the Board is to enforce the law as written by Congress; and, second, the Board acts only when enforcement is necessary and adjustment has failed.

UNFAIR PRACTICES

The bill declares that it shall be an unfair labor practice (the conduct of an employer that abridges his employees' rights) "for an employer to attempt, by interference or coercion, to impair the exercise by employees of the right to form or join labor organizations, to designate representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection."

It shall be an unfair labor practice "for an employer to interfere with or dominate the administration of any labor organization or contribute financial support to it", with a proviso that employees may be permitted to carry on negotiations with one another or their employers on company time—that is, during working hours—without loss of pay.

It shall be an unfair labor practice "for an employer, by discrimination in regard to hire or tenure of employment or any term or condition of employment, or by contract or agreement, to encourage or discourage membership in any labor organization." A proviso permits the closed shop, that is, labor-union membership as a requirement of employment, when employer and employee so agree; but "nothing in this proviso shall be construed by the Board to indicate that any employer is bound to enter into an agreement conditioning employment upon membership in any labor organization."

The National Industrial Adjustment Board may ascertain and determine whether such an unfair labor practice is being indulged in, and, if the decision is in the affirmative, may make application to the courts for an appropriate restraining order.

EMPLOYEE REPRESENTATIVES

The Board has another important function. When a dispute arises, as is now so frequent, as to who are the representatives of the employees with whom the employer is required to deal for the purpose of collective bargaining, the Board may undertake to determine this question and to certify to the employer the names of individuals or labor organizations that have been designated and authorized to represent employees by not less than a majority.

This new bill doubtless will have critics who will complain that it does not go far enough and that it will not insure industrial peace. It will be for the Congress and the country to say whether half a loaf is preferred to no bread. The whole loaf, namely, the creation of a governmental instrumentality which would be able to insure and guarantee and enforce industrial peace by outlawing all strikes and by arbitrary determination of every sort and kind of labor dispute, is the dream of the idealist but utterly impossible of actual attainment under a democratic form of government. Neither employers nor employees are willing to accept the principle of involuntary arbitration. No employee can be compelled to render labor or service, and the employer has corresponding rights that are inalienable.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. GORE obtained the floor.

(Several matters of routine business were presented, which appear under the appropriate headings.)

Mr. GORE. Mr. President, I was wondering whether these routine matters could not be presented later in the day when we are not speaking under such a rigorous time limitation?

Mr. BARKLEY. Mr. President, I desire to propound a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. BARKLEY. Does the unanimous-consent agreement entered into last Friday supersede the one which we were operating under prior thereto?

The VICE PRESIDENT. It does until 12 o'clock today.

Mr. BARKLEY. Does it take the place of the limitation of 1 hour under which we were previously operating?

The VICE PRESIDENT. It does so.

Mr. BARKLEY. So that any Senator who gets the floor may occupy it until 12 o'clock, when the later limitation comes into effect?

The VICE PRESIDENT. The Chair has not examined the unanimous consent agreement, but it was the impression of the Chair at the time it was made—the Chair thinks it is in writing—that there were to be 2 hours general debate from 10 o'clock until 12 o'clock, at which time the Senate was to vote upon what is known as the "Johnson amendment" and other agricultural amendments, and that the Senate was to consider other amendments after that under a 10-minute limitation. If the Chair is not interpreting the agreement properly, he hopes that some Senator will call his attention to it.

Mr. BARKLEY. In other words, during the 2 hours until 12 o'clock the hour's limitation on the agricultural amendments under which we were operating last week does not apply?

The VICE PRESIDENT. That is the interpretation which the Chair places upon the agreement.

Mr. JOHNSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from California?

Mr. GORE. I am afraid we are going to waste the 2 hours in trying to find out what is meant by the unanimous consent agreement.

Mr. JOHNSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from California?

Mr. GORE. I yield.

Mr. JOHNSON. I will take just an instant. It is unfortunate, Mr. President, if the 2 hours that are given to this debate are to be taken wholly by one side. Not only is it unfortunate, sir, but it is unfair. If there is any way in which, under our parliamentary rules, the time may be apportioned, I think it ought to be done in fairness.

I suggest to the Senator from Kentucky [Mr. BARKLEY], who, I understand, desires to be heard upon the subject matter, and to the Senator from Oklahoma [Mr. GORE], who has recognition at the present time, that there ought to be some arrangement by which all the time under the unanimous-consent agreement shall not be utilized by the one side. Personally, I am rather indifferent. I should like 10 minutes at some time on the amendment, because it is mine, in order that I may close the debate, if it be possible. If it is not, we can eliminate that element.

But there are others as well who want to be heard. After we have agreed to the unanimous-consent plan and after we have proceeded to cooperate with the other side of the Chamber in the passage of the bill or in its determination today, it ought not to be that the period of 2 hours only should be utilized by the one side and no part of it given to the other side.

The VICE PRESIDENT. Will the Senator from Oklahoma permit the Chair to make a statement?

Mr. GORE. Certainly.

The VICE PRESIDENT. The Chair had a request last Friday from the Senator from Oklahoma [Mr. GORE] to be recognized. He had a similar request from the Senator from Missouri [Mr. CLARK], and likewise from the Senator from Kentucky [Mr. BARKLEY], he being a member of the committee. This morning the Senator from Idaho [Mr. BORAH] came to the Chair and requested to be put on the list of those to be recognized.

The Chair thought he should make that statement so that Senators occupying or taking the floor may take note if they desire to shorten their remarks.

Mr. JOHNSON. Mr. President, may I suggest that at the conclusion of the remarks of the Senator from Oklahoma, which I assume will not occupy the 2 hours, the Senator from Idaho [Mr. BORAH] might be recognized to proceed?

The VICE PRESIDENT. The Senator from Oklahoma has the floor.

Mr. JOHNSON. Mr. President, I asked the question in the best of faith in the hope that we might in some manner determine the situation. Is there any objection to that mode of procedure?

Mr. GORE. Mr. President, as we are operating under a time limit and as other Senators desire to be heard, I shall try to abbreviate my remarks.

The pending measure does two things. It empowers the President to enter into trade treaties or agreements without submitting those agreements to the Senate for ratification. It also empowers the President to raise or reduce existing tariff duties as much as 50 percent. The measure gives rise to two sets of most interesting questions, one of them constitutional in character, the other economic. I shall address myself for the most part to the economic phases of the subject.

Mr. President, the object of the measure is to revive and promote our international trade. With that object I am in most hearty accord. As to the means proposed for effectuating that end, I find a question mark in my mind. But, Mr. President, there is no question mark in my mind as to the desirability of reviving and promoting our foreign commerce. There is no doubt in my mind as to the necessity of reviving our foreign commerce in order to facilitate recovery and in order to restore prosperity. I have often said and I now repeat that we must trade our way out of this trouble. There is no other way out. I may say if that be not the only way it certainly is the best way, and no other plan, no other scheme or schemes, will succeed without it.

We cannot tax our way out of this trouble. We have tried to balance the Budget. We have heaped taxes upon taxes like Pelion upon Ossa. I have more faith in trade than I have in taxes.

We cannot borrow our way out of debt or out of this depression. We have borrowed billions upon billions. We have added ten billions to our public debt and we will add half as many more. Trading will go further than borrowing.

We cannot spend our way out of hard times. In 1860 the total cost of our National Government was only $60,000,000 a year. In January this year we expended more than $30,000,000 a day. One Senator has estimated that in January more than 50,000,000 people were directly or indirectly eating out of the Public Treasury. That means eating out of the taxpayers' pocketbooks. That cannot go on. That cannot last. I have more faith in trading than I have in spending or lending.

Mr. President, we cannot end want by destroying wealth.

We cannot, by destroying wealth, either escape poverty or restore prosperity. We can enhance values by destroying wealth. We could destroy half of a given commodity and more than double the value of the remaining half. But we cannot feed the hungry with a decimal point or clothe the naked with dollar marks. Mr. President, until every hungry mouth is fed, until every naked back is clothed, I cannot commit myself unreservedly to a program of destruction, to a program of scarcity, even though the A.A.A. be reenforced by the drought, be aided and abetted by the drought.

I think that even the farmers must hope that this policy of experiment and expedient must be a policy of the passing hour.

Mr. President, I am reminded of the sentiments of a farmer's wife, expressed in the Saturday Evening Post. She said that she wondered how many of those who were so gaily destroying the pigs of the country had spent zero nights in the farrowing shed trying to nurse the baby pigs into life. She wondered how many of them had milked the cows in the barnyard with nothing but a barbed-wire fence between them and the winter's blast. She said that when she looked into the faces of her children and looked into the face of the future it was little wonder that a few teardrops should fall into the dishwater.

Mr. President, these experiments and expedients may have done much; they may do more; but, sir, much remains to be conquered still.

I know there is one school of thought which attaches greater faith to monetary legislation, to monetary reforms, to inflation or reflation, to an increase of the currency, than to an increase of commerce. For my part, I put more faith in the increase of commerce, because, whether the dollar be big or little, the unemployed must have some way to get his hands on the dollar. He can do that if we revive commerce, which means the revival of business, which means the revival of employment.

Mr. President, I know there are those who think that domestic commerce is a blessing, that foreign commerce is a curse. I believe that both are blessings. They are the two parts of one whole. There are those who think that we ought to encourage domestic industry, but that we ought to discourage foreign commerce. Such efforts defeat each other. Neither should be injured. Both are essential to recovery. Both are indispensable to prosperity.

Mr. President, what is trade? Trade is little more than barter; barter is little less than trade; but trade, like barter, is the process by which two men get what both men want, each parting with what he does not need, and both profiting by what neither loses. The blessings of trade are reciprocal. Its benefits are mutual—as the darkey would say, "Mutual on both sides."

Mr. President, if I may be pardoned a personal reference, I am the more committed to trade because the platform on which I was last elected contained but six words:

Less taxes, more trade, no trusts.

Six words and three promises. I have tried to keep those promises in good faith. I still think they point the way out. Less taxes would lighten our burdens. More trade would increase our strength, the equivalent of reducing our burden. Let me say in passing that we are often reminded of the forgotten man. If I were called upon to identify the forgotten man, I should point out the taxpayer. I sometimes feel, I sometimes fear, that he is the foresaken man, bleeding at every pore.

When the first club-footed savage who could neither fish nor fight turned his hand to making arrowheads and exchanged them for fish and furs, trade was under way. He was both a manufacturer and a merchant.

Someone has said that when the first cave man took a quarter of a dinosaur on his back and trekked across the veldt and exchanged it for the hide of a saber-toothed tiger intertribal trade, international trade was born then and there. I might add that all the argosies of all the ages were implicit in that simple transaction.

When we look back through the centuries, if we may take a leaf or learn a lesson from history, we see that the great trading nations as a rule have led in point of wealth, progress, prosperity, and civilization. That is true from the Phoenicians, the Carthaginians, and the Athenians, who, I might say, shine like bright particular stars in the dusk of antiquity; and, to pursue the figure, the morning star which marked the end of the Dark Ages was the rise of the Hanseatic League in the north and the trading Republics of Italy in the south. They covered the known seas with their sails, and with the caravans of the east they carried commerce from the rising to the setting sun.

In 1453 Constantinople was captured by the Turks. That divided the trade between the east and the west; it destroyed the trade of the ages, and the sun of the Italian States set at high noon. So great was the trading instinct, the trading urge, that within 50 years from the fall of Constantinople Columbus had discovered America, and Vasco de Gama had doubled the Cape of Good Hope and had anchored his ships in the ports of India.

The mariner's compass had conquered the seven seas. Then rose a succession of great commercial States—Portugal, Spain, Holland—but as their trade declined their glory departed.

The two great trading countries of modern times have been the United States and the United Kingdom. The United Kingdom has led in point of imports; the United States in point of exports. Last year—last year, for the first time since the outbreak of the World War—Great Britain led the United States in the value of exports. Last year the United States took second place in respect of exports.

World trade has, of course, suffered a terrific crash since the panic of 1929. During that year the aggregated imports of all countries amounted to more than thirty-five billions. Last year they sank below twelve billions. Foreign commerce, in point of volume, has shrunk 50 percent. In point of value it has shrunk 66⅔ percent.

Great as has been the shrinkage of world commerce, our own commerce has shrunk even more. Last year our foreign commerce, measured in terms of gold, was 75 percent less than it was in 1929. In 1933 world commerce was 13 percent less than in 1932, notwithstanding all our signs and proofs of improvement; but our own commerce in 1933, measured in terms of gold, was 19 percent less than it was in 1932. That does not reflect progress. Our commerce last year, including imports and exports, was three and a half billion dollars less than it was in 1929.

That brings me to this point:

There are those who insist that it is domestic commerce that counts, and that foreign commerce is of no concern. They say that our foreign commerce is only 10 percent of our domestic commerce, and they say that with an air of mathematical certainty and finality, as if it ended the discussion. They seem to inquire, "Why trifle with trifles?"

Mr. President, averages have their proper place in statistics, but they sometimes conceal the truth instead of revealing it. Let me illustrate:

Henry Ford and I, taken together, have an aggregate wealth of $1,000,000,000. We have, on the average, a half billion dollars apiece. That average is mathematically exact. The only trouble is, he has all of the billion, and I have all of nothing. You see my point.

Now, let us look through this glittering generalization about 10 percent and see what are the cold and naked facts back of that generalization.

Take the Cotton Belt, so ably represented by my friend from South Carolina [Mr. SMITH]. We have 10 or 12 States engaged in producing cotton. At times they have grown 66 percent of all the cotton grown upon the globe. Cotton constitutes more than one-fifth of all our exports. Their economic structure, their economic life, is built upon that staple. Their prosperity is bound up in cotton. They export more than one-half of all their cotton. They export from 55 to 60 percent of all the cotton they grow. Their prosperity depends upon a foreign market for their surplus. The prosperity of the industrial States of the North is bound up in the prosperity of the cotton States of the South.

Those Northern States must find an outlet for their manufactured goods in the markets of the South; and, in turn, that means that their prosperity depends upon foreign markets for cotton. The North and the South have a common interest in a foreign market for six or seven million bales. From 1929 to 1933 the value of our raw cotton exported shrank 48 percent and cotton manufactures shrank 71 percent.

Take the Corn Belt: Our farmers sell their corn not on the cob but on the hoof. We export 40 percent of all our packing-house lard, more than 600,000,000 pounds a year. The prosperity of the Corn Belt is bound up in foreign markets for their surplus pork and lard. The value of our lard exports between 1929 and 1933 shrank 68 percent.

The industrial States of the East must find an outlet for their goods in the markets of the West, and they are as much concerned in foreign markets for surplus pork and lard as are the farmers of the Corn Belt themselves. The North and the South have a joint and several interest in foreign markets for our surplus pork and lard.

Germany has recently raised her tariff on lard from 65 cents a hundred pounds to $18 a hundred pounds—$18 a hundred pounds! Apparently they believe in protection, and they evidently intend that their tariff duties shall at least cover the difference between the costs of production at home and abroad.

The prosperity of the Wheat Belt is bound up in wheat. The prosperity of the Wheat Belt depends upon foreign markets for our surplus wheat. We used to export in the form of wheat or flour 25 percent of our entire production of wheat. Our exports of wheat have declined 90 percent. For days and weeks and months past our exports of wheat have amounted to zero.

I checked the market letters, and for week after week we exported not a single bushel of wheat. Is it any wonder that our wheat farmers are distressed? The Eastern States must find a market in the western wheat States for a part of their goods. They are therefore as dependent upon foreign markets as are the wheat farmers themselves. The interests of the East and the West in foreign markets are inseparable, are identical.

Why has wheat declined so much? I digress for a moment to state what I believe affords a contributing cause. In the early and middle twenties the Canadian wheat farmers organized wheat pools. Our farmers organized cooperative movements of a similar sort. The Canadian wheat farmers proclaimed to the world that through their pools they intended to fix the price and to peg the price of wheat at $2 a bushel. What happened in the wheat-producing countries? They took the Canadian farmers seriously. Canada, Australia, the Argentine, and even the United States, increased their wheat acreage, increased their output of wheat, desired to get in on the $2-a-bushel price, desired to reap a share of this golden harvest.

But what happened in the wheat-importing countries? They took or mistook the Canadian promise as a threat. They thought that if they had to buy their bread at the rate of $2 a bushel for wheat they would better raise their own wheat at home instead of buying their bread abroad. They increased their acreage. They increased their output, they plugged the market, and the wheat farmers of the world can bear witness to the tragic result.

Were not both those reactions perfectly natural? Were they not the very things to be expected? Perhaps it was an unforeseen effect; perhaps it was an unplanned by-product of planned economy.

Mr. President, that is one reason why I have so little faith in artificial contrivances to deal with economic facts and with economic forces. They—

> Gang aft a-gley;
> And leave us naught but grief and pain
> For promised joy.

I speak of those movements with perfect candor because I am more anxious to serve the farmers than to please them, although I am anxious to do both.

Take the tobacco States. They export 40 percent of their tobacco products. Their prosperity depends upon foreign markets for their surplus tobacco, and the industrial States in other quarters of the country, which must find an outlet in the markets of the tobacco States, are equally dependent for their prosperity upon foreign markets for tobacco. When you reduce our foreign markets for tobacco you reduce the home market in our tobacco States for our domestic manufactures. From 1929 to 1933 the value of our tobacco exports shriveled 43 percent. Shall I say 43 percent went up in smoke?

Mr. President, this is not a farm problem alone. It concerns the laborer as well as the farmer. In good times two and a half million families among our wage earners owe their employment and their living to foreign commerce. One million men are out of employment today who in better times earned their daily bread in connection with foreign commerce. This problem concerns industry as well as agriculture. It concerns our great industries which sell a surplus abroad, and it likewise concerns our great industries which sell no surplus abroad, but which depend upon domestic markets, which, in turn, depend upon foreign markets.

In 1929 we exported more than $541,000,000 worth of automobiles. In 1933 that amount had shrunk to $90,630,000 worth, or 83 percent. Our automobiles must find foreign markets if their manufacturers are to prosper.

In 1929 we exported more than $560,000,000 worth of petroleum and its products. That has shrunk in value to $200,000,000, or 64 percent. The petroleum business, the third largest in the country, depends, like agriculture, upon foreign markets for its prosperity.

In 1929 we exported more than $606,000,000 worth of machinery. In 1933 it dropped to $132,528,000. In 1930, a bad year in itself, we exported $516,000,000 worth of machinery, more than a half billion dollars' worth of machinery. For the first time in a hundred years cotton took second place on our list of exports; machinery took first place. That fact has ominous implications. There needs no Daniel come to judgment to read the mystic legend or to teach us the portentous lesson.

Carlyle said that "gunpowder made all men the same height." May not automatic machinery, may not improved machinery, make all men equal in economic stature? If it does, may we not today be facing a social and an industrial revolution that is fundamental alike in its character and in its consequences? I do not like to contemplate it; I would like to avert it.

Mr. President, let me give these significant statistics. In 1921, a bad year, our exports of crude foodstuffs amounted to $673,000,000. Eight years later, in 1929, the peak of the boom, our exports of crude foodstuffs had shrunk to $270,000,000, a shrinkage of 60 percent during that period of real or phosphorescent prosperity.

In 1933 our exports of crude foodstuffs had shrunk to $48,000,000, only one-fourteenth of our exports in 1921. Does anyone wonder why our farmers are distressed?

Let me point out the comparison. From 1921 to 1933 our exports of semimanufactured products shrank 42 percent. Our exports of finished products shrank 62 percent. Our exports of crude foodstuffs shrank 93 percent.

Mr. President, we cannot revive prosperity in this country until we can regain and reopen foreign markets for our surplus farm products. There is not any other way out of this dilemma. We cannot restore prosperity to our great industries which depend upon foreign markets until we regain their foreign markets. We cannot restore prosperity to our great industries which have no exports themselves, but which depend upon domestic markets, which in turn depend on foreign markets, until we can regain and reopen these foreign markets. You might as well say that the dome of this Capitol is supported by the roof of the Capitol instead of by the foundations of the Capitol, as to say that those nonexporting industries do not depend upon foreign markets.

Mr. President, let me state the position which our farmers held in our national economic structure. The farmers and their families constitute one-third of our entire population, and prior to the panic our farmers owned one-fifth of our national wealth—more than the capital invested in all the mines and all the mills and all the railroads combined. Our farmers created one-sixth of our national income. They produced one-half of the raw material which gave employment to our wage earners.

They produced one-half of all our exports. They paid one-fifth of all our taxes. They furnished one-eighth of all the tonnage carried by the railroads. They bought one-tenth of all the goods manufactured by all our industrial establishments in the whole country.

Our farmers were the largest single group of consumers. When their purchasing power vanished the prosperity of industry and of agriculture vanished with it. They departed hand in hand. We have got to bring that prosperity back to the farm. We have got to open foreign markets for our surplus farm products in order to restore prosperity either to the farmer or to those who produce goods or render services in behalf of the farmer.

As I understand, the efforts of the administration, the efforts of the A.A.A., have been directed toward the restoration or the revival of the purchasing power of our farmer. We must raise the price of what he sells more rapidly than we raise the price of what he buys, otherwise we have not restored the balance between agriculture and industry. I have always doubted whether the processing tax alone would restore that balance.

I have always doubted whether the processing tax alone would restore either the purchasing power or the prosperity of our farmers. Even if we take a billion dollars out of the pockets of the consumers and transfer it to the pockets of the producers, I have always doubted whether our consumers with their purchasing power diminished $1,000,000,000 would or could continue to buy an equal quantity of farm produce, paying an additional billion dollars into the bargain. What our farmers need is wider and better markets—not bigger and heavier taxes, not bigger and heavier debts.

Let me mention a byproduct of this processing tax in my own State. We have about a dozen small packing houses in Oklahoma, local, of course, in their service, providing a limited outlet for the farmers in their neighborhood, but competing more or less with the big concerns which have their plants in Oklahoma City. I am advised, and I believe reliably advised, that the processing tax will destroy each and every one of these little independent packing houses, and leave the field open to the domination of the big concerns. That is another unplanned byproduct of planned economy. Perhaps I have less faith in planned economy than it deserves. It presupposes too much. It presupposes omniscience. Few men are all-wise. It presupposes omnipotence. Few men are almighty. In order to establish planned economy, we must know the unknowable. In order to carry it out, we must control the uncontrollable. They who attempt impossibilities ought to calculate on a certain percentage of failures.

Mr. President, how are we to reopen foreign markets for our surplus farm products? There is only one way. In order to reopen foreign markets to our surplus farm products, we must to some extent reopen our own markets to foreign goods. In the last analysis international trade is nothing more nor less than the exchange of goods, than the exchange of surpluses. We must arrange to swap surpluses. International trade is not and cannot be made a one-way track. When we close our gates to keep imports out, we close our gates to keep exports in—to keep cotton and wheat and pork and lard and petroleum and automobiles within our gates.

We cannot sell our surplus farm products in foreign markets unless we in turn buy goods in foreign markets. There is no other way. Exports are exchanged for imports. Imports are the only legal tender in the long run for our exports. We cannot sell our farm products abroad unless we buy foreign products in foreign markets. We cannot sell unless we buy. Foreigners cannot buy from us unless we buy from them. There is no escape from that dilemma.

Our exports can be paid for in only one of two ways, theoretically. The foreigner must pay us with gold or he must pay us with goods. He does not have the gold with which to buy our goods, and if he had be would probably emulate our example and lay an embargo upon his gold. The foreigner must pay for our goods with his goods. I repeat, that in the long run there is no other way to effectuate such an exchange of surpluses.

We tried the different schemes. From 1922 to 1929 our exports exceeded our imports by five and one-half billion dollars. It looked like prosperity. But, Mr. President, we lent the foreigner the money with which to pay for those exports. The foreigner borrowed our money to buy our goods, and the trouble is he borrowed more than he bought. He borrowed more than $8,000,000,000 and bought less than $6,000,000,000. But we lent him the money with which to buy. That scheme, however, was bound to fail. It could not succeed.

Now, I think, no one will rely upon our lending the foreigner money in the future with which to buy our surplus goods.

That brings us back to this point. If we desire to sell our surplus goods abroad we must buy the surplus of the foreigner in foreign markets. What we produce and do not need we must exchange for what others produce and do not need. We must exchange what we have and do not want for what we want and do not have. It is not a matter of choice. That is the only way; and the pity of it is, the way is not subject to our command or control. It now takes an arrangement to do it.

We have increased our duties from time to time. Foreigners have increased their tariffs, their quotas, their embargoes, their prohibitions; they have manipulated foreign exchanges in order to protect their gold and to protect their markets. Whether that was done through retaliation or not does not now concern us. Whether it was offensive or defensive is not the point. It has come to pass that we must prevail upon the foreigner to relax his restrictions against our exports, and in order to do that we may be obliged to relax our restrictions against his exports to this country. The barriers that have gone up together may have to come down—barrier for barrier.

It will be said: Where will the concessions be made? We have more than 1,000 articles on our dutiable list today of which we import less than 5 percent of our domestic production. There is some room for concessions.

Here is another point that should not be overlooked. The Smoot tariff measure—and I do not mean to rouse the sleeping tiger of partisan controversy—was passed by the friends of high protection. I assume that the rates in that measure were as high as they ought to have been. Many of those duties were specific not ad valorem—specific—so much per yard, per pound, per gallon. Some of those commodities have shrunk in value as much as 50 percent. That means that these specific duties have increased automatically 100 percent, and in some instances they have increased 200 percent. There is some room for reduction.

Not only that but the devaluation and depreciation of our dollar amount to an increase in the tariff rates of nearly 70 percent—70 percent pyramided upon duties which were high enough when enacted, a 70-percent increase against the countries remaining on the gold standard. This advantage, real or imaginary, has been canceled out, of course, correspondingly by other countries whose currencies have depreciated. This provides some room, let us hope, for relaxation of trade restrictions which will permit the foreigner to sell some of his goods here in exchange for our cotton, our wheat, our lard, our petroleum, and our automobiles.

Mr. President, that brings me to this point: There are those in this country—and I think they are to be found pretty much in all parties—who insist that our tariff duties must be high enough to cover the difference between the cost of production at home and abroad. I am not partisan at all when I say that the Republicans inserted that in their platform as far back as 1908. They have an original copyright on that policy. In 1932 the Democrats pilfered that policy.

In 1932, camping where the Republicans had camped 24 years before, we proclaimed that we were in favor of a competitive tariff. I suppose this means tariff duties high enough to cover the difference between the cost of production at home and abroad. Mr. President, that is a specious theory; it is not sound economics. It may be good politics, but it is not good sense. It may be good politics, if unsound economics is ever good politics. It is a sort of lullaby; it croons fear to sleep and protects our politicians against the wrath of the protected interests that might resent a more positive statement of principle.

Mr. President, the declaration in favor of a tariff high enough to cover the difference between the cost of production at home and abroad is not only an economic fallacy but it is an impossible standard; it cannot be applied. When I say that I am not partisan. I will have the clerk read a question which I asked the Republican chairman of the Tariff Commission and his answer.

The PRESIDENT pro tempore. Without objection, the clerk will read as requested.

The Chief Clerk read as follows from page 147, hearings on House bill 8687:

Senator GORE. Let me ask you right there—I judge from what you said, that the cost-of-production theory, in your judgment, is not possible of application, even if it were desirable, and it would not be desirable, even if it were possible?

Mr. O'BRIEN. That is exactly my view.

Mr. GORE. Mr. President, in another place the Chairman of the Tariff Commission exposes the fallacy of the whole theory, and I will insert that in the RECORD.

The PRESIDENT pro tempore. Without objection, the extract will be inserted in the RECORD.

The extract is as follows:

Mr. O'BRIEN. Well, the notion that you can obtain costs of production; the notion that you ought to obtain them; the notion that tariffs between countries should rest upon differences in costs of production, even if omniscience should give us the power to determine them, is all wrong (tariff hearings, pp. 143–144).

Mr. GORE. Mr. President, the cost of producing a given article varies in every country on the globe where it is produced. The cost of producing a given article varies in every establishment in a given country. The cost of producing an article in a given establishment varies from time to time in the same establishment. It is an utterly impossible standard; and, if it were possible, would you adopt the cost of the most efficient plant or of the most inefficient as the criterion? Would you adopt the inefficient and penalize the efficient, or would you adopt the efficient and pension the inefficient?

Mr. President, if the cost of production standard were possible it would not be desirable, because it ignores the very taproot of all trade and commerce. People trade for two reasons; either to get something which they cannot produce at all or to get something which somebody else can produce cheaper than can they themselves; and the cheapness need not be absolute; it need be only relative or comparative. International trade, like individual trade, depends not upon absolute difference in cost, but in the comparative difference in cost. Because it costs more in some other country to produce a given article than it costs us is no reason why we should not buy that article from the foreigner. Let me illustrate: Suppose that A in 1 week's time can produce 2 cords of wood or 2 hats or 2 pairs of shoes, and suppose that B in the same week can produce 3 cords of wood or 4 hats or 6 pairs of shoes. B can produce wood at a less cost than A but it would not pay him to produce wood; he would better devote his week to producing 6 pairs of shoes and exchange 4 pairs of shoes with A for 3 cords of wood. A ought not to devote his week to producing 2 pairs of shoes; he ought to produce 2 cords of wood and exchange them with B for 3 pairs of shoes. He would have an extra pair of shoes into the bargain or the money, which he could spend on the purchase of "shoes and ships and sealing wax." The whole theory ignores the very fundamental taproot that gives rise to trade and commerce whether it be between individuals in the same country or between individuals in different countries, or between two countries that are foreign to each other. International trade is not trade between nations as such. It represents the total trade, the aggregate exchanges, between all the importers and all the exporters in the countries concerned.

Mr. President, I think that nationalism has gone mad. The extremes of nationalism and internationalism are

equally objectionable. The war created eight new countries in Europe and 12,000 miles of additional international boundaries, every mile of which is a point of irritation, with customhouses and tariff rates bristling like bayonets along the 12,000 miles, each country desiring to become economically self-sufficient, each increasing its own productive capacity, superimposing it upon a world that was already oversupplied with productive capacity. I had hoped that the war might teach us this one lesson, that while nations are independent politically, this globe is an economic unit, and the theory of economic independence among nations is an unrealizable dream. Interdependence is a fact, and to ignore that fact but cheats us in a real effort to promote permanently a substantial recovery.

Let me say here that I think we are fortunate to have Secretary Hull at the head of the State Department. He is a true and steadfast and an undeviating friend and champion of both domestic and foreign commerce.

Mr. President, I do not intend to discuss the constitutional features of this measure. If it undertakes to empower the President to enter into treaties without requiring them to be ratified by the Senate, there are those who think that it is unconstitutional, and I am inclined to agree. If it empowers the President to raise and reduce duties on his own motion, there are those who insist that that is a delegation of legislative power, and I am inclined to agree. I say "inclined", because I am not certain that the Supreme Court would hold that either of such grants would be an unconstitutional delegation of legislative power. Since the Supreme Court has held that "thou shalt not" means "maybe", during an emergency, at least, we should not foreshadow the action of the Court upon this constitutional point.

On the 1st day of April 1932 I voted to repeal the flexible tariff provisions of our existing tariff law. I cast that vote on constitutional grounds. I voted to take that power away from President Hoover.

I voted to take that power away from a Republican President. I voted to take that power away from the President of the United States. I do not think it was unconstitutional to vest that power in a Republican President and constitutional to grant that power to a Democratic President.

In this place, I desire to state one principle of constitutional law. I wish to make it clear and certain. I state it in order that the RECORD may show, in order that "the sons of men may know."

Congress cannot delegate legislative power. Congress cannot delegate the power of legislation to any man or to any set of men. Congress cannot delegate the power of legislation to the President or to anyone else. That question is not an open question. That question has been settled. It has been settled by the Supreme Court of the United States. I quote from the Court's opinion in the case of *Field* v. *Clark* (143 U.S.):

> That Congress cannot delegate legislative power to the President is a principle universally recognized as vital to the integrity and maintenance of the system of Government ordained by the Constitution.

When the Congress makes a grant of power, when the Congress delegates power to the President, this question may arise: Is the power legislative in character? If so, the grant is void. But if the power is executive, or is administrative in character, then the grant is valid if it comes within the expressed or implied powers of the Congress, or of the Government under the Constitution.

I am reminded of this. Dante describes a scene which he witnessed in Malebolge, a fierce encounter between a creature in human form and a mighty serpent. The combat was fierce and furious. The combatants inflicted deep, gaping, bleeding wounds upon each other. There came a pause in the strife. The antagonists glared at each other. A cloud fell upon them. A strange transformation took place, each creature was transfigured into the likeness of his antagonist. The serpent's tail began to divide and take the form of human limbs. The legs of the human form began to entwine and take the form of a serpent's tail. The serpent put forth arms like a man, stood up erect, and spake like a man.

The arms of the human form disappeared in its body, and it fell down upon its belly and glided hissing away into the jungle. I say this apropos of nothing. It reminds me of nothing. Nothing reminds me of it. It just seemed to me to be passing strange.

Each side can choose sides. I do not know how long it takes a Democrat or a Republican or a leopard to change his spots. I have been trying to change mine. I first tried to change the black spots to make them white, but that would not work. I am now trying to change the white spots to make them black. I am making some headway. Mr. President, I report progress.

The PRESIDENT pro tempore. The time of the Senator on the amendment has expired.

Mr. CLARK. Mr. President, in view of the very brief time remaining I shall detain the Senate not more than 10 minutes, because I know there are other Senators who desire to be heard before we vote at 12 o'clock.

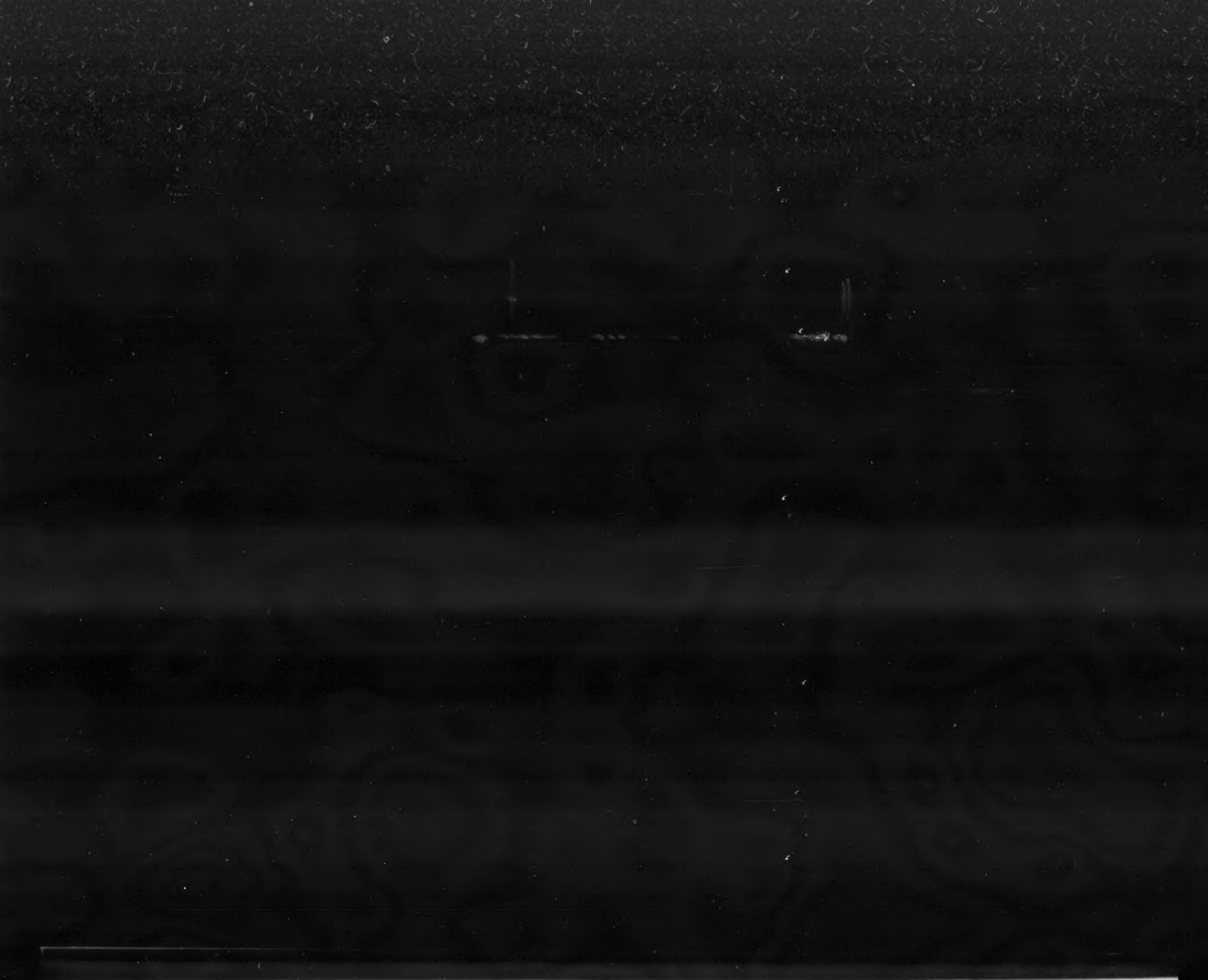
Mr. President, I rise to address the Senate for the purpose of expressing the very earnest hope that the Johnson amendment, and all other amendments for the purpose of exempting specific commodities or particular classes of goods from the operation of the bill, will be defeated. The amendment, Mr. President, is not designed to help agriculture; it is designed to kill the bill. Its adoption would be the signal and the rallying call for the offering of amendments exempting every item and every classification now covered in the tariff laws or which might be conceivably included under the tariff laws. I cannot conceive how any friend of the measure can reconcile his support of the bill itself with support of the Johnson amendment or any of the horde of amendments on other items which are sure to follow it if its adoption should be accomplished.

Mr. President, I would be the last to doubt the entire good faith or question the high ideals of that great and valuable public servant, the Senator from California [Mr. JOHNSON], for whom I entertain both affection and respect. But, I repeat, the only possible effect of the adoption of these amendments is not to aid agriculture, but to sabotage this measure. The American farmer, Mr. President, owes his present pitiable position not to insufficient protection on agricultural commodities but to too much protection on everything which the farmer has to buy.

It is a well recognized and undeniable fact that protective duties can never be effective as to any commodity of which we produce a great exportable surplus which must be sold abroad at prices regulated by world conditions. This fact was completely demonstrated when, during the dark days of the Hoover administration, with a tariff of 42 cents a bushel on wheat, wheat actually sold down to 23 cents. With the highest tariff on wheat in the history of the Nation, wheat reached the lowest levels in 400 years.

The tariff on agricultural commodities has been bait for suckers, a lure held out to induce the farmer to endure the whole iniquitous prohibitive tariff system. During the campaign of 1928 the promise was held out that a revision of the tariff would take place immediately for the sole purpose of adjusting the agricultural schedules, and then, instead, a bill was enacted into law putting added duties on nearly every item of the dutiable list, a bill which made the historic and infamous tariff of abominations which laid the foundation for the Civil War seem by comparison mild and equitable.

What has happened to the farmer is this: He has been compelled over a long period of years to buy everything which he has to buy in a protected market, paying a tariff tax—because, of course, the tariff is nothing except a tax which the American consumer has to pay—and to sell everything which he has to sell in a free market at prices regulated by world conditions. That is a process of attrition like bucking a faro bank or any other gambling game in which there is a definite percentage against the player. Neither the great John D. Rockefeller nor Henry Ford nor Andrew W. Mellon could stand it long, and it has just about broken the American farmer.





With the highest tariff rates in our entire history, we have been in the depths of the worst depression in history. Since the enactment of the Hawley-Smoot tariff bill and the retaliatory tariffs and quota allotments set up by other nations, our exports have fallen from five and a quarter billion dollars to one and two-thirds billion dollars. Our favorable balance of trade since 1929 has dropped from nearly a billion dollars to about $200,000 a year; and it is significant that while all world trade has diminished, we have been far from holding our own in the diminished total, and our percentage has constantly declined. In 1932, for the first time since 1914, Great Britain's share of world trade exceeded our own.

Our foreign trade has fallen away to nearly nothing. Huge surpluses of the products of American industry and agriculture, the sale of which in foreign lands had made the prosperity of the United States, accumulated on our hands. The more food that was produced in the United States the more millions were hungry within our borders. The more gold we accumulated the more our financial structure was impaired.

I do not wish to detain the Senate at this late hour of the consideration of this most important measure with a mere theoretical dissertation on the tariff. I do desire to emphasize that the economic principles which form the fabric of this measure are such as not even honest high protectionists should find objectionable. Certainly none of my brethren on the other side of the aisle would have the hardihood to take exception to the party standing of the late President William McKinley. He was the author of the McKinley bill, and as President he signed the Dingley bill. He was the high priest of protection. Yet in the last utterance before his death, at Buffalo, with the light of another world shining on his face, he said:

> The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

Mr. President, I wish that those words, which were so true then, so much truer today, could be implanted in letters of fire in the brain and heart of every Senator as he casts his vote on this measure.

President McKinley continued:

> If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?

Mr. President, it seems to me to be remarkable that a proposition so logical and simple as that, powers not one whit more extensive than have heretofore been granted by the Congress and upheld by the courts—powers certainly no more extensive than those upon which President Hoover insisted, and which he forced through Congress in 1930—powers which we now seek to grant the President for the purpose of enabling him to undo as far as possible the mischief caused by a war of tariff aggression for which we as a nation must accept a large share of primary responsibility, should be assailed by charges of dictatorship and usurpation; and these frantic charges in many instances come from the very men who helped to create the situation from which we are attempting to escape.

Mr. BAILEY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. CLARK. I do.

Mr. BAILEY. The Senator states that our foreign trade has fallen away practically to nothing. That was his statement, I believe.

Mr. CLARK. That was an exaggeration. It still amounts to a large sum of money, but a very small proportion of what it did in 1929.

Mr. BAILEY. I will make allowance for the rhetorical character of the statement; but I wish to get some light on this phase of the matter:

We measure the foreign trade in terms of dollars; and dollars, of course, relate not to volume but to price. Since the price of commodities in general has fallen, at a fair estimation, by about 60 percent in the past 5 years, if we make allowance for that loss of 60 percent in value, will it not appear that the volume of our foreign trade has been diminished in so relatively small a way that we could not, even by a rhetorical statement, assert that the trade has fallen away to nothing?

Mr. CLARK. I will say to the Senator that I do not believe his statement is true, because the foreign trade of the United States has fallen off in a tremendous proportion, both in value and in volume; and in the diminished international trade the share of the United States has fallen off very materially. In other words, we have nothing like held our own in world trade.

Mr. BAILEY. Our share of foreign trade relatively has fallen off three points, from 13 percent to 10 percent of world trade. That was stated in the discussion here on last Friday. Let us assume, however, that the export trade of the United States was $5,000,000,000 at the peak. That is the assumption. We had a total foreign trade of $10,000,000,000; that is, exports and imports. That was about the highest we ever had, and that is the top figure. Take off 60 percent for the decline in price. Sixty percent of five billions is three billions. Three billions from five billions is two billions. If the export trade now approximates $2,000,000,000, most of the loss in the foreign trade is not the loss in volume but the loss in price.

Mr. CLARK. I am perfectly willing to agree that the percentage loss in volume has been smaller than in dollars. Those facts are all in the hearings, and I shall be glad to put them in the RECORD. I should be glad to go into that subject at this time, except that I am attempting to conclude my remarks in time to give the Senator from Kentucky [Mr. BARKLEY] a chance to address the Senate.

Mr. BAILEY. I just wished to make my point, because we ought not to discuss this matter in terms of dollars so much as we should in terms of volume.

Mr. CLARK. I perfectly agree with the Senator that the figures ought to be checked both ways; and the figures show substantially the same result either way they are checked.

Mr. President, this whole proposition seems to me to be as simple as A, B, C. By the most wanton economic aggression in all history, in a series of prohibitive tariff acts, we placed ourselves in the situation of undertaking the unheard-of economic feat of forever selling everything and buying nothing; in short, of attempting to pull ourselves up by our own boot straps. We properly demanded the payment of just debts owed us by other nations, and then, having nearly cornered the gold supply of the world, we refused our debtor nations the opportunity to pay us in the only medium of exchange they possessed—in goods and commodities. The Hoover-Grundy bill was the last straw, which brought swift retaliation from every nation in the world, shut the nations of the world in airtight compartments, and paralyzed world trade.

As the leading exporting nation of the world—a nation which produces huge exportable surpluses, both of manufactured articles and agricultural products—we were the chief sufferers. We have been "hoist on our own petard." By our own action in forcing every other nation into a system of prohibitive tariffs and quota allotments we have shut out American farm products and American manufactured goods from the markets of the world. The difference between being admitted to these markets and being excluded from them has meant the difference between prosperity and bankruptcy to the American farmer, the American manufacturer, and the American laboring man.

Let me say, Mr. President, that whatever may be the general theoretical view of any man or woman upon the general subject of tariffs, all reasonable and practical legislators realize that changes of peculiar violence are to be avoided. When a man has been foolish enough to climb the face of an unscalable cliff he cannot successfully undo his folly by leaping at once to his starting point. However we may view the present tariff situation from a theoretical viewpoint, all

must realize that we must retrace gradually the steps by which the present disaster has been created. The primary necessity of the world now is to make a start on unraveling the snarl into which all economic affairs have fallen; and this necessity is the more vital for us because other nations are already, and have for several years been, taking steps to improve their own international trade relations, while we have remained aloof and suffering the bitter effects of that aloofness. If, however, our international trade is to be restored, if we are to be given a chance to dispose of our surpluses, the sale of which has led the way out of every depression which this country has ever known, unless we desire to build another Chinese wall about the United States and live entirely within ourselves, some such measure as the pending bill must be enacted into law.

So far as I am concerned, I wish the condition which has been created could be cured by simple acts of Congress which could be signed by the President reducing the extortionate tariff rates which lie at the root of so much of our troubles; but, having by our own stupendous folly deliberately created the present deplorable situation, we now find ourselves powerless to correct it alone. A mere reduction of our tariff taxes—for a tariff rate is as much a tax as any excise or income tax ever imposed—will not reopen the markets of the world to our products unless it brings about a reduction of the tariff and quota restrictions set up in retaliation against us by other nations.

We cannot be certain, or even confident, of reciprocal concessions without negotiation. These negotiations, both from theory and practice, cannot be conducted by the Congress, and must of necessity be carried on by the Executive. Our treaty-making process is too cumbersome to permit of its use in trade negotiation. No nation in the world in the present situation would be willing to deal with us on such terms. In the last analysis we are face to face with the proposition that if we are sincere in our desire to end the most destructive economic war in history, if we desire to undo the evil results of our own folly, we have no option save to follow the proposal of the President by authorizing him to accomplish these results through the medium of reciprocal trade agreements.

Mr. President, we now come to the question not of the economic effect to be accomplished by a restoration of world trade but of the method which is being employed in this particular bill; and, if a personal reference may be pardoned, those of my colleagues who have done me the honor to pay any attention to my votes and expressions on this floor know that no Member of this body has been more jealous of the preservation of the rights and functions of the legislative branch of the Government than have I. Since I have had the privilege of serving in the Senate of the United States, I have many times opposed extraordinary grants of power by Congress to the Executive—even for purposes with which I often agreed—as being either unconstitutional or unnecessary. If I believed the present grant to be unconstitutional, or any extension of powers already granted, I should unhesitatingly vote against it, even though I have the most intense sympathy with its purposes. I do not so believe. I believe that this is a grant, both constitutional and vitally necessary, no whit more extensive than that now given the President for utterly futile purposes of retaliation under section 338 of the existing law. I believe it to be essential to the welfare of the United States. Therefore, Mr. President, I shall take great pleasure in voting for this measure, and in voting against every proposal to emasculate it and bring about dissension among its supporters.

The amendment of the Senator from California is calculated to destroy the bill. Let no one be misled. It is now a fundamental principle of warfare—exemplified in American history by two of the greatest soldiers who ever trod shoe leather, Stonewall Jackson and Nathan Bedford Forrest—that when confronted by overwhelming superiority in troops or armament, victory may yet be achieved by taking the enemy in detail instead of in mass. Such today is the strategy of the opponents of this measure. Let them but make one breach by the adoption of this amendment and they will be back on their favorite battleground, the old field for general tariff bills, where trading and logrolling and chicanery and lobbying created the condition which has led to so much misery in the world today.

Mr. BARKLEY. Mr. President, I should not impose myself on the Senate at this time in a discussion of this bill except for the fact that in the debate which has proceeded since we began its consideration those of us who happen to be members of the Finance Committee now, and happened to be members of it in 1929–30, have had our names bandied around on the floor of the Senate and in the newspapers as being inconsistent because we now support this measure and opposed in 1930 a measure that is claimed by the opposition to have been similar.

I have no desire to reiterate the constitutional arguments which have already been adduced in behalf of this legislation; but of all the group of men in any body and of all political parties that have no right to charge inconsistency on a proposal of this sort, that party is the Republican Party, and that group is the group which sits opposite us on the other side of the aisle of this Chamber.

It has already been shown that from 1794 down to the present time the United States, from time to time, has engaged in just such activities and such negotiations as are provided for in this bill. There has always been a difference, and there is now a difference, between a treaty negotiated by the President, which requires the approval of the Senate, and the authorization by an act of Congress for negotiating trade agreements between our country and others.

The Constitution of the United States gives the Congress the power to levy taxes. Those taxes must originate in the House of Representatives. It also gives Congress the power to regulate commerce among the States and with foreign countries. The power to regulate commerce is just as complete and plenary as is the power to levy and collect taxes.

All the resolutions and acts of Congress from the beginning until now, authorizing the President to enter into negotiations or agreements with foreign nations affecting our commerce, have been predicated upon the power to regulate commerce to a greater extent than the power to levy taxes.

There is a vast difference between delegating to the President of the United States, as a bald proposition, the power to levy taxes, and delegating to him the authority, as the agent of Congress, to enter into negotiations and agreements in regulating the commerce of the United States with foreign countries.

Congress cannot regulate commerce, although the Constitution authorizes it to do so. It would be utterly impossible for Congress to pass a law fixing freight rates which should apply upon commodities and on all railroads in the United States; and because long ago Congress recognized its inability to pass legislation regulating commerce in that detailed sense, it set up the Interstate Commerce Commission as the agency of Congress to carry out the details of that regulation in which Congress has the power to engage.

It was in the exercise of the power to regulate commerce among the States that the Interstate Commerce Commission was created, that the Federal Trade Commission was created, that the Radio Commission was created, and that now a new commission, to be known as the Exchange Commission, to regulate the transactions upon the stock markets of the United States, has been created.

Just as it is impossible for Congress, by an act, to perform the administrative duties of regulating in detail commerce among the States, it is likewise impossible for Congress, by an act, to regulate in detail commerce with foreign nations.

Wherever there is need for such regulation, wherever there exists a condition which demands, in any form or to any extent, a regulation which will make it necessary to negotiate with foreign countries in a reciprocal understanding, Congress has the power and the right, and it is its duty, to set up the machinery or the agency by which its mandate may be carried into effect. The agency which we set up here is the President of the United States.

Mr. President, this is not a novel proposition. In the Tariff Act of 1890, which was passed through Congress by the political party which occupies the other side of the Chamber, the President was authorized, acting as the agent of the Congress, to enter into negotiations with foreign countries with respect to the regulation of commerce. Regulation may be brought about by quotas, or by embargoes, or by restrictions; it may likewise be brought about by the adjustment of tariff rates, which are, in a sense, taxation, but which in another sense are regulations of commerce.

In the Tariff Act of 1897, passed during the McKinley administration, Congress authorized the President to negotiate reciprocal trade agreements with foreign countries. In one section it provided that he might enter into those negotiations and enter into those agreements by and with the advice and consent of the Senate, and in another it authorized him to do so without such ratification on the part of the Senate. It is a matter of history that operating under that tariff law, passed under McKinley, an agent was appointed by McKinley by the name of Kasson, who negotiated about seven or eight treaties with foreign nations which, under the terms of the act, had to be ratified by the Senate, and although the Republican Party had a majority in the Senate, not one of those treaties was ever ratified, because there was not a two-thirds majority to be had for ratification, although our opponents were in control of every branch of the Government. Therefore the benefits expected to flow from those reciprocal understandings were defeated.

Mr. President, that is one reason why I am opposed to providing that before any negotiations contemplated provided in this bill or any similar negotiations shall become effective they must be brought back to the Senate of the United States for ratification, because there they may either fail of ratification or the benefits to be derived may have evaporated into thin air before the Senate of the United States, in view of its history with reference to treaties, would ever take action thereon.

There are three kinds of international agreements with which we have had experience. One is a treaty in its truest sense, which must be ratified by the Senate. Another is a legislative authority upon the part of the President to negotiate a treaty or an agreement to take effect when it shall be ratified by Congress, which involves both Houses, and we have had instances of such authority. The other is the proposal we have before us authorizing the President to make agreements under certain circumstances, fixing in more or less flexible fashion a yardstick by which he is required to be guided, which agreements are not to be ratified either by the Senate or by the Congress as a whole.

Mr. President, I do not think it lies in the mouths of our opponents, therefore, to charge us with inconsistency because 4 years ago we opposed a provision in a tariff bill authorizing the President to levy taxes, for that is what it meant, without regard to any international agreement, as a one-sided, unilateral proposition to raise or lower tariff rates as a matter of taxation. I opposed that provision, and I lifted my feeble voice against it, and I would do the same now if such a proposition were before us under the same circumstances.

We are not authorizing the President, by this bill, to levy taxes; we are authorizing him, as our agent and our administrator, to enter into negotiations having in mind the enlargement of our trade with foreign nations.

We need not delude ourselves into the belief that we can remain a strong, virile, and prosperous nation and withdraw ourselves within our own shell. From the day when the Phoenicians sent their ships and their agents out over the seas and over the lands to carry their commerce to the nations of the world, until today, every great, powerful, and prosperous nation in the world has been a trading nation. In all ages and in all countries the outposts of civilization have been the outposts of commerce. Hard upon the heels of the explorer has come the commercial agent.

Our own country was discovered in 1492 because Christopher Columbus was seeking a shorter route to the markets of the world, and the greatest cementing and unifying force in the American Republic has been our interstate transactions and our commerce.

It was because of the jealousies and the friction growing out of the efforts of the original colonies to keep commerce out of their borders that our Constitutional Convention wrote into our fundamental law a provision that Congress shall have power to regulate commerce among the States.

The first little convention which met in Annapolis, Md., to settle the dispute between Virginia and Maryland over the navigation of the Potomac River developed into the convention which met in Philadelphia and wrote the Constitution of the United States.

The Legislature of New York passed an act forbidding the importation of firewood from Connecticut, in order to make the people of New York burn their own wood. That legislature enacted a law forbidding the importation of potatoes, parsnips, and carrots, and other vegetables from Virginia, Connecticut, Maryland, and New Jersey into the State of New York in order to make the people of New York eat their own potatoes, parsnips, and carrots.

When our forefathers met to write a constitution they had foresight enough to realize that trade, commerce, the interchange of the handiwork of man, is the forerunner of civilization and the unifying force of the world. They gave Congress power to regulate commerce instead of leaving it to the States to regulate commerce among themselves and with foreign nations.

The bill we have before us today is in furtherance of that object. It is in line with that command. It is in harmony with that authority, and it is in line with it at a time when our foreign commerce needs revival more than at any other time in the history of America.

The Secretary of Commerce under President Hoover, Mr. Lamont, a very able man, made the statement—I think it was about a year before he retired from office—that for every billion dollars of American merchandise sent into other countries 3,000,000 men were employed to produce that merchandise in the factories and the fields of the United States.

If it be true, as it is true, that our export trade has fallen from $5,240,000,000 in 1929, to a little over a billion and a half dollars in 1933, it is not a stretch of the imagination to say that at least 6,000,000 of the American workingmen who are today walking the streets in search of employment which they cannot find, are walking the streets unemployed because we have lost between three and four billion dollars in American merchandise sent to the markets of the world.

Every other nation with which we compete has already the agencies by which it can compete intensively and promptly and without delay. More than 60 of these nations have already entered into international agreements by which they further their commerce.

While our trade has fallen from a basic 100 percent in 1929 to 34 percent in 1933, our proportionate world trade has fallen to a larger extent than that of any other commercial nation in the world. So that we are not only losing in our race so far as our exports are concerned but the markets which we used to occupy are being won by our competitors, who have set up their own machinery without delay to enter into mutual reciprocal agreements with other nations of the world.

Therefore, Mr. President, I am in favor of this bill, not only because it in some measure seeks to put us upon a competitive level with our competitors, but because it puts within our power the opportunity to extend our markets so as to give employment to American labor, to bring wealth to our doors, and to resume our place of leadership among the great commercial nations of the world.

I am opposed to the amendment which is now pending, offered by the Senator from California [Mr. JOHNSON], because under the terms of that amendment the President of the United States could not enter into an agreement designed to furnish a market or find a market for our agricultural products without regard to the character of any reciprocal understanding or advantage that might be sought by any other nation.

Under the amendment of the Senator from California we could not enter into any agreement with any other nation by which they would take more wheat, more tobacco, more pork or beef or cotton from us in return for our taking silk or perfumes or any other commodity that they may ship to us, because the language of this amendment provides that the President shall exclude from all negotiations any agricultural products, whether they are coming in or going out.

However, I do not desire to take advantage of any technical language that may be in the Senator's amendment, because I am against all amendments to this measure, and I shall vote against any other amendment without regard to its language or to its author; for I believe one of the prime desires, one of the leading motives that prompted its sponsors, is to furnish a wider field for the exportation of American agricultural products.

I come from a tobacco State, 41 percent of whose product finds its market, if it finds a market, in foreign nations. But without regard to local conditions or State lines or boundaries, we all know that we ship more agricultural products out of our country than we ship in.

In 1933 we shipped out of the United States $398,000,000 worth of raw cotton, unmanufactured cotton.

In 1928 we exported $294,000,000 worth of crude foodstuffs, every ounce of which was agricultural.

In that same year we exported $285,000,000 worth of vegetable products grown out of the soil of the United States.

But in 1933 our exports of vegetable products had declined from $285,000,000 to $46,000,000. Our exports of crude foodstuffs declined from $294,000,000 to $48,000,000. So that our agricultural markets have declined in as large a proportion, if not a larger proportion, than have the markets for our manufactured products.

The Senator from North Carolina [Mr. BAILEY] a moment ago interrupted the Senator from Missouri [Mr. CLARK] to inquire whether our decline in dollar value had been greater than our decline in volume of commerce. In line with that interrogatory, I wish to state that in 1929 we shipped 111,000,000,000 tons of American products to the markets of the world, without regard to value. But in 1933 the volume of our exports had declined from 111,000,000,000 tons to 52,000,000,000 tons; our decline in the export of our products of field and factory from 1929 to 1933 was more than 50 percent in volume.

I believe the pending measure offers an opportunity which cannot be otherwise garnered to enlarge the commerce of our country, to take advantage of world conditions, to sell more goods, to employ more men, and to bring a greater degree of prosperity to our country. No greater fallacy can entertain the mind of man than the belief that this great, growing Nation, increasing in population and in power and in productivity, can build a wall around itself so high that we cannot get out and that others cannot get in to exchange mutually and advantageously the products of the toil of our own people and those with whom we have friendly relations throughout the world.

Therefore I do not believe that this amendment or any other amendment ought to be adopted to this bill, because the only object and the only result would be to handicap and embarrass the President in the negotiations and to lay our cards on the table in advance of the negotiations, so that every nation will know how far it may go and where it must stop. We need not delude ourselves into the belief that other nations will not take advantage of that handicap, that hobbling process which we will enforce, if this amendment or any other amendment shall be added to this bill. I hope the pending amendment will be rejected; that all amendments designed to cripple the administration of the powers here conferred will be defeated, and that the bill may be speedily enacted into law.

The PRESIDENT pro tempore. The hour of 12 o'clock having arrived, under the unanimous-consent agreement no further debate on the so-called "agricultural amendments" is in order, and the question is on the amendment submitted by the Senator from California [Mr. JOHNSON].

Mr. HARRISON. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Mississippi suggests the absence of a quorum. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hebert	Pope
Austin	Couzens	Johnson	Reynolds
Bachman	Cutting	Kean	Robinson, Ark.
Bailey	Davis	Keyes	Russell
Bankhead	Dickinson	La Follette	Schall
Barbour	Dieterich	Lewis	Sheppard
Barkley	Dill	Logan	Shipstead
Black	Duffy	Lonergan	Smith
Bone	Erickson	Long	Steiwer
Borah	Fess	McCarran	Stephens
Brown	Fletcher	McGill	Thomas, Okla.
Bulkley	Frazier	McKellar	Thomas, Utah
Bulow	George	McNary	Thompson
Byrd	Gibson	Metcalf	Townsend
Byrnes	Goldsborough	Murphy	Tydings
Capper	Gore	Norbeck	Vandenberg
Caraway	Hale	Norris	Van Nuys
Carey	Harrison	Nye	Wagner
Clark	Hastings	O'Mahoney	Walcott
Connally	Hatch	Overton	Walsh
Coolidge	Hatfield	Patterson	Wheeler
Copeland	Hayden	Pittman	White

Mr. LEWIS. I announce the absence of the Senator from California [Mr. MCADOO], occasioned by illness, the absence of the Senator from West Virginia [Mr. NEELY] on account of official business calling him to his State, and the absence of the Senator from Florida [Mr. TRAMMELL] and the Senator from Virginia [Mr. GLASS], on official business.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present. The question is on the amendment offered by the Senator from California [Mr. JOHNSON].

Mr. JOHNSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LEWIS (when Mr. NEELY's name was called). I am authorized by the Senator from West Virginia [Mr. NEELY] to say that he is detained on official business in the State of West Virginia, and that were he present he would vote "nay."

Mr. OVERTON (when his name was called). On this vote I have a pair with the Senator from Utah [Mr. KING], who is unavoidably detained on account of illness. I understand that if he were present he would vote against the amendment. If I were permitted to vote, I should vote for the amendment.

Mr. ROBINSON of Arkansas (when his name was called). I transfer my pair with the Senator from Pennsylvania [Mr. REED] to the junior Senator from California [Mr. MCADOO], and vote "nay."

Mr. STEPHENS (when his name was called). On this vote I am paired with the senior Senator from Indiana [Mr. ROBINSON]. I transfer that pair to the junior Senator from West Virginia [Mr. NEELY], and vote "nay."

Mr. WALCOTT (when his name was called). In view of the transfer made by the Senator from Arkansas [Mr. ROBINSON] of his pair with the Senator from Pennsylvania [Mr. REED] to my general pair, the Senator from California [Mr. MCADOO], I am permitted to vote. I shall let this announcement stand on all votes on this bill. I vote "yea."

The roll call was concluded.

Mr. HEBERT. The Senator from Pennsylvania [Mr. REED] and the Senator from Indiana [Mr. ROBINSON] are both necessarily absent. If those Senators were present, they would vote "yea" on this question.

Mr. FESS (after having voted in the affirmative). I inquire if the senior Senator from Virginia [Mr. GLASS] has voted.

The PRESIDENT pro tempore. That Senator has not voted.

Mr. FESS. I have a pair with that Senator, and therefore I will have to withdraw my vote. I understand that if he were present he would vote "nay."

The result was announced—yeas 33, nays 54, as follows:

YEAS—33

Adams	Frazier	Keyes	Shipstead
Austin	Gibson	Long	Steiwer
Barbour	Goldsborough	McCarran	Townsend
Borah	Hale	McNary	Vandenberg
Capper	Hastings	Metcalf	Walcott
Carey	Hatfield	Norbeck	White
Cutting	Hebert	Nye	
Davis	Johnson	Patterson	
Dickinson	Kean	Schall	

NAYS—54

Ashurst	Connally	Hayden	Russell
Bachman	Coolidge	La Follette	Sheppard
Bailey	Copeland	Lewis	Smith
Bankhead	Costigan	Logan	Stephens
Barkley	Couzens	Lonergan	Thomas, Okla.
Black	Dieterich	McGill	Thomas, Utah
Bone	Dill	McKellar	Thompson
Brown	Duffy	Murphy	Tydings
Bulkley	Erickson	Norris	Van Nuys
Bulow	Fletcher	O'Mahoney	Wagner
Byrd	George	Pittman	Walsh
Byrnes	Gore	Pope	Wheeler
Caraway	Harrison	Reynolds	
Clark	Hatch	Robinson, Ark.	

NOT VOTING—9

Fess	McAdoo	Overton	Robinson, Ind.
Glass	Neely	Reed	Trammell
King			

So Mr. JOHNSON's amendment was rejected.

Mr. LONG. Mr. President, I offer the amendment heretofore submitted and intended to be proposed by the Senator from Florida [Mr. FLETCHER] and ask that it be read.

The PRESIDENT pro tempore. The amendment will be read.

The LEGISLATIVE CLERK. It is proposed, on page 3, lines 16 and 17, after the word "proclamation", to insert a colon and the following:

Provided further, That no agreement shall be made with any foreign government whereby tariffs or import duties on products of agriculture or horticulture shall be reduced below an amount necessary to equalize the difference in cost of production of such products in the United States with the cost of production in such foreign countries.

Mr. FLETCHER. Mr. President——

The PRESIDENT pro tempore. Debate is out of order on the amendment.

Mr. FLETCHER. I merely want to make a statement with reference to it.

The PRESIDENT pro tempore. The Chair regrets to state that no debate is permissible under the unanimous-consent agreement.

Mr. ROBINSON of Arkansas. Mr. President, the Chair is correct in his ruling.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Louisiana.

Mr. LONG. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a general pair with the Senator from Virginia [Mr. GLASS]. I am advised that were he present he would vote in the negative. Were I permitted to vote, I should vote in the affirmative.

Mr. OVERTON (when his name was called). On this vote I am paired with the senior Senator from Utah [Mr. KING]. I understand if he were present he would vote against the amendment. If I were permitted to vote, I would vote in favor of the amendment.

Mr. ROBINSON of Arkansas (when his name was called). Announcing the same pair and transfer as on the last vote, I vote "nay."

Mr. STEPHENS (when his name was called). Making the same announcement as before with reference to my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. LEWIS. I reannounce the necessary absence of the Senator from West Virginia [Mr. NEELY] and beg to state that I am authorized by him to say that were he present and voting he would vote "nay."

The result was announced—yeas 40, nays 46, as follows:

YEAS—40

Adams	Dill	Johnson	Patterson
Austin	Erickson	Kean	Schall
Barbour	Fletcher	Keyes	Shipstead
Borah	Frazier	La Follette	Steiwer
Capper	Gibson	Lonergan	Thomas, Okla.
Carey	Goldsborough	Long	Townsend
Couzens	Hale	McCarran	Vandenberg
Cutting	Hastings	McNary	Walcott
Davis	Hatfield	Metcalf	Wheeler
Dickinson	Hebert	Nye	White

NAYS—46

Ashurst	Caraway	Hayden	Russell
Bachman	Clark	Lewis	Sheppard
Bailey	Connally	Logan	Smith
Bankhead	Coolidge	McGill	Stephens
Barkley	Copeland	McKellar	Thomas, Utah
Black	Costigan	Murphy	Thompson
Bone	Dieterich	Norris	Tydings
Brown	Duffy	O'Mahoney	Van Nuys
Bulkley	George	Pittman	Wagner
Bulow	Gore	Pope	Walsh
Byrd	Harrison	Reynolds	
Byrnes	Hatch	Robinson, Ark.	

NOT VOTING—10

Fess	McAdoo	Overton	Robinson, Ind.
Glass	Neely	Reed	Trammell
King	Norbeck		

So Mr. LONG's amendment was rejected.

Mr. JOHNSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. It is proposed to add to the bill a new section, to read as follows:

SEC. —. That neither this nor any other act of Congress shall hereafter be construed as directly or indirectly reducing, or authorizing the reduction of, any existing rate or rates of import duty provided by law upon any agricultural or horticultural product, including all commercial articles or materials produced therefrom by usual first continuous processings.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from California.

Mr. HARRISON. I call for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FESS (when his name was called). Making the same announcement that I made a while ago as to my pair, I am compelled to withhold my vote. If at liberty to vote, I should vote "yea."

Mr. OVERTON (when his name was called). I have a pair with the senior Senator from Utah [Mr. KING]. I understand that if he were present, he would vote "nay." If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. ROBINSON of Arkansas (when his name was called). Announcing the same pair and transfer as heretofore, I vote "nay."

Mr. STEPHENS (when his name was called). Making the same announcement as before regarding my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] and the Senator from Indiana [Mr. ROBINSON] would, if present, vote "yea" on this question.

The result was announced—yeas 32, nays 53, as follows:

YEAS—32

Austin	Dill	Johnson	Patterson
Barbour	Frazier	Kean	Schall
Borah	Gibson	Keyes	Shipstead
Capper	Goldsborough	Long	Steiwer
Carey	Hale	McNary	Townsend
Cutting	Hastings	Metcalf	Vandenberg
Davis	Hatfield	Norbeck	Walcott
Dickinson	Hebert	Nye	White

NAYS—53

Adams	Bone	Clark	Duffy
Ashurst	Brown	Connally	Erickson
Bachman	Bulkley	Coolidge	Fletcher
Bailey	Bulow	Copeland	George
Bankhead	Byrd	Costigan	Gore
Barkley	Byrnes	Couzens	Harrison
Black	Caraway	Dieterich	Hatch

La Follette	Murphy	Russell	Van Nuys
Lewis	Norris	Sheppard	Wagner
Logan	O'Mahoney	Smith	Walsh
Lonergan	Pittman	Stephens	Wheeler
McCarran	Pope	Thomas, Okla.	
McGill	Reynolds	Thomas, Utah	
McKellar	Robinson, Ark.	Thompson	

NOT VOTING—11

Fess	King	Overton	Trammell
Glass	McAdoo	Reed	Tydings
Hayden	Neely	Robinson, Ind.	

So Mr. JOHNSON's amendment was rejected.

Mr. JOHNSON. Mr. President, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add to the bill a new section, to read as follows:

No foreign-trade agreement entered into under the provisions of this act shall become effective until submitted to the Congress and specifically approved by law.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from California.

Mr. JOHNSON. Mr. President——

The PRESIDENT pro tempore. Does the Senator rise to a parliamentary inquiry?

Mr. JOHNSON. No, sir. I rise to debate this amendment in accordance with the unanimous-consent agreement.

The PRESIDENT pro tempore. The Chair holds that, under the unanimous-consent agreement, no amendment with regard to agriculture is debatable.

Mr. JOHNSON. Mr. President——

The PRESIDENT pro tempore. Please let the Chair state the situation.

Mr. JOHNSON. I beg pardon.

The PRESIDENT pro tempore. The unanimous-consent agreement reads as follows:

Ordered, by unanimous consent, That when the Senate concludes its labors today it take a recess until 10 o'clock a.m. Monday, and that not later than 12 o'clock noon on Monday next the Senate proceed to vote without further debate upon the pending amendment or any other agricultural amendment that may be proposed.

Mr. JOHNSON. Now I submit to the President pro tempore that this is not an agricultural amendment.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. JOHNSON. Yes, sir.

Mr. HARRISON. I may say that it was not the intention of the proponent of the unanimous-consent agreement that 10 minutes should not be allowed a Senator to speak on this amendment. The prohibition of further debate was confined to the agricultural amendments.

Mr. JOHNSON. Exactly.

Mr. HARRISON. This amendment, it seems to me, is of a different nature.

The PRESIDENT pro tempore. The Chair was in error as to the amendment placed before him. The unanimous-consent agreement applies only to agricultural amendments.

Mr. JOHNSON. Correct, sir.

Mr. McNARY. Mr. President, I desire to state that when this matter came up a few days earlier the reason why the words "agricultural amendment" were suggested was that at that time there were only two such amendments pending, one offered by the Senator from California [Mr. JOHNSON] and one by the Senator from Louisiana [Mr. OVERTON]. I am very happy that the Chair recognizes his error.

The PRESIDENT pro tempore. The Chair still contends that any amendment that may be proposed dealing with agriculture is undebatable.

Mr. FESS. That is correct.

Mr. LONG. Mr. President, a point of order.

Mr. OVERTON. Mr. President, I have an agricultural amendment which I wish to offer. I am wondering if the Senator from California will yield to me to offer that amendment.

Mr. HARRISON. Will not the Senator from California, in order that we may get rid of the agricultural amendments, permit the amendment of the Senator from Louisiana to be offered, and let us get through with the subject before he offers his amendment?

Mr. JOHNSON. Yes; with pleasure. I will take any course that will facilitate the proceedings. My experience this morning, however, leads me to make it perfectly plain that I shall have the right to offer this amendment, and I shall have the right to debate it for a period of 10 minutes. There is no question on that score; is there?

Mr. HARRISON. I am sure that so far as I am concerned, there ought to be no question about it.

Mr. ROBINSON of Arkansas. There is no question about that; but it is in order, under the unanimous-consent agreement, to conclude the agricultural amendments.

Mr. JOHNSON. I am glad to have that done, sir; but I do not want to get in the situation that some of our brethren here got into this morning, of having consented to the unanimous-consent agreement and then being compelled—which is something, of course, that never ought to be caused a Senator—to remain mute on the floor during any period of time; and some of us have been compelled so to remain.

Mr. ROBINSON of Arkansas. I cannot agree with the Senator's last statement as a matter of argument.

Mr. JOHNSON. It is just a statement of fact.

The PRESIDENT pro tempore. The Chair will not charge this debate to the Senator from California.

Mr. JOHNSON. Very well, sir.

The PRESIDENT pro tempore. It is in the nature of a parliamentary inquiry. The Chair understands that the Senator from California, for the present, withdraws his amendment.

Mr. JOHNSON. If desired, I will withdraw the amendment until the other agricultural amendments shall have been disposed of.

Mr. OVERTON. I thank the Senator.

I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The Senator from Louisiana offers an amendment, which will be stated.

The CHIEF CLERK. It is proposed to insert at the end of the bill the following:

SEC. —. Nothing in this act shall be construed to give any authority to reduce existing duties on wool and on farm products, including all basic agricultural commodities and all products processed wholly or in chief value from such basic agricultural commodities, as defined or declared in the Agricultural Adjustment Act and acts amendatory thereof.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Louisiana.

Mr. LONG. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. OVERTON (when his name was called). Making the same announcement as on the previous vote, I withhold my vote.

Mr. ROBINSON of Arkansas (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. REED] to the junior Senator from California [Mr. MCADOO], I vote "nay."

Mr. STEPHENS (when his name was called). Repeating the announcement of my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. LEWIS. I reannounce the position of the Senator from West Virginia [Mr. NEELY], namely, that if he were present, he would vote "nay" on this question.

Mr. FESS (after having voted in the affirmative). Has the senior Senator from Virginia [Mr. GLASS] voted?

The PRESIDENT pro tempore. The Senator has not voted.

Mr. FESS. Then I withdraw my vote for the reasons heretofore stated.

Mr. METCALF (after having voted in the affirmative). Has the Senator from Maryland [Mr. TYDINGS] voted?

The PRESIDENT pro tempore. The Senator has not voted.

Mr. METCALF. Then I shall have to withdraw my vote.

The result was announced—yeas 36, nays 49, as follows:

YEAS—36

Adams	Dickinson	Hebert	Patterson
Austin	Dill	Johnson	Schall
Barbour	Erickson	Kean	Shipstead
Borah	Frazier	Keyes	Steiwer
Capper	Gibson	Long	Thomas, Okla.
Carey	Goldsborough	McCarran	Townsend
Costigan	Hale	McNary	Vandenberg
Cutting	Hastings	Norbeck	Walcott
Davis	Hatfield	Nye	White

NAYS—49

Ashurst	Clark	La Follette	Russell
Bachman	Connally	Lewis	Sheppard
Bailey	Coolidge	Logan	Smith
Bankhead	Copeland	Lonergan	Stephens
Barkley	Couzens	McGill	Thomas, Utah
Black	Dieterich	McKellar	Thompson
Bone	Duffy	Murphy	Van Nuys
Brown	Fletcher	Norris	Wagner
Bulkley	George	O'Mahoney	Walsh
Bulow	Gore	Pittman	Wheeler
Byrd	Harrison	Pope	
Byrnes	Hatch	Reynolds	
Caraway	Hayden	Robinson, Ark.	

NOT VOTING—11

Fess	McAdoo	Overton	Trammell
Glass	Metcalf	Reed	Tydings
King	Neely	Robinson, Ind.	

So Mr. OVERTON's amendment was rejected.

REGULATION OF COMMUNICATIONS BY WIRE OR RADIO

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives insisting upon its amendment to the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. DILL. Mr. President, I move that the Senate disagree to the amendment of the House, agree to the conference requested by the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. DILL, Mr. SMITH, Mr. HATCH, Mr. COUZENS, and Mr. WHITE conferees on the part of the Senate.

JOHN P. LEONARD

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H.R. 541) for the relief of John P. Leonard, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SHEPPARD. I move that the Senate insist on its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. SHEPPARD, Mr. LOGAN, and Mr. CAREY conferees on the part of the Senate.

WILLIAM G. BURRESS, DECEASED

The PRESIDENT pro tempore laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H.R. 2439) for the relief of William G. Burress, deceased, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SHEPPARD. I move that the Senate insist on its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the President pro tempore appointed Mr. SHEPPARD, Mr. LOGAN, and Mr. CAREY conferees on the part of the Senate.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar as indicated below:

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 5109. An act for the relief of Joe G. Baker;

H.R. 5543. An act for the relief of T. Brooks Alford;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 5835. An act for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce;

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6998. An act for the relief of Capt. Frank J. McCormack;

H.R. 7163. An act for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co.;

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill.;

H.R. 7736. An act for the relief of Rocco D'Amato;

H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased;

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8688. An act for the relief of Stella E. Whitmore;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.; and

H.R. 9820. An act for the relief of the State of Nebraska; to the Committee on Claims.

H.R. 5668. An act authorizing the relief of the McNeill-Allman Construction Co., Inc., of W. E. McNeill, Lee Allman, and John Allman, stockholders of the McNeill-Allman Construction Co., Inc., and W. E. McNeill, dissolution agent of McNeill-Allman Construction Co., to sue in the United States Court of Claims; to the Committee on the Judiciary.

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.; to the Committee on Commerce.

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians; to the Committee on Indian Affairs.

H.R. 7367. An act for the relief of Sarah Smolen; to the calendar.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 9370) to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9323) to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 5384. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H.R. 7353. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes;

H.R. 9323. An act to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes; and

H.R. 9370. An act to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. JOHNSON. Mr. President, I offer the amendment which was read from the desk a brief time ago.

Mr. CLARK. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. CLARK. In order that there may not be any further misunderstanding, or charges of bad faith, I desire to propound an inquiry. Under the special order adopted on last Friday, which provided that the Johnson amendment and other amendments dealing with agriculture should be disposed of without further debate after the hour of 12 o'clock today, the reception of the present amendment of the Senator from California precludes the reception of any further amendment to the bill dealing with agriculture, does it not?

The PRESIDENT pro tempore. The Chair does not so interpret the agreement. The Chair interprets the agreement to this effect: The pending amendment not dealing with agriculture, the debate on it will be limited to 10 minutes by any Senator.

Mr. CLARK. That was not the inquiry. The point to which I was addressing myself was that under the special order the Johnson amendment and all other amendments dealing with agriculture must be disposed of immediately following the hour of 12 o'clock.

The PRESIDENT pro tempore. Undoubtedly.

Mr. CLARK. If the amendment of the Senator from California shall be entertained, that will preclude in the future the offering of any further amendment dealing with agriculture.

The PRESIDENT pro tempore. Undoubtedly; but the Chair will state that he would not have recognized the Senator from California to present his amendment if any other Senator had desired to offer an amendment regarding agriculture.

Mr. CLARK. I propound that inquiry simply in order that there may not be any misunderstanding in the future as to the parliamentary situation.

Mr. McNARY. Mr. President, I can assure the Senator from Missouri that there is no misunderstanding. I think I know what is in the agreement, and at the proper time I shall meet the Senator from Missouri on that issue. For the present the Chair has ruled that the Senator from California is in order.

Mr. JOHNSON. Yes; but if the Senator will pardon me, there may be some other agricultural amendments to be offered, and I do not wish to cut off any Senator. So far as I am concerned, those amendments in which I was interested personally I presented. So I should prefer, if there are any other agricultural amendments to be offered, that they be presented now, in order that under the statement of the Chair, they be not ruled out.

Mr. ROBINSON of Arkansas. Mr. President, that is the requirement of the unanimous-consent agreement, and I give notice now that if other agricultural amendments are offered a point of order will be made against them.

Mr. McNARY. Mr. President, I contend, on the theory that I know what is in the agreement, which was entered into fairly and in the best of good faith, that if agricultural amendments are offered they do not necessarily have to be debated in chronological order. They can come at any time during the afternoon.

Mr. ROBINSON of Arkansas. No, Mr. President. Will the Senator permit me?

Mr. McNARY. I will permit the Senator to say a word.

Mr. ROBINSON of Arkansas. I wish to point out to the Senator that the agreement is that on Monday, at not later than 12 o'clock noon, "the Senate proceed to vote without further debate upon the pending amendment or any other agricultural amendment that may be proposed." So that the language of the agreement contemplates, as suggested by the Senator from Missouri, that the agricultural amendments be disposed of immediately following 12 o'clock.

In all fairness, if there are other agricultural amendments to be offered, they should be presented before the amendment of the Senator from California [Mr. JOHNSON] shall be considered.

Mr. JOHNSON. Mr. President, is there any objection on the part of the distinguished leader on the Democratic side to my withdrawing my amendment temporarily and permitting someone else to present an agricultural amendment?

Mr. ROBINSON of Arkansas. No. Mr. President; I have no objection to that course being pursued. If there are other agricultural amendments to be presented, now is the time to present them.

Mr. JOHNSON. Very well.

Mr. McNARY. Mr. President, I shall give my interpretation of this unanimous-consent agreement. I had something to do with its framing. I have attempted to treat fairly the Democratic Members of the Senate, and particularly the leader of the majority and the chairman in charge of the bill. It was suggested in private conversation and on the floor of the Senate that after the agricultural amendments had been argued and others proposed that they were not subject to debate. That is the understanding. But if later in the afternoon some agricultural amendment shall be proposed which is now on the table, there is nothing to preclude a vote on that amendment without debate. That is the plain language of the agreement. It is the plain understanding. On that I shall insist.

Mr. HEBERT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. HEBERT. I proposed an amendment on the 10th of May last. It provides for a limitation upon the application of this bill to commodities of which at least 70 percent of the value of materials employed therein are products of the farm, ranch, or dairy. The question arises in my mind whether that is to be considered an agricultural amendment or an amendment affecting industry. I should like to have the Chair give to the Senate his version on that question at this time, so that we may know how to proceed when that amendment shall be reached.

The PRESIDENT pro tempore. The Chair would hold that such an amendment would fall under the agreement with regard to agricultural amendments.

Mr. HEBERT. I did not understand the Chair.

The PRESIDENT pro tempore. The Chair would hold, if the question were submitted, that such an amendment would come under the agreement with regard to agricultural amendments.

Mr. HEBERT. May I say to the Chair that, to my mind, there was no such understanding in the unanimous-consent agreement entered into. The amendment to which I refer relates to commodities. It is true that the commodities referred to are those in which at least 70 percent of the value thereof are agricultural products. The amendment does not refer to agriculture except indirectly. The main purpose of the amendment is to protect products in industry and not in agriculture. I submit that the ruling of the Chair is not in accordance with the purposes of this bill nor in accordance with the unanimous-consent agreement entered into here last Friday.

Mr. FESS. Mr. President, a parliamentary inquiry.

Mr. JOHNSON. May it be understood that the time consumed in this discussion is not coming out of the time in relation to the amendment which I am endeavoring to offer and will ultimately offer.

The PRESIDENT pro tempore. The Chair understands that the Senator from California has refrained from offering his amendment pending the determination of the question whether or not there is to be any other agricultural amendment.

Mr. JOHNSON. Mr. President, that statement is correct.

The PRESIDENT pro tempore. The Senator from Ohio will state the parliamentary inquiry.

Mr. FESS. My parliamentary inquiry is, Would an amendment, if it included more than agriculture and included agriculture simply incidentally, be considered under the agreement an agricultural amendment?

The PRESIDENT pro tempore. The Chair ruled that, in his opinion, the amendment of the Senator from Rhode Island comes within the description of agricultural amendments in the unanimous-consent agreement.

Mr. ROBINSON of Arkansas. Mr. President, in answer to the Senator from Ohio, the original amendment of the Senator from California [Mr. JOHNSON] included also horticultural products, so that it is perfectly clear to my mind that the ruling of the Chair is correct. The intention of the unanimous-consent agreement was to limit debate, as provided in the agreement, on amendments the primary object of which was to make an exception of commodities or materials grown on the farm. The Johnson amendment contained a provision relating to such materials. The Senator from Rhode Island may present his amendment and have it voted on. The effect of the agreement, as I interpret it, is to prevent further debate.

Mr. HEBERT. Mr. President, if I may be permitted further, in order that there may be no misunderstanding about the purpose of the amendment which I desire to propose, let me read the first paragraph of it:

SEC. 5. (a) Commodities of which at least 70 percent of the value of the materials employed therein are products of the farm, ranch, or dairy shall be exempted from all pending or contemplated reciprocal trade agreements with foreign governments or instrumentalities thereof under the authority of this act.

I submit, Mr. President, that that does not have any effect upon agricultural commodities. It affects industry purely and simply. It says in effect——

Mr. HARRISON. Mr. President, I call for the regular order.

Mr. HEBERT. Mr. President, I am arguing the point of order, and I contend I have the right to argue it.

Mr. HARRISON. The point of order as yet has not even been made. The Senator from Rhode Island has not as yet offered his amendment.

Mr. HEBERT. I shall offer my amendment, Mr. President, in due time. I want a ruling by the Chair. I desired to submit to the Chair my observations upon the purpose of this amendment, which I think has been misinterpreted by the Chair.

Mr. HARRISON. Mr. President, may I suggest to the Senator from Rhode Island that if he wants to offer his amendment he can do so and then argue his point of order, but I submit that at the present time he is out of order.

The PRESIDENT pro tempore. The Chair sustains the point of order. There is nothing before the Senate at the present time.

Mr. HEBERT. I now offer my amendment, Mr. President.

The PRESIDENT pro tempore. The Senator from Rhode Island offers an amendment, which will be stated.

The CHIEF CLERK. It is proposed, on page 6, after line 16, to insert the following new section:

SEC. 5. (a) Commodities of which at least 70 percent of the value of the materials employed therein are products of the farm, ranch, or dairy shall be exempted from all pending or contemplated reciprocal trade agreements with foreign governments or instrumentalities thereof under the authority of this act.

(b) Nothing in this act shall restrict the powers of the President conferred upon him by section 3 (e) of the National Industrial Recovery Act and/or the powers to reduce or increase tariff rates conferred upon him under section 336 of the Tariff Act of 1930.

Mr. HEBERT. Mr. President——

Mr. HARRISON. Does the Senator desire to debate the amendment?

Mr. HEBERT. Yes.

Mr. HARRISON. I raise the point of order that under the agreement the Senator cannot debate that amendment.

The PRESIDENT pro tempore. The Chair sustains the point of order.

Mr. McNARY. Mr. President, I want to be heard before the ruling is made by the Chair.

Mr. BORAH. Mr. President, may I make a suggestion on the point of order? We will likely spend more time on the point of order than will be consumed in debate. I believe we will save time if by unanimous consent we give the author of the amendment 10 minutes to discuss it. No one else, I suppose, cares to discuss it, but the author might want the time to explain it.

Mr. McNARY. Mr. President, I want to discuss the point of order.

The PRESIDENT pro tempore. The Senator from Rhode Island has the floor.

Mr. HEBERT. Mr. President, I yield to the Senator from Oregon.

Mr. McNARY. If the Senator from Mississippi desires to permit the Senator from Rhode Island 10 minutes to explain his amendment I shall not discuss the point of order.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. BLACK. I ask unanimous consent that the Senator from Rhode Island [Mr. HEBERT] be given 10 minutes in which to explain his amendment in order that we may proceed.

Mr. HARRISON. Mr. President, reserving the right to object, I would have no objection in the world to the Senator from Rhode Island explaining this amendment for 10 minutes. But if similar requests are going to be made with reference to every amendment that shall be offered here we will have a request when 5 o'clock comes to carry the vote on the bill over beyond that time. So it seems to me that inasmuch as we entered into the agreement we ought to abide by it, and if the Senator feels that the Chair is wrong he can take an appeal from the ruling of the Chair.

Mr. HASTINGS. Mr. President, that will take longer than 10 minutes.

Mr. McNARY. Mr. President, I am as certain as I am of anything in the world that the interpretation by the Senator from Mississippi [Mr. HARRISON] is out of line with the understanding expressed in the unanimous-consent agreement, as well as the colloquy we had on Thursday of last week, and it is extremely unfair. To that point I shall address myself.

Mr. HARRISON. Mr. President, I shall not object to the unanimous-consent request that the Senator from Rhode Island [Mr. HEBERT] may speak 10 minutes on his amendment, but I serve notice that I shall object to any further violation of the agreement.

The PRESIDENT pro tempore. Is there any objection to the unanimous-consent request of the Senator from Alabama [Mr. BLACK]? The Chair hears none. The Senator from Rhode Island has 10 minutes on his amendment.

Mr. HEBERT. Mr. President, I have already read the pertinent part of this amendment. It provides that—

Commodities of which at least 70 percent of value of the materials employed therein are products of the farm, ranch, or dairy shall be exempted from all pending or contemplated reciprocal trade agreements with foreign governments.

Let me state for the information of the Senate what the application of this amendment will be in relation to the provisions of the pending bill. In the case of cotton textiles it will apply 100 percent, of course, because the basic material out of which cotton textiles are manufactured is cotton.

In the case of wool that is equally true, unless some other material enters into the construction of the fabric, but if it be all wool, then more than 70 percent of the value of the materials entering into the fabrication of the article are

farm products, and so it will be exempt from the operations of this bill.

Take the case of cotton textiles, made up in part of silk. The question would arise as to whether or not 70 percent of the content of such textiles was composed of cotton produced on the farm. In the event there was sufficient silk in the manufacture of the article to reduce the value of the cotton content below 70 percent, then the article would not be subject to the operation of this measure. Where an article is manufactured of silk and wool again the question would arise as to whether or not there was 70 percent wool content. The operation of this amendment would affect all dairy products, because, manifestly, there is nothing else in them except the products of the farm. All prepared foods would be subject to the operation of this amendment.

Mr. President, I had in mind in the formulation of this amendment more particularly the condition of the textile industry. In that connection I wish to call the attention of the Senate to a statement which was published in the public press on yesterday emanating from the Administrator of the N.R.A., General Johnson, in relation to the cotton textile industry, concerning which I know Senators are aware there was a serious condition recently. He said this:

> Including the processing tax, raw cotton costs have increased 150 percent. There has been a 70-percent increase in labor costs, due to the code and other influences, and an increase of 94 percent in cost of labor, material, and supplies in cotton textiles.

Manifestly, it would not be just to the cotton textile industry, under existing conditions, to enter into any reciprocal trade agreements which would have the effect of reducing the protection now accorded to that industry under the tariff law of 1930. I quote further from General Johnson's statement:

> A very clear cause of decreased consumption is this increased cost and increased prices which flow from it.

General Johnson realized that because of the operation of the N.R.A. the cost of cotton textiles has been materially increased and that due regard must be had to the condition of that industry at this time.

> In this situation any such increase in cost would paralyze production and employment and defeat the very ends aimed at.

I submit, Mr. President, that that is a frank statement of the situation as it exists in the cotton-textile industry at the present time. General Johnson recognizes that any increase in cost of textiles would paralyze production and employment and defeat the very ends aimed at.

He goes on to say:

> The course of negotiations has not been helped by the concurrent newspaper debate between the parties to them. Fairness to N.R.A. and to a great industry and to its accomplishments for labor under the N.R.A. compels me to correct several inaccurate statements which appeared in news dispatches yesterday and which were attributed to officials of the United Textile Workers.
>
> A statement that the administration of the cotton-textile code, "through lack of enforcement, has brought it to a point of pre-code conditions" is simply without foundation in fact. I know of no code under the N.R.A. that is administered more conscientiously and more effectively than this code has been and is being administered by its code authority.
>
> The statement that wages "have been forced down to lower than ever before" is equally unfounded. The very opposite is true. The record shows that the present hourly wage rate as well as weekly earnings adjusted to living costs (real wages) have reached and passed the highest 1929 level.

Mr. President, I submit that any industry which merits such encomium from the Director of the N.R.A. is entitled to all the protection that it is possible for the Congress to accord to it.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. HEBERT. I yield to the Senator.

Mr. HARRISON. Does the Senator appreciate that if his amendment should be adopted, first there would have to be ascertained whether 70 percent of the value of the materials employed therein are products of the farm, ranch, or dairy, and that it would therefore take an indefinite period to ascertain that fact; and so the amendment would destroy the effect of what we are trying to do?

Mr. HEBERT. I know that argument has been advanced many times.

Mr. HARRISON. It is a good argument.

Mr. HEBERT. It has been advanced in the case of the operations of the present Tariff Commission. I concede that there is some difficulty involved in establishing those costs, but it is not impossible; and I venture to say that if the Tariff Commission had functioned as it was anticipated by the Congress it would function, we should have had much better results from its operations than we have had.

Mr. WALSH. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. HEBERT. I yield to the Senator from Massachusetts.

Mr. WALSH. Will the Senator enumerate how many commodities will be embraced under section 5 (a) of his amendment and what the nature and character of those commodities are?

Mr. HEBERT. Mr. President, the Tariff Commission furnished me that information. It is, however, a subject which would take up more time than I have at my disposal under the limited arrangement under which I am permitted to discuss my amendment.

Mr. WALSH. I appreciate that. Will the Senator print the information I have requested in connection with his remarks?

Mr. HEBERT. I may say, for the information of the Senator, that it includes——

Mr. WALSH. Mr. President, I express the hope that this time may be charged to me rather than to the Senator from Rhode Island.

Mr. HEBERT. Mr. President, I shall be glad to insert in the RECORD at this point in my remarks, for the information of the Senator, that which he desires, if that will serve his purpose.

Mr. WALSH. I thank the Senator.

The PRESIDENT pro tempore. Without objection, the matter will be printed in the RECORD.

The matter referred to is as follows:

COMMODITIES OF WHICH 70 PERCENT OR MORE OF THE VALUE OF THE RAW MATERIALS USED IS FROM THE FARM, RANCH, OR DAIRY

Schedule 1. Chemicals, oils, and paints:
- Paragraph 4. Alcohols.
- Paragraph 9. Argols.
- Paragraph 19. Casein.
- Paragraph 33. Compounds of casein.
- Paragraphs 34 and 35. Crude drugs advanced in value.
- Paragraph 36. Cocoa leaves and digitalis.
- Paragraph 41. Gelatin and glue.
- Paragraph 48. Citrate of lime, etc.
- Paragraph 51. Menthol and camphor.
- Paragraph 52. Animal oils and greases.
- Paragraphs 53 and 54. Vegetable oils.
- Paragraph 58. Certain essential and distilled oils.
- Paragraph 59. Opium.
- Paragraph 80. Soap and soap powder (to the extent made from animal and vegetable oils).
- Paragraph 83. Starch.
- Paragraph 84. Dextrine and chemically treated starch.
- Paragraph 92. Vanilla and tonka beans.

Schedule 5. Sugar, molasses, and manufactures of: (All items in schedule of agricultural raw materials.)

Schedule 6. Tobacco and manufactures of: (All items in schedule of agricultural raw materials.)

Schedule 7. Agricultural products and provisions: (All items in schedule of agricultural raw materials.)

Schedule 8. Spirits, wines, and other beverages: (All items in schedule of agricultural raw materials, except ginger ale and mineral waters.)

Schedule 9. Cotton manufactures: (All items in schedule of agricultural raw materials.)

Schedule 10. Flax, hemp, jute, and manufactures of: (All items in schedule of agricultural raw materials).

Schedule 11. Wool and manufactures of: (All items in schedule of agricultural raw materials).

Schedule 12. Silk manufactures: (All items in schedule of agricultural raw materials).

Schedule 15. Sundries:
- Paragraph 1502. Golf balls, tennis balls, etc.
- Paragraph 1504. Braids, plaits, hats, etc., of straw, etc.
- Paragraph 1507. Bristles.
- Paragraph 1518. Feathers and downs and manufactures of.
- Paragraph 1529. Laces, embroideries, etc.
- Paragraph 1530. Hides and skins, leather footwear, etc.

Schedule 15. Sundries—Continued.
Paragraph 1531. Bags, baskets, etc., of leather.
Paragraph 1532. Leather gloves.
Paragraph 1537. Manufactures of bone, chip, straw, etc.
Paragraph 1548. Peat moss.
Paragraph 1556. Beeswax.

Schedules for which no items have been included in the above tabulation are: Schedule 2, earths, earthenware, and glassware; schedule 3, metals and manufactures of; schedule 4, wood and manufactures of; schedule 13, manufactures of rayon or other synthetic textile; and schedule 14, papers and books.

Mr. HEBERT. Mr. President, I have before me an article which appeared in the Herald Tribune of yesterday which discusses most intelligently the foreign trade of the United States as it affects the textile industry, and its exportations to the Philippine Islands. I desire to quote from that article only briefly.

The PRESIDENT pro tempore. The time of the Senator from Rhode Island has expired.

Mr. HEBERT. Mr. President, may I be permitted to insert certain portions of the article I was about to quote in my remarks?

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

TYPICAL OF GENERAL CONDITIONS

There is an American end to the matter which indicates that the Philippine case is typical of a general condition affecting the whole of American export trade. American cotton manufacturers are unable to compete with Japanese cotton manufacturers in Central and South America, in South Africa, or in most other countries where American cottons have long been sent in comparatively large volume. They are unable to compete with Japanese goods in the Philippines even behind the high Philippine tariff wall. The cause is high prices in the United States.

These high prices exist in spite of the fact that there has been so great an overproduction by American mills as to necessitate a 25-percent reduction in production allotments, even at a time when some mills are running only 2 or 3 days a week. The explanation of high prices in connection with overproduction is high wages under the code system. The superiority of American workmen over Japanese workmen may be conceded, although this is far less under modern cotton-mill organization in Japan than has been generally ascribed, but it ought to be evident that American mills with a $14.76 wage base for a 30- to 40-hour week cannot compete with Japanese mills with a $9 or $10 wage base for an 84-hour week.

ATTEMPTING THE IMPOSSIBLE

This raises the more general question of how the authorities in Washington can expect to increase the foreign trade of the United States in face of increasing wages and other manufacturing costs. There is the possibility that, in spite of high wages, actual manufacturing costs may be kept low in comparison with those of other countries by improved machinery and other manufacturing facilities, but the fact is that in some lines other countries are employing machinery and manufacturing facilities fully as advanced and quite as efficient and economical as those used in the United States.

Increased exports of American products so far the current year as compared with the same period last year have been entirely in those lines in which the United States has a distinct competitive advantage either by reason of its policy of mass production, its natural resources, or its geographical position. In other commodities there has been stagnation or retrogression.

In lines which are strictly competitive high wages under the code system effect a definite disadvantage for American manufacturers in the export trade which general manufacturing efficiency has little prospect of overcoming. This is already evident in the cotton-goods trade, in spite of American advantages in the way of raw materials. It is becoming more and more evident in other lines such as iron and steel, flour and rubber manufactures. The N.R.A. code system and foreign trade, in short, are pointed in the opposite directions, and in attempting to make them work together the authorities in Washington are attempting the impossible.

RECIPROCAL TREATIES INSUFFICIENT

How far reciprocal trade treaties may be expected to remedy this situation is very questionable. It is reasonable to assume that, as between nations producing upon a comparable-cost basis, reciprocal tariff concessions may afford a worth-while, although very temporary, advantage to the nations concerned in commodities in which either may specialize. It is quite as unreasonable to assume, however, that any such reciprocal trade arrangements can be sufficient to overcome the difference between basic manufacturing conditions of the sort that exists between Japan and the United States under the code system.

* * * * * * *

TRADE SHOT TO PIECES

In January 1933 Japan's share was only 21 percent of the island's cotton piece-goods trade as compared with 73 percent for the United States. By December 1933 the proportion had changed to 58 percent for Japan and 31 percent for the United States. There was a slight recovery in American shipments in the pre-Easter period of the current year, but the recovery was temporary, and the latest Government reports indicate that Japanese competition has again come to dominate the trade, forcing down prices, eliminating American goods in the lower grades, and piling up stocks to further depress prices.

The PRESIDENT pro tempore. The question is on the amendment offered by the Senator from Rhode Island.

Mr. HASTINGS and Mr. HEBERT asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. OVERTON (when his name was called). On this vote I have a pair with the senior Senator from Utah [Mr. KING]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. ROBINSON of Arkansas (when his name was called). Announcing the same pair and transfer as on the previous vote, I vote "nay."

Mr. STEPHENS (when his name was called). Making the same announcement as before regarding my pair and transfer, I vote "nay."

The roll call was concluded.

Mr. FESS. Making the same announcement as heretofore with reference to my pair, I withhold my vote. If permitted to vote, I should vote "yea."

Mr. LEWIS. I rise to announce that were the Senator from West Virginia [Mr. NEELY] present he would vote "nay."

Mr. PATTERSON (after having voted in the affirmative). My general pair the junior Senator from New York [Mr. WAGNER] is unavoidably absent from the Chamber. I am therefore compelled to withdraw my vote.

Mr. HEBERT. The senior Senator from Pennsylvania [Mr. REED] is necessarily absent. If present, he would vote "yea."

Mr. HATFIELD (after having voted in the affirmative). I inquire if the senior Senator from Florida [Mr. FLETCHER] has voted?

The PRESIDENT pro tempore. That Senator has not voted.

Mr. HATFIELD. I have a general pair with that Senator. In his absence I withdraw my vote.

Mr. LEWIS. I wish to announce that the Senator from South Dakota [Mr. BULOW], the Senator from Arizona [Mr. ASHURST], the Senator from Florida [Mr. FLETCHER], the Senator from Texas [Mr. CONNALLY], and the Senator from Louisiana [Mr. LONG] are detained on official business.

On this question the Senator from Arizona [Mr. ASHURST] is paired with the Senator from Louisiana [Mr. LONG].

The result was announced—yeas 26, nays 52, as follows:

YEAS—26

Adams	Frazier	Kean	Steiwer
Austin	Gibson	Keyes	Townsend
Barbour	Goldsborough	McCarran	Vandenberg
Borah	Hale	McNary	Walcott
Carey	Hastings	Metcalf	White
Davis	Hebert	Nye	
Dickinson	Johnson	Schall	

NAYS—52

Bachman	Coolidge	Hayden	Robinson, Ark.
Bailey	Copeland	La Follette	Russell
Bankhead	Costigan	Lewis	Sheppard
Barkley	Couzens	Logan	Shipstead
Black	Cutting	Lonergan	Smith
Bone	Dieterich	McGill	Stephens
Brown	Dill	McKellar	Thomas, Okla.
Bulkley	Duffy	Murphy	Thomas, Utah
Byrd	Erickson	Norris	Thompson
Byrnes	George	O'Mahoney	Tydings
Capper	Gore	Pittman	Van Nuys
Caraway	Harrison	Pope	Walsh
Clark	Hatch	Reynolds	Wheeler

NOT VOTING—18

Ashurst	Glass	Neely	Robinson, Ind.
Bulow	Hatfield	Norbeck	Trammell
Connally	King	Overton	Wagner
Fess	Long	Patterson	
Fletcher	McAdoo	Reed	

So Mr. HEBERT's amendment was rejected.

The PRESIDENT pro tempore. May the Chair announce that under his understanding of the unanimous-consent

agreement he feels he should recognize first any Senator having a so-called "agricultural amendment" to offer, and therefore he will ask the leader of the minority whether there are other Senators who have agricultural amendments to offer?

Mr. McNARY. Mr. President, I intimated a while ago that I am not wholly in accord with the present occupant of the chair in his understanding. Later on some Senator, not now present, who has an agricultural amendment to offer ought not to be precluded from offering it because he is not present at this particular moment. That is clearly the intention and that is clearly the language of the unanimous-consent agreement. When the proper time comes I shall be glad to discuss the matter with the present occupant of the chair.

Mr. JOHNSON. Mr. President, I offer the amendment which I send to the desk.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. JOHNSON. For what purpose?

Mr. BLACK. In order that I may ask to have something inserted in the RECORD.

The PRESIDENT pro tempore. The Chair must insist on carrying out the unanimous-consent agreement and enforcing the rule. The Senator from California may not yield for that purpose.

Mr. JOHNSON. The Chair has held that I may not yield; so, being under a very strict limitation and under a very strict ruling, I shall proceed with the amendment that is mine. Will the clerk read the amendment?

The PRESIDENT pro tempore. The clerk will read the amendment offered by the Senator from California.

The CHIEF CLERK. It is proposed, at the end of the bill, to insert the following new section:

SEC. —. No foreign trade agreement entered into under the provisions of this act shall become effective until submitted to the Congress and specifically approved by law.

Mr. JOHNSON. Mr. President, for the brief period of 10 minutes let me see whether I can arouse in the United States Senate something it has had in its glorious past and of which it has ever been proud. Let us see if it is not possible, even here, where there is an edict presented to us by various departments of the Government, to have some regard for our own selves, for the position we hold, for the oath we took when we came into this body, and for the powers and prerogatives which have been here reposing in this body ever since there has been a United States Senate at all.

The amendment which I have offered, sir, seeks to preserve to this body the right to pass upon the treaties which shall be made by the President of the United States under the provisions of the bill. An awful thing is that to do! Senators will remember that it was tyranny when a flexible provision of the tariff was suggested in 1929. Then a little flexible provision in the tariff law was tyranny; today, when it is proposed not only to give flexibility to the tariff law but to empower the Executive to do just exactly as he pleases with our taxing power, it is freedom—freedom instead of tyranny.

Here is the opportunity for us to deside whether we are going to act in accordance with the traditions of this body, whether we are going to preserve the authority which has been ours during all these years, whether we are going to be United States Senators, or whether we are simply to register the will of a couple of executive departments of the Government.

Mr. DILL. Mr. President——

Mr. JOHNSON. No; I cannot yield. I have not time.

Mr. DILL. I want to ask the meaning of the Senator's amendment.

Mr. JOHNSON. I am endeavoring to state it. I am doing the best I can to make plain that I want to have come back here to the Senate the agreements which may be entered into, to be passed upon then by the Senate of the United States. That is the simple purpose of the amendment. If its language does not accomplish that purpose, I should be glad to accept any amendment that may be suggested with that object in view.

Mr. DILL. The Senator says "by law." That is why I asked the question.

Mr. JOHNSON. I repeat, I do not know a better suggestion that could be made than to use the expression "by law."

Mr. DILL. Does that mean we must have a separate statute enacted?

Mr. JOHNSON. No; but we must have separate action on it just as we have upon any statute or any act or any particular determination by the Congress of the United States, and I shall accept any amendment which will preserve the purpose that may be desired. I cannot yield otherwise because of the limitation under which I rest.

Mr. President, it is asserted that we ought not to give this power to the Congress of the United States because it is claimed that an emergency exists, and there must be immediate action on the part of the Executive in order to accomplish the design of the bill. It is asserted to us again and again and again that that emergency existing, and the necessity for quick action being here, we cannot do anything that may delay matters in the slightest degree, even though we deprive the Senate and the Congress of all the powers they may have had in the past. Not so, sir—not so. The testimony of Mr. Wallace that is before me here tells us that they are going to move slowly; they are going to take great time, and yet they are going to move with wisdom, and not with the celerity and alacrity that will require action overnight. The testimony of Dr. Sayre is of like character; and then he goes into detail as to how these agreements are acted upon in various other nations of the earth.

Of course, reciprocal agreements are provided for by excutive power in other nations; granted, but sir, parliamentary action as well is required in many of those countries. In the one whose government is comparable to, though not like ours at all, Dr. Sayre states, on page 365 of the testimony that was given in the House:

In England, reductions made in the course of agreements may become provisionally effective, subject to the agreement being placed before Parliament, which has 28 legislative days within which to indicate disapproval.

The Parliament of Britain has 28 days in which to indicate its disapproval. The Congress of the United States has not 28 seconds in which to register its will or its disapproval. What I ask for, sir—limit it to 30 days, if you will, in this agreement; limit it as the Senator from Washington [Mr. DILL] may desire in the expressions that may be used; I do not care—I want the particular amendment to require that these agreements shall come back to the Congress of the United States in order that within 30 days—if Senators wish it, within 28 days—if we are so jealous of the powers of Parliament that we must act as Parliament in Britain does, we must express our disapproval, and if they be granted that 28 days, and we be granted our 28 days, perhaps we can act in accordance with the desires that may be essential on the part, either of the Executive or of those entering into these agreements.

I have listened today to the arguments that have been made about exports. Why, one would think, sir, that we could not export again from this country without having a reciprocal trade agreement—a reciprocal trade agreement that is going to bring the millennium so far as our export trade is concerned. De Senators realize that since 1919 the other nations of the earth have been padding their tariffs just in readiness for this day? That is the report that is here, the official report of the Tariff Commission of the United States, that all the other nations of the earth since 1919 have been erecting their barriers, padding their tariffs, waiting for reciprocal agreements from only one source, of course—the United States of America. Do Senators fondly believe that they, when we enter into a reciprocal agreement with them, will do aught else than give us their padding and take from us sacrifices of our particular products?

Again, we talk of the N.R.A., and we fought for it here. We believe that it brings a new deal. It is bringing higher wages. It is bringing less hours of employment. It is bringing, it is true, higher prices as well, and then we enter into a

reciprocal agreement with a foreign country in which they may come into an inefficient industry in this land, practically eliminate and destroy it, and do the exact antithesis of what we were designing to do by the N.R.A.

But the vice of the situation that is presented is far greater than that. What is presented to us today is the abandonment of the fundamental principle upon which this Government rests. What is asked of us today is the supine surrender of what the Senate ever has done and ever ought to do, if it remains a Senate, with its decent regard for its oaths, and its regard, indeed, for its time-honored practices, its traditions of the past, and the service it may render to the country in the future. We are asked to surrender that by this bill. Ought we to do it?

I do not argue the constitutionality of the question. That is far beyond me at the moment. I argue the policy of the question, and when I ask Senators to send back these reciprocal agreements to the Congress for a determination by them as to what they shall do, I am asking, not alone that the Constitution be obeyed, but that popular government shall be preserved in this land, and preserved as it has ever existed here.

Mr. DILL. Mr. President, I asked the Senator from California the question I did because I think his amendment is susceptible of a number of constructions. I do not quite understand the words "approved by law." Evidently, the Senator's intention is to require that the reciprocal trade agreements shall be voted on by the Congress. It might be construed that they must have a two-thirds vote. It might be construed that we must pass a statute specifically approving them.

I had hoped that the language of an amendment of this kind would provide that the trade agreements should be submitted back to the House and Senate, and should not go into effect until they were approved by a majority of both Houses, that vote to be taken within a limited time, say 5 or 10 days.

The objection is continually made to the proposal that if these trade agreements shall come back to the Senate and the House for a vote, it will be such a long time before the matter is disposed of that we shall never get any action. I think there is much merit in that objection. I think the bill should contain a specific provision that these trade agreements shall come back to the House and Senate in a message from the President and be voted on within a specified time, not to exceed 5 or 10 days, and, if approved by a majority of both Houses, shall be effective.

I have not discussed this bill since it has been before the Senate. I do not approve of this proposed legislation. I shall vote against this bill unless some such provision as this is inserted in it. I am opposed to granting the power to control the tariffs of the United States on products competing with the products of the people of the United States, without any voice on the part of Congress.

I do believe that it may be possible for the President of the United States to make reciprocal trade agreements that would be to the advantage of the people of this country and of foreign countries. I am not willing, however, that he alone shall be the judge of that advantage. I should like to give him the power to enter into these agreements, and, once he has entered into them, to submit them to the House and the Senate to be voted on within a limited specified time, and by that vote to determine whether or not they shall go into effect.

Such a provision would make this proposal really constructive and helpful in the readjustment of our tariff situation. I cannot vote for this amendment in its present form, although I think I approve of the purpose of the Senator from California.

Mr. JOHNSON. Mr. President, will the Senator yield for a question?

Mr. DILL. I yield to the Senator.

Mr. JOHNSON. Will not the Senator, during the period he may have when this matter is being discussed, frame an amendment such as he would favor?

Mr. DILL. I shall be very glad to do so.

Mr. HARRISON. Mr. President, I admire the enthusiasm and the persistency and the fine personality and the ability of the distinguished senior Senator from California [Mr. JOHNSON]. When he starts to talk about agreements and about protection for some commodity he is strikingly enthusiastic.

If this amendment should be adopted, it would mean the defeat of the whole proposal. It would destroy the whole plan. It would mean that these agreements must be submitted to the Congress here to be traded in and between, and so forth. No one would ever know when the agreements would be adopted. The amendment would shackle the representatives of this Government in their negotiations to obtain some concession that might empower us to sell some of our surplus goods abroad.

Mr. President, one of the objects of this whole measure is to furnish to the President an instrumentality by which he may combat the governments which are sitting day and night in an effort to obtain reciprocal trade agreements for their benefit and against our trade and against our commerce.

Since the 1st day of January 69 reciprocal trade agreements have been entered into between the foreign countries of the world. If we put into this bill a provision that every agreement must come back to Congress, we shall not get any results. We all expect Congress to adjourn in anywhere from a week to 3 or 4 weeks. Then we shall be away until January, and these agreements will have to wait. How can the representatives of the Government guarantee that the Congress will approve whatever they do?

Mr. President, this bill gives to the President for 3 years the power to build up our trade and our commerce. It is an extraordinary power, but it is one of the steps on the road to recovery. We cannot get anywhere, however, if we shackle the President and require that these agreements shall come back here for approval.

This is not the first time we have done what is proposed in this bill. As has previously been pointed out in the debate, in the Dingley bill, under the leadership of the Republican Party, there was written into law such provision. In the McKinley bill, under the leadership of the Republican Party, the President was given power to negotiate trade agreements without coming back to Congress with them for approval.

The record shows that under the provision which gave to the President the power to negotiate reciprocal trade agreements, without the necessity of bringing them back to Congress, he did negotiate many of them to the advantage of this country, and in other instances where the trade agreements or the treaties had to come back to the Congress, not one was ratified by the Congress.

I submit, Mr. President, that if we are to pass this legislation, we should not pass it with this amendment included in it, because the amendment would destroy its effect. It would mean no legislation at all if the agreements had to be brought back to the Congress, and only those Members of the Senate who are opposed to the proposed legislation are voting for this particular amendment, because they know what its effect would be.

Mr. VANDENBERG. Mr. President, the Senator from Mississippi sums his entire appeal against this amendment in his prayer that there shall be no shackles upon the use of this extraordinary, tyrannical, dictatorial power over the life and death of American economy. He unfortunately concentrates upon the word "shackles." He pleads that Executive authority be unshackled, and that the Congress instead shall assume and wear these bonds.

Mr. President, it strikes me that legislative government, under this new dispensation, is gradually ridding the Executive of so many shackles, if that be the correct descriptive word, that there is precious little ordered democracy left. Is there no point at which this sinister trend shall cease?

At the other end of the Capitol the rulers have gotten rid of all their shackles within the last few days and have put deliberative government in chains. Here in this body our managers have gotten rid of most of their shackles, under this unanimous-consent agreement, to such an extent,

indeed, that the distinguished Senator from California was unable even to speak to his own amendment this morning, under the throttling process through which we now operate. There are still shackles, but they are chiefly worn by Congress—and the people.

Shackled! When we tried to ask for public hearings ere a sentence of death should be passed on American industry or agriculture under the terms of the pending tariff bargaining bill we were told that we must not shackle these tariff manipulators, who, behind closed doors, are proposing to deal as they please with industry and agriculture under the flag, deciding for themselves what commodities are entitled to survive and what shall be marked for slaughter. Nothing said about the rights of American labor and American agriculture and American commerce. Shackles for them. But, oh, we must not shackle our overlords!

When we asked to see the so-called "Colombian bargaining treaty"—which is supposed to be a model for the type of tariff agreement which we are here authorizing—we were told that the fact may not be disclosed. Shackles for the Senate—and the treaty power which the fathers and the founders gave it 140 years ago! No shackles for the State Department and the extra-legal executive policy committee which is now to exercise our tax and treaty powers.

When, in perfecting this tariff bargaining bill, we asked provision for notice to the American commodities affected, we were told that this would shackle the operation of this bargaining process in which our bright young men are to undertake to try their untried wits with foreigners who have been experts in this bargaining business for the last 15 years.

Every time any proposal is submitted which undertakes to bring even a modicum of textual protection back to the men and women and the workmen and the farmers of this Nation who have their all at stake in respect to the operation of this tariff process we are told that there must be no shackles. Strange language in a republic. Amazing apostrophe in a democracy. And this was once a government of laws rather than of men.

Mr. President, I think it is about time that there were a few shackles restored to our administrators in the name of elementary constitutionalism. It is time to stand fast for some essential fundamentals of American tradition and of the American system. Restraints, under that system, are intended for the masters. Zeals, under that system, primarily defend the common freedom of the throng.

We need a few shackles upon the exercise of tariff powers by one man who has the entire destiny of America in his hands when he exercises that power. As has been well said, such power should not be wanted by a good man, and should not be allowed to any other. This, in theory at least, is still the Republic.

What is democracy, if it does not involve a few "shackles", to use the tell-tale word of the Senator from Mississippi—shackles upon the exercise of dynastic, dictatorial power that can wreck those who may be the victims of its exercise?

How long has it been since we have had to rid high authority of all shackles under the American flag in order to persist and progress? Thus does Mussolini and fascism. Thus does Hitler in Germany. But this, I repeat, is the United States.

I rise in complete accord with the amendment submitted by the Senator from California. You have denied us a chance to be heard in public with respect to these contemplated tariff changes. You have denied us a chance to have the affected commodities dependably notified ere a death sentence shall be passed upon them. You have denied us a chance to exempt agriculture, although you tell us that nothing is going to happen to agriculture. You deny us a chance to put a single, solitary protecting word in this legislation, and then, because a final exercise of the fundamental, traditional, constitutional power of the Senate of the United States is submitted by the Senator from California, you tell us we must not put shackles upon this economic dictatorship.

Mr. President, it is in the name of just one last, lingering shackle in behalf of democracy that I support the amendment submitted by the Senator from California.

Mr. O'MAHONEY. Mr. President, I think I may not be counted as one of those opposed to the pending legislation. Quite to the contrary, I believe in the bill and I shall support it.

This measure is probably the last barrier between this country and a thorough-going policy of economic isolation. It may be that such a policy is inevitable and wise, but the history of the world has been the history of the development of international trade. Before we turn aside from this history and embark upon a new course we should make at least one effort to revive our foreign trade. Only by clothing the President with the power prescribed in this measure can that be accomplished.

That the President will use the power wisely, for the benefit of all our people, I am sure no one will deny. Efforts to arouse fears will fail. Efforts to divert attention from the terms and purposes of the bill and to embarrass its supporters will likewise fail. All the energies of the President have been directed to improving the condition of our people and particularly to improving the condition of those engaged in agriculture. Their faith in him will not be disturbed.

I cannot, however, avoid the conclusion that the argument presented by the Senator from California is well founded. As a representative from one of the sovereign States of this Union, I cannot help feeling that the people of that State have the right to have any agreement which may be reached under the provisions of this bill presented to the Congress before it shall become effective.

In harmony with the suggestion which has been made by the Senator from California that he is willing to accept perfecting amendments, I send to the desk an amendment in the nature of a substitute for his amendment.

The PRESIDENT pro tempore. The clerk will read the amendment in the nature of a substitute.

The CHIEF CLERK. In lieu of the amendment of Mr. JOHNSON, it is proposed at the end of the bill to insert the following:

Every proclamation of the President under this act shall be submitted to the Congress while in session, and shall not become effective until the expiration of 30 calendar days after such submission, unless Congress shall by a majority vote of both Houses provide for an earlier effective date of such proclamation: *Provided*, That if Congress shall adjourn before the expiration of 30 calendar days from the date of such submission, such proclamation shall not become effective until after the expiration of 30 calendar days from the opening day of the next succeeding regular or special session.

Mr. O'MAHONEY. Mr. President, I may say that the language of the proposed substitute is practically identical with the language in the Treasury and Post Office Appropriation Act approved March 3, 1933, by which the President was given the authority to merge executive branches of the Government. The President has the right by Executive order to combine bureaus, but such Executive order may not become effective until it shall be presented to Congress.

I can see that under the provisions of the amendment as presented by the Senator from California it would be altogether possible for the Congress, by means of parliamentary procedure, to delay and to kill any reciprocal-tariff agreement, but under the provisions of the substitute which I have offered it would be possible to obtain expeditious action, and any effort, by filibuster or otherwise, to kill a reciprocal agreement would be ineffective, because the agreement would become the law of the land at the expiration of 30 days.

Mr. HARRISON. Mr. President, will the Senator yield to me to ask a question before he takes his seat?

Mr. O'MAHONEY. Certainly.

Mr. HARRISON. Suppose the amendment offered by the Senator should be adopted and Congress should adjourn on Saturday next, and that an agreement should be negotiated;

would there be any way of putting it into effect before Congress met at the next session?

Mr. O'MAHONEY. Not until Congress came into regular or special session.

Mr. HARRISON. In other words, no matter how beneficial the proposed agreement might be to us, no matter how many other countries should enter into agreements against us, the United States would be deprived of any opportunity to benefit; we would have to wait until the next session of the Congress, in January, and then 30 days after that.

Mr. O'MAHONEY. I may say that that is a defect which is inherent in democracy.

Mr. DICKINSON. Mr. President, I should like to inquire of the Senator from Wyoming whether or not this amendment means anything except that the President would have to make a report to Congress. It does not say that any agreement would have to be approved by Congress; it does not say it would have to be disapproved. What would be the effect of the amendment?

Mr. O'MAHONEY. Clearly the effect of the amendment would be, I think, that Congress would have an opportunity to disapprove any agreement, if it so desired, just as it may disapprove any Executive order relating to the merger of branches of the Government. That is the general interpretation of the provision upon which it is modeled.

Mr. DICKINSON. The amendment provides that it "shall not become effective until the expiration of 30 calendar days after such submission unless Congress shall by majority vote of both Houses provide for an earlier effective date of such proclamation."

I do not believe it is implied by that language that the Congress would have the right to refuse, or would have the veto power. As a matter of fact, I do not believe the amendment means anything except that we would have a report from the President on the proposed agreements for 30 days before they became effective. That is all it means.

We ought to do what the Democratic Party did during the consideration of the 1930 tariff bill, namely, insist that any agreement must be submitted to Congress for approval. I remember the Fletcher amendment, which was offered as a substitute for the Smoot amendment. In that amendment the very declaration was that Congress should retain its legislative right to control tariff schedules, and that no agreement should be made which should not have the approval of the legislative body.

I think we ought to consider where is this leading. Representative TREADWAY made this statement on June 9, 1933:

> Another proof of the fact that the present tariff law has had little or nothing to do with the decline in foreign trade lies in the fact that the value of imported merchandise which is free of duty continues to be two-thirds of the total value of all imported merchandise. If the tariff act were operating to prevent the importation of foreign products, the decline in dutiable articles would naturally be greater than the decline in free merchandise. Instead the ratio between dutiable and free goods remains practically constant.

I think there is the best proof that we shall not be able to get any agreement which will be beneficial by virtue of the adjustment of the tariff act as suggested in the pending bill.

Then we come to the decision: Do we want to give the President the right to negotiate all trade agreements without any review on the part of the representatives of the people in Congress? Are we going to continue representative constitutional government or are we going to delegate all our authority to the Chief Executive?

It is said: "Oh, we are going to do this for 3 years." Those who say that it is for 3 years will find they will have trouble in ever retracing the step they are about to take. If there was a mistake made, as was suggested by the Senator from Maryland the other day, it was probably due to the fact that we went further than we should have gone with respect to the adjustable provision of the tariff act. However, we have taken that step. As I said then, I say now, if it is a question of whether or not we shall advance to the point where we shall give the President supreme power or go back to the point where we give him no power at all, I desire to go back where we retain all the power instead of transferring more of it to the Chief Executive.

The theory that we shall sacrifice our economic interests in making trade agreements is wrong. Let me suggest why. Even though most of the countries of the world have their tariff authority centered in the head of the government, it will be found that we are maintaining our international trade today on the same parity and about as well as any other country in the world. Therefore, in what we are doing now we are running the risk of ridding ourselves of all this authority, and, in my judgment, we are also running the risk of the Chief Executive's becoming inveigled into some trade agreements which will not be to the benefit of the public in general. In other words, we are taking a step here which, in my judgment, is the longest step we have ever taken in the destruction of that representative constitutional government in which we have taken such great pride for all these years.

Another thing which has been mentioned is what other countries have done. In Mr. TREADWAY's speech on June 9, 1933, he quoted from the Tariff Commission, as follows:

> At this moment, when so many countries are maintaining emergency tariff rates and trade barriers, care must be taken to avoid the possibility that the United States would obtain in return for its tariff concessions only the abandonment of measures too cumbersome and oppressive, and of tariff rates too high, to outlast the depression. For example, the tariff rates imposed by certain European countries on wheat as measures of price stabilization and to save their producers from the effects of the abnormally low price of the commodity will inevitably be reduced if and when there is a substantial increase in the world price for cereals; and reciprocal tariff agreements by which concessions were made in return for the reduction of such temporary duties might mean the grant of valuable concessions in return for totally illusory concessions.

In other words, most of the nations of Europe today are in a position to negotiate tariff agreements, having padded their rates before they begin their negotiations. My judgment is that the Johnson amendment, which would exempt the agricultural schedules from the provisions of this bill, is an all-important factor. Why? Because the great majority of the countries with which we are going to trade are producing a surplus of food products, or raw materials, and they are the ones that are going to seek agreements whereby they will come in and attempt to absorb our markets. Yet here we are, men representing agricultural States, voting to hold the agricultural schedules within the control of the provisions of this proposed law, when, as a matter of fact, I should say the chances are 9 to 1 that there will be no possibility of a trade agreement for the benefit of agriculture, and every possibility and probability—a 10-to-1 chance—that agriculture will lose by any trade agreement which can possibly be worked out.

It is my judgment that if the amendment of the Senator from Wyoming should be adopted, the whole bill should be defeated; but, on the other hand, if it is to become a law, certainly we ought to see that there should be provided some review of proposed action by Congress on these various schedules.

I notice now that although the strongest advocate of free trade and of tariff for revenue only, and of a competitive tariff—the Democratic Party has been in control in the House for over 3 years, and in control of the Senate for more than a year, yet to the present time there has been absolutely no suggestion that we should revise any tariff schedule downward. The only contention made before the Senate, and also made before the Ways and Means Committee of the House was that the purpose of the Democratic legislation was to make tariff rates lower. It was so confessed by the Senator from Tennessee and so testified by one of the members of the Ways and Means Committee from the State of Missouri in the House hearings. Therefore, if we desire lower rates, and if the commitment of the Democratic Party is for lower rates, let us have a revision of the tariff and have lower rates. But let this not be a "pig in the poke" transaction whereby the State Department and its great executive-policy committee, and the Executive shall have the

right to do what they please, regardless of what interests are affected, and not have anyone know anything about their dealings until after those dealings are entirely concluded. To me it is the most offensive thing that we have had confronting us since I have been a Member of either House of the Congress of the United States.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

RECIPROCAL TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Wyoming [Mr. O'MAHONEY], in the nature of a substitute for the amendment of the Senator from California [Mr. JOHNSON].

Mr. McNARY. I suggest the absence of a quorum and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Robinson, Ark.
Ashurst	Couzens	Kean	Russell
Austin	Cutting	Keyes	Schall
Bachman	Davis	La Follette	Sheppard
Bailey	Dickinson	Lewis	Shipstead
Bankhead	Dieterich	Logan	Smith
Barbour	Dill	Lonergan	Steiwer
Barkley	Duffy	Long	Stephens
Black	Erickson	McCarran	Thomas, Okla.
Bone	Fess	McGill	Thomas, Utah
Borah	Fletcher	McKellar	Thompson
Brown	Frazier	McNary	Townsend
Bulkley	George	Metcalf	Tydings
Bulow	Gibson	Murphy	Vandenberg
Byrd	Goldsborough	Norbeck	Van Nuys
Byrnes	Gore	Norris	Wagner
Capper	Hale	Nye	Walcott
Caraway	Harrison	O'Mahoney	Walsh
Carey	Hastings	Overton	Wheeler
Clark	Hatch	Patterson	White
Connally	Hatfield	Pittman	
Coolidge	Hayden	Pope	
Copeland	Hebert	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. FESS. Mr. President, I am convinced that we ought to take affirmative action on one or the other of the amendments which have been submitted. I prefer the amendment offered by the Senator from California [Mr. JOHNSON] as proposed to be amended by the Senator from Washington [Mr. DILL] to the amendment in the nature of a substitute offered by the Senator from Wyoming [Mr. O'MAHONEY]. I do not think the substitute means anything because it requires affirmative action within a certain time else an agreement which has been negotiated becomes effective. Anyone can see that if a particular group in the Congress desire to make a trade agreement effective they could very easily prevent a vote coming within a certain day. For that reason I think the substitute has an element of weakness.

Mr. President, the Senator from Mississippi [Mr. HARRISON] has again reiterated the suggestion, which has been made here often, that this proposed legislation is not new; that similar legislation was contained in the Dingley bill and also in the McKinley bill. Of course the Senator was not really in earnest when he made that statement because such authority as is here written was not in either one of those laws. All that was suggested in those laws was that certain power be given to the President under provisions which were written by the Congress limiting the President in his operations, and, of course, where power is delegated with limitations imposed by the delegating authority, and the administrative officer is held within the limits of that authority, that does not approach what we are proposing to do here. Yet the provisions in the acts referred to, containing those limitations, seem to be considered as affording a precedent, although they cannot possibly stand as a precedent for this unprecedented proposal.

Some of us 3 years ago when the flexible-tariff provision was under consideration suggested that there might be some question as to the extent of the authority granted, even going as far as it did, and some of us, including many on this side of the Chamber, voted for the provision with some reluctance because of a disinclination to give too much authority to the President in legislation on the tariff question. However, we laid down the limitation upon which the President could act under the flexible provisions of that law.

The first limitation was that such action had to be taken upon the basis of a finding that was made by a nonpartisan body created for that purpose; and, secondly, the nonpartisan body's finding had to be within the limits of the law written by the Congress when it gave the authority. Far from that situation, as to which even then there was some question as to whether or not the power should be given, we have here a proposition to confer unlimited authority, which requires no guidance from the Congress, which in no way designates the course which the President must pursue in his findings, and which makes no provision that the difference between the cost of production in the two countries is to be considered. All that is eliminated in this proposed legislation. It is desired to give the President the absolute authority not only to deal with individual tariff items but to determine what the tariff policy of the Nation shall be, although it has always been conceded, and never before has a proposition to the contrary been introduced here, that the policy-determining function lies in the legislative department of the Government and the Executive is limited to administering that policy as fixed by the legislative department. Here, however, we are proposing to pass the power of policy determination to the Executive, who is the administering officer, and to make him the policy-determining authority and also the administering officer. No such effort, so far as I know, in the history of our land has ever before been made.

When we ask why we should be requested to do such an unheard-of thing, the answer is given, "This must be done speedily; if we put the power in the Congress it will delay the proceeding." When we ask, as in the case of the administration of the present flexible provision of the tariff law, that there be hearings and that such hearings shall be open and public, in order that people who are interested may be heard, we are answered, "No. If there be public hearings we shall defeat our purpose; such hearings must be secret."

Mr. President, it is an old saying that men choose darkness rather than light because their ways may be such as that the light would interfere with them. What is it we want to have the President do that cannot be done in the open?

What is there in this undertaking that it has to be executed in the darkness? Why should the public be shut out from it? Why should there be no hearings in cases where the public is interested? The answer is, Mr. President, that such a course will delay action. The unbroken precedents of history show that wherever speed has been resorted to, it would have been better to have left undone that which was done and which would not have been done if time had been taken to consider the question. There can be no good purpose interfered with by taking time, for if taking time will defeat what ought to be defeated, taking time is justified; and if taking time will defeat what should not have been defeated that condition may be remedied in time; but if we do not take time, and thus do that which ought to be defeated and would have been defeated had time been taken, then it is too late. But the claim on the part of the advocates of the measures of the administration is that they must not be interfered with; that the Executive must not be hindered; that he must have authority to act quickly and in the dark and not take the people into consideration. This, to me, is the most undemocratic measure that we have ever had proposed to this body or to any other body. There is no good that can be frustrated by taking time, and any purpose which ought to be frustrated will usually be frustrated by taking time.

I want to say to my friends that the contention that the speed which is now sought is necessary and that what is proposed to be done must be done within the 30 days or America is gone is silly. America has lived for more than 150 years and will continue to live. The passage of this bill must not be considered as the only condition by which the Nation is going to survive; we will survive if we shall not pass it; and I say that we shall survive and have a more substantial recovery under normal processes and constitutional processes, not with such speed, perhaps, but with the assurance of making no mistake by our taking the necessary time.

So speed is no argument and secrecy is no argument. I think that before the President is given plenary power to do as he likes in establishing a policy involving the many billion dollars of wealth in our country, we ought to provide that whatever action he may take under the bill shall be brought back to Congress to say by a majority vote, "This is all right." If we do not do that, if we impose no limitation whatsoever, we might just as well abdicate, give over the power of Congress to the President, and go home.

The PRESIDING OFFICER. The time of the Senator from Ohio has expired.

Mr. LOGAN. Mr. President, I do not want to take more than 3 or 4 minutes to remind the Senator from Ohio that for 12 years we had Presidents who followed his advice and the advice of those who agree with him. The Senator from Ohio was one of those who was close up to the throne. At the time the Government was taken over by the Republican Party it was in a remarkably fine condition; it was one of the finest governmental machines the world had ever seen. It was well oiled, well painted; every piece was in repair. It had not a single knock anywhere; it was running smoothly. Now, by following the theory of government which the Senator from Ohio has announced of late so frequently, at the end of 12 years the whole governmental machinery had fallen into complete ruin; the Government had been destroyed; and now the Senator from Ohio and the Senator from Iowa, and some of the other great Senators who have seen that happen are insisting that we go back and allow them to give us the same kind of medicine that the country lived on for 12 years, which destroyed the country. It may be that some of us are wrong in trying these new things, as they are designated by our Republican friends, but we naturally just have to take something, as we know that the remedies suggested by the Senator from Ohio will not bring this country back to happiness and complete recovery. The fact is that the theories advocated by these distinguished Republicans are the very theories that brought it to destruction.

Our good Republican friends talk about this measure destroying the business of the country. I should like to ask them sincerely, and I wish they would give me just a plain, honest answer, if they can answer it at all, who, in all the United States, is most interested in the recovery of this Nation? Who is most interested in bringing peace and happiness and prosperity to the people of the United States of America?

The answer is obvious: The President of the United States. Everything is at stake so far as he is concerned. He will be judged in history by what he does toward restoring happiness to the people. To say that it is his purpose or the purpose of his friends to do that which would deliberately bring destruction upon the country is a foolish thing to say.

The people have confidence in the President of the United States, and well they may. His heart is with the great masses of the American people. He loves humanity. He lives according to the law prescribed by the old prophet when he announced that the whole duty of man is to do justice, to love mercy, and to walk humbly before his God. Because the President does that, because he loves the people of America and desires to bring happiness to them, those who are afraid that he might be reelected or that someone who agrees with him and his policies might be elected have started the miners, the sappers, the snipers, in an effort to destroy the confidence of the American people in the President of the United States. I believe they will not succeed because the people have a way of finding out the truth, and they know that Franklin D. Roosevelt, the President of the United States, is their only hope in these dark days. There is no one else who carries the torch which lights the way, and I believe those efforts to destroy the confidence and the love which the American people have for him will not be successful—and they ought not to succeed.

Mr. BORAH. Mr. President, I am not to be considered as antagonistic to the objects and purposes of this legislation. I believe one of the problems directly connected with the question of recovery and of permanent prosperity of the country is the building up of foreign trade. Insofar as it can be done with due regard to domestic interests, I find myself in entire accord with the objective which has been so well presented here by the able Senator from Mississippi [Mr. HARRISON].

In the few minutes I have at my command I do not propose to undertake to weigh the derelictions between the Republican Party and the Democratic Party with reference to granting powers which ought never to be granted to anyone. I do think this measure goes further than we have ever gone before, but I am quite sure it is the logical result of what we have done before. When we began to digress from the well-established rules and principles which had been observed in this country for more than a hundred years and to delegate power which we knew perfectly well at the time we delegated it was a power which belonged to the Congress alone, we set a precedent which would inevitably lead to what we have here in the Senate today, and that is a further extension of the power. When we initiated these unconstitutional delegations of power we left the port and put out to the open sea. We now have neither rudder nor compass. Our only guide is political expediency and each of the old parties justifies its acts by citing a precedent established by the other.

I took occasion to say when the flexible-tariff provision was before the Senate on September 26, 1929:

> If we transfer to the Executive the power we here propose to transfer, when and where shall we halt in our mad and reckless generosity? If we set the pace, what Congress may we hope will have the integrity of purpose, the courage, the patriotism, to stay the craven surrender of power now going on and to put an end to this chronic renunciation of the obligations given to and imposed upon us by the Constitution?

The Democrats are citing the precedents of the past as a justification for the present bill. The next Congress, though it may be Republican, will cite this precedent for another ruthless invasion of constitutional government, and the mad and reckless surrender of our duties goes on apace. I expect to see, if I should live to the time allotted to Moses, in this Chamber a proposal to give the President of the United States the power to determine, under certain vague rules, the amount of income taxes that should be collected.

There is only one thing to do and that is to get back to the Constitution, and live by it and under it until the people change it. These parties which are in power from time to time, which mistake party feeling for constitutional principles, are establishing precedents in this country which they, with us and all others, will see the day they will rue. What both the old parties need is a baptism of constitutional principles.

Mr. President, as I said, I am in favor of building up our foreign trade, but I have a feeling that I want to be present and have a part in the program of building up our foreign trade. It is a delicate program because it must necessarily affect wide interests throughout the country. I feel, as a Senator having certain obligations which I have voluntarily assumed, that I ought not to surrender those obligations; I ought not to put myself in a position where I cannot, if I think it is proper, disagree and effectively disagree with a program of building up foreign trade.

It may be that I would be entirely satisfied with any agreement the President would make. I am perfectly willing to agree with the Senator from Kentucky [Mr. LOGAN] and to agree in all sincerity with the Senator from Kentucky

that the President's motives are of the highest and that he has at heart the interests of the people of the United States. This is not a matter of respect or confidence, it may be a matter of honest difference of opinion, and I know of no reason why I should surrender all power to express by vote an opinion of what I think is to the best interest of the people of my State and the country at large. There is a wide divergence of opinion when we come to dealing with a question of this kind as to how we may effectively serve the people of the United States. Why should I put myself in a position where I would be powerless to protect my constituents? I have been selected by them and they knew the obligations which devolved upon me when they selected me. If I surrender those obligations, abandon the duties which are imposed upon me, how am I to protect the interests of my constituency in case their interests should be involved? What right, legal or moral, have I to put myself in a position where I cannot serve them?

We are informed there is a treaty now lying somewhere about the State Department dealing with Argentina and Brazil. Argentina has very little to send into this country except that of which our people produce a surplus.

Let us suppose this treaty did provide for a larger importation of beef into this country, either on the hoof or slaughtered, and my people should feel greatly injured, as they would be, by such a treaty. Where would I be, a Senator of the United States, to whom the taxing power in part has been delegated by the Constitution? Where am I when my constituency call upon me to act? I am powerless. I have surrendered my power. I have delegated it to another. I am voiceless and I am voteless to protect the people of my State. I have no language to express my abhorrence of such a proposal.

It is not a question, sir, of the good intentions or high motives of the President of the United States, but I claim for myself individually some knowledge of the affairs of my State which it is impossible for the President of the United States to possess. If my constituency telegraph me or write me or ask me to present their cause and to present the facts as they see them, I should not have surrendered my power to do so. It is that against which I am inveighing.

I say that these treaties are now in the State Department. We all highly respect the Secretary of State, a cultured, high-class, patriotic citizen. But his views and my views upon many of these questions, his views and the views of my constituency upon many of these questions, are wide apart. Let us suppose that in writing the treaty with Argentina he has seen fit to incorporate in principle what he said here upon the floor of the Senate some years ago. He said:

> I agree now to pay $500 to any charity, if any impartial group of unbiased economists to be selected should not find that the tariff injuries as a whole to the producers of these 8 staple products are not 3 to 5 times greater than the tariff benefits.

I have no doubt that he would execute these treaties in accordance with his convictions. He is a man of convictions. When he does so he may leave the cattle grower, the wool grower, the pea grower, the bean grower of my State utterly unprotected. He may not, but he may. If he does, where is the Senator from Idaho? Powerless. He has surrendered all power to protect the people who selected him for the position which he now holds.

Mr. President, I noticed a few days ago, in one of the addresses in the West, that Mr. Wallace—another gentleman who undoubtedly will have much to do with this matter—said that there were many industries, some of them agricultural, which were living practically upon a bounty from the people of the United States, inefficient industries. That may be true; but, as a Senator, I want to be present when it is determined whether or not it is true. I do not want to have surrendered all the power I have to say to Mr. Wallace, "I disagree with you. My people disagree with you. We think you are mistaken"; and I ought to be in a position where I can do what I do effectively.

That, Mr. President, is what we are called upon to do—not to disparage the integrity of purpose of the President of the United States but to retain unto ourselves the responsibility and the power given to us under the Constitution, which our constituents expect us to exercise, and no more.

Sometime ago we had before us legislation with reference to sugar, a matter of very great concern to the people of my State. There is not a Senator here who knows the facts about that matter who does not know that had the administrative authorities had their way the sugar industry in the West would have been doomed. It was so declared in plain language. It was thought to be an inefficient industry; but by reason of the fact that there were a Senate and a House where the voices of the respective Members counted, the program was so changed as at least to give the sugar producers a chance for existence. Men representing the Government appeared before the committees of Congress and coolly, rather indifferently, and with that solemn assurance so characteristic of a man learned in theory but illiterate in wisdom, declared that the sugar industry must be permitted to die; that it was not efficient and could not exist without doing violence to the integrity of that economic world which never existed, and never will exist, except in the fertile fancy of some restless dreamer. No thought was given to the thousands of farmers who had spent a lifetime almost in making the industry a success, and whose very success gave the lie to theory. No thought was given of what was to become of these bankrupt farmers after the theorists got through with them. Had the power been given or had the power existed, this industry would have been destroyed by these theorists.

We are told that all this takes time and that we must act with great speed. It is said that we cannot wait on the cumbersome, slowly moving machinery set up by the framers of the Government, but that we must adopt a wholly new plan in order that we may act secretly, speedily; that we may go forward with serene, cheerful promptitude. In the interest of speed, of haste, the lawmaking and treaty-making powers of the Government are to be set aside. But when you are imposing taxes, when you are framing a customs policy which may seriously affect the physical and economic well-being of millions, it is not so much speed that we need as accuracy, not so much haste as justice, not secrecy but open, candid hearings and interchange of views. These things are essential that substantial justice may be done.

The PRESIDING OFFICER (Mr. CLARK in the chair). The time of the Senator from Idaho has expired.

NEED OF PROTECTION FOR THE FARMERS

Mr. LONG. Mr. President, if I may be permitted just to follow up what the Senator from Idaho has said about sugar, I will do so briefly. I had not intended to take the floor had not his time expired.

It was declared by the Department of Agriculture, as I read the testimony before a House committee, that they regarded the sugar industry as one of those existing on a bounty. I desire to say to my friends on this side of the Chamber that they are living in a false sense of security if they think the bill recently passed protects sugar. It does not. There is ample authority in the bills which have been passed for the tariff on sugar to be changed by treaty or by classification. Further, this is the last enactment of Congress, and previous enactments of Congress must yield to what is contained in this measure.

Mr. President, the Secretary of Agriculture, brilliant as he may be, could not have been elected to represent the sugar growers of my State nor the sugar growers of the West. His views on agriculture are not shared by the American people who are affected by this proposed legislation. The sugar industry has been given a great deal of attention only in a disparaging way by the supposed to be free-trade advocates. Sugar in this country at one time sold for 30 cents a pound. It now sells for 5 cents a pound. Protected sugar sells for a nickel a pound. Unprotected sugar sold for 30 cents a pound in the United States.

When the sugar tariff had been taken off and sugar production in this country had been left to the mercies of foreign competition, America, with a destroyed domestic sugar

industry, saw sugar go from 5 cents a pound to 30 cents a pound. With the tariff that now prevails on sugar in America, sugar sells in the United States cheaper than it does anywhere else in the world. Sugar sells here in America today cheaper than it sells in any other place in the world today; why? Because America has kept a domestic sugar industry alive in the United States, and it has grown by leaps and bounds, with the beet-sugar industry of the West, to a point where, if this protection should remain, America soon would be on a self-sustaining basis; and America needs to expand its sugar crop. It is one of the commodities for which there is a domestic need; and if America has a trade agreement entered into with regard to sugar—which is altogether possible, and I might say probable, under this bill—it means, not that the people will buy sugar for 5 cents a pound but that it will go on toward the 30-cent mark that they paid before when sugar had no protection.

My State is a sugar State. It is a lumber State. It is an oil State. It is a cotton State. It is a pepper State. While for a number of years in that State we were divided on the tariff question, we have come to know that we must have a tariff on everything we have there.

Now we are told that we must entrust this bill into the hands of bureaus which are to decide in secrecy, which are to make their trade agreements without consultation with us, which are to levy whatever kind of life or death they want to levy against our industry, and not one word about it can be heard from us. Let no man sitting here be secure or sanguine but that he is voting into the hands of the Department of Agriculture the power to destroy the wool industry, the power to destroy the sugar industry, and the power to destroy many other industries of this country that are living by tariff protection.

Pepper has to be protected from the pepper of Mexico and of other tropical countries. Fruit has to be protected by a tariff in order to live. Walnuts, almonds, and all such products as California raises have to be protected by a tariff in order to live. If America today votes to enact this bill, which it is going to do, and places in the hands of the bureaus of this country the power to destroy these tariffs or to weaken them, let no man be misled as to what he is voting for, because we are voting authority here today to destroy the tariffs on sugar and on wool and on other agricultural commodities.

Somebody wonders why the wool market is going down. There is no reason why anybody should be puzzled about that.

Mr. LOGAN. Mr. President, will the Senator yield to me for just a moment?

Mr. LONG. I yield to the Senator from Kentucky, though I have only 10 minutes.

Mr. LOGAN. If a tariff on sugar makes sugar sell cheaper in the United States than anywhere else in the world, why would not a tariff on wool make wool sell cheaper?

As I understand the argument of the Senator, it is contradictory. He says if we put a tariff on sugar, sugar sells cheaper; but if we put a tariff on other things it makes the other things sell higher. Does not the Senator know that a tariff has but one purpose, and that is to make the product which is manufactured in our country, and sold in competition with the product of foreign countries, sell higher than it would without a tariff?

Mr. LONG. I am very glad to answer the Senator. His question shows the goodness of heart of the Senator, and his lack of understanding. [Laughter.]

Sugar, outside of America, is dominated by monopolies. Wool is not. In the foreign field, the sugar industry is controlled by a monopoly, a trust; and when they have control of the sugar market, when the competition of the industry, which is independent in America, is wiped out, sugar goes sky-high. There is not the same monopoly in the control of the foreign-wool industry as there is in the control of the foreign-sugar industry.

Having answered that question to my friend from Kentucky, and realizing that my answer will not convince him or change his vote a bit on earth, I pass on, as I have only a moment's time.

There is, however, a reason why protection should exist. In the long run, may I say, if we were to leave the domestic-wool industry at the mercy of foreign competition, a monopoly in wool might develop to a point where wool domestically would be higher than it is with a tariff to protect it. In the long run it probably would reach the same situation that sugar did. Sugar reached exactly that position. Here were our friends over there with their tongues hanging out, saying that they were going to give the baby cheaper sugar. They had a sign on every barrel of sugar that went to a grocery store, "Wire your Representative and your Senator to vote to take the tariff off sugar. If you do, sugar is going to be 2 cents cheaper." We went ahead and did it, and instead of going from 5 cents down to 3 cents it went from 5 cents up to 30 cents.

That does not mean anything to a free-trader. He cannot see it. He is just as blind as a mole. He cannot understand it, and never will understand it; but that is exactly what happens whenever we subject the domestic competitive market to a monopoly.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. LONG. I yield, though I have only just a moment.

Mr. BLACK. Neither can he believe it.

Mr. LONG. My friend from Alabama is hard to understand, and I refuse to hire an interpreter.

Mr. BLACK. The Senator stated that the gentlemen who were opposed to that could not understand that theory, and I said, neither could they believe it.

Mr. LONG. I must be dense, for I did not understand the Senator. I can understand how the Senator cannot believe it. No, Mr. President, they cannot believe it. They cannot see it. Right over there in Alabama, the State near to me, they get their sugar quite often from us. One time they had a tariff, and they got it for a nickel a pound. The next time they did not have a tariff, and they paid 30 cents a pound; but they cannot understand the difference. That two bits a pound difference did not mean a thing in the world to them. They still believed there was just something out of place about it; and yet, with 500,000 families in this country dependent upon the sugar industry of this country today, and millions of people dependent upon the wool industry today, millions of people dependent upon the farm and agricultural tariffs that prevail as well as the industrial tariffs, the sword of Damocles is to be put over their heads every minute and every hour of the day. One ipse dixit, one sweep of this dictatorial power, one bureaucratic order, and the industry fades as the morning comes.

That is what we are voting for today. Let us understand it. Some man may come back here next winter with his industry destroyed. We are doing it here today. This is the bill and this is the vote which can accomplish the defeat and the destruction of these domestic enterprises.

Mr. BARBOUR. Mr. President, some time ago I offered an amendment in the nature of a substitute for section 4, but I shall not call it up, because the subject matter of that amendment has been very largely covered in most respects, and certain provisions have actually been voted upon, and I do not want to cover the same ground twice.

As a matter of fact, I would much prefer to have section 4 entirely eliminated. I think it attempts to offer a security which is not in fact any protection. I think the impression it seems to convey is false in many respects, and I believe the bill would be a much more honest bill, and would reflect more accurately what the proponents really mean, if that particular section were entirely eliminated.

However, there is one feature which I did have in my amendment which has not as yet been touched upon, and which I think has merit and must be of interest to the Senate. With that in mind, I send to the desk an amendment, and ask to have it read.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The clerk will read.

The LEGISLATIVE CLERK. On page 6, line 10, after the word "designate", it is proposed to insert the following words:

At a public hearing, said hearing to be public unless the President shall determine and declare a public hearing is not in the public interest and.

Mr. HARRISON. Mr. President, is the Senator offering that as an amendment to the so-called "Johnson amendment"?

Mr. BARBOUR. No; I am just having the amendment read at this time. I will call it up for a vote later.

Mr. HARRISON. The Senator from New Jersey understands that an amendment is now pending?

Mr. McNARY. Mr. President, the Senator from New Jersey understands that there is pending an amendment offered by the Senator from California. The Senator from New Jersey is offering his amendment to be read only, and he desires to comment upon it now.

Mr. BARBOUR. Mr. President, a great deal has been said about restricting the power of and interfering with the President of the United States. It is said that he must not be expected to give notice of hearings, that the whole matter of who is to be affected or what is to be effected must be kept in the background, must be kept in the dark in order to enable him properly to consummate these proposed treaties.

The only effect of my amendment would be to provide that there should be public hearings in each and every case, except when the President declares it is not in the public interest to hold such public hearings. The President would not be tied in any way, he would not be interfered with in any way, but he would have to give any interested party the benefit of a public hearing or he would have to make the declaration that it was not in the public interest to hold such a hearing.

Mr. President, I believe that industry, and those interested in industry, are entitled to hearings.

Mr. HARRISON. Of course, the Senator appreciates the fact that under a provision already adopted the President would have a right to have a public hearing, if he so desired, under rules and regulations to be provided.

Mr. BARBOUR. I appreciate that, but——

Mr. HARRISON. That is exactly what the Senator is getting at.

Mr. BARBOUR. No; it is not; I disagree with the Senator, if he will permit. I feel that under the present provision there will be no public hearings in any case. Even should the amendment I am suggesting be adopted, there would probably be no public hearings either, but at least the President would have to declare in each instance that a public hearing would be against the public interest. That, after all, can be the only reason for withholding a public hearing, anyway.

I shall not take more time in debating this particular question. I think the amendment is pertinent; I think it is fair; and at the proper time I shall want to have a vote on it, and I will ask for a vote on it at the proper time.

Mr. BONE. Mr. President, I have no desire to participate in the debate at this point, but a remark by the Senator from Louisiana [Mr. LONG] about the price of sugar directly after the war interested me very much. The Senator stated that right after the war the people of this country were compelled to pay about 30 cents a pound for sugar.

If my recollection serves me aright, sugar was then being rationed to the people of this country at about 20 cents a pound. The records indicate that at the time the people of this country were being sweated for that frightful price the Government had on hand 22,000,000 pounds of sugar, which it elected to sell to the French Government for 2 cents a pound, instead of selling it at a reasonable figure to the people of this country

There was no occasion for the high price of sugar which the Senator from Louisiana has mentioned, for there was in the possession of the Government this great mass of sugar, 22,000,000 pounds, which could and should have been used at that time to break the strangle hold of the Sugar Trust and smash the price being gouged out of the people of this country. There is no answer to that argument. The Government had the sugar. The price which the American people were paying was an outrage, and this outrage was then being visited on the people of this country because the Government itself permitted the crime. Sugar tariffs had nothing to do with this story of loot. It was merely another example of how the people are trimmed to enrich manipulators in the necessities of life.

Mr. CAPPER. Mr. President, before casting my vote for the pending measure, which is to grant for a limited time certain limited powers to the President of the United States to enter into reciprocal trade agreements with foreign nations, through use of the flexible tariff provisions of the act, I desire to state briefly my reasons for so doing.

Years ago, probably during my school days, I was much interested in the story of a young ruler named Alexander. The story went, as I remember, that there was a knotted rope in a temple which no man had ever been able to untie or unravel. The prize from the gods to him who could undo the knot was power. Alexander, it seems, looked at the knot, tested it once or twice, then calmly drew his sword and cut the Gordian knot. Later he conquered the then-known world.

Mr. President, I am a firm believer in the protective tariff. But it has seemed to me ever since we enacted the latest tariff act—and I voted for that measure very largely because it contained the grant of some flexible tariff powers to the Chief Executive—that the United States has a Gordian knot to undo in the matter of interference with world trade by tariffs, quotas, embargoes, and similar trade restrictions.

I do not agree with those who maintain that the high-protection tariff policies of the United States are the sole or even the principal cause of the stagnation of world trade. There are many causative factors, which it is not necessary to discuss at this time. But there is little doubt in my mind that no matter what those other causes are, no matter to what extent they might be removed or modified, the world-wide prevalence of high tariffs, quotas, embargoes, and similar trade restrictions stands in the way of a substantial resumption of world trade.

There was a time when we stood alone among the great nations of the world in respect to a high-proective tariff policy. Today the world has adopted that policy. World trade is effectually stifled. One of our problems is to make possible a revival of world trade.

Theoretically this Nation is in better shape than any other great nation to become self-sufficient. But the price we would have to pay, in the shape of control of production, regimentation of agriculture, industry, and people is dreadful to contemplate. It is not only dreadful to contemplate; it seems to me practically impossible of accomplishment. So in deciding what to do on this question, I am taking the position that it is desirable to revive world trade.

The traditional way of changing our tariff schedules is through Congress rewriting the tariff act. I am not enough of a constitutional lawyer to argue with those who maintain that the only constitutional way is for Congress itself to agree upon each and every item in the tariff schedules. I do not agree with them, but I have no hope of converting them. So I am not going into that phase of the matter from a legalistic point of view, except to remark that always the Constitution is the last refuge of the obstructionist.

I am even willing to admit that back in the eighties, when James G. Blaine was advocating reciprocal tariff agreements to retain our even then lagging farm-export trade, the job could have been done by Congress. The rest of the world was not on a similar high-tariff basis; nor had the other countries of the world given to boards and councils and executives the power to change tariff schedules overnight.

I am even willing to admit that a decade later, when President William McKinley, at Buffalo, a few minutes before he was assassinated, advocated reciprocal trade agreements and the use of the tariff to stimulate world trade, that was a job which conceivably Congress might successfully have undertaken.

But today, Mr. President, we face a much more difficult situation. Indubitably, if we continue our present high-tariff rates, the other nations of the world will keep their high-tariff rates, and perhaps erect even additional barriers against us. It seems to me equally evident that if the United States reduces its tariff walls on its own, our markets will be swamped with a devastating flood of foreign goods, without any compensating foreign markets for any of our own products on equitable tariff terms.

It seems fairly obvious, then, that if world trade is to be stimulated and our own export trade is to be revived by means of changes in tariff schedules, reciprocal action by ourselves and other countries involved is absolutely necessary; and it looks to me as if that means the result will have to be obtained by negotiated reciprocal-trade agreements.

In passing, I might say that I am not one of those who believe that through this legislation, and through the use of its powers, our export trade is all going to be restored; I am only hopeful that it will be helped. We will be better off with the President exercising these powers, in my judgment, than we will be with no power vested anywhere to enter into such agreements and make the agreements promptly effective. It is my information, in this connection, that in the last 3 or 4 years those countries which are in a position to use, and which have used, the trade agreements have done a much better job of regaining their export trade than we have. In fact, I am told that 8 or 9 of the 11 large countries which have entered into such agreements actually have increased their exports over 1929, while ours, as everyone knows, have dropped tremendously.

Mr. President, as I stated before, the traditional way to rewrite the tariff laws is for Congress to revise the tariff schedules. But if reciprocal-trade agreements are to be negotiated, it does not look as if Congress, from the practical viewpoint, is qualified, or even able, to undertake the task. These agreements will have to be negotiated by some agency of Government with certain bargaining power, and, after canvassing the situation in my own mind, the executive branch of the Government seems to be the only logical agency.

As a matter of fact, if the job is only to revise the tariff schedules, if bargaining with other nations is left out of the picture, our experience in writing tariff legislation, particularly in the post-war era, has been discouraging. Trading between groups and sections is inevitable. Logrolling is inevitable, and in its most pernicious form. We do not write a national tariff law. We jam together, through various unholy alliances and combinations, a potpourri or hodgepodge of section and local tariff rates, which often add to our troubles and increase world misery. For myself, I see no reason to believe that another attempt would result in a more happy ending.

I have no assurance, though I have some hopes, that a President responsible to the Nation as a whole can and will enter into trade agreements from the national viewpoint. But I do have grave doubts, judging from past experience, that the Congress can write a national tariff act. I am also hopeful that under the provisions of this act, limited in its time operations as it is, the President will not allow agriculture to be traded down the river in any agreements made. That is what I have seen in the past when industry and manufacturing logrolled tariff schedules into existing and past tariff acts.

I am willing to stake my Republicanism on the stand taken by that great Republican President, William McKinley, I quote from his speech at Buffalo:

> A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in the fancied security that we can forever sell everything and buy little or nothing.

Farther back in our tariff history, I point to Alexander Hamilton himself, and to James G. Blaine; to a line of legislation reaching as far back as 1794, in support of trade agreements with foreign nations.

William McKinley did not pioneer when he pointed out the advisability of reciprocity in tariffs. Neither was he the last of the Republicans to realize and state the necessity for using our tariffs to stimulate and promote our export trade, instead of mainly to foster monopolies of already overfed industries, and to build up certain industrial sections and industries at the expense of other sections and of agriculture.

President William Howard Taft believed in tariff reciprocity. I might even call Ogden Mills of New York, former Secretary of the Treasury, the latest Republican to wear the mantle of Alexander Hamilton, in support of a serious modification of the Republican attitude on the tariff. In a speech on Kansas Day at Topeka last January, Mr. Mills, by implication at least, approved the objective of this measure—I understand he does not approve the measure itself. At any rate, he said at Topeka:

> We will have to abandon the present policy of isolation and intense nationalism and to some extent modify recent tariff practices. This may sound strange, coming from an orthodox Republican, but I have never understood that a sound system of protection, based upon the cost of production at home and abroad, if intelligently applied, means the erection of impassable tariff barriers, the destruction of our commerce with the rest of the world, and the sacrifice of the efficient farmer to save the inefficient manufacturer.

I desire to quote one more sentence from Mr. Mills.

> I am prepared to take my stand—

Mr. Mills said at Topeka last January—

> with a great Republican President, who, in his last speech, delivered in Buffalo just before his assassination, said—

and Mr. Mills quoted from the McKinley speech, using the language to which I myself have already referred.

Mr. President, within the last month another Republican, Henry L. Stimson, former Secretary of State, went further than Mr. Mills, who sat on the Cabinet with him. Mr. Stimson, in addition to approving the objectives of this measure, endorsed the measure itself and urged that it be enacted into law. Mr. Stimson takes the view—one I already have expressed briefly— that resumption of world trade through reciprocal-trade agreements is much preferable to the regimentation and Government control of industry that will be necessary if we are to continue our isolationist policy. Like myself, also, he doubts the practicability of arriving at these trade agreements through congressional action.

Mr. Stimson points out, and I quote his language, that—

> In each of these other nations the power to handle their commercial relations is very differently organized from the way in which it is organized in our Government. They have vested far greater powers of initiative in their executives.
>
> To deal with a world so organized, our Government at present is at a hopeless disadvantage. Many of the steps which they take and the things which they do are arrangements dictated by emergencies of the present situation. But, on the other hand, many of such arrangements may result in permanently fixing the channels of future trade; and at present, due to the faultiness of our machinery, the United States is being shouldered out of those arrangements and left with the likelihood of permanently losing most of the foreign trade which otherwise it might and could get.

That is what Mr. Stimson says.

Mr. President, it is a matter of regret to me that there are those who are considering this as a partisan measure. But to any who may insist that the test of Republicanism consists in opposing this measure, I will only say that to my mind the Republican tariff doctrine of the future will be more nearly in line with the principle and objectives of this measure, and that a Republican leadership which refuses to recognize the necessity of modifying the Republican tariff policy of recent years—that leadership is due for a downfall. It will be replaced by a leadership which will pick up the tariff principles of Hamilton, of Blaine, of McKinley, aye and of Taft. And I would suggest to them that they face that fact and act accordingly. I say this as one who always has been a staunch supporter of the protective-tariff principle and who will continue to support it.

Mr. President, there is another angle to this situation to which I must refer briefly. Amid all the confusion and confused thinking, the panics, and the panicky actions which have been the aftermath of the World War, there are two theories advanced which my mind refuses to accept as facts.

One is that there is not an actual market abroad for American products, particularly foodstuffs, if trade barriers could be removed and the monetary systems adjusted to facilitate trade. The other is that nationalism carried to the absurd end of isolation has come to stay, permanently.

If either or both of these theories are correct, if our export trade is gone forever, if isolation is practically to end world trade—if these things happen, then it is inevitable that we must ultimately do what Henry A. Wallace, Secretary of Agriculture, points out in his America Must Choose—that is, we must work out and enforce a planned economy that will take from 50,000,000 to 100,000,000 acres of farm land out of cultivation in America.

I cannot accept any such conclusion. My mind and soul revolt against any such extreme program. It can be tried only as a last desperate resort; and then probably will fail. The American people will not stand for it. We ought not to continue a policy that will force them to attempt it, other than purely as a temporary program.

There is a surplus population in Europe that can continue to exist peacefully only if we have world trade, and much more world trade than we have now. If and when world trade is revived—and we should pursue diligently and intelligently means of reviving it—there will be some market in Europe for our farm products. Not the markets we had during the World War, of course; not the same market we had before the World War, even; but a much bigger market than we have had during the past few years.

But it will be an exchange market, a trading market, not just a selling market. And it seems to me that we should face this as a reality and face it realistically. And facing it realistically means, for one thing, that any sound program must include reciprocal trade agreements as a means of lowering the trade barriers that have been erected to impossible heights since the war.

So, Mr. President, I intend to support the bill, though deeply regretful that the amendment insuring protection to agriculture against reductions has not been included. The agricultural States will hold the President responsible for protecting their interests and the national welfare in this respect.

Before closing however, I wish to call attention to the following resolution, adopted last month by the executive committee of the Farm Bureau Federation at its annual meeting in Washington. The resolution reads:

> We hereby endorse tariff bill, H.R. 8687, to give the President authority to negotiate reciprocal tariff agreements.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The Senator's time on the amendment has expired.

Mr. CAPPER. I believe I have 10 minutes on the amendment and 10 minutes on the bill.

The PRESIDING OFFICER. No; 10 minutes on the amendment and the bill.

Mr. CAPPER. Mr. President, I ask permission to have printed as a part of my remarks an editorial from the Kansas City Star.

The PRESIDING OFFICER. Without objection, it is so ordered.

The editorial referred to is as follows:

[From the Kansas City Star]

It seems hard to believe that in the light of the experience of the last 12 years, tariff policy in the United States there should still be regarded as a clean-cut party issue, with the choice lying between the ultraprotectionism of recent Republican practices and the tariff-for-revenue tendencies of the traditional Democratic theory.

The disastrous results of tariff legislation drafted without regard to its effect upon the export trade of the United States have thoroughly discredited the kind of protectionism that was in vogue through the last three Republican administrations, with, it should be added, valuable aid from certain Democratic Congressmen.

That policy, for example, virtually ruined the foreign market for the surplus farm products of the Middle West, both by encouraging retaliatory tariffs abroad and by making it increasingly difficult for our foreign customers to pay for their purchases in goods.

Even a Republican leader like Ogden Mills, the former Secretary of the Treasury, admitted, by implication at least, the error of his party's recent policy on tariffs in his Kansas Day address at Topeka. On the other hand, the present leaders of the Democratic Party have altered its policy toward the tariff problem. The tariff-for-revenue has given way to that of tariffs for bargaining.

As a matter of fact, the present state of international trade and the evident interests of the United States today, with respect to its tariff schedules, are such as to make the traditional policies of both political parties either undesirable or meaningless. This country finds itself today on a high-tariff basis in a world that, in general, has adopted similar protectionist policies, with the result that all international trade is retarded.

The immediate problem is to revive that trade, for the benefit of every country concerned.

Clearly, if the United States continues with its present system of high duties, other countries are quite unlikely to reduce their tariff and other barriers against world goods. It is equally evident that the United States cannot afford to reduce its schedules and admit more foreign goods, without compensating advantages for its own products abroad. Obviously then, if international trade is to be stimulated and our own export trade is to be revived, there must be reciprocal action on the part of this and other countries, probably through bilateral or regional agreements, looking to the simultaneous lowering of barriers.

For the negotiation of such agreements, some agency, representing the United States, must have a certain degree of bargaining power, and the logical agency is the executive branch of the Government.

Mr. CAREY. Mr. President, several times during the course of this debate the attention of the Senate has been called to the fact that there has been a decline in the price of wool on account of fear of a reduction in the tariff, which is possible under the terms of the bill, and that on account of this fear buyers were refusing to purchase. It has also been stated on the floor of the Senate that a statement has been given out to the effect that the wool men have no need to fear what may happen to them if this bill becomes a law. Numerous newspapers have published articles stating that certain Senators had some sort of assurance from the President. I shall take but a minute, but I desire to read to the Senate two letters which make me believe that there is some misunderstanding as to the promise made regarding wool.

The first letter is from E. S. Mayer, vice president of the National Wool Growers' Association. It was written from Washington on May 17 and addressed to the President. The letter is as follows:

WASHINGTON, D.C., *May 17, 1934.*

The PRESIDENT,
The White House.

MY DEAR MR. PRESIDENT: The woolgrowers of the country naturally have been deeply concerned over the proposed amendments to the tariff act as included in H.R. 8687.

Statements and testimony by the Secretary of Agriculture, Secretary of State, and the Chairman of the Tariff Commission have given us grounds to expect that duties on imported wools may be reduced when the pending bill becomes law.

An article appearing in the San Angelo (Tex.) Morning Times of May 11 attributes to you a statement which would be very reassuring to us. This article quotes you as saying, "No woolgrower need fear the administration of the tariff-bargaining authority." A copy of this article is attached.

Since we have not seen this statement elsewhere, we respectfully inquire as to whether it is authentic and expresses your views and policies.

I expect to be in Washington, at the Willard Hotel, until May 22. Thereafter I shall be at my home in San Angelo, Tex.

Yours respectfully,

E. S. MAYER,
Vice President, National Wool Growers Association.

In reply to this letter Mr. Mayer received the following letter:

THE WHITE HOUSE,
Washington, May 23, 1934.

MY DEAR MR. MAYER: Reference is made to your letter of May 17.

It is possible that the President may have made the statement, attributed to him in your letter, to a group of Senators. It does not appear in any formal release.

Sincerely yours,

M. H. MCINTYRE,
Assistant Secretary to the President.

E. S. MAYER, Esq.,
Vice President, National Wool Growers Association,
San Angelo, Tex.

Mr. President, I have no reason to believe that the Senators who were responsible for the statement regarding wool did not so understand the President. It is apparent that

there is some misunderstanding somewhere. It is certain that the secretary of the President could have easily found out if the President made such a promise, or, if the President desired to confirm the statement attributed to him, that he would have done so. It is perfectly apparent from the letter addressed to the President, and the reply by his secretary, that no assurance as to wool given out as coming from the White House is binding on the administration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. O'MAHONEY] in the nature of a substitute for the amendment of the Senator from California [Mr. JOHNSON].

Mr. ROBINSON of Arkansas obtained the floor.

Mr. BARKLEY. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. ROBINSON of Arkansas. I yield for that purpose.

Mr. BARKLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Johnson	Robinson, Ark.
Ashurst	Couzens	Kean	Russell
Austin	Cutting	Keyes	Schall
Bachman	Davis	La Follette	Sheppard
Bailey	Dickinson	Lewis	Shipstead
Bankhead	Dieterich	Logan	Smith
Barbour	Dill	Lonergan	Steiwer
Barkley	Duffy	Long	Stephens
Black	Erickson	McCarran	Thomas, Okla.
Bone	Fess	McGill	Thomas, Utah
Borah	Fletcher	McKellar	Thompson
Brown	Frazier	McNary	Townsend
Bulkley	George	Metcalf	Tydings
Bulow	Gibson	Murphy	Vandenberg
Byrd	Goldsborough	Norbeck	Van Nuys
Byrnes	Gore	Norris	Wagner
Capper	Hale	Nye	Walcott
Caraway	Harrison	O'Mahoney	Walsh
Carey	Hastings	Overton	Wheeler
Clark	Hatch	Patterson	White
Connally	Hatfield	Pittman	
Coolidge	Hayden	Pope	
Copeland	Hebert	Reynolds	

The PRESIDING OFFICER. Eighty-nine Senators having answered to their names, a quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, the amendment of the Senator from California [Mr. JOHNSON] would prevent any reciprocal trade agreement going into effect until approved by act of Congress. The substitute amendment offered by the Senator from Wyoming [Mr. O'MAHONEY] likewise would prevent any such agreement from becoming effective until after it had been submitted to Congress for a period of 30 days, unless in the meantime the Congress, by a majority of both Houses, should approve the agreement.

Those who favor this proposed legislation, who believe that it is designed and calculated to promote the revival of trade and commerce, should not be deceived into supporting either of those amendments. The primary purpose of the reciprocal tariff legislation is to provide a means by which the country may have the advantage of prompt action, as prompt as is practicable under the circumstances, in entering into arrangements of mutual benefit to this country and to the foreign country which the trade agreement affects. If every agreement must be submitted to the Congress and remain in abeyance for a period of 30 days while the Congress is in session, it is apparent that the primary purpose of the legislation will be, in part, at least, defeated. If the amendment of the Senator from California should be agreed to, it is not very likely that reciprocal trade agreements would be disposed of by the Congress in sufficient number and within the time necessary to build up the foreign commerce of the United States.

What is desired by advocates of the legislation is a method that has already been tried, a method with which the public is familiar, a method well known to the Congress of the United States, by which the Executive may work out arrangements and put them into effect.

All the debate here in opposition to the pending bill is based on the theory that the proposed legislation is really wrong, that the power ought not to be given to the Executive, that he should not be permitted to negotiate trade agreements without express approval of the agreements by the Congress—both Houses. If we are to accomplish the fundamental purpose which inspired the preparation and presentation of this proposed legislation, we should vote down the amendment offered by the Senator from Wyoming and the amendment offered by the Senator from California.

I realize that it has often been said during the course of this debate that Congress is giving away its power, is minimizing its own responsibility. There is no Senator here who believes that the legislative body is equipped for the negotiation of treaties or trade agreements. There is no Senator who does not know that such matters require careful study. There is no Senator who believes that the present President will promote such arrangements as are calculated and designed to injure any industry in this country. If any Senator so believes, then the correct course for him is to vote against the pending legislation. If it be desired to make the proposed legislation effective, if it be desired to afford the opportunity for reviving the trade and commerce of the United States through arrangements such as those that are to be effected by reciprocal-trade agreements, then Senators should vote down both amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Wyoming [Mr. O'MAHONEY], to the amendment offered by the Senator from California [Mr. JOHNSON].

Mr. JOHNSON. I desire to perfect the amendment which has been offered by me. In line 3 I propose to strike out the words "and specifically approved by law", and to add the following:

by the President and approved by both the House and Senate, by majority vote. The vote on such agreements shall be taken within 20 days after the President submits the agreement to the Congress.

So that the entire amendment will read:

SEC. —. No foreign-trade agreement entered into under the provisions of this Act shall become effective until submitted to the Congress by the President and approved by both the House and Senate, by majority vote. The vote on such agreements shall be taken within 20 days after the President submits the agreement to the Congress.

Mr. ROBINSON of Arkansas. Mr. President, if my time has not expired, I should like, in my time, to ask the Senator from California a question.

Mr. JOHNSON. I shall be very glad to answer, if I can.

Mr. ROBINSON of Arkansas. The change which the Senator from California has made in the amendment, among other things, requires that the Congress shall vote on a trade agreement within 20 days after the agreement shall be sent to the Congress?

Mr. JOHNSON. Yes, sir.

Mr. ROBINSON of Arkansas. Does the Senator think that a provision of that nature would be self-executing? How would the Senator expect that if either House should decline to take the vote the requirement could be enforced?

Mr. JOHNSON. If either House should decline to take a vote, of course, then the agreement would be in force.

Mr. ROBINSON of Arkansas. I do not think that the language would accomplish any such purpose as that. That is the reason I asked the question. Then, the effect of the Senator's amendment, if that were the effect of it, would be to modify the suggestion of the Senator from Wyoming?

Mr. JOHNSON. No.

Mr. ROBINSON of Arkansas. The Senator from Wyoming proposes to give 30 days and provides that if the agreement shall not be voted on in 30 days then it shall become effective, while the amendment of the Senator from California, as modified, gives 20 days and requires that the votes shall be taken within that time; but there is no way of which I know to make such a provision effective.

Mr. JOHNSON. Mr. President, the Senator has misapprehended the particular amendment. It is the amendment which was suggested by the Senator from Washington [Mr. DILL] when first my amendment was presented to this body, and the addendum that has been placed upon it is the addendum desired by him. The amendment in the nature of

a substitute offered by the Senator from Wyoming is not of this entire character, although he does provide a 30-day period in his substitute, but within which no action is required. This amendment requires action within 20 days, and by a majority vote only.

Mr. BARKLEY. Mr. President, if the Senator will yield, suppose there is no action taken within the 20 days, then what happens?

Mr. JOHNSON. Then the consent of the Congress is implied, and nothing more need be done.

Mr. BARKLEY. I think exactly the contrary is implied.

Mr. ROBINSON of Arkansas. Mr. President, that is the point, or one of the points, I am making. There is no consent of Congress implied; there is no language in the amendment from which such an implication could arise. Here is the language of the amendment:

> The vote on such agreements shall be taken within 20 days after the President submits the agreement to the Congress.

There is no implication there, if the vote is not taken within 20 days or if it is not taken at all, that the agreement goes into effect. Anyone by filibustering could prevent an agreement from going into effect within the 20 days.

Mr. JOHNSON. The very purpose of the limitation was to prevent anything of that sort.

Mr. ROBINSON of Arkansas. Will the Senator tell me how that is accomplished by the amendment?

Mr. JOHNSON. I have taken this language from the Senator from Washington.

Mr. ROBINSON of Arkansas. It has come almost to be a habit here for Senators to take other Senators' amendments——

Mr. JOHNSON. Oh, no.

Mr. ROBINSON of Arkansas. And then disclaim responsibility for them.

Mr. JOHNSON. In this instance I think the amendment accomplishes the purpose desired.

Mr. ROBINSON of Arkansas. Will the Senator answer me a question?

Mr. JOHNSON. I will endeavor to answer any question the Senator may propound.

Mr. ROBINSON of Arkansas. From what language in the amendment, as the Senator has revised it, does he, as a lawyer, assert that the implication arises that an agreement will go into effect unless acted upon by Congress within 20 days?

Mr. JOHNSON. Inasmuch as the Senator from Arkansas is so concerned about the particular language, I will accept any language he may desire to suggest.

Mr. ROBINSON of Arkansas. Oh, no, Mr. President.

Mr. JOHNSON. Oh, no; the Senator will not do that.

Mr. ROBINSON of Arkansas. I am not trying to help the Senator from California have his amendment adopted.

Mr. JOHNSON. No.

Mr. ROBINSON of Arkansas. I am doing what I can to defeat his amendment, but I do not want him to get votes either on his side of the Chamber or on this side on the erroneous theory that the language he employs carries an implication which I am sure, when he reconsiders the language, he will agree it does not carry.

Mr. JOHNSON. All right. Now let us read it, although I think neither one of us is in order.

Mr. ROBINSON of Arkansas. I think my time has expired, if we are speaking in my time.

Mr. COUZENS. Mr. President, a parliamentary inquiry. The Senator from Arkansas spoke twice, which is not permitted under the rule. We either ought to have the rule adhered to or we ought to abandon it. The rule specifically provides that a Senator may speak only once and both Senators have spoken more than once.

The PRESIDING OFFICER. The Senator from Arkansas requested that he be permitted to ask the Senator from California a question.

Mr. BORAH. The Senator from California had exhausted his time also.

The PRESIDING OFFICER. The present occupant of the chair is not advised as to the number of times the Senator from California has spoken.

Mr. JOHNSON. Mr. President, I am merely going to read the amendment and then the Senate may determine the question for itself. I will not argue it, because I think we are both out of order; but the amendment is this:

> No foreign-trade agreement entered into under the provisions of this act shall become effective until submitted to the Congress by the President and approved by both the House and the Senate by a majority vote. The vote on such agreements shall be taken within 20 days after the President submits the agreement to the Congress.

That is the amendment, which is complete in itself and does exactly what it is designed to do.

Mr. HARRISON. Mr. President, I ask for the regular order.

Mr. CLARK. Mr. President, I want the floor in my own right. I have not spoken on this amendment as yet.

It seems perfectly apparent that as perfected by his own perfecting amendment, the amendment of the Senator from California does precisely what the Senator from Arkansas said it would do, and that is to prevent any trade agreement, which might be negotiated under the terms of the bill, from going into effect until Congress shall have approved it by specific legislative act. The amendment provides:

> No foreign-trade agreement entered into under the provisions of this act shall become effective until submitted to the Congress by the President—

That is one element. Then it continues—

> and approved by both the House and Senate by majority vote. The vote on such agreements to be taken within 20 days after the President submits the agreement to the Congress.

I take it that neither the Senator from California nor any other Member of this body would contend that Congress now has the right to modify by law the specific provision of the Constitution that each body of the Congress shall have the right to make rules governing its own procedure. Therefore the Congress has no right to provide by this bill that a vote shall be taken in either body within 20 days after submission of any trade agreement by the President of the United States. In other words, the effect of the amendment is to render absolutely nugatory and to render ridiculous the enactment of the proposed legislation at all.

I have no quarrel with the Senator from California. He is opposed to the bill. I have no quarrel with the Senator from Louisiana [Mr. LONG]. He is opposed to the bill. I have no quarrel with any Senator who on this floor is opposed to the entire type of legislation embodied in the bill. I submit it would be much more fair and much more frank to offer an amendment to strike out all after the enacting clause, that it would be much more fair and much more frank to go to the people on the issue of defeating the proposed legislation; but to come here and undertake to defeat the legislation by indirection is an issue which should be known to every Senator when he casts his vote on the amendment.

The only theory upon which the pending legislation is submitted to the Congress is that the nations of the world have gotten themselves into a very sad snarl by their competition in tariff regulation and their competition in quota regulations. It is the opinion of the proponents of the measure that this regrettable situation cannot be worked out by the cumbersome process of legislation either in the Congress or in any other parliamentary body of the world. The whole theory of the legislation and the only justification that has ever been urged for it is that it will afford facilities for negotiation to unravel the snarl into which all the nations have gotten themselves. If a Senator is opposed to unraveling the situation which exists in the world today, which involves the United States and other nations of the world, if he thinks they are now in a desirable situation, and if he desires to perpetuate this system of prohibitive-tariff competition, then he ought to vote against the bill or move to strike out all after the enacting clause.

I submit to the Members of this body that there is no justification for anybody who believes in the theory of working out the problem by negotiation to vote either for the amendment of the Senator from California as perfected or for the amendment of the Senator from Wyoming.

Mr. WALSH. Mr. President, in my own time I should like to ask the Senator from California [Mr. JOHNSON] a question, which can be answered yes or no. Would not the effect of his amendment be to prevent the execution of any agreement except during a session of Congress?

Mr. JOHNSON. Mr. President, necessarily I could not advise the Senator. I wonder if the Senator from Missouri recalls the Norris amendment to the Simmons amendment of 1929? It answers what has been suggested about the rules of the Congress.

Mr. McNARY. Mr. President, I have no doubt about the theory of the amendment of the Senator from California, and I feel that it fully carries out the purpose the Senator has in mind. However, in order to satisfy the critics, whose ranks are rapidly thinning, I am going to suggest something which I think can be understood. Following the language submitted by the Senator from California, I propose, in deference to some of the critical Members of the Senate, to add the following:

In the event Congress shall fail to act within said period of 20 days, then such agreement shall thereupon be in full force and effect.

Mr. COUZENS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Michigan?

Mr. McNARY. I yield.

Mr. COUZENS. What is the implication of the expression "if Congress is not in session"? Does it mean that the agreement would be held over until Congress should be in session?

Mr. McNARY. Certainly. I have no reason to doubt that. If an agreement should be consummated during the vacation of Congress, it would have to wait until the Congress reassembled, and then would have to be considered within 20 days before final action could be taken or before the agreement could become effective.

Mr. BORAH. Mr. President, may I ask the Senator from Oregon if he will have his amendment read at the desk?

Mr. McNARY. Certainly. I ask that the clerk may read my amendment.

The PRESIDING OFFICER. The clerk will read the amendment as requested.

The legislative clerk read as follows:

In the event Congress shall fail to act within said period of 20 days, then such agreement shall thereupon be in full force and effect.

Mr. BORAH. May I ask the Senator if that is in the nature of a substitute?

Mr. McNARY. I think that is the real intent and purpose and is in language a proper construction of the desire of the Senator from California. I only suggest it as an assurance against doubt.

Mr. BORAH. It is too much of an assurance against doubt to suit me. In other words, unless Congress acts within a certain time, the agreement becomes effective?

Mr. McNARY. That is correct.

Mr. BARKLEY. Mr. President, I am opposed to the amendment both in its imperfect form and in its perfect form, because I think we might as well move to lay the bill on the table or postpone it indefinitely as to adopt such an amendment in any form.

One of the reasons why the bill is before us now is because of the well-recognized inability of Congress to act promptly in an emergency of this character. If we are going to destroy the ability of the President to act promptly we might as well quit wasting our time in debating the bill at all. Suppose the amendment of the Senator from California or any other amendment of the kind should be attached to the bill; suppose that between now and next January the President should be able to negotiate as many as 20 trade agreements which would be to the immense advantage of the American people; suppose the conditions should be such that in order to reap those advantages the agreements ought to take effect in July or August of this year; under this amendment or any other amendment of the kind they could not take effect until probably next February.

In addition to that it would probably be a deterrent against any other nation negotiating any trade agreement with the United States. For instance, in 1897, during a Republican administration, more than seven agreements were negotiated under a law which was enacted by a Republican Congress. Not one of those agreements was ever ratified. What encouragement has any nation to go to the trouble of negotiating with the United States a treaty on trade relations, exposing their trade situation to us in the negotiations, when they know if it is submitted to Congress it may never be ratified, or if it is ratified it may be postponed until all the benefits growing out of the trade arrangements will be nullified?

I believe if the amendment or any similar amendment shall be adopted there will never be a trade agreement negotiated between this country and any other nation.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. CLARK. I do not wish to take up the time of the Senator, which I know is limited. I merely want to invite his attention to the fact that under the Tariff Act of 1897, which provided both for trade agreements and for reciprocal treaties requiring action of the Senate, all the trade agreements went into effect and were upheld by the courts, and that none of the treaties requiring action by the Senate was ever ratified.

Mr. BARKLEY. I was coming to that. As I said earlier in the day, sections 3 and 4 of the act of 1897 provided for trade agreements which did not have to come back for action by Congress, and in another section the act provided for trade agreements which had to be ratified by the Senate. As the Senator from Missouri has reminded me, all the trade agreements which were negotiated which did not have to come back to Congress went into effect and were upheld by the courts, while not one of those that had to come back to Congress and be ratified was ever put into effect, because not one was ratified.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from Idaho?

Mr. BARKLEY. I yield to the Senator.

Mr. BORAH. Was the power given to the Executive in those instances to make rates?

Mr. BARKLEY. No; it was not. A certain long list of imports was set out in section 3 of the act of 1897, and the authority given to the President was to negotiate trade agreements, upon the consummation of which the rates set out in section 3 were to take effect. Section 4 provided for the return of the treaties or agreements to the Senate for ratification; but, Mr. President, even in 1890 or 1897, the two most recent instances of conferring this authority upon the President, we were not involved in anything approaching the national or international trade emergency that now exists in this country and in the world.

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield, though I have only a few minutes.

Mr. BLACK. I know the Senator has, and I shall be very brief.

The Senator asked about rates. The President now has the power—for we all know that he can control the Tariff Commission; everybody knows it—to raise or lower rates 50 percent. This bill does not give him any more power than that, does it?

Mr. BARKLEY. Oh, no. So far as rates are concerned, he will operate under the same limitation of 50 percent under which he now operates in connection with the Tariff Commission.

The difference is that under the present law the President is not given authority to act except upon a report from the Tariff Commission, whereas under the bill now before us he could act upon information from all departments of the Government with respect to all matters of commerce upon which he might be able to negotiate a trade agreement with any nation in the world.

I say frankly that if this amendment or any similar amendment shall be adopted to this bill—although it is inconceivable that there will be enough votes to adopt it—if it shall be put into the bill by the Senate, in my judgment it will not be in the bill when it shall be enacted. If it should be in the bill when enacted it would defeat the entire purpose of the bill itself, and we might as well vote to kill the bill, because it would not accomplish anything. No trade agreement would ever be entered into. Not a carload of freight would originate in the United States and be sent to any other nation under this bill if this amendment should be adopted.

Mr. DILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. DILL. Does the Senator think it would be impossible to make a trade agreement which Congress would approve?

Mr. BARKLEY. No; I do not think it would be impossible, but I think it would be improbable, especially as this amendment does not change the rules of the Senate of the United States. An act of Congress does not change the rules of our procedure. It may be that the amendment suggested by the Senator from Oregon [Mr. McNARY], which is entirely different from the interpretation that I place upon the amendment of the Senator from California, might automatically put the trade agreements into effect 20 days after they were submitted if Congress had not acted upon them; but under the language of the amendment submitted by the Senator from California there is no provision whatever as to what would happen after the 20 days. Any man or group of men might occupy enough time under the rules of the Senate to make it impossible to bring about a vote under the 20-day limitation originally incorporated in the amendment of the Senator from California; and my interpretation is that in that event the treaties, instead of going into effect, would be null and void.

I do not recall whether or not the Senator from California accepted the amendment of the Senator from Oregon.

Mr. McNARY. Mr. President, I did not offer an amendment. I simply suggested it, and left to the judgment of the Senator from California what he desired to do.

Mr. BARKLEY. Then it is not before us?

Mr. McNARY. No; not formally.

Mr. BARKLEY. Under the present language of the amendment I do not think it is open to any interpretation except that the 20-day provision is a mere direction to Congress. The provision that unless the treaties shall be ratified by a majority vote of both Houses they will not go into effect is just as valid as if the 20-day provision were not there. It simply directs Congress to act within 20 days; but if it does not act within 20 days, there is still the provision there that the treaties cannot take effect until they are ratified by both Houses by a majority vote.

Mr. DILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. DILL. Does not the Senator think it could be provided that the two Houses shall vote within 20 days?

Mr. BARKLEY. No; I do not think any law can make the Senate vote within any limit of time until it desires to do so.

Mr. DILL. Suppose the Senate should pass such a law?

Mr. BARKLEY. The Senate might pass such a law at this session, but there is no way to prevent any group of Senators in the next session from talking for 20 days or for any other length of time so that there never would be a vote; and if there never were a vote under this amendment, the treaties automatically would be dead, not automatically alive.

Mr. JOHNSON. Mr. President, will the Senator permit a question?

Mr. BARKLEY. Yes.

Mr. JOHNSON. Does the Senator remember in 1929 voting for an amendment to the flexible provision of the tariff bill which prescribed exactly how the amendment should be treated before the Congress, and provided that nothing should be germane to that particular amendment save what was in the original agreement or the original flexible tariff rates then fixed?

Mr. BARKLEY. I remember that amendment; but I remember, also, that the amendment provided that if there were no action by Congress within, I believe, 60 days, the status of the proclamation was described and defined, and it was not left in mid-air, as this amendment leaves it.

Mr. JOHNSON. Let me say to the Senator that his recollection is entirely at fault.

Mr. BARKLEY. I do not think so.

Mr. JOHNSON. I will ask the Senator to look it up.

Mr. BARKLEY. I have not time to do so while I am speaking.

Mr. JOHNSON. I have the amendment here, and it does not do any such thing.

Mr. BARKLEY. What does it do?

Mr. JOHNSON. What I am calling to the Senator's attention is the fact that the amendment prescribed the rule of action of the House and of the Senate.

Mr. BARKLEY. And then it provided definitely what would be the effect of no action, or of favorable action, or of unfavorable action.

Mr. JOHNSON. No; it did not do anything of the sort. We can do that here, however, if the Senator wants to do it. I do not object.

Mr. BARKLEY. I am talking about the amendment as it is.

Mr. JOHNSON. The objection has been made that we could not alter rules or prescribe rules by law. Why, of course we can. Congress can do it.

Mr. BARKLEY. Mr. President, I still insist——

The PRESIDING OFFICER. The time of the Senator from Kentucky has expired.

Mr. HASTINGS. Mr. President, I should like to suggest to the distinguished Senator from California [Mr. JOHNSON] some language to which I think the senior Senator from Kentucky [Mr. BARKLEY] probably will agree.

On April 1, 1932, an amendment was offered as a substitute by the distinguished Senator from Mississippi [Mr. HARRISON] in which the language I am about to read was used. I am particularly anxious that the Senator from Kentucky shall have his recollection refreshed with respect to the tariff bill of 1932 by section 4 of that bill; and I wish to suggest this language to the Senator from California, because I assume that it will be satisfactory to the other side:

SEC. 4. International Economic Conference: That the President is respectfully requested to initiate a movement for an International Economic Conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade, (b) preventing retaliatory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations between nations; but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence or in any way affects the revenue of the United States must first be approved by the Congress of the United States.

The President be, and he is hereby, authorized and requested, at as early a date as may be convenient to proceed to negotiate with foreign governments reciprocal trade agreements under a policy of mutual tariff concessions. Such agreements shall not become operative until Congress by law shall have approved them.

In the same bill there was a provision which maintained the flexible provision of the tariff, and also provided that nothing recommended by the Tariff Commission should be effective until approved by the Congress.

Mr. HARRISON. Mr. President, will the Senator yield there?

Mr. HASTINGS. I yield.

Mr. HARRISON. It also gave full power, however, to take a commodity from the free list and put it on the dutiable list, or to take it from the dutiable list and put it on the free list, which is not included in this proposal.

Mr. HASTINGS. Does the Senator from Mississippi mean to urge that as a distinction and the only distinction for the inconsistent position he now takes?

Mr. HARRISON. The Senator from Mississippi certainly intends to urge it as quite a distinction, because under the present proposal the President can increase or reduce the rates only 50 percent. In that proposal which the Senator's President vetoed—and which, perhaps, if it had not been vetoed, would have become the law, and in that event perhaps we would not now be discussing this bill—we gave to the Commission the right to recommend to the Congress taking an article from the free list and putting it on the dutiable list, or taking an article from the dutiable list and putting it on the free list.

Mr. HASTINGS. At any rate, under the tariff bill of 1932 no agreement with any foreign country was to become effective until it had been approved by the Congress; and the Senator from Mississippi [Mr. HARRISON], the Senator from Kentucky [Mr. BARKLEY], the distinguished Senator from Arkansas [Mr. ROBINSON], the Senator from Tennessee [Mr. MCKELLAR], and the then distinguished Senator, who is now the Secretary of State, Mr. Hull, voted for that proposal. If it was important 2 years ago to have the Congress pass upon a reciprocal agreement made with a foreign country, I desire to know why it is not just as important in 1934 as it was in 1932.

Mr. HARRISON. I desire to know why the Senator voted against that amendment in 1932.

Mr. HASTINGS. For every reason in the world. I was opposing the flexible provision of the tariff which brought the matter back to the Congress; but I call the Senator's attention to the fact that that was an entirely different proposition from this. The distinguished Senator from Georgia [Mr. GEORGE] undertook to make a distinction, and both the senior and the junior distinguished Senators from Kentucky argued that this was not a change of the tariff; this was not a taxing measure at all; this was an entirely different proposition. I must confess that I could not follow the distinguished Senator when, although admitting that both measures came under section 8 of article I of the Constitution—the one providing for the levying of taxes, and the other providing for the regulation of commerce—he undertook to make a distinction between the two, and called attention to the fact that the last paragraph of that section gave Congress the authority to make all laws necessary to carry into effect the powers granted by the section.

The distinguished junior Senator from Kentucky [Mr. LOGAN] argued that because of that language of the section we might give the authority to the Senator from Ohio; we might do anything with it. The distinguished Senator from Illinois argued that we had made 77 such agreements, and that therefore we were not changing the policy at all. If the opportunity had been afforded me, I should have liked to challenge him to put into the RECORD evidence of a single agreement we have ever made at any time, anywhere, comparable to the agreements which might be made under the authority given here.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HASTINGS. I have only 2 or 3 minutes.

Mr. BARKLEY. Very well.

Mr. HASTINGS. The Senator from Georgia was the only Senator on the other side, in my judgment, who stated properly the one ground the proponents of this measure had to depend upon to make it constitutional, that is, that it was specific; it must be a specific rule laid down, and as he talked about the specific rule laid down, and as I remembered that throughout this country, particularly in the last campaign, there had been a contest all over the land, those on the other side of the Chamber and those on this side distinctly disagreeing upon the question; then they laid down that issue upon which millions of people disagree, under which it is impossible to arrive at any definite fact, and the Senator from Georgia argued that that was a reason.

I have never been particularly anxious about the flexible provision of the tariff, but the Supreme Court had said that the rule we laid down, namely, using the difference between the costs of production at home and abroad, was a sufficient rule to guide the person who was given the authority to execute that particular order, such as the President of the United States, and it did not make any difference what the particular agency was. Under the pending measure there is no rule; we cannot have any rule in any such disagreement as will exist among the people of the country.

The Senator from New Mexico [Mr. CUTTING], the very first day of the debate, asked the specific question, "Where is the rule? Point out what it is?" Those on the other side say that they believe the Hawley-Smoot Tariff Act prevents the extension of foreign trade. That is what they said. The President of the United States has already decided that question, because it is said in the Democratic platform, and he said he stood by that platform. That is the truth of it, and it simply means that there is no fact to be determined.

Talk about notice to people! No notice would bring forth any fact that would be helpful to the President. The fact has already been decided. There is nothing to be determined, and we are passing the matter over to the President to do exactly as he pleases with it.

I repeat, 2 years ago it was urged that before we made any such agreement as that we must get the consent of the Congress. None of us on this side ever contended that we ought to give the President of the United States, or any other person, this great authority, and I say that it will be interesting to those on the other side, it will be interesting to the country, to read the record of the votes on this particular measure, when those on the other side are now complaining about a provision that is not so drastic as that suggested by the Senator from California and upon which we are now about to vote.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY], in the nature of a substitute for the amendment offered by the Senator from California [Mr. JOHNSON].

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is upon the amendment offered by the Senator from California.

Mr. JOHNSON. Mr. President, I seek to perfect the amendment by adding that which was submitted by the Senator from Oregon [Mr. MCNARY]. The whole is at the desk, and I ask to have it read by the clerk.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from California as modified.

The legislative clerk read as follows:

No foreign trade agreement entered into under the provisions of this act shall become effective until submitted to the Congress by the President and approved by both the House and Senate by majority vote. The vote on such agreements shall be taken within 20 days after the President submits the agreement to the Congress. In the event that Congress shall fail to act within such period of 20 days, then said agreement shall thereupon be in full force and effect.

Mr. JOHNSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FESS (when his name was called). I have a pair with the senior Senator from Virginia [Mr. GLASS], who is necessarily detained, which I transfer to the senior Senator from Connecticut [Mr. WALCOTT], and vote "yea."

Mr. OVERTON (when his name was called). On this vote I am paired with the Senator from Utah [Mr. KING]. In his absence I withhold my vote.

Mr. ROBINSON of Arkansas (when his name was called). I transfer my pair with the Senator from Pennsylvania [Mr. REED] to the junior Senator from California [Mr. MCADOO] and vote "nay."

Mr. STEPHENS (when his name was called). Making the same announcement as before regarding my pair with the Senator from Indiana [Mr. ROBINSON] and its transfer, I vote "nay."

The roll call was concluded.

Mr. LEWIS. I announce the absences, as previously announced by me, of the Senator from Florida [Mr. TRAMMELL], the Senator from California [Mr. MCADOO], and the Senator from West Virginia [Mr. NEELY]. I am authorized to say that were the Senator from West Virginia [Mr. NEELY] present and voting he would vote "nay."

I also wish to announce that the senior Senator from South Carolina [Mr. SMITH] is detained at the White House.

Mr. HEBERT. The Senator from North Dakota [Mr. NYE] is paired with the Senator from Florida [Mr. TRAMMELL] on this question. I am informed that if the Senator from North Dakota [Mr. NYE] were present he would vote "yea", and that if the Senator from Florida [Mr. TRAMMELL] were present he would vote "nay."

I also wish to announce that if present and voting the Senator from Pennsylvania [Mr. REED] would vote "yea."

The result was announced—yeas, 34, nays 50, as follows:

YEAS—34

Adams	Fess	Johnson	Patterson
Austin	Frazier	Kean	Schall
Barbour	Gibson	Keyes	Steiwer
Borah	Goldsborough	La Follette	Townsend
Carey	Gore	Long	Tydings
Cutting	Hale	McCarran	Vandenberg
Davis	Hastings	McNary	White
Dickinson	Hatfield	Metcalf	
Dill	Hebert	O'Mahoney	

NAYS—50

Ashurst	Caraway	Hatch	Russell
Bachman	Clark	Hayden	Sheppard
Bailey	Connally	Lewis	Shipstead
Bankhead	Coolidge	Logan	Stephens
Barkley	Copeland	Lonergan	Thomas, Okla.
Black	Costigan	McGill	Thomas, Utah
Bone	Couzens	McKellar	Thompson
Brown	Dieterich	Murphy	Van Nuys
Bulkley	Duffy	Norris	Wagner
Bulow	Erickson	Pittman	Walsh
Byrd	Fletcher	Pope	Wheeler
Byrnes	George	Reynolds	
Capper	Harrison	Robinson, Ark.	

NOT VOTING—12

Glass	Neely	Overton	Smith
King	Norbeck	Reed	Trammell
McAdoo	Nye	Robinson, Ind.	Walcott

So Mr. JOHNSON's amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 5, line 15, after the word "than", it is proposed to strike out all down to and including "notice", in line 18, and to insert in lieu thereof "6 months next after the expiration of 3 years from the date of the enactment hereof."

Mr. HASTINGS. Mr. President, if this amendment should be adopted, paragraph (b), on page 5 of the bill, would read as follows:

> Every foreign trade agreement concluded pursuant to this act shall be subject to termination, upon due notice to the foreign government concerned, at the end of not more than 6 months next after the expiration of 3 years from the date of the enactment hereof.

Mr. President, some days ago, in addressing myself to this bill generally, I called attention to paragraph (b), which provides that the President may enter into 3-year agreements, the present language being "at the end of not more than 3 years from the date on which the agreement comes into force."

I think, when this bill was introduced, the general impression was that it would give the President authority to enter into 3-year contracts, the 3 years being put in the bill for the purpose of emphasizing that this was an emergency measure; and, as I undertook to point out heretofore, unless some such change as this shall be made, it will be perfectly possible for the President to enter into agreements this month, we will say, which shall run until December 1936, being 2 years and 6 months, and then at the end of that time he could enter into another contract for 3 years, which could not be ended until after another 6 months; so we would have an authority in the President to enter into contracts which may extend to a period of 6 years instead of the common understanding of 3 years.

I am suggesting 3 years in my amendment because we are all hoping and assuming that certainly the emergency will be past by the end of 3 years. The effect of this amendment will be to prohibit any agreement from being entered into which cannot be terminated within 6 months after the expiration of 3 years from the date the bill goes into effect. In other words, it provides for a period of 3 years and 6 months from the time the agreement goes into effect instead of perhaps a period of 6 years, as I have undertaken to point out heretofore.

If this amendment shall go into effect and if an agreement shall not be entered into for 6 months from this date, while it may last as long as under the provisions of the bill indefinitely, it could be terminated at the end of 2 years and 6 months; so that if the President should not make an agreement until 1 year from now, that particular agreement could be terminated at the expiration of 2 years from that date.

I hope I have made my position clear. I do not care to argue the amendment further than I have.

Mr. BORAH. Mr. President, does the Senator yield?

Mr. HASTINGS. I yield.

Mr. BORAH. Does the Senator think that Congress will not have power to terminate these agreements whenever Congress gets ready to do so?

Mr. HASTINGS. If this shall be valid law I have no notion that Congress can cancel these agreements.

Mr. BORAH. Congress can pass another act the same as it can pass this act. We certainly cannot legislate so Congress cannot legislate again.

Mr. HASTINGS. If the President has authority and the President exercises the authority and enters into a valid agreement with a foreign government, I assume that Congress itself would not feel perfectly free to cancel it.

Mr. BORAH. That might be true as a matter of policy, but as a matter of authority it undoubtedly would have a right to pass the law. These people will take these agreements as the result of a legislative act, and if Congress sees fit it may repeal the act and terminate all agreements.

Mr. HASTINGS. I suppose it may be said that the Congress has the right to repudiate all the treaties which have been made with foreign countries.

Mr. BORAH. It has the right to terminate them; besides, bear in mind, the authors of this legislation claim these are not treaties but mere agreements.

Mr. HASTINGS. It has the right to terminate them regardless of their term, but I am assuming for the purpose of the discussion of this proposed legislation that if it be held to be constitutional, and these agreements are entered into, the people of this country will insist upon the agreements being lived up to. That is what I assume to be true.

Mr. HARRISON. Mr. President, I hope this amendment will be voted down, because if these agreements work, and are beneficial to the United States, I believe the American people will want them to continue a little longer, rather than to be terminable 6 months after the 3 years.

Mr. HASTINGS. Mr. President, I am sure the distinguished chairman of the committee has not quite understood my amendment. It does not in any sense terminate them. It simply gives the right to terminate them.

Mr. HARRISON. I know it does not terminate them, but the Senator's amendment provides that 6 months after 3 years from the enactment of the legislation they shall be terminable. Under the proposal we make they are terminable after 3 years from the passage of the bill; and they can be canceled after 6 months' notice, and so forth, if they are not advantageous. It seems to me that if the effects are good, after the 3 years we may desire to continue some of

these agreements. I can imagine now that my friend from Delaware will be in this Chamber 3 years from now, if he does not come up for election between now and that time—and I do not believe he does—and that we shall hear him pleading eloquently for the continuation of some of these agreements.

Mr. HASTINGS. Mr. President, the argument of the Senator from Mississippi is inconsistent with his own understanding of this amendment. He says the agreement is terminable. There is nothing in this amendment which changes the provision of the bill which says that "every foreign-trade agreement concluded pursuant to this act shall be subject to termination upon due notice to the foreign government concerned at the end of not more than", and so forth. There is nothing in the bill which makes an agreement terminable before that; but does not the Senator agree with me that it is possible under this bill as it stands for the present President to make two agreements with one country which will last for a period of 6 years, which cannot be terminated by another President?

Mr. HARRISON. Oh, I think an agreement might last 6 years from the enactment of the act; but we have a right to cancel it at any time by giving notice, and so on.

Mr. HASTINGS. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. The yeas and nays are demanded. Is the demand seconded?

The yeas and nays were not ordered.

Mr. HASTINGS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. HARRISON. Mr. President, did the Chair hold that the demand for the yeas and nays was not sufficiently seconded?

The PRESIDING OFFICER. Yes; that was the ruling of the Chair.

Mr. HARRISON. Then, Mr. President, we will help out those who made the demand, and will support it.

Mr. HASTINGS. Very well, Mr. President; I withdraw the request for a quorum.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FESS (when his name was called). Making the same announcement which I previously made with regard to my pair with the senior Senator from Virginia [Mr. GLASS], I withhold my vote.

Mr. OVERTON (when his name was called). Making the same announcement as previously with respect to my pair with the Senator from Utah [Mr. KING], and, in his absence, not knowing how he would vote if present, I withhold my vote.

Mr. ROBINSON of Arkansas (when his name was called). Announcing my pair with the Senator from Pennsylvania [Mr. REED], and its transfers as on previous votes, I vote "nay."

The roll call was concluded.

Mr. LEWIS. I beg to reannounce the absence of the Senators whose absence I announced earlier today, and for the reasons then given, to which on this vote I am authorized to say for the Senator from West Virginia [Mr. NEELY] that if present he would vote "nay."

I wish further to announce that the Senator from South Carolina [Mr. SMITH] is detained at the White House, the Senator from Wisconsin [Mr. DUFFY], the Senator from Montana [Mr. WHEELER], and the Senator from North Carolina [Mr. REYNOLDS] are necessarily absent on official business.

Mr. STEPHENS. Making the same announcement as on the previous vote with regard to my pair and its transfer, I vote "nay."

Mr. HEBERT. I wish to announce the general pair of the Senator from North Dakota [Mr. NYE] with the Senator from Florida [Mr. TRAMMELL]; also that the Senator from Pennsylvania [Mr. REED] is paired with the Senator from California [Mr. MCADOO] by transfer. If present, the Senator from Pennsylvania would vote "yea."

The result was announced—yeas 26, nays 54, as follows:

YEAS—26

Austin	Gibson	Kean	Steiwer
Barbour	Goldsborough	Keyes	Townsend
Carey	Hale	Long	Vandenberg
Cutting	Hastings	McNary	Walcott
Davis	Hatfield	Metcalf	White
Dickinson	Hebert	Patterson	
Frazier	Johnson	Schall	

NAYS—54

Adams	Capper	Harrison	Pope
Ashurst	Caraway	Hatch	Robinson, Ark.
Bachman	Clark	Hayden	Russell
Bailey	Connally	La Follette	Sheppard
Bankhead	Coolidge	Lewis	Stephens
Barkley	Copeland	Logan	Thomas, Okla.
Black	Costigan	Lonergan	Thomas, Utah
Bone	Couzens	McCarran	Thompson
Borah	Dieterich	McGill	Tydings
Brown	Dill	McKellar	Van Nuys
Bulkley	Erickson	Murphy	Wagner
Bulow	Fletcher	Norris	Walsh
Byrd	George	O'Mahoney	
Byrnes	Gore	Pittman	

NOT VOTING—16

Duffy	McAdoo	Overton	Shipstead
Fess	Neely	Reed	Smith
Glass	Norbeck	Reynolds	Trammell
King	Nye	Robinson, Ind.	Wheeler

So Mr. HASTINGS' amendment was rejected.

Mr. BARBOUR. Mr. President, I should like to call up an amendment to section 4 of the bill of which I gave notice about 3 months ago, and I ask that it may be read.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 6, line 10, after the word "designate", it is proposed to insert "at a public hearing, said hearing to be public unless the President shall determine and declare that a public hearing is not in the public interest and".

Mr. BARBOUR. Mr. President, I am not going to speak any further on this amendment at this time as I have already discussed it earlier this afternoon, and I do not insist on a record vote because there are others who have amendments they wish to offer and the time is short, as we must have a final vote at 5 o'clock.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Jersey.

The amendment was rejected.

Mr. BARBOUR. Mr. President, I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, following section 4, it is proposed to add the following new section:

SEC. 5. That the terms of this act shall not be invoked as to any commodity, article, or merchandise which is necessary or essential to the proper equipment or supply of the Army, Navy, or the Public Health Service, or to any of their associated departments or corps.

Mr. BARBOUR. Mr. President, I am offering this amendment in the light of my memory of what happened in 1917 when the United States entered the World War. At that time, our Army and Navy, as well as local defense and training camps, were practically without certain types of scientific apparatus, such as hypodermic syringes, chemical glassware, coal-tar medicinals, and various other equipment on which we had relied for our supply wholly upon Germany and other foreign countries. In drafting the Tariff Act of 1922, Congress, with the full cooperation of the heads of the various branches of our Government, provided duties, upon the ground of national defense, which would foster an industry in this country in every line of war necessity against the day when, God forbid, we may be called upon to equip a vast army or provide for national defense. The record in Congress with reference to the Tariff Act of 1922 and again in 1930, will clearly show that these rates were not placed in the tariff act as a matter of political or industrial logrolling, but, as I have said, at the request of heads of Government departments. It would, therefore, seem to me to be extremely dangerous and against public

policy to permit the provisions of this bill to apply to any article of supply or equipment necessary for those arms of our Government enumerated in this amendment which are so vitally interested in our national defense.

Mr. HARRISON. Mr. President, of course if this amendment should be adopted, almost everything being connected in one way or another, directly or indirectly, with the Army and Navy and the Public Health Service, it would take about everything out of negotiation, and it would make the bill almost inoperative. I hope the amendment will be voted down.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey.

The amendment was rejected.

Mr. BARBOUR. I offer another amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 18, it is proposed to insert the following:

And provided further, That nothing in this section shall apply to manufactured products of any country or countries which are produced and/or distributed by any producing and/or distributing agency, however and wherever formed and doing business, which is party to, or the subsidiary of a party to, any combination, agreement, cartel, or other arrangement designed or having the effect to promote monopoly, control prices and/or markets, or restrain trade, either in the country where such producing and/or distributing agency is located or elsewhere.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey.

Mr. BARBOUR. Mr. President, in submitting this amendment, I should like to read an excerpt from a report written by Dr. C. C. Concannon, Chief of the Chemical Division, Bureau of Foreign and Domestic Commerce, Department of Commerce, as follows:

For the first time since Germany's pre-war supremacy, the European coal-tar dye industry presents a solid front in the trade marts of the world. Predominent national groups in the dye industries of Germany, Switzerland, France, Italy, Spain, and now Great Britain and Poland are directly linked in a general accord for the world-wide marketing of their projects. The pact, however, is only the framework of a control rendered more effective by the ramification of German, Swiss, and French plants in other producer countries, and through the interrelations of the administrative organizations of member groups with other industries subject to international agreements, the whole structure comprising a single complicated, but definitely woven, pattern centered around the world's largest dye producer.

The European dye cartel of today is the latest development of a careful plan initiated in 1927 as a Franco-German dye-marketing agreement, to which Swiss producers definitely became a party in 1929. Spain automatically came under the control of the convention when its dye industry was acquired by German interests, while German and Swiss ownership in Italian dye factories aided in the final inclusion of Italy in 1931. After years of negotiation, Great Britain recently became a signatory country, with Poland becoming the seventh and latest member of the entente. Only two European producers of importance remain outside the direct control of the pact—Russia, which is said to consume all of its own output, and Czechoslovakia, whose exports are comparatively insignificant in world trade.

This amendment is aimed at prevention of our entering into trade agreements with what is a recognized well-established international monopoly, in relation to dyes particularly. We talk a great deal here on the floor of the Senate about monopolies and how we must prevent monopolies. And always be against monopolies; everyone here is opposed to monopolies.

Now, we realize, if we are frank enough to admit it, that there is this great international well-organized combination in relation to the whole dye industry. I feel, therefore, it is only fair and sensible that the amendment should be adopted to prevent the United States Government doing what it would not allow its citizens to do; that is, entering into an agreement with this great monopoly.

Mr. HARRISON. Mr. President, the bill now before us does not in any wise affect section 337 of the tariff act which gives the President power to deal with unfair practices in foreign countries; neither does it affect section 338, where the President is given the power to fight monopolies. It seems to me we ought not to encumber the legislation with the question of cartels.

Mr. BARBOUR. Mr. President, I ask for a vote on my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey.

The amendment was rejected.

Mr. WHITE. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. It is proposed, on page 6, after line 16, to insert the following:

SEC. 5. That upon all articles imported into the United States through a country contiguous to the United States, from another country foreign to the United States and transshipped from said contiguous country to the United States, there shall be levied, collected, and paid upon the importation of said articles into the United States a special tax or duty of 10 percent upon the value thereof. If said articles are otherwise subject by law to a duty, the special duty herein authorized shall be in addition thereto.

In the event that any country contiguous to the United States imposes on articles imported into that country through the United States from a country foreign to the United States and transshipped from the United States to said contiguous country, the same duties as would be imposed if the goods arrived directly at one of its own ports, then the provisions of this section, upon proclamation by the President, shall be suspended from time to time as to the contiguous country extending such reciprocal privileges.

Mr. WHITE. Mr. President, it is quite impossible in the time at my disposal to discuss at any length the merits or demerits of the pending bill, but I desire my conclusion with respect to it to be a matter of record.

I am opposed to the proposed legislation. My opposition rests on principle, but in this particular instance adherence to principle is the easier because of my conviction that any trade agreement negotiated with Canada—and I believe such a trade arrangement is in contemplation—would be at the expense of the industry, of the agriculture, of the fisheries of my State, and of all the people thereof interested in and dependent thereon.

Mr. President, there are trade advantages other than those asserted to be found in this bill which can be secured to the United States through insistence upon equality of treatment in trade practices. The amendment which I have offered seeks such equality.

For many years imports entering the United States by way of Canada have done so upon precisely the same basis as the imports entering the United States directly through its own ports. But we find that since 1927 Canada has been according a preferential tariff rate on goods entering Canada direct through her own sea and river ports. The manifest purpose and the effect of this practice is to divert imports into Canada from American ships, American ports, and American railroads, to her own ports.

Originally this preference to Canada was reserved to members of the British Empire, but it has now been extended to the world. The precise effects of this Canadian policy cannot be stated. It is certain, however, that there has been a substantial shrinkage in Canadian importations through American ports in recent years. Specific instances of diversion since this preference has been given can be cited.

The distinguished Senator from Massachusetts [Mr. WALSH] called the attention of the Senate, a few years since, to the unhappy consequences of this Canadian policy upon the port of Boston and upon an American shipping company, Government vessels in fact, serving that port. He placed in the RECORD a statement covering four specific commodities showing the duties assessed when the goods moved through Canadian ports and the duties assessed when the goods moved into Canada via the United States. The difference in these duties was sufficient to preclude the possibility of an American ship and an American port securing this business.

Large quantities of bananas formerly shipped through Atlantic ports of the United States into Canada under the preferential system could be imported direct through a Canadian port at a tariff charge of 50 cents less per bunch. Butter shipped from Australia to Canada if entered at Vancouver is charged a duty of 1 cent per pound, but if trans-

shipped from an American port 4 cents per pound, or a difference of $60 a ton in the imposed duty. There are other instances to which reference might be made. Trade from South America and from the East which formerly moved into Canada through American ports has been most adversely affected by this discrimination.

The Pacific coast is equally interested with Atlantic ports in this problem. I have already referred to shipments of butter from Australia. I note that importations of silk into this country through Canadian ports and by Canadian railroads have shown a marked increase. Probably over a third of the silk imported so enters this country. Why does this American trade come to us through Canada instead of through our own Pacific-coast ports? In the last analysis it is because it can be done upon precisely the same terms in the one case as in the other.

But I ask why should we suffer the loss of this traffic to our facilities through this equality of importing opportunity while Canada adopts a policy which denies such equality of treatment to goods entering Canada by an American port and an American railroad? The principle involved is what I chiefly complain of. I can see no reason why we should continue to permit imports to enter the United States through Canada without tariff surcharge while the Canadian practice is the reverse. The question presented by the amendment now before the Senate is whether the American rule shall be longer followed in the absence of a reciprocal policy on the part of Canada. No justification for it can be found.

The amendment proposes to impose a tariff surcharge of 10 percent upon imports entering the United States through Canada, subject to suspension by the President of such surcharge when it appears that Canada imposes the same duties upon imports passing through the United States into her territory as are imposed if the goods arrive directly at its own ports.

If we are to have reciprocity, the amendment definitely assures it at least in this one particular. We should secure this certain gain by the adoption of the amendment I have submitted. Its adoption by the Senate would evidence a decent regard for American rights and for American interests.

Mr. President, I very much hope the Senator from Mississippi [Mr. HARRISON] will accept the amendment, take it to conference, and, if he has not already given the subject matter the study which it desires, that he will there give the matter his further attention.

Mr. HARRISON. Mr. President, I am in sympathy with the object of the Senator from Maine; but if we can pass this bill, the matter referred to by the Senator is one of the things about which we may negotiate arrangements with Canada—namely, the elimination of this duty. Therefore, I hope this amendment will not be adopted.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Maine [Mr. WHITE].

The amendment was rejected.

Mr. DAVIS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, after line 16, it is proposed to insert:

(b) No agreement under the provisions of this act shall be concluded with any foreign country with respect to articles in the production of which labor standards, as reflected in wages, living scales, and labor costs, are lower than those which obtain in the production of the comparable articles in the United States.

(c) The United States Tariff Commission shall determine in each instance whether the specified conditions have been met.

On page 3, line 17, strike out "(b)" and insert "(e)."

On page 2, line 9, after the word "whenever" insert "after investigation by the Tariff Commission and conferences by said Commission with parties in interest."

Mr. DAVIS. Mr. President, this amendment provides that no agreement under the provisions of the act shall be concluded with any foreign country with respect to articles in the production of which labor standards, as reflected in wages, living scales, and labor costs are lower than those which obtain in the production of the comparable articles in the United States.

I do not care for a record vote, but I ask to have the question put on the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Pennsylvania [Mr. DAVIS].

The amendment was rejected.

Mr. DAVIS. I send to the desk another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to insert a new section, as follows:

SEC. —. No foreign-trade agreement shall be entered into under the provisions of this act with respect to laces or braids, made on a braiding machine, classified under paragraph 1529 (a) of the Tariff Act of 1930.

Mr. DAVIS. Mr. President, the workers in this industry now have only about 2 days' work a week; and I cannot quite understand why we should in any way share this work with workers in a foreign land.

Shoe laces, and braid made on a braiding machine suitable for use as shoe laces, constitute a very important industry in the United States, and give employment to a large number of people.

I ask for a vote on the amendment.

Mr. HEBERT. Mr. President, I have an amendment similar to the one proposed by the Senator from Pennsylvania, though I wish to discuss the amendment now before the Senate.

The braid industry is domiciled in large part in the State of Rhode Island. Normally it employs about 3,000 people, of whom one-half are citizens of my State. It operates under the minimum-wage schedules, hours of labor, and productive machines of the cotton-textile code adopted in March 1934.

Up to 1933 there was a very considerable foreign market for braids manufactured in this country; but subsequent thereto the Japanese products began to come into the United States, reaching a volume of 11,000 gross laces per month during January and February 1934.

From a statement which has been furnished me by those engaged in the industry, I find that importations of Japanese laces have increased from 420 gross laces in July 1933 to an average of 11,000 gross laces a month during January and February 1934. This statement goes on to say that the average value of a gross of Japanese laces is 0.64 yen, or about 20 cents at the prevailing rates of exchange.

The industry has a protective duty of 90 percent, and that makes the landing cost to the importer approximately 40 cents a gross. Several wholesalers in New York City are now offering Japanese laces at 45 cents a gross, but the domestic cost is now between 60 and 65 cents a gross. The industry applied for relief under section 3 (e) of the N.R.A. but has withdrawn its application.

I submit that unless we are prepared to afford that degree of protection to this industry—not large, it is true, and yet very considerable in the part of the country where it functions—there is no assurance that it can continue. The fact is, as I understand, that most of the factories now are operating on a schedule of about 2 days a week. The wages have been maintained at a high level, and the manufacturers desire to continue that treatment afforded to their operatives; but manifestly they cannot do so and compete with importations from Japan, where the scale of wages is all out of proportion to that which obtains in the United States.

I submit the amendment for the consideration of the Senate, and I urge upon Senators its importance to the industry.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Pennsylvania [Mr. DAVIS].

The amendment was rejected.

Mr. DAVIS. Mr. President, I send to the desk an amendment which has been offered by my colleague [Mr. REED], and ask that it be read and a vote taken upon it.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, following line 22, it is proposed to insert:

Provided, That no earthenware, crockeryware, china, porcelain, or any of the ware, and manufactures thereof, referred to and described in paragraphs 211 and 212 of the Tariff Act of 1930, shall be permitted to be imported into the United States and its possessions, in excess of 30,000 dozens, or 360,000 pieces from any country during any calendar month. The Secretary of the Treasury shall issue the necessary regulations to the collectors of the ports accordingly.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Pennsylvania [Mr. DAVIS] on behalf of his colleague [Mr. REED].

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk a revision of two or three amendments that were printed at the request of the senior Senator from Pennsylvania [Mr. REED].

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 11, after the word "duties", it is proposed to strike out "or other import restrictions."

On page 2, lines 20 and 21, it is proposed to strike out "and other import restrictions or such additional import restrictions."

On page 3, line 4, it is proposed to strike out "and other import restrictions."

On page 4, it is proposed to strike out paragraph (c), lines 7 to 12, inclusive.

Mr. HASTINGS. Mr. President, I will say to the chairman of the committee that the purpose of this amendment is to strike from the bill all authority with respect to import restrictions. The Senate will recall that that subject has been discussed a great deal, especially on this side of the Chamber, particularly by the junior Senator from Oregon [Mr. STEIWER] as well as by myself.

I do not think it is worth while to argue the matter further, because the discussion is all in the RECORD. I presume the chairman of the committee is not willing to accept the amendment.

Mr. HARRISON. Mr. President, I may say to the Senator that I could not accept the amendment. We gave a great deal of consideration to it. Those who conceived the bill gave consideration to it; and I think it would weaken the bill very much if such an amendment should be adopted.

Mr. HASTINGS. I shall not argue the matter, and do not care to have a roll call on the amendment. I merely ask that the question be put on the amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert in the bill, at the proper place, the following language:

Provided, That nothing in this act shall authorize the President to change the present form and method of valuation of imports for duty purposes.

Mr. HASTINGS. Mr. President, I called attention to the fact that I understood there was some doubt as to whether it was intended to give to the President, under this bill, authority to change the present method of valuation. That is, I contended some days ago that in the present form of the bill the word "form" meant to give to the President certain authority with respect to the method of valuation, whether it should be the foreign valuation or the American valuation. This amendment is proposed for the purpose of making certain that there shall be no change in the present method of arriving at valuation. I think it is very important.

As I said to the Senate when I was discussing the bill as a whole, the chemical industry in particular has an American valuation. It is a very serious thing to create the uncertainty that will surely come from giving to the President the power to make agreements changing articles in that schedule and others from an American valuation to a foreign valuation.

I do not care to discuss the question further, but I hope that if my thought about it is correct, if that is what the bill provides, and that was not the intent of those who framed the bill, this amendment will be accepted and at least go to conference.

Mr. HARRISON. Mr. President, I hope there will be no conference on the bill. This would change one of the important powers we give to the President, namely, the matter of the change in valuation.

Mr. HASTINGS. And it was intended to give him that power?

Mr. HARRISON. It was intended to give him that power, not only to change the rates but classifications also. I hope the amendment will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Delaware.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I send to the desk another amendment, to be known as "section 5" of the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to add the following new section:

SEC. 5. In order to make effective sections 1 and 2, the President is hereby authorized and directed, before concluding any reciprocal or foreign-trade agreements under this act, to notify all nations with which the United States has commercial treaties or conventions that so much of such treaties as provides for equal tariff treatment or unconditional trade opportunity will terminate on the expiration of such periods as may be required for the giving of notice by the provisions of those treaties or conventions, and that hereafter agreements entered into by the United States with foreign governments or instrumentalities thereof embodying reciprocal-tariff rates will be limited to the foreign governments or instrumentalities with whom such agreement was entered.

Mr. HASTINGS. Mr. President, my understanding is that we have unconditional promises with at least 30 countries, including such countries as Austria, Czeckoslovakia, Germany, Norway, Poland, Spain, Brazil, Chile, and China. As long as we must automatically extend to these countries any concession we make to any other country, we are in a bad bargaining position. In our bargain with Colombia we presumably get some concession for the promises we give, but this bargain has become a promise to Brazil for nothing. Every time we make an agreement with some one country, the benefits are extended to others for no return, and our bargaining power is weakened.

It has been suggested that our bargains be limited to the products which are supplied chiefly by the country with which the bargain is made, but this policy has not been observed in the case of Colombia. We have also shown in the RECORD that this policy is not observed in the list of countries and commodities that have been selected and offered by the administration to accord with this principle.

If we are going to approve this bill, I urge the Senate to put our Government in the position of being able at least to bargain on a more equal footing than would be possible if we are going to have to continue to extend favors granted one country for a concession to another 29 countries without concession.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Delaware.

The amendment was rejected.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that today, June 4, 1934, the President approved and signed the following acts:

S. 195. An act respecting contracts of industrial life insurance in the District of Columbia;





S. 1757. An act to amend an act entitled "An act to incorporate the Mount Olivet Cemetery Co. in the District of Columbia";

S. 2508. An act authorizing the Secretary of the Interior, with the approval of the National Capital Park and Planning Commission and the Attorney General of the United States, to make equitable adjustments of conflicting claims between the United States and other claimants of lands along the shores of the Potomac River, Anacostia River, and Rock Creek in the District of Columbia;

S. 2580. An act to exempt from taxation certain property of the National Society United States Daughters of 1812 in the District of Columbia;

S. 3257. An act to change the designation of Four-and-a-half Street SW. to Fourth Street; and

S. 3442. An act to dissolve the Ellen Wilson Memorial Homes.

RECIPROCAL-TARIFF AGREEMENTS

The Senate resumed the consideration of the bill (H.R. 8687) to amend the Tariff Act of 1930.

Mr. HARRISON. Mr. President, I should like to offer a clarification amendment, and I offer it at the suggestion of those who have directed this legislation. The amendment is to come on page 4, line 20, after the word "act", where I propose to insert a comma and the following language: "or to any provision of any such agreement."

The purpose of the amendment is as follows: In 1922 we gave the privilege to producers in this country, or other parties interested, of taking certain appeals when there was an importation of goods into this country, whether it was with reference to valuation, or classification, or the amount of tariff duties imposed. That was broadened greatly, as those who were here in 1930 will recall, so that any producer could interpose a protest when goods were brought into this country, and would have the right of appeal to the courts, which might interfere with importations and might delay a matter indefinitely. The object of this amendment is merely to remove those restrictions which are in the present law from the operation of the proposed trade agreements.

Mr. HEBERT. Mr. President, as I listen to the explanation made by the Senator, I assume that the privilege which the law now extends to American producers to interpose objections to changes made in the tariff act in pursuance of the provisions of the law now in force will be removed entirely?

Mr. HARRISON. So far as the proposed trade agreements are concerned, the object is not to permit any person to come in and destroy the effect of a trade agreement by interposing some objection when goods come in from some country with which we have such an agreement, whether it is directed against a classification, or valuation, or what not, and taking an appeal and tying the matter up in the courts indefinitely. That is the object of the amendment.

Mr. HEBERT. In other words, the protection afforded to American manufacturers under the tariff law of 1930, so far as articles subjected to the operations of this measure are concerned, is to be removed by the proposed amendment?

Mr. HARRISON. So far as the trade agreements are concerned. Otherwise they would have no effect.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was agreed to.

Mr. HARRISON. Mr. President, I have another amendment to propose, of which I desire to make some explanation. The Senate can do with reference to the amendment whatever it pleases. It is with reference to a clarification of excise duties.

It will be noted that, so far as tariff rates are concerned, the President has the power to increase or lower them by 50 percent; but as to excise taxes, they may be continued. It was the intention of those who framed the legislation, and of the House in passing the bill, that they would be frozen; in other words, they might not be modified.

There were adopted in 1923, I believe it was, what were termed "excise taxes", or were carried into the law as excise taxes, but some question has been raised as to whether or not they are excise taxes or import taxes. The four items concerned were lumber, coal, oil, and copper. So, to remove any doubt as to what the intention was, I have an amendment to offer which will clarify the matter; and if the amendment shall be adopted, it will freeze those four items. In other words, the duties cannot be increased and the duties cannot be lowered. It will be recalled that as to those four items the provision of law will expire in June of next year.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HARRISON. I yield.

Mr. COUZENS. Does that leave open the changing of the excise tax on coconut oil?

Mr. HARRISON. No; the tax on coconut oil is not involved at all.

Mr. COUZENS. If those four items are excluded, what is the implications with respect to the others?

Mr. HARRISON. There was a processing tax on coconut oil, and that is not affected by the bill at all. Coconut oil is not affected by this amendment.

Mr. JOHNSON. Mr. President, may I inquire of the Senator what the four items are, the duties upon which are now to be frozen by this bill?

Mr. HARRISON. All excise taxes are frozen by this bill.

Mr. JOHNSON. I understood the Senator to name certain items.

Mr. HARRISON. It was pointed out that some question was raised as to whether or not those four items which were carried in the 1932 act, namely, lumber, copper, coal, and oil, would be affected, and whether the duties on them could be raised or lowered.

Mr. JOHNSON. Did the Senator name lumber, coal, and oil?

Mr. HARRISON. Coal, oil, lumber, and copper. Those four are carried in the law as bearing excise taxes, and some question has been raised as to whether or not they are in fact excise taxes. In order to remove any doubt and to clarify the matter, I have offered this amendment.

Mr. BORAH. Mr. President, is it the understanding that if this amendment is agreed to, then the excise taxes upon these four articles in particular cannot be interfered with in any way whatever?

Mr. HARRISON. They cannot be increased and they cannot be lowered.

Mr. BORAH. Just why does the Senator single out those four items?

Mr. HARRISON. The reason is that all exices taxes are frozen in this bill. We do not propose to disturb excise taxes at all. The President is given the power with reference to import duties, and it was because the impression prevailed that on these items there were excise taxes that I offered the amendment. They are carried in the law as being subject to excise taxes.

As a matter of fact, there is very grave doubt as to whether they are or not. In my opinion, they are not excise taxes, but I do not wish to mislead anyone in the Senate about the matter at all, and I stated that they were excise taxes. That is the reason why I have offered this amendment.

The Senator will recall, of course, that I did not favor the tax on any one of those four items. I was one of those who signed the minority report, and one of those who opposed the taxes, and voted against every one of them. They expire in June 1935.

Mr. HASTINGS and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Mississippi yield; and if so, to whom?

Mr. HARRISON. I yield to the Senator from Delaware.

Mr. HASTINGS. Mr. President, I reached the definite conclusion that the language in this definition of "exactions other than duties" had specific reference to excise taxes; not to these four items in particular.

Mr. HARRISON. It did not. It referred to excise taxes; but a great many thought these four items were excise taxes. They are carried in the law as excise taxes. Upon

looking into them, I find that they are subject to two constructions. My judgment is that they should not be held to be excise taxes.

Mr. HASTINGS. I read into the RECORD a great many things that were taxed, such as playing cards, yachts, and what not. There is a special tax on them. What I desire to know is whether or not the language used in this definition was intended to give the President power over those particular taxes.

Mr. HARRISON. The kind of taxes styled "excise taxes" were not to be affected. They were not to be increased or lowered. They were frozen, in other words.

Mr. HASTINGS. The bill does not so provide.

Mr. HARRISON. The language of the bill on page 2 is:

To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign-trade agreements,—

And so forth.

Mr. ASHURST. Mr. President, I have taken no time on the bill; and we are to vote, I believe, in 10 minutes. Will not the Senator from Mississippi withdraw this amendment? I do not want to be required to speak against the amendment, but there are a dozen Members on this side of the Chamber who ought to do so, and we have only 10 minutes.

Will the Senator now at the last hour draw a dirk? Will the Senator please withdraw his amendment? Is the Senator proposing to go to the country with a bill which will preclude the President from raising the tariffs on oil, copper, and lumber?

I oppose that amendment. No man who pretends to be fair would, after discussion upon this bill has been practically completed, draw from his breast a dirk against these great industries.

I have always been in favor of a proposal to give the President the power to raise tarffs and lower them, to get away from logrolling; and it ill becomes the able Senator at this hour, when no one can make a reply to him, to propose such an amendment. It is conceived in iniquity, it is born in sin, and generated in unfairness.

Mr. HARRISON. Mr. President, there are only a few minutes remaining before the time for voting. I desire to say to the Senator from Arizona that I have offered this amendment in order to help his contention. I shall gladly withdraw the proposal.

Mr. ASHURST. The Senator will pardon me. I have only 3 minutes on this bill.

Mr. HARRISON. If the Senator desires to have the amendment withdrawn, I shall be delighted to withdraw it.

Mr. ASHURST. I desire to have any amendment withdrawn which precludes the President from raising the tariff on copper.

Mr. HARRISON. I withdraw the amendment.

The VICE PRESIDENT. The amendment is withdrawn.

Mr. HASTINGS. Mr. President, I desire to offer another amendment.

The VICE PRESIDENT. The Senator from Delaware.

Mr. LONG. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Louisiana?

Mr. HASTINGS. I yield.

Mr. LONG. Will not the Senator from Delaware permit me to send an amendment to the desk? I desire to send to the desk the amendment which the Senator from Mississippi withdrew, because we were given to understand that the amendment would be offered.

Mr. HASTINGS. I was trying to do the same thing.

Mr. LONG. Let me send it to the desk.

The VICE PRESIDENT. Does the Senator from Delaware yield for the purpose of permitting the Senator from Louisiana to offer an amendment?

Mr. HASTINGS. I yield.

The VICE PRESIDENT. The Senator from Louisiana offers an amendment, which will be stated.

The LEGISLATIVE CLERK. On page 4, line 12, after the word "imports", it is proposed to insert a semicolon and the following:

except that the term does not include excise taxes imposed under the provisions of paragraphs (4), (5), (6), and (7) of subsection (c) of section 601 of the Revenue Act of 1932, as amended.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Louisiana.

Mr. ASHURST. Mr. President, I ask for the yeas and nays on that amendment.

Mr. LONG. Mr. President, I am willing to have a yea-and-nay vote on the amendment. I desire to be heard for a minute.

Mr. ASHURST. Mr. President, will the Senator yield to me for a moment? I am willing to take my chances. I am willing to leave it to Franklin D. Roosevelt as to whether or not the tariff shall be increased.

Mr. LONG. Mr. President, I refuse to yield.

The VICE PRESIDENT. The Senator from Louisiana declines to yield.

Mr. LONG. I have but 5 minutes, and the Senator from Arizona has already spoken for 5 minutes.

Mr. President, we were given to understand and we were assured that copper, oil, coal, and lumber would not be affected by this bill; and, as one of the Senators who had received this assurance——

Mr. CLARK. Mr. President, will the Senator yield?

Mr. LONG. No; I will not yield, Mr. President. I have only 5 minutes.

Mr. CLARK. I should like to know what effect the assurance the Senator received had on him. He apparently is not going to vote for the bill, anyway.

Mr. LONG. Mr. President, I do not know what effect it had, except that I took them at their word.

Mr. HARRISON. Mr. President, the Senator will recall that I withdrew the amendment.

Mr. LONG. I am not censuring the Senator from Mississippi. I am offering his amendment, which I presume he will support. I believe he will.

Mr. President, we were told that these commodities would be protected because the tariffs we have on oil and lumber and coal and copper are very necessary. A number of Senators and I fought here many nights and many days to get tariffs on these items, and we want to protect them. We were assured that they would be protected. Today, as an example, notwithstanding the fact that it is said we have an overproduction of oil in America, none the less we are importing into the country 260,000 barrels of oil a day. Notwithstanding all our lumber trouble and the cheapness of lumber, lumber is still being imported. We were told, and we believed, and I am sure Senators mean to stick by it, that we should have this tariff protection, and it would be disastrous to us if it were not given to us.

I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. FESS (when his name was called). Repeating my statement made previously with reference to my pair, I withhold my vote.

Mr. LEWIS (when Mr. NEELY's name was called). I am authorized to state that were the Senator from West Virginia [Mr. NEELY] present, he would vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). Announcing the same pair and its transfer as on previous votes, I vote "nay."

Mr. STEPHENS (when his name was called). I repeat my former announcement as to my pair and transfer and vote "nay."

The roll call was concluded.

Mr. HEBERT. The senior Senator from Pennsylvania [Mr. REED], if present, would vote "yea" on this question. He is paired with the Senator from California [Mr. McADOO], as announced by the transfer of the pair of the Senator from Arkansas [Mr. ROBINSON].

Mr. OVERTON. I inquire if the senior Senator from Utah [Mr. KING] has voted?

The VICE PRESIDENT. That Senator is not recorded as having voted.

Mr. OVERTON. I am paired with that Senator and in his absence withhold my vote.

Mr. LEWIS. I wish to announce that the senior Senator from Oklahoma [Mr. GORE] is detained on official business.

The result was announced—yeas 29, nays 57, as follows:

YEAS—29

Austin	Fletcher	Johnson	Thomas, Okla.
Barbour	Frazier	Kean	Townsend
Carey	Gibson	Keyes	Vandenberg
Coolidge	Goldsborough	Long	Walcott
Couzens	Hale	McNary	White
Cutting	Hastings	Metcalf	
Davis	Hatfield	Schall	
Dickinson	Hebert	Steiwer	

NAYS—57

Adams	Caraway	Logan	Russell
Ashurst	Clark	Lonergan	Sheppard
Bachman	Connally	McCarran	Shipstead
Bailey	Copeland	McGill	Smith
Bankhead	Costigan	McKellar	Stephens
Barkley	Dieterich	Murphy	Thomas, Utah
Black	Dill	Norbeck	Thompson
Bone	Duffy	Norris	Tydings
Borah	Erickson	Nye	Van Nuys
Brown	George	O'Mahoney	Wagner
Bulkley	Harrison	Patterson	Walsh
Bulow	Hatch	Pittman	Wheeler
Byrd	Hayden	Pope	
Byrnes	La Follette	Reynolds	
Capper	Lewis	Robinson, Ark.	

NOT VOTING—10

Fess	King	Overton	Robinson, Ind.
Glass	McAdoo	Reed	Trammell
Gore	Neely		

So Mr. LONG's amendment was rejected.

The VICE PRESIDENT. There is on the clerk's desk a committee amendment which was passed over at the request of some Senator, but just which Senator the Chair has forgotten. Without objection the clerk will read the amendment.

The LEGISLATIVE CLERK. On page 5, strike out lines 19 and 20, as follows:

(c) The provisions of this act shall terminate 3 years from the date of its enactment.

And insert in lieu thereof the following:

(c) The authority of the President to enter into foreign-trade agreements under section 1 of this act shall terminate on the expiration of 3 years from the date of the enactment of this act.

The VICE PRESIDENT. Without objection the amendment is agreed to.

Mr. LONG. Mr. President, I send to the desk an amendment in the nature of a substitute for the bill and ask to have it read, or, instead of having it read, I can explain it in a minute, if I may be permitted to do so.

The VICE PRESIDENT. The amendment in the nature of a substitute will be read.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and in lieu thereof to insert the following:

That section 336 of the Tariff Act of 1930 is amended to read as follows:

"SEC. 336. Recommendations for adjustment of duties.—(a) Upon the request of the President of the United States, or upon its own motion, or upon application of any interested party showing good and sufficient reason therefor, the Commission shall investigate and ascertain the differences in the cost of production of any domestic article and of any like or similar foreign article. If the Commission finds it shown by the investigation that the duty imposed by law upon the foreign article does not equalize the differences in the cost of production, when efficiently and economically produced, of the domestic article and of the foreign article when produced in the principal competing country or countries, then the Commission shall report to the President and to the Congress its findings and its order with respect to such increases or decreases in the duty upon the foreign article as the Commission finds to be necessary in order to equalize such differences in the cost of production. Any such increased or decreased duty may include the transfer of the article from the dutiable list to the free list or from the free list to the dutiable list, a change in the form of duty, or a change in classification. The report shall be accompanied by a statement of the Commission setting forth the findings of the Commission with respect to the differences in cost of production, the elements of cost included in the cost of production of the respective articles as ascertained by the Commission, and any other matter deemed pertinent by the Commission. Sixty days after the date of the report to Congress of such order by said Commission, such changes in classification shall take effect, and such increased or decreased duties shall be levied, collected, and paid on such articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila): *Provided*, That if before the expiration of such period of 60 days the Congress then in session shall have by joint resolution declared said order of said Commission rejected, then the changes in classification, forms of rate, or increases or decreases in rates of duty specified in such order of said Commission shall not go into effect.

"The President, upon receipt of any such report of the Commission, shall promptly transmit the report to the Congress with his recommendations, if any, with respect to the increase or decrease in duty proposed by the Commission.

"Any bill having for its object the carrying out, in whole or in part, of the recommendations made by the Commission in any such report shall not include any item not included in such report; and in the consideration of such bill, either in the House of Representatives or in the Senate, no amendment thereto shall be considered which is not germane to the items included in such report.

"(b) No report shall be made by the Commission under this section unless the determination of the Commission with respect thereto is reached after an investigation by the Commission during the course of which the Commission shall have held hearings and given reasonable public notice of such hearings, and reasonable opportunity for the parties interested to be present, produce evidence, and to be heard. The Commission is authorized to adopt such reasonable rules of procedure as may be necessary to execute its functions under this section.

"(c) In ascertaining the differences in costs of production under this section, the Commission shall take into consideration, insofar as it finds it practicable—

"(1) The differences in conditions of production, including wages, costs of materials, and other items in cost of production of like or similar articles in the United States and in competing foreign countries;

"(2) Costs of transportation;

"(3) Other costs, including the cost of containers and coverings of whatever nature and other charges and expenses incident to placing the article in condition, packed ready for delivery, storage costs in the principal market or markets of the United States and of the principal competing country or countries, and costs of reconditioning or repacking wherever incurred;

"(4) Differences between the domestic and foreign article in packing and containers, and in condition in which received in the principal markets of the United States;

"(5) Differences in wholesale selling prices of domestic and foreign articles in the principal markets of the United States insofar as such prices are indicative of costs of production, provided such costs cannot be satisfactorily obtained;

"(6) Advantages granted to a foreign producer by a foreign government or by a person, partnership, corporation, or association in a foreign country;

"(7) Any other advantages or disadvantages in competition which increase or decrease in a definitely determinable amount the total cost at which domestic or foreign articles may be delivered in the principal market or markets of the United States; and

"(8) Definition of costs of transportation: Costs of transportation for the purposes of this section shall be held to include, insofar as applicable:

"(1) Freight charges and all other charges incident to transportation, including transit insurance, costs of loading and unloading, and port charges and landing charges. These costs shall be computed to such principal market or markets of the United States as may most nearly insure equal competitive opportunity to domestic articles and like or similar foreign articles in the principal consuming region or regions of the United States. If this purpose may be best accomplished thereby, such costs on domestic articles and on like or similar foreign articles shall be computed to different principal markets of the United States.

"(2) (A) In the case of an imported article, the cost of transporting such article from the areas of substantial production in the principal competing country to the principal port of importation of such article into the United States; and (B) in the case of a domestic article, the cost of transporting such article from the areas of substantial production that can reasonably be expected to ship the article thereto, to the principal port of importation into the United States of the like or similar competitive article."

SEC. 2. All uncompleted investigations instituted prior to the approval of this act under section 336 of the Tariff Act of 1930 prior to its amendment by this act, including investigations in which the President has not proclaimed changes in classification or in basis of value or increases or decreases in rates of duty, shall be dismissed without prejudice; but the information and evidence secured by the Commission in any such investigation may be given due consideration in any investigation instituted under the provisions of section 336 of the Tariff Act of 1930 as amended by this act.

SEC. 3. Consumers' counsel: (a) There shall be an office in the legislative branch of the Government to be known as the "Office of the Consumers' Counsel of the United States Tariff Commission."

The office shall be in charge of a counsel to be appointed by the President, by and with the advice and consent of the Senate. No person shall be eligible for appointment as counsel if such person has at any time acted in tariff matters before Congress or the United States Tariff Commission, either on his own behalf or as attorney, at law or in fact, or as legislative agent. The counsel shall be appointed for a term of 4 years and shall received a salary of $10,000 a year. The counsel shall not actively engage in any other business, vocation, or employment than that of serving as counsel.

(b) It shall be the duty of the counsel to appear in the interest of and represent the consuming public in any proceeding before the Commission. In any proceeding before the Commission in which the counsel has entered an appearance, the counsel shall have the right to offer any relevant testimony and argument, oral or written, and to examine and cross-examine witnesses and parties to the proceeding, and shall have the right to have subpena or other process of the Commission issue in his behalf. Whenever the counsel finds that it is in the interest of the consuming public to have the Commission furnish any information at its command or conduct any investigation as to differences in costs of production or other matters within its authority, then the counsel shall so certify to the Commission, specifying in the certificate the information or investigation desired. Thereupon the Commission shall promptly furnish to the counsel the information or promptly conduct the investigation and place the results thereof at the disposal of the counsel.

(c) Within the limitations of such appropriations as the Congress may from time to time provide, the counsel is authorized (subject to the civil-service laws and the Classification Act of 1923, as amended) to appoint and fix the salaries of assistants and clerks, and is authorized to make such expenditure as may be necessary for the performance of the duties vested in him.

SEC. 4. International Economic Conference: That the President is respectfully requested to initiate a movement for an international economic conference, with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade, (b) preventing retaliatory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations between nations; but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence, or in any way effects the revenue of the United States, must first be approved by the Congress of the United States.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG] in the nature of a substitute for the bill as amended.

Mr. LONG. Mr. President, I do not want to infringe the agreement——

The VICE PRESIDENT. There is no debate permissible under the unanimous-consent agreement.

Mr. LONG. Mr. President, a parliamentary inquiry. Can the Chair state that this is the old Democratic proposal?

The VICE PRESIDENT. The Chair has no statement to make because he does not know anything about it.

Mr. LONG. I call for the yeas and nays.

The yeas and nays were not ordered.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG] in the nature of a substitute for the bill as amended.

The amendment was rejected.

Mr. HASTINGS. Mr. President, I ask unanimous consent that the vote by which the Senate adopted the perfecting amendment, so called, offered by the Senator from Mississippi [Mr. HARRISON] in line 20, page 4, may be reconsidered for the purpose of having a roll call upon it.

Mr. HARRISON. I have no objection to a roll call.

The VICE PRESIDENT. The Senator from Delaware asks unanimous consent for the reconsideration of the vote by which a certain amendment was agreed to. Is there objection?

Mr. COUZENS. I object.

The VICE PRESIDENT. Objection is heard. The question is on the engrossment of the amendments and the third reading of the bill.

Mr. McNARY. Mr. President, under the unanimous consent agreement, at the hour of 5 o'clock we were to take a vote on all amendments, and later on the bill upon its final passage. I submit a parliamentary inquiry. Is there any amendment on the desk that has not been submitted to a vote?

The VICE PRESIDENT. Amendments have to be offered from the floor.

Mr. McNARY. I think the Chair should state that before placing the bill upon its final passage.

The VICE PRESIDENT. The Chair will state that the bill is still open to amendment. Does any Senator desire to offer an amendment?

Mr. METCALF. Mr. President, I have an amendment lying on the table, which I offer, and should like to have read.

The VICE PRESIDENT. The clerk will read the amendment.

The LEGISLATIVE CLERK. It is proposed to add the following new section at the end of the bill:

SEC. —. The provisions of this act shall not be used in a manner which will withdraw protection from American workers against those countries which employ cheap labor or who operate under a standard of living which is lower than that prevailing in this country. To this end the Bureau of Labor Statistics of the Department of Labor shall be required to ascertain differences in the wages of labor, and whenever the wages in the foreign country are 20 percent or more below the domestic wage no agreement may be consummated.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. METCALF. I demand the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the junior Senator from California [Mr. MCADOO], and will vote. I vote "nay."

Mr. STEPHENS (when his name was called). Repeating my former announcement of my pair and its transfer, I vote "nay."

The roll call was concluded.

Mr. LEWIS. I desire to announce a special pair on this question between the Senator from Utah [Mr. KING] and the Senator from Louisiana [Mr. OVERTON].

I beg also to reannounce the absence of certain Senators previously announced by me; and the reasons given I reannounce.

I also announce that the Senator from West Virginia [Mr. NEELY] authorizes it to be said that were he present he would vote "nay" on this question.

Mr. HEBERT. I am advised that the Senator from Pennsylvania [Mr. REED] would, if present, vote "yea" on this question.

The result was announced—yeas 33, nays 54, as follows:

YEAS—33

Austin	Frazier	Keyes	Steiwer
Barbour	Gibson	Lonergan	Townsend
Bone	Goldsborough	Long	Vandenberg
Borah	Hale	McNary	Walcott
Carey	Hastings	Metcalf	Wheeler
Cutting	Hatfield	Nye	White
Davis	Hebert	Patterson	
Dickinson	Johnson	Schall	
Fess	Kean	Shipstead	

NAYS—54

Adams	Clark	Hayden	Robinson, Ark.
Ashurst	Connally	La Follette	Russell
Bachman	Coolidge	Lewis	Sheppard
Bailey	Copeland	Logan	Smith
Bankhead	Couzens	McCarran	Stephens
Barkley	Dieterich	McGill	Thomas, Okla.
Black	Dill	McKellar	Thomas, Utah
Brown	Duffy	Murphy	Thompson
Bulkley	Erickson	Norbeck	Tydings
Bulow	Fletcher	Norris	Van Nuys
Byrd	George	O'Mahoney	Wagner
Byrnes	Gore	Pittman	Walsh
Capper	Harrison	Pope	
Caraway	Hatch	Reynolds	

NOT VOTING—9

Costigan	McAdoo	Overton	Robinson, Ind.
Glass	Neely	Reed	Trammell
King			

So Mr. METCALF's amendment was rejected.

Mr. HASTINGS. Mr. President, I ask for a reconsideration of the vote by which the bill was amended on page 4, line 20, and ask for a yea-and-nay vote.

The VICE PRESIDENT. The Senator from Delaware moves a reconsideration of the amendment indicated by him, offered by the Senator from Mississippi [Mr. HARRISON].

Mr. HARRISON. Mr. President, to save time, I shall make no objection to taking another vote on that amendment, if that is what the Senator desires.

Mr. HASTINGS. That is all I desire.

The VICE PRESIDENT. Is there objection to a reconsideration of the amendment offered by the Senator from Mississippi [Mr. HARRISON] on page 4, line 20? The Chair hears none. The question is on agreeing to the amendment.

Mr. HEBERT. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). Making the same pair and transfer as on the last roll call, I vote "yea."

Mr. STEPHENS (when his name was called). Making the same announcement as before as to my pair and its transfer, I vote "yea."

The roll call was concluded.

Mr. HEBERT. I am advised that the Senator from Pennsylvania [Mr. REED], if present, would vote "nay." He is paired as heretofore announced.

The result was announced—yeas 59, nays 29, as follows:

YEAS—59

Adams	Connally	La Follette	Robinson, Ark.
Ashurst	Coolidge	Lewis	Russell
Bachman	Copeland	Logan	Sheppard
Bankhead	Costigan	Lonergan	Shipstead
Barkley	Couzens	McCarran	Smith
Black	Dieterich	McGill	Stephens
Bone	Dill	McKellar	Thomas, Okla.
Brown	Duffy	Murphy	Thomas, Utah
Bulkley	Erickson	Norbeck	Thompson
Bulow	Fletcher	Norris	Tydings
Byrd	George	O'Mahoney	Van Nuys
Byrnes	Harrison	Overton	Wagner
Capper	Hatch	Pittman	Walsh
Caraway	Hayden	Pope	Wheeler
Clark	King	Reynolds	

NAYS—29

Austin	Frazier	Kean	Steiwer
Barbour	Gibson	Keyes	Townsend
Borah	Goldsborough	Long	Vandenberg
Carey	Hale	McNary	Walcott
Cutting	Hastings	Metcalf	White
Davis	Hatfield	Nye	
Dickinson	Hebert	Patterson	
Fess	Johnson	Schall	

NOT VOTING—8

Bailey	Gore	Neely	Robinson, Ind.
Glass	McAdoo	Reed	Trammell

So Mr. HARRISON's amendment was agreed to.

Mr. WALSH. Mr. President, I have an amendment on the table providing that the President shall give at least 10 days' public notice of his intention to negotiate a treaty. I understand that an amendment has been agreed to providing for reasonable public notice; and, that being broader than my amendment, I withdraw the amendment.

The VICE PRESIDENT. The amendment is withdrawn.

Mr. FLETCHER. Mr. President, I submitted an amendment proposing to give the President authority over the free list under the treaty with Cuba. I understand negotiations are now in progress looking to a new treaty, and I do not wish to complicate matters; so I withdraw the amendment I have offered.

The VICE PRESIDENT. The Senator from Florida withdraws his amendment. The question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question now is, Shall the bill pass?

Mr. McNARY. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. LEWIS (when Mr. NEELY's name was called). I am authorized to state that were the Senator from West Virginia [Mr. NEELY] present and voting he would vote "yea" on the passage of the bill.

Mr. ROBINSON of Arkansas (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. REED], which I transfer to the junior Senator from California [Mr. MCADOO], and vote "yea".

Mr. STEPHENS (when his name was called). I have a pair with the Senator from Indiana [Mr. ROBINSON], which I transfer to the Senator from West Virginia [Mr. NEELY], and vote "yea".

The roll call was concluded.

Mr. HEBERT. The Senator from Pennsylvania [Mr. REED] and the Senator from Indiana [Mr. ROBINSON] are necessarily absent from the Senate. If present, both the Senators named would vote "nay" on the passage of the bill. The pairs of these Senators have been stated.

Mr. WALCOTT. Mr. President, in view of the transfer made by the Senator from Arkansas [Mr. ROBINSON] of his general pair with the Senator from Pennsylvania [Mr. REED] to the Senator with whom I have a general pair, the Senator from California [Mr. MCADOO], I am permitted to vote, and I vote "nay."

Mr. LEWIS. I desire to announce that the Senator from Oklahoma [Mr. GORE] is detained in an important conference. I am not advised as to how he would vote if present.

I regret to announce the continued illness of the Senator from California [Mr. MCADOO].

The Senator from Florida [Mr. TRAMMELL] is necessarily detained from the Senate. I am authorized to announce that if present he would vote "yea."

The result was announced—yeas 57, nays 33, as follows:

YEAS—57

Ashurst	Connally	Lewis	Sheppard
Bachman	Coolidge	Logan	Shipstead
Bailey	Copeland	Lonergan	Smith
Bankhead	Costigan	McCarran	Stephens
Barkley	Couzens	McGill	Thomas, Okla.
Black	Dieterich	McKellar	Thomas, Utah
Bone	Duffy	Murphy	Thompson
Brown	Erickson	Norbeck	Tydings
Bulkley	Fletcher	Norris	Van Nuys
Bulow	George	O'Mahoney	Wagner
Byrd	Harrison	Pittman	Walsh
Byrnes	Hatch	Pope	Wheeler
Capper	Hayden	Reynolds	
Caraway	King	Robinson, Ark.	
Clark	La Follette	Russell	

NAYS—33

Adams	Fess	Johnson	Schall
Austin	Frazier	Kean	Steiwer
Barbour	Gibson	Keyes	Townsend
Borah	Glass	Long	Vandenberg
Carey	Goldsborough	McNary	Walcott
Cutting	Hale	Metcalf	White
Davis	Hastings	Nye	
Dickinson	Hatfield	Overton	
Dill	Hebert	Patterson	

NOT VOTING—6

Gore	Neely	Robinson, Ind.	Trammell
McAdoo	Reed		

So the bill was passed.

MONETARY USE AND PURCHASE OF SILVER

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate proceed to the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

ORDER OF BUSINESS

Mr. McKELLAR. Mr. President, I ask the Senator from Nevada [Mr. PITTMAN] if he will permit the Senate to lay aside the unfinished business temporarily, so that we may take up the conference report on the air mail bill.

Mr. PITTMAN. I ask unanimous consent that that be done.

Mr. SHIPSTEAD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. SHIPSTEAD. Last week I served notice that when the unfinished business should have been disposed of I should enter a motion to discharge the Committee on Finance from the further consideration of House bill No. 1.

The VICE PRESIDENT. That matter is not before the Senate at the present time. The unfinished business is what is known as the "silver bill." The Chair understands

that the Senator from Nevada is now asking unanimous consent to lay that bill aside temporarily for the purpose of considering the conference report which the Senator from Tennessee has in charge.

Mr. McNARY. Mr. President, I feel somewhat disinclined to accede to that request. It is half past 5. We have had a very tiresome and trying day. I should have no objection to the request of the Senator from Nevada if it were that that should be done tomorrow upon the assembling of the Senate at 12 o'clock; but there will be some debate on the subject. As I said, we have had a very tiresome and trying day.

Mr. McKELLAR. Mr. President, the Senator from Vermont [Mr. AUSTIN] informs me that he will have to be absent from the city tomorrow, and that he desires to speak at least 10 minutes on the bill this afternoon. I asked the Senator from Nevada if he would agree to my request for no other reason than to let the Senator from Vermont finish his speech tonight.

Mr. McNARY. The Senator from Vermont, I am advised, is prepared to proceed but would rather do so tomorrow at 12 o'clock.

Mr. McKELLAR. Would the Senator be willing to recess until 11 o'clock in the morning?

Mr. McNARY. I see no need for that.

Mr. McKELLAR. Of course, the Senator understands that I have a right to submit the conference report.

Mr. McNARY. I appreciate that.

Mr. McKELLAR. It has been delayed time and time and time again, and I hope that the Senate may dispose of it this afternoon.

Mr. McNARY. I am fully advised as to the right of the Senator. On account of the feeling that I have and that many of us have, who are tired, I am expressing the hope that we may recess until 12 o'clock tomorrow, at which time I shall not object to the request of the Senator from Nevada.

The VICE PRESIDENT. Objection is heard.

Mr. McKELLAR. Would the Senator from Oregon object, then, to a unanimous-consent agreement that tomorrow at 12 o'clock the Senate shall take up the conference report on the air mail bill?

Mr. McNARY. I twice stated specifically that I should not object.

Mr. McKELLAR. Then, I will amend my request.

Mr. PITTMAN. Mr. President, one moment. The unfinished business before the Senate is the silver bill.

The VICE PRESIDENT. The unfinished business will be before the Senate tomorrow at 12 o'clock noon, if a recess be taken until that time; but the Senator from Tennessee [Mr. McKELLAR] has a right to call up his report at any time he desires.

Mr. McNARY. Mr. President, I have on two occasions expressed the same view.

The VICE PRESIDENT. It is not necessary to ask unanimous consent unless the Senator desires to do so.

Mr. McKELLAR. Mr. President, I ask unanimous consent that we may proceed with the consideration of the conference report on the air mail bill tomorrow at 12 o'clock noon, and that at that time the unfinished business may be temporarily laid aside.

Mr. PITTMAN. Mr. President, may I amend that request? I ask unanimous consent that when we recess tonight the pending bill shall be the unfinished business; that we shall take it up at 12 o'clock tomorrow on reconvening, and that then it shall be temporarily laid aside for the purpose of taking up the conference report on the air mail bill.

The VICE PRESIDENT. That means the same thing. Is there objection to the request for unanimous consent? The Chair hears none.

SULTZBACH CLOTHING CO.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1191) for the relief of the Sultzbach Clothing Co., which were on page 1, line 6, after "$6,000", to insert in full settlement of all claims against the Government of the United States", and on page 1, line 11, after "provisions", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this Act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a midemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. WAGNER. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

JAMES SLEVIN

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2636) for the relief of James Slevin, which were, on page 1, line 6, after "$1,425", to insert "in full settlement of all claims against the Government of the United States", and on page 1, line 9, after "1933", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. SHEPPARD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

M. M. TWICHEL

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1126) for relief of M. M. Twichel, which was, on page 1, line 10, after "1933", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. WHEELER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

LUECO R. GOOCH

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1077) for the relief of Lueco R. Gooch, which was, on page 1, line 13, after "1929", to insert—

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. BAILEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

EMMA FERGUSON STARRETT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1401) to

pay a gratuity to Emma Ferguson Starrett, which was, on page 1, line 8, after "husband", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. FLETCHER. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

MICHAEL BELLO

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1516) for the relief of Michael Bello, which was, on page 2, line 6, after "City", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. COPELAND. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

CLAUDIA L. POLSKI

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 2023) for the relief of Claudia L. Polski, which were, on page 1, line 11, after "injury", to insert "alleged to have been", and on page 1, line 13, after "amended", to insert:

Provided, That no benefits shall accrue prior to the enactment of this act.

Mr. SHIPSTEAD. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

ORDER OF BUSINESS

The VICE PRESIDENT. The Chair desires to recognize the Senator from Pennsylvania [Mr. DAVIS], who has given notice that he desires to speak for about 3 minutes.

Mr. SHIPSTEAD. Mr. President——

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Minnesota?

Mr. DAVIS. I yield.

Mr. SHIPSTEAD. I should like to propound a question to the Senator from Mississippi. Will the Senator give us information as to when he proposed action on House bill 1? Is there a possibility of a report from the committee?

Mr. HARRISON. The Senator from Minnesota appreciates the fact that the Senate has been engaged in debate and action on the tariff bill for a considerable period of time. The Finance Committee tried to have a meeting on Friday morning to transact business, and we hope to have a meeting tomorrow morning. The committee at its last meeting took a recess until tomorrow morning. I have just been advised that there is to be a conference at the White House on the part of the Senators from the drought-stricken section of the country, and I have asked that the committee meeting not be held until tomorrow afternoon at 2:30. I think at that time the committee ought to give some consideration to the bill referred to. I do not know what action the committee will take.

That is the situation at the present time.

RETIREMENT SYSTEM FOR RAILWAY EMPLOYEES

Mr. DAVIS. Mr. President, Senate bill 3231, now on the calendar, provides a retirement plan for the aged employees of the railroads. This plan has been approved by the outstanding representatives of the railway brotherhoods and some of the leading carriers. Under this bill all carriers coming within the scope of the Railway Labor Act are to be treated as one employer for the purposes of the act. The old-age pension or annuity is to be based upon the wages and the length of service of employees upon all railroads, with specified maximum limits.

The payments are to be provided through funds created by joint contributions from the railroad and the employees. The Treasury of the United States is made the depository for these funds. The payments to be made from such funds are limited to the amounts provided by the railroads and the employees, and no burden is placed on the Public Treasury.

Under the terms of the bill the employees shall contribute 2 percent of the compensation paid to them by the carrier and the carrier shall contribute an amount equal to twice the amount contributed by its employees. The administration of the system is to be under the direction and supervision of a board composed of three members, to be appointed by the President of the United States, with the advice and consent of the Senate. The bill carries definite provisions concerning rates of payment and age of retirement. It is estimated that the average wage of $1,667 per year will produce an average monthly annuity of $83.33.

There is considerable evidence to show that the payment of pensions to aged employees reduces the operating costs of the carriers. Without a satisfactory retirement system these aged employees are often continued in the service when it would be in the interest of economical operation to retire and pay them pensions.

Good business judgment dictates the policy of replacing worn-out and depreciated equipment with that which is new and efficient. It is equally good business to retire those employees who have worn themselves out through long years of arduous toil in the performance of faithful service to industry. A reasonable old-age-retirement plan is as helpful to industry as it is beneficent to labor.

I believe this is a step in the right direction because it aims to make a humane settlement of a very important human problem. I favor this measure not alone for what it will mean ultimately to railway employees, but also for what it foretells of an adequate industrial plan for aged workmen in every line of employment. One of the chief social problems which confronts the American people today is to provide a system of employment which will enable the workman to take care of himself from youth to the end of his days. The pending legislation does not provide for all of these needs; it does not provide unemployment insurance; but it is a step in the right direction. If this plan is put into successful operation after the 4-year experience period provided in the bill, it will furnish incentive for other legislation of a kindred nature.

As a matter of principle I think that it is fair that industrial management and workers should combine to provide retirement funds for the aged. The amounts and percentages provided in the bill are none too large to meet the practical needs of the American workman who has reached the age of 65 years and is ready for retirement. If we do not supply a pension system to our workers, we must continue to struggle on with the heavy burdens of taxation imposed on us for the support of poorhouses which are a blight upon our civilization, and for homes for the aged which ordinarily do not satisfy the needs of the individual as well as the modest home which the workman may claim for himself.

Whether the needs of the aged are met through a pension system or through the stigma of the poorhouse, they must be met. Common sense and decency suggest old-age-pension plans. In view of the approval which has been placed on Senate bill 3231 by prominent railway labor groups and railway executives and in view of the reasonable nature of the plans outlined in the bill which accords with the trends of the time and looks to the needs of the future, I favor its passage.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER (Mr. COPELAND in the chair.) Does the Senator from Pennsylvania yield to the Senator from West Virginia?

Mr. DAVIS. Certainly.

Mr. HATFIELD. The Senator has been discussing the Hatfield-Wagner railroad retirement bill?

Mr. DAVIS. That is correct.

Mr. HATFIELD. I should like to have the attention of the Senator from Arkansas [Mr. ROBINSON] respecting the Hatfield-Wagner railroad retirement bill which the Senator from Pennsylvania is discussing, and, to inquire whether we may not at some time in the immediate future take up the bill and dispose of it? In my judgment it will not take long to act favorably on it.

Mr. ROBINSON of Arkansas. Mr. President, I am unable to give the Senator from West Virginia assurance regarding the matter, but I am hopeful that the bill may be taken up before the end of the session.

Mr. HATFIELD. I understand there is a very favorable attitude toward the bill in the House and that if we can secure prompt and favorable consideration of this measure in the Senate, the House will also act favorably on it, thus giving every assurance that the measure will become a law at this session.

MONETARY USE AND PURCHASE OF SILVER

Mr. THOMAS of Oklahoma. Mr. President, today's Washington Post carries an interview with the distinguished senior Senator from Idaho [Mr. BORAH] under the title "Monetary Reform Held World's Need by Borah."

The interview covers such subjects as unemployment, world trade, disarmament, international discords, and in the interview the distinguished Senator holds that all other questions, domestic, national, and international, are secondary to a revision, adjustment, and standardization of monetary systems.

In the interview it is suggested that world monetary systems have been wrecked; that the world supply of gold is too limited to serve as either money or the base for sufficient money to serve the world demand for money. If it is true that we must have a metallic base to support our paper and deposit money, and if it be true that gold is too limited to form such base, then the only other satisfactory metal with which gold may be reinforced is silver. Silver has served the masses of the peoples of the world as money since the dawn of history. Silver was the money of the American colonists. The Continental Congress, by resolution, adopted the silver dollar as the unit of value.

Alexander Hamilton, the first Secretary of the Treasury, in his report on the establishment of a mint, recommended that the silver dollar be continued as the standard unit of value. The American Congress accepted the recommendations of Secretary Hamilton and made by law the silver dollar of 371¼ grains of pure silver the American standard unit of value.

The record shows that since the discovery of America silver has been recognized as the money of the masses. Today silver is the money of the masses of three-fourths of the peoples of the world.

If the 125 millions of the people of the States are to enjoy benefits and profits from trade with over one billion of the people of other nations, then it is obvious that we should so adjust our monetary system as to permit of the freest trade with such silver-using nations and peoples.

Mr. President, because of the importance of the subject discussed and because I endorse the suggestions made and the opinions expressed in the interview, I ask that it be printed as a part of my remarks.

There being no objection, the interview was ordered to lie on the table and to be printed in the RECORD, as follows:

[From the Washington Post, Monday, June 4, 1934]

MONETARY REFORM HELD WORLD'S NEED BY BORAH—SENATOR SEES NO HOPE OF CURING ILLS UNTIL REVISION

By Franklyn Waltman, Jr.

International action to readjust the monetary systems of the world, in order to give people a greater purchasing power, is the basic solution underlying the major problems harassing all nations, Senator WILLIAM E. BORAH, Republican, of Idaho, yesterday told the Post.

In Senator BORAH's opinion the world's statesmen may grapple at home with the problem of giving employment to tens of millions of idle workers; they may devise schemes to revive foreign trade, and they may meetin solemn conclaves in efforts to bring about disarmament and solve the Japanese question, but all their efforts will come to naught, or at best have only a temporary effect, until they revise the world's monetary systems.

The leonine-headed Idahoan, who has been in the Senate 27 years—longer than any other member of that body—in pointing his finger to defective monetary systems as the root of present world troubles, did not undertake to prescribe a remedy. But he made clear his skepticism of the efficacy of the gold standard and threw out the suggestion that silver might be given a more important part to play as money and medium of exchange.

BORAH is an ardent member of the Senate's silver bloc and recently has urged that this country give to the white metal a more important place in its monetary system. He long has believed that international action in regard to silver is preferable to going it alone. But since the break-down of the London Economic and Monetary Conference, BORAH has despaired that other governments will cooperate with the United States.

A year ago BORAH bolted the silver bloc and voted against a silver-purchase measure because he thought President Roosevelt should be left with a free hand to deal with the silver problem at the London conference. The pending silver bill leaves the President a free hand to act as he deems wise and it is not beyond the bounds of possibility that Mr. Roosevelt may make overtures to the major world powers to cooperate with him, in laying the foundation for the establishment of a bimetallic monetary system as soon as this legislation is approved.

ASKED ABOUT WORLD DRIFT

Senator BORAH made his observations in response to a question from the Post as to "where is the world drifting?" This question was propounded to the Idaho Senator because for years he has been a close student and observer of international and world-wide affairs, because he is a former chairman of the Senate's Foreign Relations Committee, and because BORAH, sometimes called the Senate's "lone wolf", is an independent and courageous critic of current trends.

Responding to the question, BORAH asserted that "it has a tinge of despair in it", adding that "whatever else we may lose, we must not lose our courage, our faith in the people, and in our institutions—if we do, our troubles have been as nothing compared to what they will be."

"At the base of all our troubles is the poverty and misery of the masses", BORAH continued. "Eighty percent of the world's population is said to be living below the poverty line. There is no remedy for all our ills and there is no single panacea. But one thing constantly haunts one when you think of the world's present conditions, and that is that we have an abundance of everything necessary to clothe and feed and make happy the human family, and yet 80 percent of it is in misery.

GOLD STANDARD DISCUSSED

"It will be recalled a message of congratulation and assurance went out to all the world early in 1929. It was a message from the great in finance and business. What was the cause of the glad tidings? The gold standard had been adopted by every leading nation on the globe except China, and China was being labored with to come within the golden circle.

"The gold standard was all but universal; therefore, confidence was to prevail, business to go forward, employment to be universal. It had been a hard struggle after the war to get back into gold. But the struggle had to be made if the world was to recover. What we wanted was the gold standard. We had it. Now, let's go!

"But something went wrong. Business began to get uneasy. A tremor, like that in a building when the foundation is giving away, was felt in the business world. Prices of farm products, which had been falling for some time, continued to fall. Other prices soon followed. Many nations on the gold standard looked about for their gold and they did not have any. It had all gone to England and France and the United States. Liquidation set in. Unemployment increased with startling rapidity. Confidence disappeared, and gold went into hiding. According to all theories, all professors, and all economists, this ought not to have happened; indeed, it could not happen, but it did.

MORE INCOME NEEDED

"There are some who believe that the monetary systems of the world, which have been built up since about 1816, have been wrecked. That they are no longer sufficient and efficient with which to do the business of the world; that the reason why 80 percent of the world is below the poverty line while the whole word is rich in the things which they need, is because there is something wrong with our monetary system.

"We have the disarmament problem, the Japanese problem, so it is said, the unemployment problem, the nondistribution problem, and a multitude of problems, all of which centers in the one problem of how to distribute among the people of the world that which the world so abundantly possesses, and how can you do that under our monetary system? Some are disturbed about a flood of silver. It will take a flood of the precious metals to furnish an adequate volume of sound money with which to do the business of the world.

THREE NATIONS CORNER GOLD

"We are interested in and are discussing the question of building up foreign trade. Our attention is called to the fact that foreign trade has reached the vanishing point. But the decrease of domestic trade is almost as startling as that of foreign trade.

"Now, we are not going to rebuild foreign trade or domestic trade to any extent until the people are able to buy; until they have something with which to buy. Trade diminishes as hunger spreads and increases. The rebuilding of trade, domestic and foreign, depends upon rebuilding purchasing power. We loaned vast sums of money to Europe and for a time foreign trade got the benefit of it. So, now, if some providential hand should scatter millions among the Europeans our foreign trade would respond.

"But under the world's present monetary system we need not expect the rebuilding of foreign trade to any marked extent. Three nations hold practically all the gold of the world, and those three nations are facing bankruptcy because they have the gold and have the goods. They will not let loose of the former and they cannot get rid of the latter. And these three nations stand at the head of the list of those nations which have undertaken to destroy the money of the balance of the world and stand at the head of the list in the endeavor to prevent its restoration."

IMPROVEMENT AND DEVELOPMENT OF WATER RESOURCES

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read, and, with the accompanying documents, referred to the Committee on Commerce:

To the Congress of the United States:

On February 2, 1934, by resolution, the Congress requested me to report on "a comprehensive plan for the improvement and development of the Rivers of the United States, with a view of giving the Congress information for the guidance of legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of hydroelectric power."

Pursuant thereto I requested the Secretaries of the Departments of the Interior, War, Agriculture, and Labor to advise on the development of a water policy and on the choice of projects. I am sending herewith copies of their report, together with separate letters from the Secretary of War and the Secretary of Labor, and also:

(1) List of technical advisory committees of the President's committee.

(2) Review of reports of technical subcommittees on water flow.

(3) Review of report of technical subcommittees covering additions in the arid section, prepared by the Bureau of Reclamation.

(4) Seven reports of technical subcommittees covering various regions.

I ask that the Congress bear in mind certain obvious facts relating to these reports:

(1) That the time for the preparation of these reports was extremely limited.

(2) That the subject is one of enormous magnitude, covering the whole of the United States.

(3) That the resolution of the Congress covering the subjects of flood control, navigation, irrigation, and development of hydroelectric power automatically opened the door to all interrelated subjects which come under the general head of land and water use. This broader definition brings to our attention very clearly such kindred problems as soil erosion, stream polution, fire prevention, reforestation, afforestation, marginal lands, stranded communities, distribution of industries, education, highway building, home building, and a dozen others.

(4) All of the reports were based primarily on information already at hand and further study is strongly recommended.

(5) For the purpose of making a preliminary test, I requested a wholly tentative trial selection of 10 specific projects. As I had expected, the report strongly doubts the advisability of recommending these projects, on the ground that any selection at this point must necessarily omit many meritorious projects which further analysis may show to be preferable.

(6) The reports of the technical subcommittees, covering various areas, are of definite value. But before any work is done, it is obvious that a competent coordinating body must go over all of these reports, as well as reports on other projects and produce a comprehensive plan.

In view of the above, I therefore suggest that the Congress regard this message and the accompanying documents as merely a preliminary study and allow me, between now and the assembling of the next Congress, to complete these studies and to outline to the next Congress a comprehensive plan to be pursued over a long period of years. Further legislative action on this subject at this session of the Congress seems to me, therefore, unnecessary.

I expect before the final adjournment of this Congress to forward to it a broader outline of national policy in which the subject matter of this message will be presented in conjunction with two other subjects also relating to human welfare and security.

We should proceed toward a rounded policy of national scope.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 4, 1934.*

SOVIET RUSSIA

Mr. WHEELER. Mr. President, I ask leave to have printed in the RECORD an interesting and instructive article headed "On Understanding Soviet Russia", by Corliss Lamont.

There being no objection, the article was ordered to be printed in the Record, as follows:

ON UNDERSTANDING SOVIET RUSSIA

By Corliss Lamont

Since returning from a 2 months' trip to Soviet Russia I have had occasion to discuss with many different types of Americans the situation in that country. Accordingly I have had the opportunity to discover what seem to be the most common misunderstandings concerning the Soviet Union in the American mind. These misunderstandings I have tried to clear up in a positive manner by formulating five bases or standards of judgment which seem necessary to me for anyone who wishes adequately to comprehend what is going on in Russia today. In view of America's recent recognition of the Soviet Union and the increasingly close relations between the two nations, more and more Americans are feeling the need for some such intellectual measuring rod as I have in mind. The five standards of judgment, then, which I would suggest can be summarized as follows:

I

First of all, we should take into constant consideration Russia's geography, cultural background, and history.

The Soviet Union covers a vast and sprawling territory, representing between a sixth and a seventh of the entire world's surface. It is about the size of all of North America and three times as big as the United States. From the Arctic Ocean in the north to the Black Sea in the south, from the Baltic in the west to the Pacific in the east, the Red flag flies; and over a total population of almost 170,000,000. While these continental proportions entail certain advantages in the scope and variety of natural resources, they create a sheer problem of administration which is breathtaking and which in itself explains many of the troubles that the Soviet Government has encountered.

This problem of administration is made much more difficult by the fact that in this huge domain live about 150 different races, each with its own language, its own customs, and its own culture. The Czars oppressed the national minorities to an extreme degree, forcing upon them a policy of strict Russification and attempting to stamp out their native cultures. When the Bolsheviks came into power in the fall of 1917 about 80 percent of the population were peasants engaged in agricultural pursuits and using, for the most part, decidedly primitive methods. * * *

There can be little doubt that had it not been for the aid in men, munitions, and money which the Allies gave to the White counterrevolutionaries, the civil war in Russia would have come to an end in rather short order. As it was, it lasted in extreme form 3 terrible years, during which 2,000,000 people were killed, approximately $6,000,000,000 worth of property destroyed, and indirect losses suffered amounting to some $20,000,000,000 more. * * *

When one reflects upon this 5-year period of civil conflict, foreign invasion, and famine following hard upon three calamitous years of the Great War and two far-reaching revolutions, it seems something like a miracle that the Communists came through with their heads up and their colors flying. It was an epic triumph of sheer will power and intellect. And when on this background I paint the picture of the Soviets' progress during the last decade, I cannot help concluding that their achievement has been perhaps the greatest and most heroic in human history.

II

In the second place, in making comparisons between the Soviet Union and other countries, we must do so on a relative and not on an absolute basis.

It is common knowledge that in 1917 Russia was primarily an agricultural country with, generally speaking, one of the lowest

standards of living in the world. In regard to industrial and technical development it was a century or so behind the more advanced nations of the west. It had hardly reached the point that England had attained in 1800. And, as we indicated in the first section, cultural backwardness was one of the chief characteristics of its predominantly peasant population. It is obviously absurd to expect that Russia could completely catch up in a short 15 years with countries like England, Germany, and the United States. It is unfair, then, to talk of the Soviet Union as if that expectation were a rational one and to condemn it because, in absolute terms, it does not yet measure up in certain fundamental ways to the most highly evolved industrial nations. The real question is, How much have conditions in Russia improved since the time of the czars?

Yet even this question cannot be asked without one important qualification; the new Russia is a good deal smaller in territory and population than the old Russia. It lost all of the western provinces at the end of the war: Finland, Esthonia, Latvia, Lithuania, Poland, and Bessarabia, this last rich region being seized by force of arms by Rumania. The total extent of these lands amounts to considerably more than the combined area of France and Germany; their total population today is about 44,000,000. In these regions, especially in the Polish coal and textile centers and in the Finnish pulp and paper centers, were many of the most highly developed industries of the Czar's empire. Their loss entailed a far-reaching reorientation of Russian economy. These districts were, on the whole, considerably more advanced in a western European sense than the rest of prerevolutionary Russia. Hence it will not do, without keeping this point continually in mind, to draw comparisons between these former parts of the Russian Empire and the present-day Soviet Union.

To give an example of what we mean by a relative comparison let us take the matter of shoes. In 1913 there were 20,000,000 pairs of shoes produced in Russia, which were distributed mainly in the cities and among the upper classes. The great majority of the peasants went barefoot in the summer and in the winter fashioned themselves straw footwear. Today, though more than 80,000,000 pairs of shoes are being manufactured annually, it is evident that the soviet masses are still in need of more and better footgear and that it will be some time before they overtake the people of the U.S.A. in this respect. But the important point to remember is that the Soviet Union is producing four times as many shoes as in pre-war days and is distributing them, moreover, to all sections of the population and not just to a privileged group of urban dwellers. Or take the matter of beggars. In the old Russia begging was one of the great professions, with a million persons devoted to its devious means and ends. In 1924 this startling number had been reduced to 140,000 and in 1933 to 50,000. This constitutes a really considerable achievement, despite the fact that tourists are still shocked by meeting beggars in all the cities of the Soviet Union.

If only relative comparisons are fair, then it is plainly irrelevant to judge the Soviet Union in terms of American cleanliness, conveniences, and mechanical gadgets. * * *

Yet it is remarkable to note that already, even on an absolute scale, the Soviet Union is superior to the United States (not to mention other capitalist lands) in a number of ways. For instance, there is no unemployment there; the theory and practice of central economic planning has made notable headway; legislation on behalf of women and children and workers has attained new and very high levels; the excellent system of public-health services constitutes a challenge to medical authorities everywhere else; prostitution has been practically eliminated; science is in the saddle in place of superstition throughout the land; an enthusiasm exists for education and the things of culture unknown elsewhere in the world; the attitude toward sex and marriage is frank and healthy; race prejudice has all but disappeared; the art and culture of national minorities is manifesting a veritable rennaissance; and a true international spirit holds sway. * * *

III

In the third place, we ought to bear carefully in mind the extra-economic and cultural achievements of the Soviet Union.

Publicity abroad about the Soviet Union has stressed the herculean economic accomplishments of the new regime. Yet there was a 5-year plan in art as well as in industry. And there is a tendency to forget that cultural progress has paralleled the material gains, and has been just as great. We have given passing mention above to some of the cultural gains. Without in any sense trying to cover the entire cultural enterprise, we shall take up a few outstanding examples of the forward march on this broad sector of Soviet activity.

Perhaps the most striking advance of all has taken place in educational affairs. Some of the statistics here are enlightening. Illiteracy is close to complete liquidation with the pre-war figure of more than 70 percent now reduced to less than 10 percent; the number of children in primary and secondary schools has increased from eight to twenty-six million; and the number of students in higher educational institutions has grown four times over. At the same time the masses of the people have become voracious readers. There are 2,000 magazines in the U.S.S.R., with an annual circulation of 391,000,000 copies; there are 1,600 newspapers in 83 different languages, 9 times the pre-war number, with a circulation 14 times as great. As to books and pamphlets, during 1932 more than 53,000 titles were published totaling 800,000,000 copies, four times the 1913 level in both regards. No wonder there is a constant paper shortage in the Soviet Union.

The spread of education has gone on, not just in the cities but throughout the agricultural regions as well. In fact, the awakening of millions and millions of formerly ignorant and illiterate peasants to the new cultural life is probably the most remarkable thing of all. * * *

IV

In the fourth place, it is necessary to grasp the significance of the various compromises and shifts in policy that occur in the Soviet Union from time to time.

The basic principle to keep in mind here is that no competent Marxist ever dreamed that it would be possible for socialism in any country to leap up full-fledged all at once from the chaos of the old order. Especially does this principle apply to a nation which was as far behind as Russia. There the building of socialism obviously entails a long, hard struggle both in setting up the necessary industro-mechanical foundations of the new society and in eradicating the habits and psychology of the former feudalist-capitalist state. In this struggle there are bound to be bad years as well as good, failures as well as triumphs, detours as well as marches straight ahead. And it is essential to distinguish temporary setbacks from permanent defeats.

Since the Soviet Union is the first nation in the history of the world to attempt the construction of a socialist order, it is inevitable that serious and unforeseen problems should arise. The Communist leaders have had practically no precedents on which to draw. They have made, on occasion, serious mistakes; but when they themselves have been at fault they have recognized the fact and have not resorted to the easy (though often just) excuse that the Czarist inheritance is to blame. Far from attempting to cover up their blunders, the Soviet officials and workers have set them forth in detail in the press throughout the land. Their frank self-criticism has become a veritable institution, and has been exceedingly effective in combating bureaucracy and inefficiency. At the same time, thanks to it, foreign detractors have obtained some of their most potent ammunition.

External as well as internal difficulties suddenly arise to confront the U.S.S.R. For instance, who could have predicted the eruption of the Japanese volcano in Manchuria 2 years ago? Yet nothing has done more to disrupt the carefully laid plans of the Soviet Union than the war-breeding Japanese adventure upon the mainland of Asia. In order to defend themselves from possible aggression in the Far East the Russians have had to strengthen the defensive forces in Siberia, to back these forces up with a big food reserve drawn from other and needy sections of the country, and to allocate to the manufacture of munitions and other army supplies materials that could be ill spared from normal productive operations. All of this happened during the last year of the first 5-year plan and did much to handicap its fulfillment.

Japan, however, is not the only enemy of the Soviet Union, and the Soviet Government has had to maintain a vigilant watch on the western as well as the eastern border. Indeed, the existence of the Soviet Union in a generally hostile world with even diplomatic recognition denied for 16 years by America, the strongest capitalist power, has constituted a problem which presumably the next socialist commonwealth will not have to face. Forced to import a large proportion of its machinery and industrial equipment from the outside world, Russia has suffered heavily from the hard credit terms and, in some cases, financial boycott imposed by foreign capitalists. * * *

Then other critics complain because the Soviet Government has not yet nationalized clothes and bicycles. They have the curious idea that true socialism precludes the owning of personal property. But in a socialist society, be it in the Soviet Union or anywhere else, there is no reason why an individual should not own a bicycle, an automobile, a clock, a library, a suit of clothes, or, indeed, six suits of clothes. One of the chief aims of socialism is that every citizen should have an abundance of personal possessions, including so-called "luxuries." The point is that personal wealth must be for consumption, for use, for enjoyment. It must not become capital. All property entailing production or distribution or the possible exploitation of workers is, under socialism, collective owned; intimate personal property is not and never will be.

V

In the fifth place, any proper evaluation of the Soviet Union must take the future into account.

The Soviet Union is certainly no utopia as yet; the point is that no sensible person could have expected it to be. Full socialism has not been attained in Russia and will not be attained for some while. The very good reasons for this we have already pointed out. At the same time, it can hardly be doubted that the direction of the Soviet Union from both the material and cultural standpoint is steadily and on the whole upward. The problems are those of growth, not decay. And the serious stresses and strains that still exist seem justified in the light of the great goal ahead. The soviet masses have been making what may be called "constructive" sacrifices, with a splendid purpose held consciously and continually in mind. In the rest of the world, too, millions and millions of people have been making sacrifices; but these sacrifices are chaotic, purposeless, and to a large extent useless. There is no plan behind them. They are not leading anywhere. What gains, for example, have resulted from the sufferings of the 40,000,000 unemployed in the capitalist world during 4 years of depression? And does it not seem probable that the sacrifices of these millions and their families—and of other millions and their families—will continue indefinitely under the present system?

The fundamental aim of the first 5-year plan was to lay a basis of heavy industry and collectivized, mechanized agriculture which would both provide the groundwork of socialism and make the U.S.S.R., in case of need, independent of the capitalist world. Ac-

cordingly, producers' goods were given the right-of-way over consumers' goods; and huge quantities of foodstuffs, which could easily have been used at home, were exported in face of declining depression prices to pay for the import of machinery and technicians. The fast pace of the 5-year plan was set in the first instance through fear of foreign aggression. The Soviet Union has not forgotten the capitalist intervention of the early twenties and proceeds on the theory that what has happened once may happen again.

While the revised and final schedules of the first 5-year plan were not 100 percent fulfilled in the 4¼ years allotted, the main objectives were achieved. And of course the original 1928 estimates, allowing for 5 full years, were greatly surpassed. Already, with the second 5-year plan well under way, there is a much greater emphasis on the output of consumers' goods. And the tempo of things has been considerably moderated. * * *

No estimate of the future of the Soviet Union would be complete without some mention of the probable development of governmental institutions and methods. In Marxist theory the dictatorship of the proletariat is a temporary phase for a transitional period; as the need for it gradually disappears the dictatorship itself disappears. The eventual aim is a more real and complete democracy than has ever been known in the world before. This constitutes one of the most important differences between a Fascist and Communist dictatorship. People have the habit of lumping the two together as if they were in essence the same, but with fascism the dictatorship has a very different purpose and apparently is to be eternal; there is no thought of or provision for an ultimate transition to democracy.

Of course, it is theoretically possible that those who hold the power in the Soviet Government will never willingly give it up. If so, the ruling group will be betraying a fundamental tenet of Marxism. But the signs certainly point in the opposite direction.

* * * * * * *

This finishes my account of the five standards of judgment which seem to me most pertinent in comprehending what is going on in Soviet Russia at the present time. In conclusion, I should like to make one suggestion which I believe to be appropriate. This is that we Americans should remember that in the first 16 years of the American Revolution the new Republic went through a very difficult period. In 1792, 16 years after the Declaration of Independence, the youthful United States was still experiencing grave troubles. The Constitution had been in effect only 3 years; the country was in a turbulent state, chaotic, disunited, and poor; European observers were predicting failure; and foreign powers loomed menacingly on the horizon. Paradoxically enough, the most reactionary of the Old World nations, Czarist Russia, refused to recognize the revolutionary American Government for 33 years after the break with England. It is well to recall that the Americans of our own revolutionary era, like the Russians of today, had a rather hard time of it for a while.

OCIE C. HAWKINS—RETURN OF NOTICE OF CONFIRMATION

The PRESIDING OFFICER, as in executive session, laid before the Senate a message from the President of the United States, which was read, and, with the accompanying paper, ordered to lie on the table, as follows:

To the Senate:

In compliance with the request of the Senate of May 30, 1934, I return herewith the resolution of the Senate of May 24, 1934, advising and consenting to the appointment of Ocie C. Hawkins to be postmaster at Stanton, Tenn.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 4, 1934.*

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate messages from the President of the United States submitting nominations (and withdrawing a nomination), which were referred to the appropriate committees.

(For nominations this day received and nomination withdrawn, see the end of Senate proceedings.)

RECESS

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 43 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, June 5, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 4 (legislative day of May 28), 1934

UNITED STATES ATTORNEY

E. P. Carville, of Nevada, to be United States attorney, district of Nevada, to succeed Harry H. Atkinson, term expired.

COLLECTOR OF CUSTOMS

Harry P. Hornby, of Uvalde, Tex., to be collector of customs for customs collection district no. 23, with headquarters at San Antonio, Tex., in place of Harry L. Sexton, deceased.

SECRETARY OF THE TERRITORY OF HAWAII

Arthur A. Greene, of Hawaii, to be Secretary of the Territory of Hawaii, vice Raymond C. Brown.

SUPERVISING INSPECTOR, BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

Eugene Carlson, of Virginia, to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

APPOINTMENTS IN THE REGULAR ARMY

TO BE BRIGADIER GENERAL

Col. Percy Poe Bishop, Coast Artillery Corps, from October 2, 1934, vice Brig. Gen. Julian R. Lindsey, to be retired from active service September 30, 1934.

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 12, 1934

The following-named cadets, United States Military Academy, who are scheduled for graduation on June 12, 1934:

Corps of Engineers

1. Cadet Charles Francis Tank.
2. Cadet Thomas DeForth Rogers.
3. Cadet John Burroughs Cary.
5. Cadet Robert Erlenkotter.
6. Cadet John Heughes Donoghue.
7. Cadet Staunton Lindsley Brown.
8. Cadet Richard Moser Sieg.
9. Cadet Joseph Lemual Johnson.
10. Cadet Ferdinand Julian Tate.
11. Cadet Burton Blodgett Bruce.
12. Cadet Robert George MacDonnell.
13. Cadet Paul Carter Ashworth.
16. Cadet William Joslin Himes.
18. Cadet Rudolph Green.
21. Cadet Joseph Ochsenschlager Killian.
22. Cadet Thomas Heber Lipscomb.
23. Cadet James Edward Walsh.
25. Cadet John Page Buehler.

Signal Corps

17. Cadet Robert Beauchamp Miller.
19. Cadet Charles Francis Fell.

Coast Artillery Corps

14. Cadet Charles Leon Andrews.
24. Cadet Austin Wortham Betts.
27. Cadet Edward Walter Moore.
28. Cadet Seymour Irving Gilman.
29. Cadet Curtis Delano Sluman.
30. Cadet Byron Elias Brugge.
31. Cadet Robert Butler Warren.
33. Cadet Wilford Edward Harry Voehl.
34. Cadet John Jacob Stark.
40. Cadet George Bernard Dany.
41. Cadet Harvey Julius Jablonsky.
43. Cadet Peter Samuel Peca.
44. Cadet Lawson S. Moseley, Jr.
45. Cadet Richard Ringo Moorman.
47. Cadet James Oscar Baker.
48. Cadet Lewis Kaspar Beazley.
50. Cadet Severin Richard Beyma.
54. Cadet Theodore Frelinghuysen Hoffman.
62. Cadet Joseph Sylvester Piram.
65. Cadet John DuVal Stevens.
66. Cadet Yale Harold Wolfe.
69. Cadet Franklin Kemble, Jr.
71. Cadet Gersen Leo Kushner.
80. Cadet George Julius Weitzel.
81. Cadet Charles Wadsworth Hill.
85. Cadet Henry William Ebel.
87. Cadet Jack Edward Shuck.
88. Cadet David Belmont Ruth.
92. Cadet Robert Griffith Finkenaur.
98. Cadet Alexander James Stuart, Jr.
99. Cadet Harrison Francis Turner.

102. Cadet William Monte Canterbury.
103. Cadet Kenneth Riffel Kenerick.

Field Artillery

20. Cadet Charles Rea Revie.
26. Cadet Paul Henry Berkowitz.
32. Cadet Thompson Brooke Maury, 3d.
35. Cadet William Sebastian Stone.
36. Cadet Jonathan Owen Seaman.
37. Cadet Kermit LeVelle Davis.
42. Cadet Urquhart Pullen Williams.
46. Cadet Jean Paul Craig.
51. Cadet Thomas Leslie Crystal, Jr.
55. Cadet Miles Birkett Chatfield.
56. Cadet Howard Marshall Batson, Jr.
58. Cadet Charles Henry White, Jr.
59. Cadet Arthur B. Proctor 3d.
60. Cadet William Jack Holzapfel, Jr.
61. Cadet Mathew Valois Pothier.
63. Cadet George Edward Adams.
67. Cadet John Farnsworth Smoller.
68. Cadet Craig Smyser.
72. Cadet Richard Edward Weber, Jr.
74. Cadet James Alexander Costain.
78. Cadet Robert Gardner Baker.
79. Cadet Ronald LeVerne Martin.
91. Cadet Peter James Kopcsak.
93. Cadet William Scott Penn, Jr.
96. Cadet Horace Lake Sanders.
100. Cadet William Dowdell Denson.
101. Cadet Percy Thomas Hennigar.
104. Cadet Richard Lee McKee.
106. Cadet Stacy William Gooch.
107. Cadet Clark Lynn, jr.
108. Cadet Edward Flanick.
110. Cadet Harry Jenkins Hubbard.
111. Cadet Samuel Knox Yarbrough, Jr.
112. Cadet Joe Free Surratt.
114. Cadet William Milton Gross.
117. Cadet Gordon Graham Warner.
119. Cadet Edward French Benson.
121. Cadet Robert Carl Bahr.
122. Cadet Frank Carter Norvell.
125. Cadet Robert Hawkins Adams.
126. Cadet Donald Glover McLennan.
128. Cadet Theodore Gilmore Bilbo, Jr.
130. Cadet Berton Everett Spivy, Jr.
132. Cadet Kenneth Alonzo Cunin.
133. Cadet Lawrence Kent Meade.
134. Cadet Thomas Eugene Wood.
139. Cadet Thomas Clary Foote.
140. Cadet John Huber Squier.
141. Cadet Charles Bernadou Elliott, Jr.
142. Cadet James Richard Winn.
144. Cadet Daniel Henry Heyne.
147. Cadet Wilson Hawkes Neal.

Cavalry

38. Cadet Ellis Oakes Davis.
52. Cadet Frederic Wood Barnes.
53. Cadet William Beechler Bunker.
73. Cadet Robert Waight Fuller, 3d.
75. Cadet Charles Warren Schnabel.
77. Cadet Carl Delbert Womack.
83. Cadet Donald Oliver Vars.
90. Cadet Travis Ludwell Petty.
105. Cadet Jerome Edward Blair, 2d.
124. Cadet John Walker Darrah, Jr.
127. Cadet John Francis Franklin, Jr.
129. Cadet Perry Bruce Griffith.
145. Cadet Harry Evans Lardin.
155. Cadet Theodore Fiquet Hurt, Jr.
157. Cadet Dana Watterson Johnston, Jr.
159. Cadet John Monroe Hutchison.
161. Cadet Daniel Edward Still.
163. Cadet Richard Albert Smith.
167. Cadet James William Snee.
171. Cadet Joseph Aloysius Cleary.
173. Cadet William Starr Van Nostrand.
174. Cadet Raymond Judson Reeves.
178. Cadet William Harvey Wise.
183. Cadet Harvey Thompson Alness.
184. Cadet Paul Earl Johnson, Jr.
196. Cadet Karl Trueheart Gould.

Infantry

4. Cadet James Fuller Miller, Jr.
15. Cadet Walter Jackson Renfroe, Jr.
39. Cadet William Loveland Rogers.
49. Cadet John Hicks Anderson.
57. Cadet Karl William Bauer.
64. Cadet Almon White Manlove.
70. Cadet Henry Richardson Hester.
76. Cadet Harold Charles Davall.
82. Cadet Gene Huggins Tibbets.
84. Cadet George Francis Wells.
86. Cadet Paul Tompkins Hanley.
89. Cadet Leroy Carl Miller.
94. Cadet John dePeyster Townsend Hills.
95. Cadet Frank Willoughby Moorman.
97. Cadet Merlin Louis DeGuire.
109. Cadet Leo William Henry Shaughnessey.
113. Cadet Charles John Bondley, Jr.
115. Cadet Claude Morris Howard.
116. Cadet Dale Orville Smith.
118. Cadet Hudson Hutton Upham.
120. Cadet Albert Patterson Mossman.
123. Cadet Vincent Shaw Lamb.
131. Cadet Stilson Hilton Smith, Jr.
135. Cadet Fredric Carson Cook.
136. Cadet Lloyd Elmer Fellenz.
137. Cadet Joseph Michael Cummins, Jr.
138. Cadet Percival Stanley Brown.
143. Cadet Louis Lee Ingram.
146. Cadet Paul Burlingame, Jr.
148. Cadet Elvin Seth Ligon, Jr.
149. Cadet Charles Herbert Wood.
150. Cadet Jack Jerome Neely.
151. Cadet John Wentworth Merrill.
152. Cadet Charles Burton Winkle.
153. Cadet Herbert Marvin Baker, Jr.
154. Cadet George Rolfe Walton.
156. Cadet Thew Joseph Ice, Jr.
158. Cadet Daniel Murray Cheston, Jr.
160. Cadet Edmund Waller Wilkes.
162. Cadet Clifford Guldlin Simenson.
164. Cadet Arno Herman Luehman.
165. Cadet Paul Lawrence Barton.
166. Cadet Frank Joseph Caufield.
168. Cadet Ralph Emerson Bucknam, Jr.
169. Cadet Floyd Felice Forte.
170. Cadet James Dudley Wilmeth.
172. Cadet Stanley Holmes.
175. Cadet Harry Lester Hillyard.
176. Cadet Robert Hugh Bennett.
177. Cadet William Hutcheson Craig.
179. Cadet Richard Andrew Legg.
180. Cadet Ralph Doak McKinney.
181. Cadet Gerald Joseph Higgins.
185. Cadet John Thomas Hillis.
186. Cadet Charles Edward Johnson.
187. Cadet Robert Carson Kyser.
188. Cadet John Dixon Lawlor.
189. Cadet Russell William Volckmann.
190. Cadet Donald Linscott Durfee.
191. Cadet Victor Charles Huffsmith.
192. Cadet Sidney Thompson Telford.
193. Cadet Hallett Daniel Edson.
194. Cadet Edwin Rusteberg.
195. Cadet Albert Theodore Wilson, Jr.
197. Cadet Harold Webb Browning.
198. Cadet Herbert Hadley Andrae.
199. Cadet William Frederick Northam.
200. Cadet George Lowe Eatman.

201. Cadet John Berchman Stanley.
202. Cadet John William White.
203. Cadet John Stotsenburg Kromer.
204. Cadet Charles Edward Brown.
205. Cadet Nathaniel Plummer Ward, 3d.
206. Cadet James Buchanan Wells.
207. Cadet Donald Adams McPheron.
209. Cadet Thomas Hogan Hayes.
210. Cadet Robert Herbert Sanders.
211. Cadet Paul Lee Turner, Jr.
212. Cadet Arthur Lafayette Inman.
213. Cadet Stanley Joseph Donovan.
214. Cadet Henry Agnew Sebastian.
215. Cadet Harold Conly Brookhart.
216. Cadet Edward Messmore O'Connell.
217. Cadet Russell Walker Jenna.
218. Cadet Gerhard Leroy Bolland.
219. Cadet William Bentley Kern.
220. Cadet Louis Alfred Walsh, Jr.
221. Cadet James Frederick Harris.
222. Cadet George Horner Gerhart.
223. Cadet Thomas Andrew McCrary.
224. Cadet John George Benner.
225. Cadet Eugene Harrington Cloud.
226. Cadet Dale Emerson Huber.
227. Cadet Travis Tabor Brown.
228. Cadet Edwin Gantt Hickman.
229. Cadet John Elwood Mead.
230. Cadet Arthur Ferdinand Meier.
231. Cadet David Lyon Hollingsworth.
232. Cadet William Alexander Cunningham, 3d.
233. Cadet Edward Ernest Bruno Weber.
234. Cadet John Edwards Diefendorf, Jr.
235. Cadet Meade Julian Dugas.
236. Cadet Thomas Almon O'Neil.
237. Cadet Emory Alexander Lewis.
238. Cadet Samuel Alfred Luttrell.
239. Cadet William Joseph Mullen, Jr.
240. Cadet William Hammond Waugh, Jr.
241. Cadet Henry Neilson.
243. Cadet William Graham Barnwell, Jr.
244. Cadet Robert Hector McKinnon.
245. Cadet Oliver Prescott Robinson, Jr.
246. Cadet Dennis John McMahon.
247. Cadet James O'Hara.
248. Cadet Robert Nabors Tyson.
249. Cadet Joseph Edward Barzynski, Jr.
250. Cadet John Buchanan Richardson, Jr.

POSTMASTERS

ALABAMA

J. Thomas Martin to be postmaster at Jacksonville, Ala., in place of A. J. Beard. Incumbent's commission expired March 22, 1934.

Lorenzo D. McCrary to be postmaster at Prattville, Ala., in place of Alice Wilkinson. Incumbent's commission expired March 8, 1934.

Madge S. Jefferies to be postmaster at Citronelle, Ala., in place of J. T. Haertel. Incumbent's commission expired February 28, 1933.

Kate B. Patterson to be postmaster at Falkville, Ala., in place of R. O. Spiegel. Incumbent's commission expired January 22, 1934.

Ella L. Rentz to be postmaster at Gilbertown, Ala., in place of E. L. Rentz. Incumbent's commission expired December 18, 1933.

Alba Freeland to be postmaster at Grand Bay, Ala., in place of A. A. Frazee. Incumbent's commission expired December 11, 1932.

Emma E. Yarbrough to be postmaster at Monroeville, Ala., in place of E. E. Yarbrough. Incumbent's commission expired December 18, 1933.

Herman Grimes to be postmaster at Pine Apple, Ala., in place of M. V. Compton. Incumbent's commission expired December 14, 1932.

Alice Armstrong to be postmaster at Stevenson, Ala., in place of Allie Wilson. Incumbent's commission expired January 26, 1933.

Joe H. Kerr to be postmaster at Wedowee, Ala., in place of C. S. Prescott, resigned.

William H. McDonough to be postmaster at Whistler, Ala., in place of M. L. Hammond. Incumbent's commission expired October 31, 1933.

ARKANSAS

Earl T. Estes to be postmaster at Calico Rock, Ark., in place of Charley Jones. Incumbent's commission expired December 11, 1932.

Henry M. Landers to be postmaster at Murfreesboro, Ark., in place of H. A. Parker, removed.

Fred W. Lemay to be postmaster at Alicia, Ark., in place of C. G. Felts. Incumbent's commission expired March 22, 1934.

Wyeth S. Daniel to be postmaster at Marshall, Ark., in place of W. G. Fendley, resigned.

Paul Janes to be postmaster at Ravenden, Ark., in place of Robert Dail. Incumbent's commission expired January 9, 1934.

Jesse T. Howard to be postmaster at Smithville, Ark., in place of J. T. Todd. Incumbent's commission expired April 16, 1934.

Cecil H. Justus to be postmaster at Tyronza, Ark., in place of W. H. Moreland. Incumbent's commission expired March 22, 1934.

CALIFORNIA

William M. Erwin to be postmaster at Hanford, Calif., in place of G. A. Weishar, retired.

Roy W. Scott to be postmaster at Baldwin Park, Calif., in place of E. L. Dithridge. Incumbent's commission expired February 10, 1934.

Alice E. Schieck to be postmaster at Eldridge, Calif., in place of A. E. Schieck. Incumbent's commission expired June 4, 1934.

Magdalena Seawell to be postmaster at Healdsburg, Calif., in place of M. E. Adams, removed.

COLORADO

Patrick H. Kastler to be postmaster at Brush, Colo., in place of D. P. Saunders, deceased.

Harry J. Bender to be postmaster at Edgewater, Colo., in place of T. N. Wayne. Incumbent's commission expired December 13, 1932.

CONNECTICUT

Charles F. Schaefer to be postmaster at Greens Farms, Conn. Office became Presidential July 1, 1932.

FLORIDA

James L. Richbourg to be postmaster at Laurelhill, Fla., in place of J. L. Richbourg. Incumbent's commission expired February 10, 1934.

Sidney E. Livingston to be postmaster at Homestead, Fla., in place of Sherwood Hodson, removed.

GEORGIA

Walter R. Cannon to be postmaster at Clayton, Ga., in place of W. R. Cannon. Incumbent's commission expired May 17, 1930.

HAWAII

Ernest Rapozo to be postmaster at Kapaa, Hawaii, in place of J. F. Rapozo. Incumbent's commission expired March 22, 1934.

IDAHO

Rose J. Hamacher to be postmaster at Spirit Lake, Idaho, in place of R. J. Hamacher. Incumbent's commission expired May 29, 1934.

ILLINOIS

Narcisse L. Marcotte to be postmaster at Bourbonnais, Ill., in place of R. J. Arseneau. Incumbent's commission expired January 31, 1934.

Martin M. Dalrymple to be postmaster at Chrisman, Ill., in place of P. A. Scott, removed.

Carney V. Kerley to be postmaster at Simpson, Ill., in place of W. C. Kelley. Incumbent's commission expired January 8, 1934.

Frank E. Binkley to be postmaster at Warrensburg, Ill., in place of F. E. Schroeder. Incumbent's commission expired December 18, 1933.

Louie E. Dixon to be postmaster at Biggsville, Ill., in place of Nancy Jamison. Incumbent's commission expired December 18, 1933.

Charles A. Etherton to be postmaster at Carbondale, Ill., in place of J. H. Boos, removed.

Arthur L. Larson to be postmaster at Des Plaines, Ill., in place of O. W. J. Henrich. Incumbent's commission expired February 6, 1934.

James F. Grogan to be postmaster at Elmhurst, Ill., in place of L. A. Luetgert. Incumbent's commission expired April 30, 1932.

DeCourcy Lloyd to be postmaster at Glencoe, Ill., in place of P. W. Armstrong. Incumbent's commission expired January 12, 1932.

Otto Frank to be postmaster at Lake Zurich, Ill., in place of W. H. Prehm. Incumbent's commission expired September 18, 1933.

Paul W. Poorman to be postmaster at Mattoon, Ill., in place of Mack Sparks, deceased.

Jane M. Dorfler to be postmaster at Mundelein, Ill., in place of R. J. Hodge. Incumbent's commission expired December 18, 1933.

Ellis J. O'Daniel to be postmaster at New Lenox, Ill. Office became Presidential July 1, 1932.

Ross St. Clair Tary to be postmaster at Seaton, Ill., in place of W. D. Coffland, removed.

INDIANA

Alva Davis to be postmaster at Arcadia, Ind., in place of Frank Lyon, removed.

Mary Williams to be postmaster at Attica, Ind., in place of J. F. McDermond, Jr., removed.

Daniel V. Clem to be postmaster at Covington, Ind., in place of F. R. Harden, removed.

Frank S. Dubczak to be postmaster at East Chicago, Ind., in place of D. W. Dupes. Incumbent's commission expires June 20, 1934.

William J. O'Donnell to be postmaster at Gary, Ind., in place of A. S. Hess. Incumbent's commission expired December 18, 1933.

William E. Etcheson to be postmaster at Roachdale, Ind., in place of E. L. Coffman. Incumbent's commission expired January 22, 1934.

Milton Edward Storer to be postmaster at St. Joe, Ind., in place of A. M. Baker. Incumbent's commission expired January 11, 1934.

Albert J. Anderson to be postmaster at Shirley, Ind., in place of H. L. Johnson, removed.

Harvey W. Doering to be postmaster at Wakarusa, Ind., in place of J. W. Hunsberger. Incumbent's commission expired February 28, 1933.

Kenneth R. Parker to be postmaster at Westfield, Ind., in place of J. C. Hinshaw, removed.

Patrick D. Sullivan to be postmaster at Whiting, Ind., in place of F. G. Kennedy. Incumbent's commission expired January 22, 1934.

Richard A. Conn to be postmaster at Brook, Ind., in place of C. A. Warr, removed.

Emma V. Spinks to be postmaster at Dugger, Ind., in place of J. M. Sweeney, removed.

Ruth Storen to be postmaster at Lexington, Ind., in place of C. E. Hardy. Incumbent's commission expired February 14, 1934.

Galen Benjamin to be postmaster at Monticello, Ind., in place of H. A. Douglass, removed.

Edward P. Lane to be postmaster at Rensselaer, Ind., in place of H. A. McColly, removed.

Merton L. Hughbanks to be postmaster at Scottsburg, Ind., in place of E. M. Ray, resigned.

IOWA

Clarence W. Stuart to be postmaster at Altoona, Iowa, in place of O. J. Perdue. Incumbent's commission expired January 31, 1934.

Edna M. McCabe to be postmaster at Hillsboro, Iowa, in place of W. S. Ferree. Incumbent's commission expired January 16, 1934.

Michael R. Griebel to be postmaster at Lone Tree, Iowa, in place of E. E. Shibley. Incumbents' commission expired April 16, 1934.

Katharine H. Wallace to be postmaster at Redding, Iowa, in place of A. F. Parker. Incumbent's commission expired April 16, 1934.

Harris D. MacGugin to be postmaster at Wellman, Iowa, in place of Joseph McClelland, removed.

KENTUCKY

Thomas A. Spalding to be postmaster at Bardstown, Ky., in place of R. S. Tuttle, resigned.

George A. Buckner to be postmaster at Blue Diamond, Ky., in place of Levi Brooks. Incumbents' commission expired December 12, 1932.

Willis Conley to be postmaster at Garrett, Ky., in place of V. M. Spencer. Incumbents' commission expired June 11, 1933.

MAINE

Charlotte M. Buck to be postmaster at Buckfield, Maine, in place of B. A. Hutchinson, deceased.

Carroll A. Matthieu to be postmaster at Farmington, Maine, in place of H. B. Brown, deceased.

MASSACHUSETTS

John E. Harrington to be postmaster at North Chelmsford, Mass., in place of J. H. Valentine. Incumbent's commission expired January 22, 1934.

Dominick F. Corrigan to be postmaster at Fall River, Mass., in place of Godefroy de Tonnacour, deceased.

MICHIGAN

John Leon Breckenridge to be postmaster at Breckenridge, Mich., in place of Ernest Muscott. Incumbent's commission expired January 28, 1934.

Michael Leary to be postmaster at Calumet, Mich., in place of Edward Keisu. Incumbent's commission expired February 13, 1933.

Roger J. Tobin to be postmaster at Channing, Mich., in place of H. M. Boll. Incumbent's commission expired December 16, 1933.

Johanna Rosie to be postmaster at Macatawa, Mich., in place of Leonard Van Regenmorter. Incumbent's commission expired December 16, 1933.

Max A. Hill to be postmaster at Vicksburg, Mich., in place of L. A. Strong. Incumbent's commission expired December 16, 1933.

Max E. Wilson to be postmaster at Waldron, Mich., in place of V. R. Reynolds. Incumbent's commission expired December 16, 1933.

William G. F. L. Wentzel to be postmaster at Zeeland, Mich., in place of W. L. Claver, transferred.

MINNESOTA

Elmer J. Larson to be postmaster at Cokato, Minn., in place of N. E. Berg. Incumbent's commission expired February 25, 1933.

Catherine C. Burns to be postmaster at Glenwood, Minn., in place of C. S. Wollan, removed.

Martin T. Haley to be postmaster at Hibbing, Minn., in place of T. J. Godfrey, removed.

Joseph G. Bauer to be postmaster at Madison, Minn., in place of O. T. Mork, resigned.

William E. Charlton to be postmaster at Williams, Minn., in place of Anton Levandosky, deceased.

John R. Schisler to be postmaster at Winthrop, Minn., in place of O. S. Lofthus. Incumbent's commission expired January 22, 1934.

Loretta M. Harper to be postmaster at Worthington, Minn., in place of M. P. Mann, resigned.

Michael E. Gartner to be postmaster at Preston, Minn., in place of J. A. Christenson, removed.

MISSISSIPPI

Ida F. Thompson to be postmaster at Dlo, Miss., in place of I. F. Thompson. Incumbent's commission expired December 16, 1933.

Ida E. Ormond to be postmaster at Forest, Miss., in place of J. E. Nordan. Incumbent's commission expired June 14, 1933.

Virginia B. Duckworth to be postmaster at Prentiss, Miss., in place of V. B. Duckworth. Incumbent's commission expired March 2, 1933.

MISSOURI

Charles M. Murray to be postmaster at Cameron, Mo., in place of C. P. Dorsey. Incumbent's commission expired April 30, 1934.

Alfred M. Pondrom to be postmaster at Florissant, Mo., in place of J. J. Henke, resigned.

Birdie W. Brown to be postmaster at Forest City, Mo., in place of C. T. Lease. Incumbent's commission expired April 30, 1934.

Fannie McClintock to be postmaster at Gower, Mo., in place of A. G. Witt. Incumbent's commission expired April 22, 1934.

NEBRASKA

Lorraine M. Corey to be postmaster at Homer, Nebr., in place of F. E. Davis. Incumbent's commission expired April 2, 1934.

John D. Juilfs to be postmaster at Talmage, Nebr., in place of August Dickenman. Incumbent's commission expired December 16, 1933.

Charles J. Carrig to be postmaster at Columbus, Nebr., in place of F. A. Scofield. Incumbent's commission expired January 28, 1934.

Marie Weekes to be postmaster at Norfolk, Nebr., in place of H. L. Wichman, transferred.

Vera J. King to be postmaster at Primrose, Nebr., in place of Alice Ward. Incumbent's commission expired March 18, 1934.

Frank R. Hall to be postmaster at St. Edward, Nebr. in place of S. J. Kennedy. Incumbent's commission expired April 16, 1934.

John J. Burns to be postmaster at Scotia, Nebr., in place of P. J. Seefus. Incumbent's commission expired April 16, 1934.

Josh B. Keene to be postmaster at Sumner, Nebr., in place of F. A. Millhouse. Incumbent's commission expired March 18, 1934.

NEW JERSEY

Clyde E. Miller to be postmaster at Ashland, N.J., in place of H. E. Morton. Incumbent's commission expired December 11, 1933.

Lillian M. Roe to be postmaster at Mountain View, N.J., in place of A. K. Brubaker. Incumbent's commission expired January 28, 1934.

Michael S. Malone to be postmaster at Rockaway, N.J., in place of H. W. Mutchler. Incumbent's commission expired December 14, 1932.

Floyd J. Kays to be postmaster at Sparta, N.J., in place of H. C. Dodge. Incumbent's commission expired March 8, 1934.

Mamie R. Stone to be postmaster at Egg Harbor City, N.J., in place of Charles Morgenweck, Sr., resigned.

George T. Applegate to be postmaster at Fords, N.J., in place of R. E. Liddle. Incumbent's commission expired December 14, 1932.

Fred G. Leiser to be postmaster at Hudson Heights, N.J., in place of G. L. Buyers, resigned.

John F. Sinnott, Jr., to be postmaster at Newark, N.J., in place of F. J. Bock, removed.

James E. Porter, Jr., to be postmaster at Rumson, N.J., in place of R. J. Rogers. Incumbent's commission expired December 18, 1933

NEW MEXICO

Walter W. Mayes to be postmaster at Clovis, N.Mex., in place of J. C. Luikart. Incumbent's commission expired May 7, 1934.

NEW YORK

Elloy R. Ganey to be postmaster at Jamestown, N.Y., in place of C. A. Sandburg, resigned.

Thomas F. Tobin to be postmaster at Kings Park, N.Y., in place of F. E. Proctor. Incumbent's commission expired December 16, 1933.

Morgan A. Lynk to be postmaster at Sharon Springs, N.Y., in place of L. N. Hiller. Incumbent's commission expired December 16, 1933.

Raymond J. Buckley to be postmaster at Valley Stream, N.Y., in place of E. G. Schumacher. Incumbent's commission expired March 18, 1934.

Michael G. Gaffney to be postmaster at Clinton, N.Y., in place of F. C. Daws. Incumbent's commission expired December 16, 1933.

John T. O'Leary to be postmaster at Irvington, N.Y., in place of J. P. Fallon, retired.

Richard P. Stanton to be postmaster at Millbrook, N.Y., in place of M. J. Doyle. Incumbent's commission expired January 22, 1934.

Robert C. McCarthy to be postmaster at Palmyra, N.Y., in place of R. D. Sessions. Incumbent's commission expired December 16, 1933.

Fenton J. Taylor to be postmaster at Warsaw, N.Y., in place of W. R. Crawford. Incumbent's commission expired March 18, 1934.

NORTH CAROLINA

Zula S. Glovier to be postmaster at Catawba, N.C., in place of T. E. Harwell. Incumbent's commission expired January 20, 1934.

Annie C. Burns to be postmaster at Lawndale, N.C., in place of P. P. Richards. Incumbent's commission expired February 10, 1934.

William Samuel Somers to be postmaster at Reidsville, N.C., in place of W. R. Anderson, transferred.

Fountain F. Cox to be postmaster at Robersonville, N.C., in place of W. E. Vick. Incumbent's commission expired April 28, 1934.

NORTH DAKOTA

Charles C. Shearer to be postmaster at Flasher, N.Dak., in place of N. H. Whitcomb. Incumbent's commission expired January 28, 1934.

John A. Hamilton to be postmaster at McClusky, N.Dak., in place of J. F. Dunn. Incumbent's commission expired December 16, 1933.

John E. Hunter to be postmaster at Mayville, N.Dak., in place of L. O. Fjeld, removed.

Frederich A. Rettke to be postmaster at Niagara, N.Dak., in place of F. A. Rettke. Incumbent's commission expired May 29, 1934.

Erick J. Moen to be postmaster at Osnabrock, N.Dak., in place of D. L. Rourke, removed.

Anne E. Chilton to be postmaster at Towner, N.Dak., in place of E. M. Gillmer. Incumbent's commission expired December 16, 1933.

Grace G. Berkness to be postmaster at Wolford, N.Dak., in place of G. G. Berkness. Incumbent's commission expired April 28, 1934.

OHIO

Emmett L. Partee to be postmaster at Defiance, Ohio, in place of A. B. DeKay, deceased.

Charles A. Spies to be postmaster at East Canton, Ohio, in place of L. L. Nash. Incumbent's commission expired March 18, 1934.

James M. Ruckman to be postmaster at La Rue, Ohio, in place of A. B. Henkle. Incumbent's commission expired March 8, 1934.

John L. O'Hara to be postmaster at New London, Ohio, in place of L. L. Leech. Incumbent's commission expired April 28, 1934.

Stanley F. Kimmel to be postmaster at New Madison, Ohio, in place of H. F. Mikesell. Incumbent's commission expired March 18, 1934.

Wilma L. Aiken to be postmaster at Tiltonsville, Ohio, in place of E. E. Garner. Incumbent's commission expired April 16, 1934.

OKLAHOMA

Richard B. Carson to be postmaster at Castle, Okla., in place of S. A. Loveland. Incumbent's commission expired January 22, 1934.

Vivienne C. Ford to be postmaster at Billings, Okla., in place of G. A. Strouse, resigned.

Wilma P. Walcher to be postmaster at Braman, Okla., in place of R. E. Dickerson. Incumbent's commission expired April 28, 1934.

Sylvia M. Grace to be postmaster at Laverne, Okla., in place of L. H. Ball, removed.

Edward S. Bowles to be postmaster at Perry, Okla., in place of L. G. Shoop, removed.

OREGON

George A. Belloni to be postmaster at Coquille, Oreg., in place of H. C. Getz. Incumbent's commission expired December 13, 1932.

John D. Kennedy to be postmaster at North Portland, Oreg., in place of E. W. VanHorn, removed.

Kenneth E. Sturges to be postmaster at Linnton, Oreg., in place of J. B. Schaefer. Incumbent's commission expired December 18, 1933.

Oscar E. Marvin to be postmaster at Wallowa, Oreg., in place of J. E. Tulley. Incumbent's commission expired March 8, 1934.

PENNSYLVANIA

Ramsey S. Black to be postmaster at Harrisburg, Pa., in place of C. E. Pass. Incumbent's commission expired February 10, 1934.

James F. O'Brien to be postmaster at Allison Park, Pa., in place of A. C. Grotth. Incumbent's commission expired December 19, 1933.

Daniel J. McDonough to be postmaster at Ardmore, Pa., in place of J. M. Baltz. Incumbent's commission expired May 2, 1933.

Thomas P. Noon to be postmaster at Ashland, Pa., in place of H. H. Spaide, removed.

Ard B. Carson to be postmaster at Belleville, Pa., in place of J. F. Wills. Incumbent's commission expired January 28, 1934.

Beulah E. Hayden to be postmaster at Dalton, Pa., in place of R. S. Gumaer. Incumbent's commission expired February 14, 1934.

Alice E. Shoemaker to be postmaster at Fayetteville, Pa., in place of B. C. Myers, removed.

Anna F. Martin to be postmaster at Gordon, Pa., in place of J. S. Curren. Incumbent's commission expired February 9, 1933.

Walter C. Blessing to be postmaster at Hellam, Pa., in place of D. M. Gilbert. Incumbent's commission expired January 19, 1933.

Clarence R. Baker to be postmaster at Hollsopple, Pa., in place of C. R. Baker. Incumbent's commission expired December 18, 1932.

John M. Langan to be postmaster at Moscow, Pa., in place of J. W. Clouse. Incumbent's commission expired January 13, 1932.

Alfred Yeiser to be postmaster at Palmyra, Pa., in place of T. E. Lerch. Incumbent's commission expired February 28, 1933.

Irvin C. Davis to be postmaster at Shavertown, Pa., in place of H. S. Van Campen, removed.

Wilson C. Reider to be postmaster at Shickshinny, Pa., in place of B. J. Everett. Incumbent's commission expired January 26, 1933.

Mary Pavlik to be postmaster at Universal, Pa., in place of Joseph Straka. Incumbent's commission expired December 18, 1933.

Charles J. Trexler to be postmaster at Windgap, Pa., in place of Nathaniel Shaplin, removed.

SOUTH DAKOTA

Joseph A. Stanek to be postmaster at Fairfax, S.Dak., in place of P. W. Lambert. Incumbent's commission expired April 28, 1934.

William B. Boe to be postmaster at Presho, S.Dak., in place of R. G. Andis, removed.

TENNESSEE

James W. Stout to be postmaster at Decaturville, Tenn., in place of A. F. Adair. Incumbent's commission expired April 15, 1934.

TEXAS

Clinton C. Burgess to be postmaster at Baytown, Tex., in place of C. H. Miller. Incumbent's commission expired December 7, 1932.

George A. Reading to be postmaster at Richmond, Tex., in place of Tolbert Hannon, removed.

Fordyce C. Woodward to be postmaster at Santa Anna, Tex., in place of R. L. Mobley. Incumbent's commission expired December 8, 1932.

John N. Snell, Jr., to be postmaster at Sunset Heights, Tex., in place of N. M. Farber, removed.

Edward F. Gaston to be postmaster at Dayton, Tex., in place of W. C. Guest. Incumbent's commission expired April 15, 1934.

Leonard B. Baldwin to be postmaster at Huntsville, Tex., in place of M. S. Parish. Incumbent's commission expired May 29, 1934.

Willie B. King to be postmaster at Navasota, Tex., in place of I. H. Garvin. Incumbent's commission expired December 20, 1932.

VERMONT

Frank Regan to be postmaster at Manchester, Vt., in place of O. R. Bennett. Incumbent's commission expired April 15, 1934.

Laura L. Veyette to be postmaster at Quechee, Vt., in place of E. E. Churchill. Incumbent's commission expired December 20, 1932.

VIRGINIA

Reginald B. Turner to be postmaster at East Falls Church, Va., in place of P. B. Nourse, removed.

J. Will Stockley to be postmaster at Keller, Va., in place of F. C. Mears. Incumbent's commission expired April 13, 1932.

Pauline H. Duncan to be postmaster at Riverton, Va., in place of F. C. Hammock. Incumbent's commission expired April 8, 1934.

Rufus G. Roberts to be postmaster at Culpeper, Va., in place of O. R. Thornhill, removed.

Lewis M. Coyner to be postmaster at Fairfax, Va., in place of Ludema Sayre, removed.

Marcellus B. Garnett to be postmaster at Mathews, Va., in place of G. S. Marchant, removed.

David E. Bumpass, Jr., to be postmaster at Mineral, Va., in place of L. G. Perkins. Incumbent's commission expired February 17, 1934.

Margaret E. Downing to be postmaster at Painter, Va., in place of G. E. Jones. Incumbent's commission expired April 8, 1934.

George T. Collins to be postmaster at Rosslyn, Va. Office reestablished.

Fannie B. B. Sale to be postmaster at Tappahannock, Va., in place of R. B. Rouzie. Incumbent's commission expired March 18, 1934.

Lawrence Hottle to be postmaster at Toms Brook, Va., in place of M. B. Hockman. Incumbent's commission expired April 8, 1934.

WASHINGTON

Harold W. Kreidel to be postmaster at Cle Elum, Wash., in place of H. S. Thompson. Incumbent's commission expired January 28, 1934.

Walter C. Ketterman to be postmaster at Opportunity, Wash., in place of W. S. Kelsey. Incumbent's commission expired March 8, 1934.

James F. Tostevin to be postmaster at Retsil, Wash., in place of G. F. Thomas, removed.

Louie H. Saur to be postmaster at Selah, Wash., in place of J. O. Byron. Incumbent's commission expired March 8, 1934.

W. Kenneth Kingman to be postmaster at Chelan, Wash., in place of J. W. Chatfield. Incumbent's commission expired March 8, 1934.

Albert Buerstatte, Jr., to be postmaster at College Place, Wash., in place of J. F. Moyer, removed.

Ralph V. Browder to be postmaster at Oakesdale, Wash., in place of Guy McReynolds. Incumbent's commission expired January 28, 1934.

Arthur H. Gerl to be postmaster at Wilbur, Wash., in place of A. B. Foley. Incumbent's commission expired March 18, 1934.

WEST VIRGINIA

Jennings B. Campbell to be postmaster at Albright, W.Va., in place of R. B. Gibson. Incumbent's commission expired December 18, 1933.

Clarence L. Perkins to be postmaster at Gassaway, W.Va., in place of J. E. Pierson. Incumbent's commission expired December 18, 1933.

John W. McNabb to be postmaster at Paw Paw, W.Va., in place of Lilly Moser. Incumbent's commission expired March 8, 1934.

William C. Bishop to be postmaster at Scarbro, W.Va., in place of W. C. Bishop. Incumbent's commission expired May 29, 1934.

John A. Bursee to be postmaster at West Liberty, W.Va. Office became presidential July 1, 1932.

Wilson P. Barlow to be postmaster at Buckhannon, W.Va., in place of J. B. Hilleary, removed.

John B. Puryear, Jr., to be postmaster at Holden, W.Va., in place of J. O. Buskirk, removed.

Bess M. Gwinn to be postmaster at Thurmond, W.Va., in place of H. A. Overholt, removed.

WISCONSIN

Melvin I. Dunn to be postmaster at Fall River, Wis., in place of E. E. Hains. Incumbent's commission expired January 29, 1933.

Birnam M. Walker to be postmaster at Hancock, Wis., in place of R. L. Thompson. Incumbent's commission expired December 18, 1933.

Fern Dagnon to be postmaster at Ferryville, Wis., in place of J. H. Sterling. Incumbent's commission expired January 31, 1934.

Julia L. Quigley to be postmaster at Arena, Wis., in place of D. D. Shea, deceased.

Raymond Dufeck to be postmaster at Denmark, Wis., in place of D. M. Enz. Incumbent's commission expired January 28, 1934.

Archie A. Veness to be postmaster at Exeland, Wis., in place of M. C. Keasling, removed.

Ethel E. Welch to be postmaster at Gleason, Wis., in place of E. O. Noel, removed.

Earl L. Persons to be postmaster at Lake Nebagamon, Wis., in place of J. A. Chisholm. Incumbent's commission expired February 14, 1934.

Walter E. Smith to be postmaster at Lodi, Wis., in place of H. S. Caldwell. Incumbent's commission expired February 28, 1933.

Cleveland N. Akey to be postmaster at Port Edwards, Wis., in place of F. S. Brazeau, deceased.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 4 (legislative day of May 28), 1934

POSTMASTER

Daniel A. Wieland to be postmaster at Palmyra, in the State of Pennsylvania.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 4, 1934

The House met at 11 o'clock.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Gracious Lord and only Savior, Thou who dost hear our sighs, count our tears and whose land is on the breaking heart, wilt hear us when we pray. We rejoice that love made the world; love is in the world and love will triumph in the end. We thank Thee that to this conclusion came at last the spiritual teacher of the old world when He said: Like as a father pitieth his children, so the Lord pitieth them that fear Him, for He knoweth our frame; He remembereth that we are dust. Heavenly Father, help us to grasp this eternal truth, and may we praise Thee that it is as stable as the rock of ages. Forgive us the sins we once cherished as we lift our hearts in prayer for the Father's compassion. Engage us to follow in the train of the Galilean whose teachings ever war against selfishness, injustice, and sin. In the Master's name. Amen.

The Journal of the proceedings of Saturday was read and approved.

DEFICIENCY APPROPRIATION BILL—1935

Mr. BUCHANAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, namely:

TITLE I. GENERAL APPROPRIATIONS—LEGISLATIVE ESTABLISHMENT

HOUSE OF REPRESENTATIVES

For payment to the widow of Edward B. Almon, late a Representative from the State of Alabama, $8,500.

For payment in equal increments to Caroline Mell, Julia Sasnett, and Louelle Rawlston, daughters of Charles H. Brand, late a Representative from the State of Georgia, $8,500.

For payment to the widow of John D. Clarke, late a Representative from the State of New York, $8,500.

For payment to the widow of Joseph I. Hooper, late a Representative from the State of Michigan, $8,500.

For payment to the widow of Lynn S. Hornor, late a Representative from the State of West Virginia, $8,500.

For payment to the widow of Bolivar E. Kemp, late a Representative from the State of Louisiana, $8,500.

For payment to the widow of James S. Parker, late a Representative from the State of New York, $8,500.

For payment to the widow of Edward W. Pou, late a Representative from the State of North Carolina, $8,500.

For payment to the widow of Henry W. Watson, late a Representative from the State of Pennsylvania, $8,500.

The foregoing sums to be disbursed by the Sergeant at Arms of the House.

Contested-election expenses: For payments to contestants and contestees for expenses incurred in the contested-election cases of *Lovette* v. *Reece*, *Ellis* v. *Thurston*, and *McAndrews* v. *Britten*, as audited and recommended by the Committee on Elections No. 1, respectively, as follows:

To O. B. Lovette, contestant, $1,993.61;
To B. Carroll Reece, contestee, $1,782.46;
To Lloyd Thurston, contestee, $2,000;
To James McAndrews, contestant, $1,657.82;
To Fred A. Britten, contestee, $2,000;
In all, $9,433.89, to be disbursed by the Clerk of the House.

For payments to contestants and contestees for expenses incurred in the contested-election cases of *Chandler* v. *Burnham*, *Estep* v. *Ellenbogen*, and *Gormley* v. *Goss*, as audited and recommended by the Committee on Elections No. 2, respectively, as follows:

To Claude Chandler, contestant, $2,000;
To George Burnham, contestee, $2,000;
To Henry Ellenbogen, contestee, $805.26;
To Edward W. Goss, contestee, $2,000;
To Martin E. Gormley, contestant, $2,000;
In all, $8,805.26, to be disbursed by the Clerk of the House.

For payments to contestants and contestees for expenses incurred in the contested-election cases of *Sanders* v. *Kemp*, *Fox* v. *Higgins*, *Shanahan* v. *Beck*, *Casey* v. *Turpin*, *Brewster* v. *Utterback*, and *Weber* v. *Simpson*, as audited and recommended by the Committee on Elections No. 3, respectively, as follows:

To J. Y. Sanders, Jr., contestant, $1,634.18.
To Mrs. Bolivar E. Kemp, contestee, $1,635.55.
To William C. Fox, contestant, $2,000.
To William L. Higgins, contestee, $1,743.20.
To James M. Beck, contestee, $1,339.82.
To John J. Shanahan, contestant, $817.75.
To C. Murray Turpin, contestee, $1,999.
To John G. Utterback, contestee, $2,000.
To Ralph O. Brewster, contestant, $1,970.17.
To Charles H. Weber, contestant, $2,000.

In all, $17,139.67, to be disbursed by the Clerk of the House.

Compiling testimony in contested-election cases: For services in compiling, arranging for the printer, reading proof, indexing testimony, stenography and typewriting, supervision of the work, and expenses incurred in the contested-election cases of the following Congresses, as authorized by the act entitled "An act relating to contested elections", approved March 2, 1887 (U.S.C., title 2, secs. 201–226):

For the Seventy-second Congress, $500.
For the Seventy-third Congress, $1,125.

Committee on Revision of the Laws: For the employment of competent persons to assist in continuing the work of compiling, codifying, and revising the laws and treaties of the United States, fiscal years 1934 and 1935, $3,000.

For preparation and editing of the laws as authorized by the act approved May 29, 1928 (U.S.C., supp VI, title 1, sec. 59), fiscal year 1934, $500, to be expended under the direction of the Committee on Revision of the Laws.

For the preparation and editing of a new edition of the United States Code as authorized by the act approved May 29, 1928, as amended by the act approved March 2, 1929 (U.S.C., supp. VI, title 1, sec. 52d), $37,000, to remain available until expended.

Speaker's Table: Commencing July 1, 1934, and continuing during such periods as the present incumbents occupy the positions, respectively, of Parliamentarian and Assistant Parliamentarian of the House, the annual rates of compensation of such positions, as fixed by the Legislative Pay Act of 1929 (U.S.C., supp. VI, title 2, sec. 60a), are hereby increased by the respective sums of $1,500 and $750; and such amounts are hereby appropriated for such purposes for the fiscal year 1935.

Telegraph and telephone: For telegraph and telephone service, exclusive of personal services, fiscal year 1934, $67,000: *Provided*, That whenever a Representative, Delegate, or Resident Commissioner, or a United States Senator shall fail to pay any sum or sums due from such person to the House of Representatives or Senate, respectively, the appropriate committee or officer of the House of Representatives or Senate, as the case may be, having jurisdiction of the activity under which such debt arose, shall certify such delinquent sum or sums to the Sergeant at Arms of the House in the case of an indebtedness to the House of Representatives and to the Secretary of the Senate in the case of an indebtedness to the Senate, and such latter officials are authorized and directed, respectively, to deduct from any salary, mileage, or expense money due to any such delinquent such certified amounts or so much thereof as the balance or balances due such delinquent may cover. Sums so deducted by the Secretary of the Senate shall be disposed of by him in accordance with existing law and sums so deducted by the Sergeant at Arms of the House shall be paid to the Clerk of the House and disposed of by him in accordance with existing law.

OFFICE OF ARCHITECT OF THE CAPITOL

Capitol Building: The unexpended balance of the appropriation of $2,500 for the removal and relocation of statues, contained in the Second Deficiency Act, fiscal year 1933, is hereby continued available for the same purposes during the fiscal year 1935.

Enlarging the Capitol Grounds: For an additional amount for completing the enlargement and improvement of the Capitol Grounds in accordance with the act entitled "An act to provide for the enlarging of the Capitol Grounds", approved March 4, 1929 (45 Stat. 1694), fiscal years 1934 and 1935, $189,720.02; and the limit of cost fixed in such act is increased by $105,587.02 to complete the acquisition of property: *Provided*, That the unexpended balance of the appropriation of $50,000 for the removal and demolition of structures in connection with the enlargement of the Capitol Grounds, contained in the First Deficiency Act, fiscal year 1932, is continued available until June 30, 1935, for the same purposes and for the additional purposes of improvement and development.

Capitol Power Plant: For an additional amount for lighting, heating, and power for the Capitol, Senate, and House Office Buildings, Supreme Court Building, Congressional Library Buildings, etc., including the same objects specified under this head in the Legislative Appropriation Act for the fiscal year 1934, $55,100.

The unexpended balance of the appropriation contained in the Legislative Appropriation Act for the fiscal year 1933 and continued available by the Legislative Appropriation Act for the fiscal year 1934 for the installation of duplicate steam lines to new buildings, clean-water intake screens and auxiliaries, and high-tension switching equipment, etc., is hereby continued and made available, together with an additional amount of $25,000 for the same purposes, for the fiscal year 1935.

Senate Office Building: For an additional amount for maintenance, including the same objects specified under this head in the Legislative Branch Appropriation Act, 1935, to provide for installation, replacement, and reconditioning of elevators, $200,000, to be immediately available.

House Office Buildings: For an additional amount for maintenance, including the same objects specified under this head in the Legislative Branch Appropriation Act, 1935, to provide for installation, replacement, and reconditioning of elevators, $190,000, to be immediately available.

House Office Buildings: For an additional amount for maintenance, including the same objects specified under this head in the Legislative Branch Appropriation Act, 1935, $2,950, to be immediately available.

Library Building and Grounds: For an additional amount for necessary expenditures for the Library Building under the jurisdiction of the Architect of the Capitol, including the same objects specified under this head in the Legislative Branch Appropriation Act, 1935, to provide for installation, replacement, and reconditioning of elevators, $30,300, to be immediately available: *Provided*, That the Architect of the Capitol may continue the employment under his jurisdiction of Damon W. Harding until June 30, 1936, notwithstanding any provision of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, and any amendment thereof, prohibiting extensions of service after the age of retirement.

GOVERNMENT PRINTING OFFICE

For payment to Samuel Robinson, William Madden, Preston L. George, and William S. Houston, messengers on night duty during the second session of the Seventy-third Congress, $900 each; in all, $3,600, to be paid from the appropriation for printing and binding for Congress for the fiscal year 1934.

LIBRARY OF CONGRESS

For three additional assistants for the law library in the United States Supreme Court Building from May 1 to June 30, 1935, both dates inclusive, $1,000; such assistants to be under the control and direction of the Librarian of Congress, who is hereby authorized to transfer from time to time a sufficient number of law books and legal periodicals for use of the Supreme Court and the bar. The Librarian of Congress shall retain control of all material so transferred, subject to the rules and regulations of the Court, and the marshal of such Court shall make available and maintain in such building sufficient space to accommodate such books and periodicals.

INDEPENDENT OFFICES

CHICAGO WORLD'S FAIR CENTENNIAL CELEBRATION

For the purpose of carrying into effect the provisions of the act entitled "An act to amend an act entitled 'An act providing for the participation of the United States in A Century of Progress (the Chicago World's Fair Centennial Celebration) to be held at Chicago, Ill., in 1933, authorizing an appropriation therefor, and for other purposes', approved February 8, 1932, to provide for participation in A Century of Progress in 1934, to authorize an appropriation therefor, and for other purposes", approved May 21, 1934, and for each and every object authorized by said act, including travel expenses, and subsistence at not to exceed $5 per day, $150,000, together with the unexpended balance of the appropriation for the Chicago World's Fair Centennial Celebration held in 1933 as contained in the act making appropriations for the Department of Agriculture for the fiscal year 1933, to remain available until June 30, 1935.

GENERAL ACCOUNTING OFFICE

To enable the General Accounting Office to employ personnel to examine and settle claims and to audit and settle the accounts of receipts and expenditures of governmental agencies, including governmental corporations created after March 3, 1933, and to make current the audit of postal money orders and postal savings accounts, including rent in the District of Columbia, printing and binding, office equipment and supplies, traveling expenses, and other necessary contingent and miscellaneous expenses, fiscal years 1934 and 1935, $1,000,000: *Provided*, That persons employed hereunder may be appointed for temporary service without regard to civil-service rules and regulations.

SMITHSONIAN INSTITUTION

For printing and binding two volumes of that portion of the Annual Report of the American Historical Association devoted to the bibliography, Writings on American History, in the same style and edition as the annual report volumes have heretofore been published, fiscal year 1935, $8,000, to be immediately available.

UNITED STATES SUPREME COURT BUILDING COMMISSION

United States Supreme Court Building: The Architect of the Capitol, under the direction of the United States Supreme Court Building Commission, is hereby authorized to provide furnishings for the United States Supreme Court Building, and the appropriations heretofore made for construction and equipment of such building are hereby made available for the furnishing thereof.

DISTRICT OF COLUMBIA

CONTINGENT AND MISCELLANEOUS EXPENSES

Judicial expenses: For an additional amount for judicial expenses, including witness fees, and expert services in District cases before the Supreme Court of said District, for the fiscal years that follow:

For 1933, $1,193;
For 1934, $574.

General advertising: For an additional amount for general advertising, authorized and required by law, and for tax and school notices and notices of changes in regulations, fiscal year 1932, $319.92.

General advertising: For an additional amount for general advertising, authorized and required by law, and for tax and school notices and notices of changes in regulations, fiscal year 1934, $682: *Provided*, That this appropriation shall not be available for the payment of advertising in newspapers published outside of the District of Columbia, notwithstanding the requirement of such advertising provided by existing law.

Advertising notice of taxes in arrears: For an additional amount for advertising notice of taxes in arrears July 1, 1933, as required to be given by the act of February 28, 1898, as amended, to be reimbursed by a charge of 50 cents for each lot or piece of property advertised, fiscal year 1934, $7,895.14.

PUBLIC SCHOOLS

Fuel, etc.: For an additional amount for fuel, gas, and electric light and power, fiscal year 1934, $8,000.

METROPOLITAN POLICE

Salaries: For an additional amount for the pay and allowances of officers and members of the Metropolitan Police force, in accordance with the act entitled "An act to fix the salaries of the Metropolitan Police force, the United States Park Police force, and the fire department of the District of Columbia" (43 Stat., pp. 174–175), as amended by the act of July 1, 1930 (46 Stat., pp. 839–841), including compensation at the rate of $2,100 per annum for the present assistant property clerk of the police department, fiscal year 1934, $55,000.

HEALTH DEPARTMENT

For additional amounts for isolating wards for minor contagious diseases at Garfield Memorial Hospital for the fiscal years that follow:

For 1933, $849.75;
For 1934, $11,000.

COURTS AND PRISONS

Police court: For an additional amount for witness fees, fiscal year 1932, $6.75.

Municipal court: For an additional amount for compensation of jurors, fiscal year 1934, $125.

Supreme Court, District of Columbia: For an additional amount for salaries, fiscal year 1934, $15,220.

Fees of jurors and witnesses: For an additional amount for mileage and per diem of jurors, for mileage and per diem of witnesses and for per diem in lieu of subsistence, and payment of the expenses of witnesses in said court as provided by section 850, Revised Statutes, fiscal year 1934, $8,000.

Court of Appeals, District of Columbia: For an additional amount for salaries, fiscal year 1934, $9,900.

Writs of lunacy: For an additional amount for expenses attending the execution of writs de lunatico inquirendo and commitments thereunder in all cases of indigent insane persons committed or sought to be committed to St. Elizabeths Hospital by order of the executive authority of the District of Columbia under the provisions of existing law, and expenses of commitments to the District Training School, including personal services, for the fiscal years that follow:

For 1932, $225;
For 1933, $1,931.83.

PUBLIC WELFARE

National Training School for Boys: For an additional amount for care and maintenance of boys committed to the National Training School for Boys by the courts of the District of Columbia under a contract made by the Board of Public Welfare with the authorities of said National Training School for Boys, for the fiscal years that follow:

For 1932, $1,186.71;
For 1933, $5,936.72;
For 1934, $38,000.

Medical charities: For an additional amount for care and treatment of indigent patients under contracts made by the Board of Public Welfare with the following institutions for the following fiscal years and for not to exceed the following amounts, respectively:

Children's Hospital, 1933, $8,512; 1934, $25,000; in all, $33,512;
Central Dispensary and Emergency Hospital, 1934, $11,000;
Eastern Dispensary and Casualty Hospital, 1934, $12,000.

Nonresident insane: For an additional amount for deportation of nonresident insane persons, in accordance with the act of Congress entitled "An act to change the proceedings for admission to the Government Hospital for the Insane in certain cases, and for other purposes", approved January 31, 1899, including persons held in the psychopathic ward of the Gallinger Municipal Hospital, fiscal year 1934, $2,675.

Burial of ex-service men: For an additional amount for burying in the Arlington National Cemetery, or in the cemeteries of the District of Columbia, indigent Union ex-soldiers, ex-sailors, or ex-marines, of the United States service, either Regular or Volunteer, who have been honorably discharged or retired, and who died in the District of Columbia, to be disbursed by the Secretary of War at a cost not exceeding $45 for such burial expenses in each case, exclusive of cost of grave, fiscal year 1934, $225.

WATER SERVICE

For an additional amount for construction of a booster pumping plant at Dalecarlia Reservoir inlet, including equipment, fiscal years 1934 and 1935, $43,500, to be paid wholly out of the revenues of the Water Department of the District of Columbia.

SETTLEMENT OF CLAIMS

For the payment of claims approved by the Commissioners under and in accordance with the provisions of the act entitled "An act authorizing the Commissioners of the District of Columbia to settle claims and suits against the District of Columbia", approved February 11, 1929 (45 Stat., 1160), as amended by the act approved June 5, 1930 (46 Stat., 500), and reported in House Documents Nos. 329 and 366, Seventy-third Congress, $46,346.87.

REFUND OF ASSESSMENTS

For payment of refunds of assessments for paving streets, avenues, and roads, and laying curbs, as authorized by the provisions of section 11 of the act entitled "An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters", approved February 20, 1931 (46 Stat., 1199), fiscal years 1934 and 1935, $7,164.65.

JUDGMENTS

For the payment of final judgments, including costs, rendered against the District of Columbia, as set forth in House Document No. 359, Seventy-third Congress, $12,358.86, together with the further sum to pay the interest at not exceeding 4 percent per annum on such judgments, as provided by law, from the date the same became due until the date of payment.

AUDITED CLAIMS

For the payment of the following claims, certified to be due by the accounting officers of the District of Columbia, under appropriations the balances of which have been exhausted or carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U.S.C., title 31, sec. 713), being for the service of the fiscal year 1931 and prior fiscal years:

For expenses, free public library, District of Columbia, 1931, maintenance, $2.50;

For contingent and miscellaneous expenses, District of Columbia, 1931, judicial expenses, $100;

For contingent and miscellaneous expenses, District of Columbia, 1931, general advertising, $10.50;

For motor vehicles, District of Columbia, 1931, maintenance, care, repair, and operation, $1.20;

For extension, etc., of streets and avenues, District of Columbia, 1931, $182.25;

For public schools, District of Columbia, 1931, science laboratories, $1.44;

For fees of witnesses, Supreme Court, District of Columbia, 1931, $6;

For miscellaneous expenses, Supreme Court, District of Columbia, 1931, $1,068.34;

For water department, District of Columbia, 1931, installing and repairing water meters, $31.30;

For extension, etc., of streets and avenues, District of Columbia, 1930, $297.81;

For collection and disposal of refuse, District of Columbia, 1930, $3.44;

For school building and playground sites, District of Columbia, 1930, $7.20;

For writs of lunacy, District of Columbia, 1930, $240;

For miscellaneous expenses, Supreme Court, District of Columbia, 1930, $420;

For support of prisoners, District of Columbia, 1930, $71.82;

For relief of the poor, District of Columbia, 1930, $38;

For public schools, District of Columbia, 1929 and 1930, contingent expenses, miscellaneous, $38.78;

For electrical department, District of Columbia, 1929, lighting, 65 cents;

For motor vehicles, District of Columbia, 1928, maintenance and repair, $25.30;

For extension, etc., of streets and avenues, District of Columbia, 1928, $15;

For expenses, trees and parkings, District of Columbia, 1928, $3.40;

For municipal court, District of Columbia, 1928, compensation of jurors, $28;

For miscellaneous expenses, Supreme Court, District of Columbia, 1927, $3,295;

For public schools, District of Columbia, 1926 and 1927, repairs to buildings, $3.60;

For policemen and firemen's relief funds, act April 13, 1926, $66.50;

For Court of Appeals reports, District of Columbia, 1924, $71.50;

For streets, District of Columbia, 1923, $1.02;

In all, audited claims, $6,030.55.

DIVISION OF EXPENSES

The foregoing sums for the District of Columbia, unless otherwise therein specifically provided, shall be paid as follows: Such sums as relate to the fiscal years 1921 to 1924, inclusive, 60 percent out of the revenues of the District of Columbia and 40 percent out of the Treasury of the United States; and such sums as relate to the fiscal years 1925 to 1935, inclusive, jointly or severally, shall be paid out of the revenues of the District of Columbia and the Treasury of the United States in the manner prescribed by the District of Columbia Appropriation Acts for such respective fiscal years.

DEPARTMENT OF AGRICULTURE

MISCELLANEOUS EXPENSES

Rent of buildings: For an additional amount for rent of buildings and parts of buildings in the District of Columbia, including the same objects specified under this head in the Agricultural Appropriation Act for the fiscal year 1934, $17,296.

OFFICE OF EXPERIMENT STATIONS

The unexpended balance of the amount appropriated by the Agricultural Appropriation Act for the fiscal year 1933, approved July 7, 1932, for salaries and general expenses, Office of Experiment Stations, including the salaries of employees appointed from the continental United States of the discontinued experiment stations in Alaska, Guam, and the Virgin Islands during such leave as might be granted them under the "leave" acts cited in such appropriation act, is hereby made available for the payment of compensation in lieu of such leave to such designated employees as remained without Federal employment subsequent to the discontinuance of their stations for a period or periods aggregating at least a year.

FOREST SERVICE

Fighting forest fires: Not to exceed $412,000 of the unexpended balances of the appropriations for "Salaries and expenses", Forest Service, fiscal year 1934, may be transferred to the subappropriation "Salaries and expenses, Forest Service, fighting forest fires", fiscal year 1934, to meet obligations and expenditures incurred in fighting and preventing forest fires, including the same objects specified under this head in the Agricultural Appropriation Act for the fiscal year 1934.

Forest-fire cooperation: For an additional amount for cooperation with the various States or other appropriate agencies in forest-fire prevention and suppression, including the same objects specified under this head in the Agricultural Department Appropriation Act of 1935, $152,000.

BUREAU OF BIOLOGICAL SURVEY

Administration and enforcement of Federal Hunting Stamp Act: For carrying into effect the provisions of subsections (b) and (c) of section 4 of the act entitled "An act to supplement and support the Migratory Bird Conservation Act by providing funds for the acquisition of areas for use as migratory-bird sanctuaries, refuges, and breeding grounds, for developing and administering such areas, for the protection of certain migratory birds, for the enforcement of the Migratory Bird Treaty Act and regulations thereunder, and for other purposes", approved March 16, 1934 (Public, No. 124, 73d Cong.), the Secretary of the Treasury shall, out of any money in the Treasury not otherwise appropriated, advance to the Secretary of Agriculture $150,000, to be immediately available, and to remain available until June 30, 1935, of which amount not to exceed $20,760 may be expended for personal services in the District of Columbia, and not to exceed $8,450 shall be available for the purchase of motor-propelled passenger-carrying vehicles necessary in the conduct of field work outside the District of Columbia: *Provided*, That the amount so advanced shall be reimbursed and covered into the Treasury as "miscellaneous receipts" from the first $150,000 of revenue accruing in the Migratory Bird Conservation Fund from the sale of stamps.

BUREAU OF CHEMISTRY AND SOILS

Agricultural chemical investigations: For an additional amount for agricultural chemical investigations, fiscal year 1935, including the same objects specified under this head in the Agricultural Department Appropriation Act of 1935, $7,500.

DEPARTMENT OF COMMERCE

AIRCRAFT IN COMMERCE

Air-navigation facilities: For an additional amount for air-navigation facilities, including the same objects specified under this head in the Department of Commerce Appropriation Act, 1935, $306,550.

BUREAU OF LIGHTHOUSES

Retired pay: For an additional amount for retired pay of officers and employees of the Lighthouse Service, including the same objects specified under this head in the act making appropriations for the Department of Commerce for the fiscal year 1934, $7,500.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Purchase and transportation of Indian supplies: For an additional amount for expenses of purchase and transportation of goods and supplies for the Indian Service, fiscal year 1933, $117,500.

Middle Rio Grande Conservancy District, New Mexico (reimbursable): To complete payment to the Middle Rio Grande Conservancy District in accordance with the provisions of the act entitled "An act authorizing the Secretary of the Interior to execute an agreement with the Middle Rio Grande Conservancy District providing for conservation, irrigation, drainage, and flood control for the Pueblo Indian lands in the Rio Grande Valley, N.Mex., and for other purposes", approved March 13, 1928 (45 Stat. 312), fiscal years 1934 and 1935, $400,000, or so much thereof as may be necessary, reimbursable as provided in such act.

Irrigation system, Uintah Reservation, Utah (tribal funds): For an additional amount for continuing operation and maintenance and betterment of the irrigation system to irrigate allotted lands of the Uncompahgre, Uintah, and White River Utes in Utah, authorized under the act of June 21, 1906 (34 Stat. 375), fiscal year 1934, $7,000, to be paid from tribal funds held by the United States in trust for said Indians and to be reimbursed to the tribal funds by the individuals benefited under such rules and regulations as may be prescribed by the Secretary of the Interior.

Medical relief in Alaska: For an additional amount to meet outstanding obligations in excess of the appropriations for medical relief in Alaska for the fiscal years 1929 and 1930, $23.

The Creek Nation: The appropriation of $144,106.01 contained in section 4, title I, of this act for payment of a judgment rendered by the Court of Claims in favor of the Creek Nation shall be placed to the credit of the Creek Nation on the books of the Treasury Department, and such sum is hereby appropriated and, after deducting the attorney's fees allowed by the Court of Claims and the estimated expenses of making the roll and the payment herein provided for, shall be paid by the Secretary of the Interior per capita to the members of the Creek Tribe of Indians entitled thereto or their heirs, upon a roll made as of date of December 4, 1933, under the direction of and approved by the Secretary of the Interior.

RECLAMATION SERVICE

Refund of construction charges: For refund of construction charges heretofore paid on permanently unproductive land designated "Farm Unit F", in section 32, township 21 north, range 1 west, Sun River project in Montana, and excluded from said project in accordance with sections 42 and 44 of the act approved May 25, 1926 (44 Stat. 636), $335.40, payable from the reclamation fund.

North Platte project, Nebraska-Wyoming: Not to exceed $6,000 from power revenues allocated to the Northport Irrigation District under subsection I, section 4, of the act of December 5, 1924 (43 Stat. 703), shall be available during the fiscal year 1935 for payment on behalf of the Northport Irrigation District, to the farmers' irrigation district for carriage of water for the Northport district under contract of August 10, 1915, between the United States and the farmers' irrigation district.

NATIONAL PARK SERVICE

Salaries and expenses, public buildings outside of the District of Columbia: For an additional amount for salaries and expenses for administration, protection, and maintenance of public buildings outside the District of Columbia, including personal services at rates of compensation not in excess of the rates current in the place where such services are employed, fiscal year 1934, $13,000.

GOVERNMENT IN THE TERRITORIES

Insane of Alaska: For an additional amount for care and custody of persons legally adjudged insane in Alaska, including the same objects and for the same services specified in the Interior Department Appropriation Act for the fiscal year 1934, $9,300.

HOWARD UNIVERSITY

For an additional amount for general expenses, Howard University, fiscal year 1932, including the same objects specified under this head in the Interior Department Appropriation Act, fiscal year 1932, $595.55, which sum shall be paid from any unexpended balance in the appropriation "Howard University, 1934."

DEPARTMENT OF JUSTICE

CONTINGENT EXPENSES, DEPARTMENT OF JUSTICE

For additional amounts for contingent expenses, Department of Justice, including the same objects specified under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1930, $1.79;

For 1932, $43.02.

For an additional amount for printing and binding for the Department of Justice and the courts of the United States, fiscal year 1930, $117.76.

DIVISION OF INVESTIGATION

Salaries and expenses: Not to exceed $20,000 of the appropriation "Salaries and expenses, Division of Investigation, 1935", shall be available to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, who shall make a certificate of the amount of such expenditure as he may think it advisable not to specify, and every such certificate shall be deemed a sufficient voucher for the sum therein expressed to have been expended.

UNITED STATES SUPREME COURT

United States Supreme Court Building and Grounds: For custody and maintenance for the fiscal year ending June 30, 1935, as authorized by the act entitled "An act to provide for the custody and maintenance of the United States Supreme Court Building and the equipment and grounds thereof", approved May 7, 1934, as follows:

Domestic care under the marshal: For personal services, exclusive of any librarian service, $28,700; for supplies and materials, uniforms and equipment for employees, telegraph and telephone, advertising, transportation, repairs, and such other miscellaneous and incidental expenses as may be necessary to the duties imposed upon the marshal by such act, $15,000; in all, $43,700.

Structural and mechanical care of the building and care of the grounds under the Architect of the Capitol: For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon him by such act, including improvements, maintenance, repairs, equipment, supplies, materials, and appurtenances, and personal and other services, $30,348.

MARSHALS, DISTRICT ATTORNEYS, CLERKS, AND OTHER EXPENSES OF UNITED STATES COURTS

Salaries, fees, and expenses of marshals: For an additional amount for salaries, fees, and expenses of marshals, United States

courts, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, $6,537.81.

Fees of commissioners: For additional amounts for fees of commissioners, United States courts, including the same objects specified under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1922, $5.

For 1925, $10.

For 1930, $4,087.45.

For 1931, $6,977.37.

For 1932, $13,937.92.

For 1933, $25,684.33.

Fees of jurors and witnesses: For an additional amount for fees of jurors and witnesses, United States courts, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, $1,116.58.

Miscellaneous expenses: For an additional amount for miscellaneous expenses, United States courts, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1930, $456.44.

Supplies for United States courts: For additional amounts for supplies for United States courts, including the same objects specified under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1931, $136.55.

For 1932, $180.63.

Books for judicial officers: For an additional amount for books for judicial officers, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, $24.26.

Compensation of special master in case of United States against Northern Pacific Railway Co. and others: For payment of one-half of the total compensation of the special master in the case of United States against Northern Pacific Railway Co. and others, in accordance with the order of the United States District Court for the Eastern District of Washington, dated January 25, 1934, $12,500.

PENAL AND CORRECTIONAL INSTITUTIONS

Support of United States prisoners: For additional amounts for support of United States prisoners, including the same objects specified under this head in the acts making appropriations for the Department of Justice for the following fiscal years:

For 1924, $978.58.

For 1929, $218.44.

NAVY DEPARTMENT

SECRETARY'S OFFICE

Claims for damages by collision with naval vessels: To pay claims for damages adjusted and determined by the Secretary of the Navy under the provisions of the act entitled "An act to amend the act authorizing the Secretary of the Navy to settle claims for damages to private property arising from collisions with naval vessels", approved December 28, 1922 (U.S.C., title 34, sec. 599), as fully set forth in House Document No. 328, Seventy-third Congress, except item no. 6, page 4, of such document in favor of the Panama Railroad Co., $12,054.33.

Naval station, island of Guam: For an additional amount for maintenance and care of lepers, etc., including the same objects specified under this head in the act making appropriations for the Navy Department and the naval service for the fiscal year 1933, $808.67.

BUREAU OF NAVIGATION

Transportation: For travel allowance, etc., including the same objects specified under this head in the act making appropriations for the Navy Department and the naval service for the fiscal year 1923, $15.85.

BUREAU OF SUPPLIES AND ACCOUNTS

Pay, subsistence, and transportation, Navy: The limitation on expenditures for "transportation of dependents of officers and enlisted men of the Navy" under the appropriation "Pay, subsistence, and transportation, Navy", for the fiscal year 1933, is hereby increased from $450,000 to $500,000.

Relief of Anne E. Richardson: For payment to Anne E. Richardson, widow of Jack C. Richardson, of expenses incurred while traveling around the world on the German airship *Graf Zeppelin*, as authorized in the act approved March 2, 1933, $143.04.

Relief of Elmo K. Gordon: For payment to Elmo K. Gordon of 1 year's back pay as authorized in the act approved March 2, 1933, $648.

Payment to Ruth McCarn: For payment to Ruth McCarn of an amount equal to 6 months' pay of her son, the late John Bush Watson, seaman, United States Navy, as authorized in the act approved March 1, 1933, $126.

POST OFFICE DEPARTMENT

(Out of the postal revenues)

OFFICE OF CHIEF INSPECTOR

Rewards: For an additional amount for payment of rewards, including the same objects specified under this head in the act making appropriations for the Post Office Department for the fiscal year 1933, $4,900.

DEPARTMENT OF STATE

Salaries, Foreign Service officers while receiving instructions and in transit: For an additional amount for salaries, Foreign Service officers while receiving instructions and in transit, including the same objects specified under this head in the act making appropriations for the Department of State for the fiscal year 1934, $20,000.

Transportation of Foreign Service officers: For an additional amount for transportation of Foreign Service officers, including the same objects specified under this head in the act making appropriations for the Department of State for the fiscal year 1934, fiscal years 1934 and 1935, $37,500.

Allowance to widows or heirs of Foreign Service officers who die abroad: For additional amounts for allowance to widows or heirs of Foreign Service officers who die abroad, including the same objects specified under this head in the acts making appropriations for the Department of State for the following fiscal years:

For 1930, $44.43.

For 1933, $316.86.

Bringing home criminals: For an additional amount for bringing home criminals, including the same objects specified under this head in the act making appropriations for the Department of State for the fiscal year 1933, $304.

Relief and protection of American seamen: For an additional amount for relief and protection of American seamen, including the same objects specified under this head in the act making appropriations for the Department of State for the fiscal year 1934, $12,500.

Rainy Lake reference: For an additional amount for Rainy Lake reference, fiscal years 1929 and 1930, including the same objects specified under this head in the Second Deficiency Act, fiscal year 1929, $9.37.

International Institute of Agriculture, Rome, Italy: For the expenses of participation by the United States in the International Institute of Agriculture at Rome, Italy, as authorized by the convention of June 7, 1905, including the salary of the American member of the permanent committee at not to exceed $7,500 per annum; compensation of subordinate employees without regard to the Classification Act of 1923, as amended; expenses for the maintenance of the office at Rome, including purchase of necessary books, maps, documents, and newspapers and periodicals (foreign and domestic); printing and binding; allowances for living quarters, including heat, fuel, and light, as authorized by the act approved June 26, 1930 (U.S.C., supp. VI, title 5, sec. 11a), for the use of the American member of the permanent committee; and traveling expenses; to be expended under the direction of the Secretary of State, fiscal year 1935, $11,935.

For an additional amount for the payment of the contribution of the United States, including the Territory of Hawaii, and the dependencies of the Philippine Islands, Puerto Rico, and the Virgin Islands, toward the support of the International Institute of Agriculture at Rome, Italy, fiscal year 1935, $31,656, together with such additional sum due to increases in rates of exchange as may be necessary to pay in foreign currency the contribution required by the protocol to the convention between the United States and other powers for the creation of an International Institute of Agriculture.

International Prison Commission: For subscription of the United States as an adhering member of the International Prison Commission, fiscal year 1934, $4,075.

International Conference for Revising the Industrial Property Convention, London, England: For the expenses of participation by the United States in the International Conference for the Purpose of Revising the Industrial Property Convention signed at The Hague, November 6, 1925, to be held in London, England, in 1934, including personal services without reference to the Classification Act of 1923, as amended, in the District of Columbia and elsewhere; stenographic reporting and translating services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, and periodicals; stationery, official cards; printing and binding; entertainment; hire, maintenance, and operation of motor-propelled, passenger-carrying vehicles; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of such expenditures as may have been made from other appropriations and expenditures incurred subsequent to March 31, 1934, for the purposes herein specified, fiscal years 1934 and 1935, $8,000.

International Technical Consulting Committee on Radio Communications, Lisbon, Portugal: For the expenses of participation by the United States in the International Technical Consulting Committee on Radio Communications, to be held in Lisbon, Portugal, in 1934, including personal services without reference to the Classification Act of 1923, as amended, in the District of Columbia and elsewhere; stenographic reporting and translating services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5); rent; traveling expenses; purchase of necessary books, documents, newspapers, periodicals, and maps; stationery; official cards; printing and binding; entertainment; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, fiscal years 1934 and 1935, $16,000.

Third Pan American Financial Conference, Santiago, Chile, and Commercial Conference, Buenos Aires, Argentina: For the expenses of participation by the United States in the Third Pan American Financial Conference, at Santiago, Chile, and in the Commercial Conference, at Buenos Aires, Argentina, including personal services without reference to the Classification Act of 1923, as amended, in the District of Columbia and elsewhere; stenographic reporting

and translating services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5); rent; traveling expenses (and by indirect routes if specifically authorized by the Secretary of State); purchase of books, documents, newspapers, and periodicals; stationery; official cards; printing and binding; entertainment; hire, maintenance, and operation of motor-propelled passenger-carrying vehicles; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified, fiscal year 1935, $14,000, to be immediately available.

General Claims Commission, United States and Panama: Not to exceed $166.67 of the appropriation "General Claims Commission, United States and Panama, 1933", contained in the act making appropriations for the Department of State for the fiscal year 1933, is continued available for the same purposes until June 30, 1934.

General Disarmament Conference, Geneva, Switzerland: The unexpended balance of the appropriation "General Disarmament Conference, Geneva, Switzerland, 1933 and 1934", contained in the First Deficiency Act, fiscal year 1933, is continued available for the same purposes until June 30, 1935.

International Monetary and Economic Conference: The unexpended balances of the appropriations "International Monetary and Economic Conference, 1933 and 1934", contained in the Second and Fourth Deficiency Acts, fiscal year 1933, are continued available for the same purposes until June 30, 1935.

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Recoinage of Danish West Indian coins of Virgin Islands: To cover the expenses and loss in the recoinage into subsidiary and other coins of the United States of the Danish West Indian franc and fractional coins of the Virgin Islands of the United States in order to provide for the replacement thereof at the rate fixed by Executive Order No. 15 of August 8, 1920, of nineteen and three-tenths hundredths of a dollar for each Danish West Indian franc face amount of such coins, $25,000, to be expended under the direction of the Secretary of the Treasury and to remain available until expended.

BUREAU OF CUSTOMS

The limitation on the amount which may be expended for the purchase of motor-propelled passenger-carrying vehicles from the appropriation "Collecting the revenue from customs, 1935", is increased from $25,000 to $75,000.

Not to exceed $1,500 of the appropriation "Collecting the revenue from customs, 1935", shall be available for improving, repairing, maintaining, or preserving such buildings, inspection stations, office quarters, including living quarters for officers, sheds, and sites along the Canadian and Mexican borders as are authorized by the act of June 26, 1930 (U.S.C., supp. VII, title 19, sec. 68).

BUREAU OF ENGRAVING AND PRINTING

The limitation in the act making appropriations for the Treasury Department for the fiscal year 1934 as to the number of delivered sheets of internal-revenue stamps, including opium orders and special-tax stamps required under the act of December 17, 1914 (U.S.C., title 26, sec. 211), is increased from 93,675,486 to 108,675,486.

PROCUREMENT DIVISION—PUBLIC WORKS BRANCH

Rent of temporary quarters, public buildings: For rent of temporary quarters and alterations of same for the accommodation of Government officials and moving expenses incident thereto, and the Secretary of the Treasury is hereby authorized to enter into leases for this purpose for periods not exceeding 3 years, fiscal year 1935, $27,150.

Furniture and repairs of same for public buildings: For an additional amount for furniture and repairs of same for public buildings, including the same objects specified under this head in the act making appropriations for the Treasury Department for the fiscal year 1932, $3,000.

New York (N.Y.) Federal Office Building (Vesey Street): The limit of cost fixed under the Second Deficiency Act, fiscal year, 1933, approved March 4, 1933, for the acquisition by purchase, condemnation, or otherwise of the block bounded by Barclay, Vesey, and Church Streets and West Broadway, is hereby increased from $5,020,438 to not to exceed $5,056,246: *Provided*, That this increase of $35,808, being approximately the amount of the balance owing on the final judgment in excess of the amount deposited in court with the declaration of taking in condemnation proceedings plus interest on such balance from October 13, 1931, the date of the filing of the declaration to the date of payment at the rate of 6 percent per annum, shall be charged against the $5,715,000 authorized under act approved July 21, 1932 (47 Stat. 718), as modified by the operation of the Legislative Appropriation Act approved June 30, 1932 (47 Stat. 412), and as further authorized under act approved March 31, 1933 (48 Stat. 22), for the construction of a building on said site: *Provided further*, That the limit of cost herein fixed shall not be reduced by the operation of section 320 of the Legislative Appropriation Act approved June 30, 1932 (47 Stat. 412).

Union City (N.J.) post office: The Secretary of the Treasury is hereby authorized to acquire from the Port of New York Authority, upon such terms and conditions as he may deem to be to the best interest of the United States, as an addition to the present post-office site at Union City, N.J., acquired under authority of the Second Deficiency Act, fiscal year 1930, approved July 3, 1930 (46 Stat. 905), the land described as follows: "Beginning at point on the northerly side of Twenty-ninth Street, distant approximately 200 feet west of the northwesterly intersection of Twenty-ninth Street and Palisade Avenue, said intersection being also the southeast corner of the present post-office site; running thence in a northerly direction and parallel with Palisade Avenue a distance approximately 124 feet, thence in a westwardly direction a distance of approximately 48 feet to a point, thence in a southwardly direction a distance of approximately 137 feet to a point in the northerly line of Twenty-ninth Street, thence in an eastwardly direction along the northerly line of Twenty-ninth Street a distance of approximately 50 feet to the point of beginning", in exchange for that portion of the aforesaid site described as follows:

Beginning at a point formed by the southwesterly intersection of Thirty-second Street and Palisade Avenue, being also the northeast corner of the present post-office site; running thence in a northwesterly direction along the southerly line of Thirty-second Street a distance of approximately 238 feet to a point, thence in a southerly direction a distance of approximately 124 feet, thence in an eastwardly direction a distance of approximately 200 feet to the point of beginning: *Provided, however*: That the exchange of properties shall be without expense to the United States.

Minneapolis (Minn.) post office, etc.: The Second Deficiency Act, fiscal year 1930, approved July 3, 1930 (46 Stat. 900), authorizing the acquisition of a site and construction of a building under a limit of cost of $4,075,000, as modified by the operation of section 320 of the Legislative Appropriation Act approved June 30, 1932 (47 Stat. 412), is hereby amended so as to make not to exceed $25,000 of said amount also available, in the discretion of the Secretary of the Treasury, for necessary approaches outside the Government's lot lines to the loading platform of the building located on High Street.

Washington, D.C., central heating plant: The Treasury Department is authorized to furnish heat from this plant to the Corcoran Gallery of Art: *Provided*, That the proper authority of such institution agrees (a) to pay for heat furnished at such rates, not less than cost, as may be determined by the Secretary of the Treasury, and (b) to connect such building with the Government mains in a manner satisfactory to the Public Works Branch, Procurement Division, Treasury Department.

WAR DEPARTMENT

NONMILITARY ACTIVITIES

Claims for damages by collision with river and harbor vessels: To pay claims for damages by collision with river and harbor vessels adjusted and determined by the War Department under the provisions of section 9 of the River and Harbor Act approved June 5, 1920 (U.S.C., title 33, sec. 564), as set forth in House Document No. 316, Seventy-third Congress, $1,833.10.

JUDGMENTS AND AUTHORIZED CLAIMS

DAMAGE CLAIMS

SEC. 2. For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments and independent establishments under the provisions of the act entitled "An act to provide for a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case", approved December 28, 1922 (U.S.C., title 31, secs. 215–217), as fully set forth in House Document No. 332, Seventy-third Congress, as follows:

Civil Works Administration, $219.95;
Veterans' Administration, $189.55;
Department of Agriculture, $1,492.73;
Department of Commerce, $595.10;
Department of the Interior, $1,390.50;
Department of Justice, $657.55;
Department of Labor, $168;
Navy Department, $4,112.30;
Post Office Department (out of postal revenues), $15,424.19;
Treasury Department, $3,609.13;
War Department, $7,004.27;
In all, $34,863.27.

JUDGMENTS, UNITED STATES COURTS

SEC. 3. For payment of the final judgments and decrees, including costs of suits, which have been rendered under the provisions of the act of March 3, 1887, entitled "An act to provide for the bringing of suits against the Government of the United States", as amended by the Judicial Code, approved March 3, 1911 (U.S.C., title 28, sec. 41, par. 20; sec. 258; secs. 761–765), certified to the Seventy-third Congress in House Document No. 324 (* print), under the following departments and establishments, namely:

Department of Commerce, $397.20;
Department of the Interior, $3,363.74;
Treasury Department, $5,029.40;
War Department, $16,122.79;
In all, $24,913.13, together with such additional sum as may be necessary to pay interest on the respective judgments at the rate of 4 percent from the date thereof until the time this appropriation is made.

For the payment of judgments, including costs of suits, rendered against the Government of the United States by United States District Courts under the provisions of an act entitled "An act authorizing suits against the United States in admiralty for damages caused by and salvage services rendered to public vessels belonging to the United States, and for other purposes", approved March 3, 1925 (U.S.C., title 46, secs. 781–789), certified to the Sev-

enty-third Congress in House Document No. 324 (* print), under the following departments, namely:

Department of Commerce, $21,000;
Navy Department, $3,357.65;
Treasury Department, $3,766.27;

In all, $28,123.92, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

For the payment of the judgments, including costs of suits, rendered against the Government by United States District Courts in special cases and under the provisions of certain special acts and certified to the Seventy-third Congress in House Document No. 324 (* print), under the following departments, namely:

Department of Justice, $45,000;
Navy Department, $44,440.40;
War Department, $10,465;

In all, $99,905.40, together with such additional sum as may be necessary to pay interest as and where specified in such judgments.

None of the judgments contained under this caption shall be paid until the right of appeal shall have expired, except such as have become final and conclusive against the United States by failure of the parties to appeal or otherwise.

Payment of interest wherever provided for judgments contained in this act shall not in any case continue for more than 30 days after the date of approval of the act.

JUDGMENTS, COURT OF CLAIMS

SEC. 4. For payment of the judgments rendered by the Court of Claims and reported to the Seventy-third Congress in House Document No. 327, under the following departments and establishments, namely:

Railroad Administration, $69,671.13;
Department of the Interior, $144,106.01;
Department of Justice, $25.25;
Navy Department, $312,331;
Treasury Department, $9,775.85;
War Department, $599,260.91;

In all, $1,135,170.15, together with such additional sum as may be necessary to pay interest on certain of the judgments at the legal rate per annum as and where specified in such judgments.

None of the judgments contained under this caption which have not been affirmed by the Supreme Court or otherwise become final and conclusive against the United States shall be paid until the expiration of the time within which application may be made for a writ of certiorari under subdivision (b) section 3, of the act entitled "An act to amend the Judicial Code, and to further define the jurisdiction of the circuit courts of appeals and of the Supreme Court, and for other purposes", approved February 13, 1925 (U.S.C., title 28, sec. 288).

AUDITED CLAIMS

SEC. 5. For the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U.S.C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1931 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1894 (U.S.C., title 5, sec. 266), as fully set forth in House Document No. 323, Seventy-third Congress, there is appropriated as follows:

LEGISLATIVE ESTABLISHMENT

For salaries, officers and employees, House of Representatives, $7.20.

INDEPENDENT OFFICES

For operations under Mineral Act of October 5, 1918, $504,222.25.
For Interstate Commerce Commission, $143.67.
For traveling expenses, Civil Service Commission, $2.35.
For operation of projects, United States Housing Corporation, $38.75.
For salaries and expenses, vocational rehabilitation of persons disabled in industry, $4.
For Government contribution to American National Red Cross Building, $2,978.98.
For medical and hospital services, Veterans' Bureau, $17,115.51.
For military and naval compensation, Veterans' Administration, $1,858.57.
For military and naval insurance, Veterans' Bureau, $612.72.
For salaries and expenses, Veterans' Bureau, $174.41.
For vocational rehabilitation, Veterans' Bureau, $123.
For Army pensions, $297.27.
For Navy pensions, $12.50.
For fees of examining surgeons, pensions, $5.
For investigation of pension cases, Bureau of Pensions, $13.20.
For National Home for Disabled Volunteer Soldiers, Southern Branch, $141.80.

DEPARTMENT OF AGRICULTURE

For salaries and expenses, Bureau of Animal Industry, $838.67.
For salaries and expenses, Bureau of Dairy Industry, $1.75.
For salaries and expenses, Bureau of Plant Industry, $52.97.
For salaries and expenses, Forest Service, $44.65.
For salaries and expenses, Forest Service, emergency construction, $45.85.
For salaries and expenses, Bureau of Entomology, $4.06.
For salaries and expenses, Bureau of Agricultural Economics, $2.63.
For salaries and expenses, Plant Quarantine and Control Administration, $56.
For salaries and expenses, Bureau of Chemistry and Soils, $10.42.

DEPARTMENT OF COMMERCE

For promoting commerce, Department of Commerce, $78.55.
For contingent expenses, Steamboat Inspection Service, $3.60.
For air navigation facilities, $38,918.75.
For general expenses, Lighthouse Service, $445.13.
For investigating mine accidents, $5.50.
For party expenses, Coast and Geodetic Survey, $400.
For protecting seal and salmon fisheries of Alaska, $90.
For pay, etc., of officers and men, vessels, Coast Survey, $1,040.65.
For transportation of families and effects of officers and employees, Bureau of Foreign and Domestic Commerce, $81.79.

DEPARTMENT OF THE INTERIOR

For Geological Survey, $9.52.
For National Park Service, $930.21.
For general expenses, Bureau of Education, $5.33.
For education of natives of Alaska, $47.05.
For Howard University, $114.59.
For pay of Indian police, $16.88.
For Indian boarding schools, $250.20.
For industry among Indians, $2,002.88.
For conservation of health among Indians, $426.
For education of natives of Alaska, $9.82.
For Indian school support, $106.86.
For relieving distress and prevention, etc., of diseases among Indians, $310.
For suppressing contagious diseases among livestock of Indians, $125.

DEPARTMENT OF JUSTICE

For salaries and expenses, Bureau of Prohibition, $749.77.
For supplies for United States courts, $532.50.
For probation system, United States courts, $45.
For contingent expenses, Department of Justice, $5.
For books, Department of Justice, $77.
For books for judicial officers, $1,375.10.
For detection and prosecution of crimes, $159.33.
For examination of judicial officers, $4.50.
For printing and binding, Department of justice and courts, $229.73.
For protecting interests of the United States in customs matters, $5,000.
For repairs to buildings, Court of Claims, $44.97.
For salaries of circuit, district, and retired judges, $194.44.
For salaries, fees, and expenses of marshals, United States courts, $2,951.09.
For salaries and expenses of district attorneys, United States courts, $991.64.
For fees of commissioners, United States courts, $5,424.48.
For fees of jurors, United States courts, $48.60.
For fees of jurors and witnesses, United States courts, $74.78.
For miscellaneous expenses, United States courts, $685.71.
For support of prisoners, United States courts, $834.30.
For support of United States prisoners, $1,254.87.
For United States penitentiary, Leavenworth, Kans., $39.22.
For United States penitentiary, Atlanta, Ga., $29.88.
For United States penitentiary, Atlanta, Ga., infirmary and isolation buildings, $4.63.
For Federal Industrial Institution for Women, maintenance, $16.40.

DEPARTMENT OF LABOR

For expenses of regulating immigration, $1,028.63.

NAVY DEPARTMENT

For increase of compensation, Naval Establishment, $9.09.
For pay, miscellaneous, $17.67.
For gunnery and engineering exercises, Bureau of Navigation, $10.
For organizing the Naval Reserve Force, $4.20.
For organizing the Naval Reserves, $96.89.
For engineering, Bureau of Engineering, $39,186.65.
For construction and repair, Bureau of Construction and Repair, $56.14.
For ordnance and ordnance stores, Bureau of Ordnance, $200.
For pay, subsistence, and transportation, Navy, $18,865.07.
For pay of the Navy, $2,154.79.
For transportation, Bureau of Navigation, $367.25.
For maintenance, Bureau of Supplies and Accounts, $261.35.
For aviation, Navy, $91,451.06.
For pay, Marine Corps, $2,532.61.
For general expenses, Marine Corps, $180.68.
For maintenance, Quartermaster's Department, Marine Corps, $233.34.
For reimbursement to certain persons for loss of Government securities while naval prisoners, $127.04.

DEPARTMENT OF STATE

For allowance for clerks at consulates, $315.06.
For allowance to widows or heirs of Foreign Service officers who die abroad, $316.68.
For contingent expenses, foreign missions, $662.71.
For contingent expenses, United States consulates, $35.16.
For expenses of Foreign Service inspectors, $5.32.
For salaries of ambassadors and ministers, $55.56.
For salaries, Foreign Service officers, $80.78.

For salaries, Foreign Service officers while receiving instructions and in transit, $501.74.
For transportation of Foreign Service officers, $7,208.04.
For transporting remains of diplomatic officers, consuls, and consular assistants, $101.

TREASURY DEPARTMENT

For increase of compensation, Treasury Department, $17.33.
For collecting the revenue from customs, $103.50.
For compensation in lieu of moieties, $356.
For collecting the internal revenue, $235.48.
For collecting the war revenue, $155.25.
For punishment for violation of internal-revenue laws, $442.65.
For refunding internal-revenue collections, $300.
For refunding taxes illegally collected, $323.97.
For enforcement of Narcotic and National Prohibition Acts, Internal Revenue, $1,599.45.
For salaries and expenses, Bureau of Narcotics, $4.50.
For salaries and expenses, Bureau of Industrial Alcohol, $2.25.
For Coast Guard, $4,853.83.
For pay and allowances, Coast Guard, $7,131.15.
For pay of crews, miscellaneous expenses, etc., Life Saving Service, $710.18.
For contingent expenses, Coast Guard, $277.94.
For Coast Guard station, Barataria, La., $300.
For rebuilding and repairing stations, etc., Coast Guard, $3.08.
For pay of personnel and maintenance of hospitals, Public Health Service, $986.84.
For pay of other employees, Public Health Service, $7.65.
For freight, transportation, etc., Public Health Service, $108.94.
For expenses, Division of Venereal Diseases, Public Health Service, $3.50.
For medical and hospital services, Public Health Service, $11.
For Quarantine Service, $7.96.
For studies of rural sanitation, Public Health Service, 20 cents.
For field investigations of public health, 45 cents.
For preventing the spread of epidemic diseases, $15.99.
For suppressing counterfeiting and other crimes, $2.
For general expenses of public buildings, $1.55.
For mechanical equipment for public buildings, $93.90.
For operating force for public buildings, $4.82.
For operating supplies for public buildings, $74.27.
For repairs and preservation of public buildings, $646.21.
For furniture and repairs of same for public buildings, $4.25.

WAR DEPARTMENT

For registration and selection for military service, $14.10.
For registration and selection for military service, act June 15, 1917, $8.
For pay, etc., of the Army (Longevity Act, Jan. 29, 1927), $1,448.84.
For pay, etc., of the Army, $65,318.35.
For pay of the Army, $7,335.
For pay, etc., of the Army, War with Spain, $228.36.
For arrears of pay, bounty, etc., $294.29.
For mileage of the Army, $102.95.
For increase of compensation, Military Establishment, $9,647.36.
For Army transportation, $3,119.78.
For clothing and equipage, $128.07.
For general appropriations, Quartermaster Corps, $6,882.03.
For incidental expenses of the Army, $42.
For horses for cavalry, artillery, engineers, etc., $22.
For subsistence of the Army, $283.80.
For supplies, services, and transportation, Quartermaster Corps, $622.68.
For replacing medical supplies, $136.07.
For replacing clothing and equipage, $3,784.33.
For replacing ordnance and ordnance stores, $417.16.
For Air Corps, Army, $74.42.
For medical and hospital department, $131.50.
For ordnance service and supplies, Army, $378.80.
For seacoast defenses, insular departments, ordnance, $1.13.
For seacoast defenses, insular departments, coast artillery, $105.
For armament of fortifications, $26,651.42.
For field-artillery armament, $62.14.
For Chemical Warfare Service, Army, $5.75.
For arming, equipping, and training the National Guard, $1,507.75.
For pay of National Guard for armory drills, $788.04.
For arms, uniforms, equipment, etc., for field service, National Guard, $58.91.
For Organized Reserves, $131.37.
For Reserve Officers' Training Corps, $234.
For citizens' military training camps, $6.02.
For headstones for graves of soldiers, $3.97.
For cemeterial expenses, War Department, $13.07.

POST OFFICE DEPARTMENT—POSTAL SERVICE

(Out of the postal revenues:)
For balances due foreign countries, $909.76.
For city delivery carriers, $1,348.81.
For clerks, first- and second-class post offices, $2,166.65.
For compensation to postmasters, $2,311.45.
For compensation to assistant postmasters, $100.
For freight, express, or motor transportation of equipment, etc., $44.58.
For indemnities, domestic mail, $1,464.51.
For indemnities, international mail, $445.85.
For labor-saving devices, $48.26.
For miscellaneous items, first- and second-class post offices, $564.68.
For railroad transportation and mail-messenger service, $10,253.12.
For Railway Mail Service, salaries, $19.38.
For rent, light, and fuel, $2,852.79.
For Rural Delivery Service, $70.08.
For salaries, Office of the Fourth Assistant Postmaster General, $14.67.
For separating mails, $120.
For special-delivery fees, $11.53.
For star-route service, $44.76.
For vehicle service, $132.72.
For village delivery service, $300.37.
Total, audited claims, section 4, $933,102.46, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

SEC. 6. Claims under certain private acts: To pay claims allowed by the Comptroller General of the United States under the provisions of Private Act No. 20, Seventy-third Congress, approved February 26, 1934, and certified to the Seventy-third Congress in House Document No. 317, under the War Department, as follows:
Vicksburg National Military Park, 1931, $356;
Payments to claimants under Private Act No. 20, approved February 26, 1934, $7,890.
For the payment of a claim allowed by the General Accounting Office under the provisions of Private Act No. 486, Sixty-ninth Congress, approved March 3, 1927 (44 Stat., pt. 3, 1832), and certified to the Seventy-third Congress in House Document No. 318, under the War Department, $10.25.

SEC. 7. Judgments against collectors of customs: For the payment of claims allowed by the General Accounting Office covering judgments rendered by United States District Courts against collectors of customs, where certificates of probable cause have been issued as provided for under section 989, Revised Statutes (U.S.C., title 28, sec. 842), and certified to the Seventy-third Congress in House Document No. 320, under the Department of Labor, $17,853.30.

SEC. 8. Funds of deceased patients, St. Elizabeths Hospital: For the payment of the claim of the estate of John C. Lederer, deceased, allowed by the General Accounting Office under the provisions of the act of June 30, 1906 (U.S.C., title 24, sec. 177), and certified to the Seventy-third Congress in House Document No. 325, under the Department of the Interior, $7.

SEC. 9. Interest withheld from claimants: For payment of interest on amounts withheld from claimants by the Comptroller General of the United States, act March 3, 1875, as amended by section 13 of the act of March 3, 1933 (47 Stat. 1516), as allowed by the General Accounting Office, and certified to the Seventy-third Congress in House Document No. 326, under the Navy Department, $351.93, and under the War Department, $11,041.10; in all, $11,393.03.

SEC. 10. Whenever parking accommodation in any building or other structure owned by, or leased for the use of, the Government of the United States is regularly made available for any privately owned passenger automobile the responsible authority under whose jurisdiction such space is controlled shall prescribe and collect a reasonable fee for such privilege from the person for whom such space is made available; any sums collected under the authority of this paragraph shall be deposited in the Treasury as miscellaneous receipts.

SEC. 11. This title may be cited as the "Deficiency Appropriation Act, fiscal year 1934."

TITLE II—EMERGENCY APPROPRIATIONS

EXECUTIVE

For an additional amount for carrying out the purposes of the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes", approved March 31, 1933 (48 Stat. 22); the Federal Emergency Relief Act of 1933, approved May 12, 1933 (48 Stat. 55); the Tennessee Valley Authority Act of 1933, approved May 18, 1933 (48 Stat. 58); and the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195); and including $325,000 for an addition to the Executive Office Building and for the furnishings and equipment thereof; $899,675,000, to be allocated by the President for further carrying out the purposes of the aforesaid acts and to remain available until June 30, 1935: *Provided*, That any savings or unobligated balances in funds of the Reconstruction Finance Corporation may, in the discretion of the President, be transferred and applied to the purposes of the Federal Emergency Relief Act of 1933 and/or title II of the National Industrial Recovery Act, and any unobligated balances in appropriations (including allocations of appropriations) of the Federal Emergency Administration of Public Works may, in the discretion of the President, be transferred and applied to the purposes of such Federal Emergency Relief Act of 1933: *Provided further*, That the amounts to be made available under the authority of this paragraph for public works under the National Industrial Recovery Act shall not exceed in the aggregate $500,000,000.

The Reconstruction Finance Corporation is authorized to buy any bonds or other obligations issued by beneficiaries of grants from the Federal Emergency Administration of Public Works, for the purpose of construction, financed in whole or in part by such Administration.

Section 3 of the act entitled "An act for the relief of unemployment through the performance of useful public work, and

for other purposes", approved March 31, 1933 (48 Stat. 22), is hereby repealed, and in lieu thereof the provisions of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended (U.S.C., title 5, ch. 15), are hereby made applicable to employees under the said act of March 31, 1933, to the same extent and under the same conditions as is provided for employees of the Federal Civil Works Administration in the act entitled "An act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes", approved February 15, 1934 (Public, No. 93, 73d Cong.): *Provided*, That so much of the sum appropriated in the first paragraph of title II of this act as the United States Employees' Compensation Commission, with the approval of the Director of the Budget, estimates and certifies to the Secretary of the Treasury will be necessary for administrative expenses and for the payment of such compensation shall be set aside in a special fund to be administered by the Commission for such purposes; and after June 30, 1935, such special funds shall be available for these purposes annually in such amounts as may be specified therefor in the annual appropriation acts.

DEPARTMENT OF AGRICULTURE

For the purpose of increasing employment by providing for emergency construction of public highways and other related projects, fiscal year 1935, $100,000,000, to remain available until expended, which sum shall be apportioned by the Secretary of Agriculture immediately upon the enactment of this act under the provisions of section 204 of the National Industrial Recovery Act, approved June 16, 1933 (in addition to any sums heretofore allocated under such section), to the highway departments of the several States to be expended by such departments pursuant to the provisions of such section: *Provided*, That any funds allocated under the provisions of section 204 (a) (2) of such act shall also be available for the cost of any construction that will provide safer traffic facilities or definitely eliminate existing hazards to pedestrian or vehicular traffic.

For the purpose of carrying out the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there are hereby authorized to be appropriated the following sums, to be expended according to the provisions of such act as amended: The sum of $100,000,000 for the fiscal year ending June 30, 1936; the sum of $100,000,000 for the fiscal year ending June 30, 1937: *Provided*, That 50 percent of the sum apportioned to each State from the appropriation herein authorized for the fiscal year 1936 may be expended without requiring any contribution on the part of such States and the remaining 50 percent of the sum apportioned for the fiscal year 1936, and all of the apportionment of the appropriation authorized for the fiscal year 1937, shall be matched by the States in accordance with the provisions of the Federal Highway Act, as amended and supplemented: *Provided further*, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of the foregoing authorizations and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto: *Provided further*, That no deductions shall be made from the appropriations authorized in this paragraph on account of prior advances and/or loans to the States for the construction of roads under the requirements of the Federal Highway Act.

For the purpose of carrying out the provisions of section 23 of the Federal Highway Act, approved November 9, 1921, fiscal year 1935, $6,730,000; and for such purposes there are hereby authorized to be appropriated the following additional sums: $10,000,000 for the fiscal year ending June 30, 1936; and $10,000,000 for the fiscal year ending June 30, 1937; all to remain available until expended in accordance with the provisions of such section 23.

For the purpose of carrying out the provisions of section 3 of the Federal Highway Act, approved November 9, 1921, as amended June 24, 1930 (46 Stat. 805), for the survey, construction, reconstruction, and maintenance of roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, fiscal year 1935, $2,500,000; and for such purposes there are hereby authorized to be appropriated the following additional sums: $2,500,000 for the fiscal year ending June 30, 1936; and $2,500,000 for the fiscal year ending June 30, 1937; all to remain available until expended.

For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges in the national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $5,000,000 for the fiscal year ending June 30, 1936, and the sum of $5,000,000 for the fiscal year ending June 30, 1937; all to remain available until expended.

For the construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750), fiscal year 1935, $2,000,000; and for such purposes there are hereby authorized to be appropriated the following additional sums: $2,000,000 for the fiscal year ending June 30, 1936, and $2,000,000 for the fiscal year ending June 30, 1937; all to remain available until expended.

TREASURY DEPARTMENT

OFFICE OF THE SECRETARY

Salaries, office of the Secretary of the Treasury: For an additional amount for salaries, office of the Secretary of the Treasury, under the authority contained in sections 512 and 513 of the Revenue Act of 1934, creating the office of General Council for the Department of the Treasury, and authorizing the Secretary of the Treasury to appoint and fix the compensation of five assistants at rates of compensation of not to exceed $10,000 per annum; including necessary traveling expenses, the temporary employment of experts, and the payment of actual transportation and subsistence expenses to any person whom the Secretary of the Treasury may from time to time invite to the city of Washington or elsewhere for conference and advisory purposes in furthering the work of the Department, fiscal year 1935, $100,000: *Provided*, That the unexpended balances of appropriations now available for expenditure by the Treasury Department, and the appropriations for such Department for the fiscal year 1935, to the extent applicable to the legal activities of the Department as constituted prior or subsequent to the enactment of the Revenue Act of 1934, shall be available, during the fiscal year for which appropriated, for expenditure, under the direction of the Secretary to carry out the provisions of section 512 of said act: *Provided further*, That, with the exception of any office the rate of compensation for which is specifically fixed by the terms of section 512, the lawful rate of compensation of any other office or position provided for by sections 512 and 513 of the Revenue Act of 1934 shall not be in excess of $9,000.

Payments to Federal land banks on account of reductions in interest rate on mortgages: To enable the Secretary of the Treasury to pay each Federal land bank such amount as the Farm Loan Commissioner certifies to the Secretary of the Treasury is equal to the amount by which interest payments on mortgages held by such bank have been reduced, in accordance with the provision of section 24 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (48 Stat. 31), fiscal year 1935, $7,950,000: *Provided*, That the unexpended balance of the appropriation of $15,000,000 made in the Fourth Deficiency Act, fiscal year 1933, approved June 16, 1933 (48 Stat. 274), for the purposes of said section 24, shall remain available until June 30, 1935.

Subscriptions to paid-in surplus of Federal land banks: For an additional amount to enable the Secretary of the Treasury to pay for subscriptions to the paid-in surplus of Federal land banks under section 23 of the Emergency Farm Mortgage Act of 1933, approved May 12, 1933 (48 Stat. 31), fiscal year 1935, $75,000,000, to be immediately available.

Expenses, Emergency Banking Act of 1933 and Gold Reserve Act of 1934: For any purpose in connection with the carrying out of the provisions of any Executive orders and proclamations regarding the bank holiday, any regulations issued thereunder, and the provisions of the Emergency Banking Act, approved March 9, 1933 (48 Stat. 1), the Gold Reserve Act of 1934, approved January 30, 1934 (Public, No. 87, 73d Cong.), and section 3653 of the Revised Statutes, including costs of transportation, insurance, and protection of gold coin, gold bullion, and gold certificates transferred to Federal Reserve banks and branches, United States mints and assay offices, and the Treasury, after March 9, 1933; losses sustained by Federal Reserve banks due to abrasion of gold goin, and reimbursement to Federal Reserve banks and branches for expenses incurred by them in carrying out instructions issued by the Secretary of the Treasury after March 4, 1933; and to cover any deficiency in the accounts of the Treasurer of the United States, including interest, as authorized by the act of March 26, 1934 (Public, No. 129, 73d Cong.), arising out of the arrangement approved by the President on July 27, 1933; fiscal year 1935, $3,000,000, to be expended under the direction and in the discretion of the President and to be immediately available.

Losses in melting gold: There is hereby appropriated, out of the receipts to be covered into the Treasury under section 7 of the Gold Reserve Act of 1934, approved January 30, 1934 (Public, No. 87, 73d Cong.), by reason of the reduction of the weight of the gold dollar by the Proclamation of the President of January 31, 1934, an amount sufficient to cover the difference between the value of gold as carried in the general account of the Treasurer of the United States and the value of such gold after melting and refining thereof pursuant to the provisions of the Gold Reserve Act of 1934.

BUREAU OF INTERNAL REVENUE

Collecting the internal revenue: For an additional amount for expenses of assessing and collecting the internal-revenue taxes, including the same objects specified under this head, and under the head "Salaries and expenses, Bureau of Industrial Alcohol", in the Treasury Department Appropriation Act, 1935, and including so much as may be necessary for the compensation of one additional deputy commissioner, to be immediately available, $10,000,000; of which not to exceed $800,000 may be expended for personal services in the District of Columbia, and not to exceed $71,250 for the purchase of passenger-carrying automobiles to be used on official business.

SECRET SERVICE DIVISION

Suppressing counterfeiting and other crimes: For an additional amount for suppressing counterfeiting and other crimes, fiscal

year 1935, including the same objects specified under this head in the Treasury Department Appropriation Act, 1935, $45,000.

PROCUREMENT DIVISION, PUBLIC WORKS BRANCH

Public buildings: For emergency construction of public-building projects outside of the District of Columbia (including the acquisition, where necessary, by purchase, condemnation, exchange, or otherwise of sites and additional land for such buildings; the demolition of old buildings where necessary and the construction, remodeling, or extension of buildings; rental of temporary quarters during construction, including moving expenses; purchase of necessary equipment for buildings and such additional administrative expenses and salaries as may be required solely for the purpose of carrying out the provisions of this paragraph), $65,000,000; such projects, including the sites therefor, to be selected by the Secretary of the Treasury and the Postmaster General, acting jointly, from the public-building projects specified in statements nos. 2 and 3 incorporated in House Report No. 1879, Seventy-third Congress, pages 24 to 40, inclusive, and projects selected shall be carried out within the respective estimated or proposed limits of cost specified in such statements, except as such limits are authorized to be modified by the provisions of the next paragraph: *Provided*, That with a view to relieving country-wide unemployment the Secretary of the Treasury and the Postmaster General, in the selection of towns or cities in which buildings are to be constructed, shall endeavor to distribute the projects equitably throughout the country so far as may be consistent with the needs of the public service; and the Secretary of the Treasury and the Postmaster General may also select for prosecution under this appropriation such projects not included in such report as in their judgment are economically sound and advantageous to the public service: *Provided further*, That the Secretary of the Treasury is authorized to direct the preparation of all sketches, estimates, plans, and specifications (including supervision and inspection thereof), and to enter into all contracts necessary for carrying out the purposes of this paragraph; and he is hereby authorized, when deemed by him desirable and advantageous, to employ, by contract or otherwise, temporary professional, technical, or nontechnical employees, firms, or corporations, to such extent as may be required to carry out the purposes of this paragraph, without reference to civil-service laws, rules, and regulations, or to the Classification Act of 1923, as amended, or to section 3709 of the Revised Statutes of the United States: *Provided further*, That in the acquisition of any land or sites for the purposes of Federal public buildings and in the construction of such buildings provided for in this paragraph the provisions of sections 305 and 306 of the Emergency Relief and Construction Act of 1932, as amended, shall apply.

In order to permit the Secretary of the Treasury to enter into contracts when the bid of the lowest responsible bidder received in response to public advertisement exceeds the amount available for any project selected under the preceding paragraph and/or for projects for which allotment has been heretofore, or may hereafter be, made to the Treasury Department for public buildings construction by the Federal Emergency Administration of Public Works (which allotments shall remain available for the execution of the projects concerned unless released by the Secretary of the Treasury), there shall be made available by the Federal Emergency Administration of Public Works an additional sum of $2,500,000 out of any unobligated funds under the control of such Administration, which total sum shall be transferred immediately upon the enactment of this act to the Treasury Department and, when approved by the President, may be used in the discretion of the Secretary of the Treasury to enter into contracts for public buildings in an amount not exceeding, in any one case, 10 percent in excess of the amount available therefor.

SEC. 2. This title may be cited as the "Emergency Appropriation Act, fiscal year 1935."

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The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BUCHANAN. Mr. Speaker, 20 minutes is manifestly an insufficient time to discuss the details of this bill. I will only discuss the high spots, and those extraordinary appropriations that Congress is more interested in, and that the country is more interested in than the minor items of the bill.

First I shall discuss, for a few minutes, relief as administered by the Federal Emergency Relief Administration. We appropriated under the act of May 7, 1933, $500,000,000. There was later allotted for relief—civil works—$400,000,000 from the Public Works Administration. Then on February 15 of this year we appropriated $950,000,000 for relief and civil works, making a grand total appropriated by the Federal Government for relief of $1,850,000,000. This has all been expended or will be expended up to the commencement of the next fiscal year, July 1, 1934, with the exception of $250,000,000.

The maximum amount that is provided under this bill and the maximum estimate by Mr. Hopkins of the appropriations for public relief is $640,000,000 additional money, making $890,000,000 for the administration of relief throughout the country for the 8 months commencing with July 1 next. Mr. Hopkins states that under the conditions which existed at the time the hearing was held this would be sufficient for him to do the job. Therefore we expect the maximum for direct relief and work relief will be $890,000,000 for the 8 months of the next fiscal year under this act. Mr. Hopkins told us that was sufficient. I include as part of my remarks a statement of relief funds.

Receipts:		
Federal Emergency Relief Act, May 12, 1933		$500,000,000
Allotment from Public Works Administration, November 1933		400,000,000
Public, No. 93, Feb. 15, 1934		950,000,000
Total		1,850,000,000
Expenditures to Apr. 30, 1934:		
For relief		570,541,000
For civil works		823,876,716
Total		1,394,417,716
Balance May 1, 1934		455,582,284
Estimated expenditures to July 1, 1934		205,582,284
Balance (estimated) July 1, 1934		250,000,000
Potentially available under this bill		640,000,000
Total available July 1, 1934		890,000,000
Proposed application from July 1, 1934, to Mar. 1, 1935 (8 months) of		890,000,000
General relief program	$640,000,000	
Additional work program costs, particularly white-collar class—approximately 100,000 engineers, architects, draftsmen, and clerks, both sexes	64,000,000	
Drought relief (have expended about $25,000,000 largely for stock feed)	48,000,000	

Proposed application from July 1, 1934, to Mar. 1, 1935 (8 months) of—Continued.		
Stranded populations (coal and oil fields, dry farming sections, and small towns where the loan industry has moved out)	$24,000,000	
Surplus commodities, including cotton	66,000,000	
Schools (subject to authorization by the President)	48,000,000	
		$890,000,000
Total		890,000,000

Public roads is the next item that I shall touch on briefly. The funds available for the highway program for the fiscal years 1934 and 1935 obligated or allotted but the money not expended as of July 1, 1933, amount to $110,000,000. Unobligated July 1, 1933, $15,000,000. Allotted to the highway program by the National Recovery Act, $400,000,000. State contributions, $16,000,000, and carried in this bill for 1935, $100,000,000. This makes a grand total available for the 2 years for public-highway construction of $641,000,000.

Of that amount only $275,000,000 has been estimated to be expended in this fiscal year 1934, which will leave to be expended in the fiscal year 1935, the estimated sum of $300,000,000. In other words, the total estimate of the amount which can be expended for highway construction in the fiscal year 1935 is $300,000,000. After that has been expended there will be an estimated balance unexpended on June 30, 1935, of $66,000,000. This ought to satisfy the most ardent advocates of highway construction in the United States, because it is all the money that is available and which can be efficiently expended. I append a table showing this data.

Funds available for highway program, fiscal years 1934 and 1935:		
Obligated or allocated as of July 1, 1933 (roundly)		$110,000,000
Unobligated, July 1, 1933		15,190,331
Section 204, National Industrial Recovery Act		400,000,000
State contributions to Section 204 program		16,162,865
This bill for 1935		100,000,000
Total		641,353,196
Estimated expenditures or Treasury withdrawals:		
1934	$275,055,000	
1935	300,000,000	
		575,055,000
Unexpended balance (estimated) July 1, 1935		66,298,196

Provision is also included authorizing the appropriation of $100,000,000 for the fiscal year 1936 and $100,000,000 for the fiscal year 1937 for roads, and providing that the Secretary of Agriculture may approve projects and enter into definite contracts committing the United States for these amounts. These two authorized sums are to be apportioned under the provisions of the Highway Act of 1916, as amended, but in the case of the $100,000,000 for the fiscal year 1936 only 50 percent is required to be matched by the States and in the case of the $100,000,000 for the fiscal year 1937 all is required to be matched. In connection with these two authorized appropriations a paragraph is inserted providing that no deductions shall be made therefrom on account of prior advances and/or loans to the States for the construction of roads under the requirements of the Federal Highway Act. The paragraph has the effect of waiving the deduction of $16,000,000 for each of the years 1936 and 1937 required under the provisions of the act of December 20, 1930.

An appropriation of $6,730,000 is recommended for 1935 for forest roads and trails and $10,000,000 is authorized for such purposes for each of the fiscal years 1936 and 1937. In connection with the appropriation of $6,730,000 for the fiscal year 1935, the committee is advised that there is approximately $3,270,000 in existing appropriations not under contract at this time, which will make practically $10,000,000 available for contract for the fiscal year 1935.

The sum of $2,500,000 is recommended for 1935 for roads over public lands and over other Federal reservations, and $2,500,000 in addition is authorized to be appropriated for each of the fiscal years 1936 and 1937.

No appropriation is recommended for roads for national parks and monuments for 1935, there being a balance of $11,000,000 in existing appropriations not under contract. The committee, however, is recommending an authorization of $5,000,000 for such roads for each of the fiscal years 1936 and 1937.

For construction and improvement of Indian reservation roads, $2,000,000 is recommended to be appropriated for 1935 and authorizations for the appropriation of $2,000,000 for each of the fiscal years 1936 and 1937 are recommended.

For the emergency construction of public-building projects outside of the District of Columbia there is recommended a total of $65,000,000. In the Emergency Relief and Construction Act of 1932 an appropriation of $100,000,000 was made for the construction of public buildings to be selected from projects in House Document 788, Seventy-first Congress. Under the authority contained in the act entitled "An act for the relief of unemployment through the performance of useful public work, and for other purposes", approved March 31, 1933, there was diverted from this appropriation of $100,000,000 the approximate sum of $93,000,000. The committee is advised that of the projects which might have been constructed under the $93,000,000 so diverted, projects totaling approximately $28,000,000 have been provided for out of Public Works Administration funds, leaving $65,000,000 of the $93,000,000 which, but for such diversion, could have been used for public buildings.

In recommending the appropriation of $65,000,000, the committee has required that the projects to be carried on under this amount shall be selected by the Secretary of the Treasury and the Postmaster General, acting jointly, from lists of buildings which will be found in Statements Nos. 2 and 3 appearing in the committee report on this bill. Statement No. 2 consists of projects in House Document No. 788, funds for which have not been allocated by the Public Works Administration, and Statement No. 3 consists of projects not in House Document No. 788 but which have been submitted through the Treasury Department to the Public Works Administration for consideration and for which funds have not been allotted. The provision in the bill also authorizes the Secretary of the Treasury and the Postmaster General to select for prosecution under this appropriation such other projects not included in these lists as, in their judgment, are economically sound and advantageous to the public service. The appropriation is made to the Treasury Department and the selection of the projects, including the sites, is required to be made by the Secretary of the Treasury and the Postmaster General, acting jointly, and they, in making these selections, are required to distribute the projects equitably throughout the country so far as may be consistent with the needs of the public service and with a view to aid in relieving country-wide unemployment.

The committee has also incorporated in the bill a paragraph requiring the transfer from the Public Works Administration to the Treasury Department of $2,500,000, such sum, when approved by the President, to be used by the Secretary of the Treasury in the construction of public buildings provided for under the appropriation in the bill or for projects for which allotments have been made to the Treasury Department by the Public Works Administration, in cases in which the bid of the lowest responsible bidder exceeds the amount available for the project, the total amount to be added to the limit of cost of any project, either under allotment from the Public Works Administration or fixed otherwise, not to be more than 10 percent of the allotment or limit of cost.

There will be available under this bill by allocation of the President, if he so desires, $285,000,000 for carrying on the Civilian Conservation Corps until March 31, 1935, the date of the expiration of the act under which that work was organized.

For public works under the National Recovery Act there may be made available a total of not to exceed $500,000,000, which includes an estimated figure of $41,000,000 for naval construction under the recent act of Congress, $190,000,000 to complete construction of projects under P.W.A. already under way, $2,500,000 to be transferred from P.W.A. to the

Treasury Department to complete public buildings under allotments already made by P.W.A., leaving of the $500,000,000 approximately $267,000,000 for new allotments.

Of the funds made available for allocation by the President, figures were presented to the committee indicating that approximately $48,000,000 would be required for the next fiscal year to carry on the work of the Tennessee Valley Authority in forwarding the program for power and fertilizer and other development of that area.

In the emergency appropriations in title II of the bill there are carried several other large items. Two appropriations—one for $75,000,000 and one for $7,950,000—are carried under the Treasury Department, thought the funds are administered by the Farm Credit Administration. The larger item, $75,000,000, is to enable the Secretary of the Treasury to make subscriptions to the paid-in surplus of Federal land banks to enable them to defer payments of principal and interest on loans to farmers secured by mortgages and the smaller sum, $7,950,000 is to make payments to Federal land banks on account of the reduction in interest rates on mortgages held by such banks in accordance with section 24 of the Emergency Farm Mortgage Act of 1933.

For the Bureau of Internal Revenue a total of $10,000,000 is recommended for the fiscal year 1935, of which the sum of $3,200,000 is for the carrying on of an intensive drive for the collection of back taxes, to examine income-tax returns which are escaping examination, to administer new tax provisions of the Revenue Acts of 1932 and 1934, and to collect the taxes imposed by the Liquor Taxing Act of 1934; and $6,800,000 is for the Alcohol Tax Unit for the enforcement of the internal-revenue laws relating to intoxicating beverages. This latter sum, together with the appropriation previously provided for the Bureau of Industrial Alcohol, will provide a total of approximately $11,000,000 for the fiscal year 1935 for the enforcement of all laws relating to alcohol and alcoholic beverages.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. CHRISTIANSON. Does the bill contain any provision for drought relief in the Middle West?

Mr. BUCHANAN. I will discuss that matter. Six hundred and forty million dollars additional was the amount estimated by Mr. Hopkins as being sufficient to complete the job of relief. Five hundred million dollars was requested as the limit estimated for Public Works. When we figure up all the earmarking and tentative allocations in this bill we find the direct appropriations do not provide the necessary amount of money for the program by $574,000,000. There is, however, a clause in the bill that the President, in his discretion, can draw upon the unobligated balances of the Reconstruction Finance Corporation to make up this amount and any additional amount that circumstances and conditions may demand throughout the next fiscal year for the purposes of the Federal Emergency Relief Administration and Public Works under the National Recovery Act, the latter purpose being limited to $500,000,000 from direct appropriations and R.F.C. funds.

Therefore the President may have to draw upon the R.F.C., probably, for $574,000,000. He can draw upon the R.F.C. for more than that if conditions demand it, because he is given the authority to do that for relief purposes. Therefore, this is an expanding program so far as relief is concerned.

Mr. CHRISTIANSON. Is the gentleman making any provision for education in this bill? In my State over one-half of the schools that have been receiving F.E.R.A. aid will not open September 1 unless such provision is made for them.

Mr. BUCHANAN. If the gentleman will read the hearings he will find there is a statement in the break-down of the funds made by Mr. Hopkins in which $48,000,000 is estimated to be set aside for education.

Mr. CHRISTIANSON. That is not one-fifth ot enough to meet the needs throughout the country during the next year.

Mr. BUCHANAN. I am sorry if it is not one-fifth enough. I have heard that time and again before and since these hearings. If we complied with every demand of that character we would bankrupt the Nation in 48 hours. We cannot do it.

Mr. CHRISTIANSON. Does not the gentleman think we would better suspend public building for the time being and keep the schools of America open?

Mr. BUCHANAN. I do not. I think every avocation, every calling, and those engaged in labor of every kind should receive equal treatment at the hands of the Government. If there is one principle that should apply, control, and govern our action, it is that the burdens of government should rest equally upon the shoulders of all and its blessing, like the dews of heaven, should descend equally upon the heads of all.

Mr. CHRISTIANSON. That is what those of us who favor Federal relief for education at this time are advocating. We want the burden spread so that our schools may remain open.

Mr. BUCHANAN. We are providing $48,000,000, which is a just proportion, and it is estimated that this will be a sufficient amount to relieve distress in education throughout the Nation, including all the rural communities.

Mr. HOPE. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. HOPE. With reference to drought relief, it is estimated, is it, there will be no special appropriation for drought relief, but that such sums as are necessary will come under the arrangement that is proposed in this bill?

Mr. BUCHANAN. It was so contemplated when we held these hearings. Since that time the drought has spread until it has covered practically 27 States. Since that time there have been committees appointed by the House and Senate to advocate $1,000,000,000 for drought relief. Just what course the Administration is going to take on this, I do not know, but I do know that the President will have ample authority to provide ample funds to take care of it under the provisions of this bill.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BUCHANAN. I yield.

Mr. BLANCHARD. Does the gentleman think there are ample funds available under the provisions of this bill?

Mr. BUCHANAN. There are ample funds and ample authority to make them available.

Now, Mr. Speaker, the estimates upon which this bill is based for emergency purposes are $1,172,000,000 of direct appropriations. This is not sufficient to meet the demands of the bill. The President may have to draw on the Reconstruction Finance Corporation for $574,000,000, making a total of $1,746,000,000.

This amount is approximately divided in the following manner subject to allocation by the President with the exception of $272,325,000 which is appropriated for specific projects:

Items specifically appropriated:		
Public highways in States		$100,000,000
Forest roads and trails, public-land roads, and Indian-reservation roads		11,230,000
Public buildings		65,000,000
Treasury Department items:		
Office of the Secretary	$100,000	
Federal land banks:		
Reduction in interest-rate mortgages	7,950,000	
Subscriptions to paid-in surplus	75,000,000	
Emergency Banking Act 1933, and Gold Reserve Act of 1934, expenses	3,000,000	
Bureau of Internal Revenue	10,000,000	
Secret Service Division	45,000	
		96,095,000
Total of specifically appropriated items		272,325,000
Other activities and amounts tentatively estimated to be allocated from the general appropriation of $899,675,000 and R.F.C. funds in case of F.E.R.A. and P.W.A.):		
Tennessee Valley Authority (to come from general appropriation)		48,000,000
Executive Office Building, addition and furnishing (from general appropriation)		325,000

Other activities and amounts tentatively estimated, etc.—Continued.	
Civilian Conservation Corps (from general appropriation)	$285,000,000
Federal Relief Administration (from general appropriation, P.W.A., and R.F.C.)	640,000,000
Public Works Administration, including naval construction (from general appropriation and R.F.C.)	500,000,000
Total of allocations (from general appropriation and R.F.C.)	1,473,325,000
Total of direct appropriations and estimated draft on R.F.C. funds	1,745,650,000

This presents to you the picture of additional emergency funds that our great President, who is as far above the ordinary man as the mountain peaks are above the bottom of the sea, who is seeking to take this country out of the depression with the least possible burden to the taxpayers, must be supplied with for the next fiscal year.

My colleagues, whether Republicans or Democrats, this is a call by your Nation, by your President, to aid him in removing this country from the depression and relieve from starvation to plenty with the least possible expense to the taxpayers of the country. Therefore I call on you to rally behind this bill and aid him in his endeavor to bring relief to our country.

My Democratic colleagues, he has the right and the country has the right, to expect you to stand by him and this important administration.

My Republican friends, you, as patriots, I believe, should stand behind this program. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. TABER. Mr. Speaker and Members of the House, I think the House of Representatives and the country should have somewhat of a picture of the situation, and know something about what we are doing by this bill. I think the House of Representatives should vote on it on its merits, not through fear or party loyalty, because it is such a big measure and has so many different slants to it that it is absolutely necessary, if we are going to progress toward recovery, to stop this sort of thing.

Now, this bill carries directly approximately $1,178,000,000 for so-called "relief purposes." Some of them are for relief and some of them are absolutely the contrary.

Indirectly it carries as high as $4,000,000,000, and under certain circumstances perhaps a billion dollars more out of the funds of the R.F.C. These figures will not appear in the Budget. Indirectly, through possible reallocation of funds of the P.W.A., now existing, and leaving for future Congresses to pay for the projects as high as one billion and a half may be added to this bill. So there is, in addition to this, at least a possibility of five and a half billion dollars in addition to more coming through the revolving fund, which is created by the terms of the language, on page 63, last paragraph, where it is provided that the Reconstruction Finance Corporation is authorized to buy any bonds or other obligations issued by the beneficiaries of grants from the Federal Emergency Administration of Public Works for the purpose of construction and financing in whole or in part by such Administration. That revolving fund can go into almost any figures. The selling of securities and liquidating of loans held by R.F.C. can go to very large figures.

Mr. Speaker, we have not followed the policy which was laid down for us by the Chairman of the Committee on Appropriations on the floor last winter, when he told us how bad it is—and it was a fine patriotic statement the gentleman made at that time—for us to have two appropriating authorities, one the Congress and the other the Board of Public Works. We have not followed the advice that the Chairman of the Committeee on Appropriations gave to us on that occasion, and we should follow it. Congress should make the appropriations that Congress, under the Constitution, is charged with making. It should make the allotments; it should not turn over to some man who has had no experience in governmental affairs such a job as the allotment of large sums for Public Works.

And what do we get as a result of that kind of performance? We get such propositions as this Fort Peck Dam in Montana, which will probably cost $90,000,000; we get such propositions as this Columbia River Basin project, which will cost probably $200,000,000; we get such projects, absolutely without excuse, as the Tygart River proposition in West Virginia, which will cost $12,000,000. We get such propositions as the upper Missouri River, where the traffic density cannot be enough to justify the expenditure. We get such projects as the upper Mississippi River proposition, where the traffic density cannot possibly warrant it, costing millions and millions of dollars, which Congress had not authorized and would not authorize because they could not be justified. Those are just a few examples of the things that have been done. I have not been able to cover the whole operation because I have not time, so I have just given you a few outstanding examples of that abuse of authority, and yet here in this bill we turn over to that same incompetency our job of appropriating money, and with that paragraph which I have read to you there can run as a result of pyramiding as high as two and a half or three billion dollars for that man at the head of the Department of Public Works to allocate, to bolster up those operations of the Government of the United States, where it has been alleged that we have saved money as to the result of the operations of the Budget. I want the House of Representatives and the people to realize what we are proposing to do.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I cannot until I have finished what I have in mind to say. I hope that the Congress will vote this down and will decide that we must allocate the funds that we are appropriating, that we must put them where we know they ought to be. I should not oppose a reasonable appropriation for relief, but for wildcat expenditures, for absolute incompetent allotment, I will not go along with anybody.

On rivers and harbors we have a committee of the House of Representatives, headed by our friend from Texas, Mr. MANSFIELD. That committee goes over things pretty carefully, and has some idea about how things ought to be done. We are not doing things according to their reports and taking care of river-and-harbor projects which ought to be taken care of. We have but $16,000,000 for rivers and harbors for new works, to be let after July 1, and less than half of that for projects that are not these foolish projects that the Board of Public Works has provided for—less than half for projects authorized by Congress, nothing for projects which the committee has considered. If we are going to spend all this money, we ought to spend it for something that will do the people some good and not for wildcat projects which incompetency dictates.

I shall give you a little picture now of what the situation actually is with reference to relief and the way things have worked out in this bill.

In the spring of 1933 we had the so-called "relief bill", $3,300,000,000. Of appropriations transferred to C.C.C. there was $300,000,000, and we had the Federal Relief Administration, not through the Budget but through the R.F.C., $500,000,000, a total of $4,100,000,000.

This year in February we carried for relief $950,000,000, and we were told at that time that it was estimated that that would carry us through until Congress came back here again. We passed the agricultural relief bill, $150,000,000. Directly by this bill we are asked to appropriate $1,172,000,000, and indirectly through bond sales to the R.F.C. for the P.W.A. we are asked to provide $350,000,000 in this bill. Indirectly, through R.F.C. for relief, there is proposed for more bonds such as we are asked to provide, approximately three billion and a half dollars, a total of $6,122,000,000. In addition to that, under this bill by reallotment of P.W.A. funds for immediate use, we can use one billion and a half more, or a total of $7,622,000,000.

On May 1, 1933, the number of families on relief in this country was 4,252,443. There was an estimate of the number of persons employed on public works of one kind or another, of 100,000, making approximately 4,352,443 families.

On May 1, 1934, the number of families directly upon relief was 3,655,000. There were subsistent homesteaders, who are the same group, except that they are the group in the country districts, to the number of 600,000 families. There were 650,000 single persons, and they had estimated those in with the families on May 1, 1933. So I have taken one-third of them, as they generally figure three to the family, 220,000. There were on May 1, 285,000 families getting relief through the C.C.C. There were, through the P.W.A. at that time, 387,000 families provided, where one member was provided with a job, making a total on relief of 5,147,000.

Thus have we progressed toward recovery. I do not like to see that situation. I regret it, but just as we told you before, unless we stop this enlarged-scale relief and get down to earth and try to recover and present a definite program on which business can embark, we cannot expect progress.

I hope the House of Representatives will vote this kind of thing down and stop this sort of thing. Unless we do that, we are not going to progress toward recovery, and I want to see us look toward the sun and fight to restore that prosperity which is the due of this great country of ours. [Applause.] I reserve the balance of my time.

Mr. BUCHANAN. Will the gentleman yield the balance of his time?

Mr. TABER. I yield 1 minute to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Speaker, I regret that this bill is being brought up under suspension and that amendments accordingly are barred, for I feel very keenly that there are some forms of relief vitally needed during the emergency, for which provision should be made. I have in mind particularly the plight of the schools, many of which will not open at all next fall unless some aid is forthcoming from the Federal Treasury. Those of us who are concerned for education hope that the Speaker, in the exercise of the power granted him last Friday, will permit consideration of the Douglass bill in order that there may be proper authorization for the expenditure of relief funds appropriated today or hereafter for distribution among the schools of the country. If this is not done, a grave responsibility will rest on the Members of this House.

The Douglass bill, which is on the calendar, is not a perfect measure, but it is the foundation upon which a better measure can be built if we are given an opportunity to consider it. Seventy-five million dollars is entirely inadequate; there should be no objection to providing at least half as much for saving the schools as this body, by passing the Cartwright bill, has already declared should be made available for road building. I would want the bill further amended so as to provide that these funds be distributed upon the basis of school enrollment, so as to meet adequately the needs of children in every part of the country. Surely, there should be no disposition to penalize those communities which tax themselves heavily for education by denying to them equal participation in Federal aid. Furthermore, we should provide definitely that the use of Federal funds should not carry with it Federal control over the schools, for the States and their subdivisions should be left as autonomous as they are today in matters of education.

This bill, in my opinion, should be amended, not only by providing at least $225,000,000 for education but by eliminating provisions for the expenditure of large sums for other purposes far less meritorious. As I have said on numerous occasions, there must be considerable doubt as to the efficacy of public works as a cure for unemployment. We have already dumped, or prepared to dump, $3,200,000,000 into public works without getting any results commensurate with the expenditure. England had a P.W.A. many years ago and gave it up as a mistake. The futility of this form of bootstrap lifting has already been demonstrated here, and why should we continue it? We cannot hope to prime an $85,000,000,000 pump—and that is the amount of income it must draw every year to make us prosperous again—with $3,200,000,000; and if we were to follow the fantastic suggestions of those who want to spend larger sums up to $10,000,000,000 we should only reach sooner what we may already be headed for—bankruptcy, rag-money inflation, and repudiation.

Only those public works should be undertaken at this time which can be justified on their merits. Among these are the Missouri River project in North Dakota, the Lac qui Parle project in Minnesota, and other projects designed to conserve the water resources of the country. Damming lakes and creating water reservoirs, restoring forests, and putting the lands upon the western plains—whose soil has been blowing away—back into grass are not only important undertakings but imperative if the Nation shall continue to be self-supporting. The emergency is too critical to permit the expenditure of a single dollar for unnecessary projects.

I commend the administration and the committee for holding the amounts earmarked for the construction of public buildings down to modest figures. My objection to the bill in its present form is that it does not go even farther in that respect. The relief needs of the people during the next year are due to be so great that I doubt whether we can afford to spend a single dollar that does not yield 100 cents' worth of the necessaries of life—food, clothes, shelter, and education—to the needy of the country, provide feed and seed to keep the agriculture of the Nation alive during the drought emergency, or conserve resources of land and water.

To prevent privation in the sun-baked States of the interior will alone require a billion dollars; anything less will be a waste. Much of the money we have sent into the Middle West thus far must be marked up as a total loss, because we have provided so inadequately that many of the cattle that have been kept alive have only been kept alive, and are now being taken out to be shot.

There should be time given for a fuller consideration of this measure than we can give it in 40 minutes. There should be opportunity to consider amendments, to strike out items that can be saved or postponed, and to insert others, the lack of which will spell disaster to the Nation. [Applause.]

Mr. TABER. Mr. Speaker, I yield 1 minute to the gentleman from Kansas [Mr. MCGUGIN].

Mr. MCGUGIN. Mr. Speaker, bringing up this bill which appropriates more than a billion dollars under the suspension of the rules means that the bill must be voted upon after 40 minutes of debate and without amendments. The only possible reason for such a procedure is that the Speaker [Mr. RAINEY], the Democratic leader [Mr. BYRNS], and the Chairman of the Appropriations Committee [Mr. BUCHANAN], do not regard their own Democratic colleagues as being fit to legislate and capable to be entrusted with the power to amend this bill or to deliberate upon this bill. It is inconceivable that any Democratic Member is gullible enough to believe that this bill is brought up under such a gagged procedure in order to keep 114 Republicans and 5 Farmer-Laborite Members from running over 318 Democrats and thereby wrecking this bill.

There is no possible way to obtain the necessary two-thirds vote for this bill except that the Democrats practically in a mass vote for it. When they vote for the bill under these conditions they do something more than merely vote for a bill. They frankly concede their own inability to bear the responsibility of legislating. If this bill is voted down that does not mean the end of the appropriation. It simply means that the leadership will be required to bring this appropriation bill in under the general rules of the House, which will permit amendments and deliberation.

The Constitution provides that appropriation bills must originate in the House of Representatives. The purpose of that provision is to protect the people from the expenditure of their money by anyone except Representatives upon whom they have an opportunity to vote every 2 years. This protection is entirely destroyed when an appropriation bill is brought before the House which appropriates a lump sum for the President to expend very largely as he sees fit and under rules which prevent any possible amendments, deliberation, or consideration by the House. This bill has been written by the executive department and is being ramrodded through the House under this gag rule with Repre-

sentatives—Republicans, Democrats, and Farmer-Laborites alike—denied any opportunity to amend or deliberate upon it. So far as the net results are concerned, the Executive might as well have the right to assess the taxes against the people and to expend the money to suit himself without any check by the Representatives elected by the people. This procedure is a hypocritical and a cowardly way of turning back Anglo-Saxon government to the days before the Magna Carta. The manner in which this bill is being considered is hypocritical and deceptive repudiation of the Constitution and a destruction of the people's rights and protection. The manner in which this bill is being considered is a hypocritical and deceptive keeping of the color of the Constitution and an annihilation of the soul and the spirit of the Constitution in the matter of making appropriations. [Applause.]

Mr. BUCHANAN. Mr. Speaker, I am a little surprised that my colleague on the other side of the House, the gentleman from Kansas [Mr. McGUGIN], should criticize the fact that we bring up this bill for over a billion dollars under suspension of the rules. I wonder if his memory is so short that he has forgotten what I might almost call the disgraceful proceedings that happened on last Friday, when the small Republican minority, by insisting upon technicality after technicality, and the reading of the Journal in full, compelled seven roll calls, and took up the time of the House in the closing days of the session trying to defeat needed and beneficial legislation? That is the reason why we called up this bill under suspension of the rules. [Laughter.] Oh, you Republicans may laugh, but you may just as well understand now that while you were in the majority you passed legislation and did business, and while we are in the majority we will pass legislation and transact business for this country and not be deterred by you in the effort. [Applause.]

Mr. McGUGIN. Does the gentleman consider that the Tarver bill which we considered last week was serious emergency legislation?

Mr. BUCHANAN. Mr. Speaker, my colleague on the other side, the distinguished member of my committee [Mr. TABER], and the other distinguished gentleman from New York [Mr. BACON] said with tears in their voices that they regretted we were going to call on the R.F.C. to furnish some of this money. Far better that we do that than that we appropriate more money out of the Treasury. Whatever money the R.F.C. can get has already been authorized by Congress, and it may be spent otherwise. We had better call on that money instead of making additional appropriations directly from the Treasury.

The gentleman says there ought to be a limitation on the expenditure for relief. How do you western Members feel about that? The unprecedented drought has now covered practically 27 States of the great Northwest. How do you western Republicans feel about a limitation? How do you Democratic Congressmen from the affected areas feel about the imposition of a limitation on funds carried here for relief purposes? Why, these gentlemen advocate putting a limitation on funds for relief purposes and letting people starve.

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield for a brief question?

Mr. BUCHANAN. I yield.

Mr. BLANCHARD. Will the gentleman make the statement that this will be the only bill we shall be asked to pass upon for drought relief?

Mr. BUCHANAN. I do not know what will be done in the future; I cannot predict what Congress is going to do. I tried a prediction on the independent offices bill without much success.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. I yield for a question.

Mr. RICH. Does the gentleman believe that we should entrust Mr. Hopkins or a department of the Government to expend the funds necessary for relief without Congress knowing how these funds are to be expended?

Mr. BUCHANAN. I believe in Congress entrusting to those men who are thoroughly informed upon the problem of relief the expenditure of funds when their authority is safeguarded by the sound discretion of one of the wisest men who ever served as President of the United States. [Applause.]

The gentleman must recall that we have Mr. Hopkins' commitment in this hearing that $640,000,000 is all he will need. Besides, we do not provide him with that much unless approved and authorized by the President of the United States.

Mr. RICH. I wish to ask the gentleman this question: If the President of the United States is going to authorize the expenditure of these funds, the gentleman knows—and I believe every Member of the House knows—that the President must eventually turn these matters over to others; that in the very nature of things the President is unable to exercise all the authority Congress has delegated to him, but must in turn delegate it to someone else; and the President is unable to fathom what will be done by the departments, bureaus, and individuals to whom he delegates discretion.

Mr. BUCHANAN. I yielded for a question, not for a speech.

Mr. RICH. Does the gentleman think they are better able to take care of this than is the Congress?

Mr. BUCHANAN. I cannot yield further. It would be better, I may say to my colleague, if some of us would delegate our power to others who know more about certain subjects than we do.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. BUCHANAN. For a brief question.

Mr. COLDEN. Inasmuch as the Reconstruction Finance Corporation has been loaning money to banks, railroads, and insurance companies, is it not consistent that this Corporation should also loan funds for relief?

Mr. BUCHANAN. Absolutely. Mr. Speaker, I yield the balance of my time to the gentleman from California [Mr. BUCK].

Mr. BUCK. Mr. Speaker, ladies and gentlemen of the House, I am actively supporting and voting in favor of this meritorious measure today. I appreciate the honor the Chairman of the Appropriations Committee has given me of closing the debate on the bill. It is needless to say that a measure as soundly and logically put together as this will carry. It will pass because it provides sufficient funds to take care of those needs throughout the country which we know still exist. It carries on the program of relief and restoration which has marked the forward progress of the new deal. Objections have been raised lately that this new deal was not what the people voted for in November 1932.

Mr. Speaker, when the people of the United States chose Franklin D. Roosevelt to work over and replace the outworn and outvoted economic machine of his predecessor in office, they did not designate a particular course for him to follow. Their hope, which has been more than justified, was that he would live up to his pledge that the time for action had come. The last session of this Congress aided him to the best of its ability in rebuilding the governmental machine for the benefit of all the people. The work of restoring prosperity to the United States, however, is not yet complete, and it is necessary that large additional expenditures for relief and Public Works still be made. The progress, favorable so far, must be completed, and through this appropriation measure Congress is furnishing the fuel with which to keep the reconstructed machine in motion.

My friends, I am particularly gratified over the provision in the bill which creates a vast reservoir upon which the President may draw by use of funds from unexpended balances of the Reconstruction Finance Corporation and the Public Works Administration. In addition thereto the provision authorizing the Reconstruction Finance Corporation to buy any bonds or other obligations issued by beneficiaries of grants from the Federal Emergency Administration of Public Works for the purpose of construction, provides a revolving fund of vast extent, not only for the perfection of the present Public Works allotments but of those worthy

ones which are pending and which have either received approval or are under examination. I do not share the fear expressed that this authorization is dangerous. Instead I consider it one of the most meritorious provisions of the bill.

There are certain public projects in which I have been keenly interested; among others, the Central Valley water project in California, one which is still under examination and consideration by the Public Works Administration. It is a project that will be of inestimable value to the people of that great valley, if its structure shall be found to meet with the requirements of the administration. I am aware that at this time, funds could not be earmarked for this project, nor for any other particular project, but I consider it a fortunate thing that under the terms of this bill and under the revolving fund, which is here established, there will be power and authority to perfect the aims and purposes of the National Industrial Recovery Act. I am hopeful that the Central Valley water project will be approved, and in the course of time the President and the Public Works Administration may see the wisdom of allocating sufficient funds to begin the construction of this vast and worthy project.

In conclusion, Mr. Speaker, it is particularly gratifying to know that there exists such an unexpended balance in the Reconstruction Finance Corporation, because it shows that the recovery is real and actual. The demands made upon the Reconstruction Finance Corporation not having been what they were anticipated to be, this money is left free to continue the work of general relief and real recovery under the new deal without additional appropriations by the Congress.

RELIEF FOR OUR EDUCATIONAL SYSTEM

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, it seems that relief measures usually deal with conditions directly related to industry, finance, or agriculture, of course, excepting the appropriations to provide food, clothing, and shelter for impoverished and needy people, which is a part of the emergency-relief program.

The time has come, however, when we must give serious consideration to relief measures for the benefit of our public-school system. Curtailed appropriations and inability to collect school taxes in many communities and States have created a condition that is serious. Expenditures for school purposes have decreased nearly $500,000,000 since 1928. This represents nearly one-fourth of the entire amount previously expended. New buildings are seldom even thought of. Consequently schoolrooms are overcrowded and the teaching force is required to struggle along with improper and insufficient equipment.

Whether the subject be approached from the standpoint of employment or importance of the work being done, there is no call for relief that comes with greater or more certain justification. Nor is there any other activity so necessary to our public welfare.

The tremendous importance of the "industry"—and I think we may correctly so term it, as it is engaged in character building and providing the necessary equipment for our boys and girls to lead useful lives and become good citizens—can be understood when it is realized that approximately 30,000,000 of our population are engaged in its work either as students, teachers, or otherwise. The number of employees exceeds that of any other industry, and its pay roll is exceeded only by that of the combined railroads of the country.

The salaries paid for this important class of work are grossly inadequate in the great majority of cases. This is particularly true in rural communities. The number of teachers employed in 1933–34 was approximately 860,000; about 450,000 were rural teachers. Only half of these received more than $750 per year and the remainder less than the minimum wage paid to unskilled labor under the N.R.A. codes now in effect. In fact, nearly 100,000 of them received less than $450 per year. The teachers who have worked and struggled through the depression on such a pittance of salary have shown true nobility of spirit. But what shall be said of the thousands of teachers who have performed their daily tasks and received no pay for their services? It is estimated that on the 1st of March, this year, there was owing to teachers for salaries unpaid approximately $55,000,000, and that in addition to this amount there were unpaid warrants outstanding amounting to nearly $50,000,000. Over $100,000,000 past due and owing to teachers for services already rendered. These teachers, though unremunerated, were willing to perform their duties, keep the school doors open, and thus permit America's greatest industry to carry on. Words cannot pay the tribute they so richly deserve.

But what is to be done about it? If this Nation is justified in extending millions and millions of dollars for relief to railroads, financial institutions, and others, it is amply justified in extending relief to our sorely stricken school system, its teachers, and other employees. The greatest and most valuable asset that America possesses is its educational system. Its continuance is vital. Parent-teacher organizations, educational leaders, and thoughtful citizens, who think in terms of America's welfare, are awake to the danger ahead if these conditions are permitted to continue without adequate relief being provided. It is our duty to heed the call. To do otherwise would be to fail in the performance of a public trust.

DEFICIENCY APPROPRIATION BILL—1935

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent that every Member of the House may have 5 legislative days within which to extend his remarks in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The SPEAKER. All time has expired.

The question is, Shall the rules be suspended and the bill passed?

Mr. BUCHANAN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 311, nays 46, not voting 74, as follows:

[Roll No. 167]

YEAS—311

Adair	Carter, Wyo.	Drewry	Haines
Adams	Cartwright	Driver	Hamilton
Allen	Cary	Duffey	Harlan
Andrew, Mass.	Castellow	Duncan, Mo.	Harter
Arens	Celler	Dunn.	Hastings
Arnold	Chapman	Durgan, Ind.	Healey
Ayers, Mont.	Chavez	Eagle	Henney
Ayres, Kans.	Christianson	Eaton	Hildebrandt
Bailey	Clark, N.C.	Edmiston	Hill, Ala.
Bankhead	Cochran, Mo.	Eicher	Hill, Knute
Beam	Coffin	Ellenbogen	Hill, Samuel B.
Beiter	Colden	Elizey, Miss.	Hoeppel
Biermann	Cole	Englebright	Hoidale
Black	Collins, Calif.	Evans	Holmes
Blanchard	Collins, Miss.	Faddis	Hope
Bland	Colmer	Farley	Howard
Blanton	Condon	Fernandez	Hughes
Boehne	Connery	Flesinger	Imhoff
Bolleau	Cooper, Tenn.	Fitzgibbons	Jacobsen
Boylan	Cox	Fitzpatrick	James
Brown, Ga.	Cravens	Flannagan	Jenckes, Ind.
Brown, Ky.	Crosby	Fletcher	Johnson, Minn.
Brown, Mich.	Cross, Tex.	Ford	Johnson, Okla.
Brunner	Crosser, Ohio	Foulkes	Johnson, Tex.
Buchanan	Crowe	Frear	Johnson, W.Va.
Buck	Cullen	Fuller	Jones
Bulwinkle	Cummings	Fulmer	Kee
Burch	Darden	Gasque	Keller
Burke, Calif.	Dear	Gavagan	Kelly, Ill.
Burke, Nebr.	Deen	Gifford	Kelly, Pa.
Burnham	Delaney	Gilchrist	Kennedy, N.Y.
Busby	De Priest	Gillespie	Kenney
Byrns	Dickinson	Gillette	Kerr
Cady	Dickstein	Glover	Kleberg
Caldwell	Dirksen	Goldsborough	Kloeb
Cannon, Mo.	Disney	Granfield	Kniffin
Cannon, Wis.	Dobbins	Greenway	Knutson
Carden, Ky.	Dockweiler	Greenwood	Kocialkowski
Carmichael	Doughton	Gregory	Kopplemann
Carpenter, Kans.	Douglass	Griffin	Kramer
Carpenter, Nebr.	Dowell	Griswold	Lambertson
Carter, Calif.	Doxey	Guyer	Lambeth



Lamneck	Montet	Rogers, Okla.	Thomason
Lanham	Morehead	Romjue	Thompson, Ill.
Larrabee	Mott	Rudd	Thompson, Tex.
Lea, Calif.	Moynihan, Ill.	Sabath	Tobey
Lehlbach	Murdock	Sadowski	Traeger
Lehr	Musselwhite	Sanders, La.	Truax
Lemke	Nesbit	Sanders, Tex.	Turner
Lewis, Colo.	O'Brien	Sandlin	Turpin
Lindsay	O'Connell	Schaefer	Umstead
Lloyd	O'Connor	Schuetz	Utterback
Lozier	Oliver, Ala.	Schulte	Vinson, Ga.
Ludlow	Oliver, N.Y.	Scrugham	Vinson, Ky.
Lundeen	Owen	Sears	Wallgren
McCarthy	Parker	Secrest	Walter
McClintic	Parks	Seger	Warren
McCormack	Parsons	Shallenberger	Wearin
McDuffie	Patman	Sinclair	Weideman
McFarlane	Peavey	Sisson	Welch
McGrath	Peyser	Smith, Va.	Werner
McKeown	Pierce	Smith, Wash.	West, Ohio
McReynolds	Plumley	Snyder	West, Tex.
McSwain	Polk	Spence	White
Maloney, Conn.	Powers	Steagall	Whittington
Maloney, La.	Prall	Strong, Tex.	Willford
Mansfield	Ramsay	Stubbs	Williams
Mapes	Ramspeck	Studley	Wilson
Martin, Colo.	Randolph	Sullivan	Withrow
Martin, Oreg.	Rankin	Sumners, Tex.	Wolcott
May	Rayburn	Sutphin	Wolverton
Mead	Reece	Swank	Wood, Ga.
Meeks	Reilly	Sweeney	Wood, Mo.
Miller	Richards	Tarver	Woodrum
Milligan	Richardson	Taylor, Colo.	Young
Mitchell	Robertson	Taylor, Tenn.	Zioncheck
Monaghan, Mont.	Robinson	Terry, Ark.	The Speaker
Montague	Rogers, N.H.	Thom	

NAYS—46

Andrews, N.Y.	Focht	McFadden	Swick
Bacon	Foss	McGugin	Taber
Bakewell	Goodwin	Marshall	Terrell, Tex.
Beck	Goss	Martin, Mass.	Thomas
Beedy	Hancock, N.Y.	Merritt	Tinkham
Cavicchia	Hartley	Millard	Treadway
Clarke, N.Y.	Hess	Moran	Whitley
Cochran, Pa.	Hollister	Reed, N.Y.	Wigglesworth
Crowther	Jenkins, Ohio	Rich	Wolfenden
Culkin	Kahn	Rogers, Mass.	Woodruff
Dondero	Kurtz	Snell	
Eltse, Calif.	Luce	Strong, Pa.	

NOT VOTING—74

Abernethy	Corning	Kennedy, Md.	Reid, Ill.
Allgood	Crump	Kinzer	Ruffin
Auf der Heide	Darrow	Kvale	Shannon
Bacharach	DeRouen	Lanzetta	Shoemaker
Berlin	Dies	Lee, Mo.	Simpson
Bloom	Dingell	Lesinski	Sirovich
Boland	Ditter	Lewis, Md.	Smith, W.Va.
Bolton	Doutrich	McLean	Somers, N.Y.
Brennan	Edmonds	McLeod	Stalker
Britten	Fish	McMillan	Stokes
Brooks	Frey	Marland	Taylor, S.C.
Browning	Gambrill	Muldowney	Thurston
Buckbee	Gray	Norton	Underwood
Carley, N.Y.	Green	O'Malley	Wadsworth
Chase	Hancock, N.C.	Palmisano	Waldron
Church	Hart	Perkins	Weaver
Claiborne	Higgins	Peterson	Wilcox
Connolly	Huddleston	Pettengill	
Cooper, Ohio	Jeffers	Ransley	

The SPEAKER. The Clerk will call my name.

The Clerk called Mr. RAINEY's name, and he voted "aye."

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. Bloom and Mr. Corning (for) with Mr. Bolton (against).
Mr. DeRouen and Mr. Dingell (for) with Mr. Ransley (against).
Mr. Hancock of North Carolina and Mr. Lee of Missouri (for) with Mr. Darrow (against).
Mr. Underwood and Mr. Lewis of Maryland (for) with Mr. Ditter (against).

General pairs:

Mrs. Norton with Mr. Bacharach.
Mr. Shannon with Mr. Perkins.
Mr. Sirovich with Mr. Kinzer.
Mr. Allgood with Mr. Fish.
Mr. Browning with Mr. Connolly.
Mr. Somers of New York with Mr. Wadsworth.
Mr. Kennedy of Maryland with Mr. Britten.
Mr. Huddleston with Mr. McLean.
Mr. Dies with Mr. Thurston.
Mr. Weaver with Mr. Cooper of Ohio.
Mr. Gambrill with Mr. Buckbee.
Mr. Pettengill with Mr. Higgins.
Mr. McMillan with Mr. McLeod.
Mr. Green with Mr. Chase.
Mr. Smith of West Virginia with Mr. Waldron.
Mr. Palmisano with Mr. Edmonds.
Mr. Carley of New York with Mr. Reid of Illinois.
Mr. Taylor of South Carolina with Mr. Stalker.
Mr. Gray with Mr. Doutrich
Mr. Abernethy with Mr. Frear.
Mr. Church with Mr. Simpson.
Mr. Lanzetta with Mr. Stokes.
Mr. Crump with Mr. Kvale.
Mr. Claiborne with Mr. Shoemaker.
Mr. Peterson with Mr. Marland.
Mr. Auf der Heide with Mr. Frey.
Mr. Hart with Mr. Wilcox.
Mr. O'Malley with Mr. Brooks.
Mr. Ruffin with Mr. Adair.
Mr. Berlin with Mr. Lesinski.
Mr. Brennan with Mr. Jeffers.

The result of the vote was announced as above recorded.

On motion of Mr. BUCHANAN, a motion to reconsider was laid on the table.

EXTENSION OF REMARKS—THE DEFICIENCY APPROPRIATION BILL

Mr. WOODRUM. Mr. Speaker, under leave granted to extend remarks on the subject of the deficiency appropriation bill, I want to take this opportunity of recording my personal appreciation and my official approval of the very splendid record made by the General Accounting Office.

As chairman of the subcommittee handling the independent offices appropriation bill, I have had occasion for the past few years to have a very close and intimate knowledge of the workings of this Office. I do not hesitate to say that in my judgment the General Accounting Office, under the able administration of the Honorable John R. McCarl, the Comptroller, is one of the most useful and efficiently organized departments of the Government. It is unique in that it is one of the few branches of the Government that is self-sustaining. The very nature of the work done by the Comptroller brings him often into conflict with departmental heads, members of the Cabinet, the legislative branch of the Government, and sometimes, perhaps, the Chief Executive. The Comptroller is charged with the duty, under the law, of seeing to it that funds appropriated by Congress are expended in the manner for which they were appropriated, and in accordance with law.

The work of this Department has assumed gigantic proportions since the establishment of the many emergency organizations of the Government, and I think I express the sentiments of the entire Appropriations Committee, as well as of many Members of Congress, when I say that the administration and the taxpayers are fortunate in having this great Office to keep guard over public expenditures.

This bill carries an appropriation for the General Accounting Office to enable that establishment to employ additional help, to purchase additional equipment and supplies, and to rent space in order to enable it to take care of the vast increase in the volume of its legal, claim, audit, and investigation work arising out of the expenditures made by the many emergency organizations, including governmental corporations. The number of vouchers to be audited by that Office in the next year will be doubled; thousands and thousands of additional claims will be received for settlement; many more decisions must be rendered by the Comptroller General; and the auditing and settling of transportation vouchers and claims will be vastly increased. The number of Treasury checks received in a year that must be properly handled will be increased from 32,000,000 to approximately 100,000,000. In fact, the volume of work throughout the entire Office will also be increased.

In the division of the General Accounting Office that audits all postal accounts there is a need for additional employees to aid in catching up with the audit of money-order and of postal-savings accounts. It should be borne in mind that for the current fiscal year the regular appropriation for the General Accounting Office was cut about $400,000 and consequently the Office could not keep abreast with the increase in postal savings accounts and money-order accounts. That Office has been receiving 130,000 more money orders each day than it could dispose of, and by July 1 it will be about 40,000,000 behind in its audit of money orders.

The receipt of postal-savings accounts has increased abnormally. You will have some idea of this vast increase

when I tell you that on June 30, 1930, the amount on deposit in postal savings was $175,271,686, and on June 30, 1933—3 years later—the amount on deposit had jumped to $1,187,183,373, and I was recently informed that the amount on deposit in postal savings has now passed the two billion mark. The General Accounting Office now has on hand over 20,000 unaudited postal-savings acounts.

My understanding is that the expenditures under emergency activities and governmental corporations will amount to something like six or seven billion dollars for the year. The President has, by Executive order, directed an audit to be made of these accounts by the General Accounting Office. My personal opinion, and I think that of the committee, is that all emergency expenditures should be audited as carefully and correctly as is humanly possible, and I am firmly convinced that this appropriation for the General Accounting Office will be a splendid investment.

In this connection I feel it would not be amiss to state that from the time the General Accounting Office was established on July 1, 1921, up to the 1st of last July, it has caused recovery of sums in excess of $45,000,000, representing expenditures made contrary to law. In addition to this, this Office has prevented the illegal expenditure of millions of dollars.

Mr. KRAMER. Mr. Speaker, it is very unfortunate that the Members of the House are not granted time to debate this bill—deficiency appropriations—or propose proper amendments. I wish to urge that in the deliberations over this bill serious consideration be given to an increase of allocations in the sum of $1,000,000 for the purpose of stamping out this insidious drug traffic which has assumed alarming proportions on the Pacific coast. These habit-forming drugs of various kinds have for a long period of time, and are now, being smuggled into this country, Honolulu being the port of entry and the gateway to the Pacific coast, and Los Angeles the point of distribution.

No single item in this bill is of greater importance to the generation that will follow us than this. By tricks and artifices devised by the underworld leaders, boys and girls in our schools are induced to try these drugs just for the thrill and their use among the personnel of the Army and Navy is growing as it is with the civilian population. It is high time that we in Congress, recognizing the fact, take active steps to stop it. If this is to be done the narcotic division of the Treasury must have additional funds with which to employ trained operatives and we also must strengthen their hands by providing adequate penalties. Under the existing system, I am sorry to say, fines aggregating thousands of dollars are compromised by payment of a few hundred dollars and the guilty operators of this nefarious traffic released, only to have them redouble their activities so as to recoup their fortunes for even the pitiful fines imposed. More than that, the mild penalties inflicted serve as an invitation to others to engage in this traffic.

The fight which I have been making to stamp out this illegal traffic has attracted attention of sorrowing mothers and fathers of these unfortunate addicts all over the country. I have received letters of commendation from nearly every State in the Union from persons who know all too well the horrors of the drug traffic and my investigations, as well as those of experts in the narcotic division, convince me that this traffic is on the increase.

Previous to a trip I made to Honolulu, where I made investigations, as well as along the entire Pacific coast from San Diego to Seattle, I had first-hand information which was taken from the Bureau of Customs, Narcotic Division. These drugs shipped in from the Orient, are landed in Hawaii and quietly transshipped to various ports along the Pacific coast. There are syndicates operating with headquarters in Seattle, Portland, San Francisco, Los Angeles, and San Diego, and I have no doubt there is a master mind controlling their activities.

As an illustration of the magnitude to which this illicit traffic has grown, I wish to cite to you some figures which I obtained when I was in Honolulu. These figures represent seizures of opium made by Federal officers at that port. Within a period of approximately 5 months the seizures of smuggled opium made from 10 vessels aggregated 791 tins, having a value of $118,650; the fines imposed aggregated $74,229.84.

Under the present conditions only a handful of Federal agents are available to combat this evil. These men are doing splendid work. They are doing all they can to stamp out the traffic, I am sure, but the fact remains that it is increasing in alarming proportions and the $1,000,000 I am seeking in this amendment is little enough to provide the additional agents, who must be men of exceptional ability to ferret out the smuggling devices to which these operators resort.

This is not a mare's nest which has been trumped up to get money out of the Federal Treasury. When the tariff bill of 1930 passed the House it carried a provision whereby fines and penalties provided for drug smugglers might be placed jointly on the owners of the vessels and the masters of the ships found to have participated in the traffic. I am sorry to say that when this bill reached the Senate, despite a strong appeal made by Senator HIRAM JOHNSON, of California, this feature was stricken out. The House recognized the emergency before, and I am convinced it should do so again.

Many of you may not realize the devices and tricks to which the handlers of these drugs resort to sell their products. I have it on good authority that in one month in southern California alone there were no less than 3,000 forged narcotic prescriptions written. At least 50 people are engaged in this nefarious business of writing these forged prescriptions and reaping an unholy harvest from the unfortunate victims.

It is but fair to say that the druggists who fill these prescriptions are not to blame save in some instances. True, they may, if they see fit to do so, refuse to fill prescriptions where they do not know either the doctor or the person for whom it has been written. However, if the prescription appears to be offered in good faith and there is nothing on its face which is spurious, any druggist would hesitate to refuse to fill it. I can say that the Federal officers hold there are only a small percentage of the druggists who are not fully cooperating with me.

Mr. Speaker, this battle which the organized forces of civilization are waging against the soul-destroying influences of the illicit drug traffic profoundly affects the future generations of this Nation. None of us can see the ravages which this habit works on its unfortunate victims without wishing to join forces to stamp it out. We can do this with men and money, but we cannot do it simply by wishing for it. You are well aware that there is nothing more destructive of the manhood and womanhood of the future than the use of drugs, and when I tell you that their use is increasing at an alarming rate among children of high-school age, I am not overstating facts. We are spending millions for highways, millions for public works, millions on Federal buildings, millions for seed and feed loans, millions for loans to industry. I think the least we can do is to spend $1,000,000 more for the salvation of the boys and girls whose future usefulness is jeopardized by this unholy and dastardly traffic.

Mr. LLOYD. Mr. Speaker, I wonder if I may take a homely observation to illustrate my position.

Yesterday as I looked down from my apartment house window I saw a horse, a beautiful, well-accoutered chestnut horse. His harness shone with brass, proudly and well groomed he stood, a beautiful animal with kindly eyes and sensitive features. He was hitched to a red-and-yellow milk truck. The horse looked proud; he looked as though he liked his job. I think he was proud, and yet about all he did was move that milk truck a single block and then stand and wait for half an hour while the milkman delivered to the great apartment houses on all sides. It seemed that he served but little purpose, but when that milk truck had to be moved the horse was mighty necessary, and then, with rare intelligence and without guidance or command, he moved forward another block and waited again. Otherwise, about all he seemed to be doing was staying hitched and

obeying orders, and I wondered somehow if that horse was not leading pretty much the life of a Congressman, a good Congressman. That is what I am doing—just staying hitched and trying to intelligently obey the orders of my masters, the people, as I am able to interpret them.

I have no doubt the horse would have liked to march proudly down the street in all his splendor; I have no doubt he became impatient with the long delay, but he stayed hitched. Oh, I sometimes think I could write a better bill than this; I think I could take it to pieces and put it together again in better form, but it was not given to me to serve upon the committee whose duty it was to write this bill, and the open road is not before us, and we go but bit by bit, while the milk bottles, figuratively, are being delivered for the needs of a hundred and twenty million people. So, I am staying hitched.

I am not making this speech with the idea that it is necessary for the passage of this bill—but because it is the only way I have and is the eminently proper and appointed way by which I may convey my message to the American people, for it is not only a Congressman's duty to obey orders—and we are representatives and not rulers—but it is a Congressman's duty to advise his people of the force and effect, as he views it, of proposed legislation. In conformity with that thought, I am undertaking to give to you the benefit of my observations, the thoughts that have come to me at the Nation's Capital concerning the effect of this and kindred legislation upon the lives of the people, the States, and the Nation. Until I do this, my duty is not complete and the people are entitled to all the facts which may fit them as the final arbiters and rulers to determine the course of action which they may direct me to take.

This bill provides vast sums of money for direct relief; it provides vast sums for public works; it provides vast sums of money for our school system; it provides vast sums of money for subsistence homesteads, and the like, and all this money of necessity must be borrowed and must be repaid. I am in accord with the program as thus far carried into effect. When President Roosevelt and his administration took over the reins of government on March 4, 1933, business was at a standstill, industry was paralyzed, men, women, and children were pauperized and hungry, and it was necessary that this Government, as the great central agency of the States, should be called upon to lend the joint credit of the several States in an emergency the like of which had not been known in the history of this Nation, but I look with grave apprehension upon a condition which has arisen and which does not tend to ameliorate itself.

Granted that it is the duty of the central government to meet an emergency, it was not intended by Congress nor by the President that the central government should assume or take over the responsibilities, powers, and obligations which originally belonged to the States, and yet, since that emergency was first met by the Federal Government, the legislatures of the several States have assembled, and so far as I am aware, no effort has been made by the sovereign body of any one of the 48 States to assume the responsibilities and powers which properly belong to it.

Demand after demand is heard that the Federal Government continue to appropriate money and pour it into the treasuries of the States and municipalities of the Nation. Time was when States were jealous of their powers and prerogatives. Time was when they not only desired to enjoy the power of sovereignty, but when they were equally willing to assume the obligations incident thereto; and I say to you today that just as surely as the unused muscle dies and withers away, the sovereign State that fails to exercise its power, that fails to assume its own obligations and meet them by its own effort, just so surely will its sovereign power cease to exist.

From literally hundreds of my people I am receiving daily demands that Congress appropriate still greater sums of money for our school systems. I give place to no man in my desire to build up within my own State a school system second to none, but in my humble judgment that is a prerogative of the State and not of the Nation. It is idle to say that the State does not have the funds. Whatever funds are appropriated must be paid, and it can make no difference whether they are appropriated by the National Government or by the State government. Each one of us will in due time and turn be called upon to contribute his just proportion for the payment of whatever debts are created; and if your Federal Government builds your schoolhouses and pays your teachers, you may expect as surely as mortal things can be certain that the Federal Government will in due course take over the entire common-school system of America. Whether or not this is desirable is a matter the people of this Nation should first determine before they embark upon a permanent policy of directing appropriations by the Federal Government for the school system.

Referring for a moment to the matter of direct relief and the civil works administration's program, let me illustrate my position by the condition that prevails in my own district. In my own home county, during the first 16 weeks of the year 1934, there was spent by the Federal Government on civil works administration alone the sum of approximately $1,300,000. This put 4,500 men to work for 16 weeks at a minimum living wage, and at the end of that 16 weeks the money was gone, the jobs were gone, and nothing was gained and nothing accomplished—no useful work, broadly speaking, had been performed. At the same time, the lumber industry of the Northwest, which is undercapitalized, with its kindred industry of pulp and paper manufacturing, were making application to the Federal Government for loans aggregating $2,000,000. Every dollar thus borrowed would be secured by value of from three to five times the amount borrowed, and this $2,000,000 would have put the 2,000 men to work at permanent employment. It would have gone down through the years, and the Government would have recovered every dollar of its money advanced with a reasonable rate of interest; but most important of all, industry would have been rebuilt and enabled to live and function and employ men. It is my judgment, without attempting to criticize an emergency program, that our permanent program must be that of a rebuilding of industry rather than a stop-gap program.

I am standing hitched; I am going along. I am keeping faith with the President of the United States in his great program for the rehabilitation of America. This war upon depression must be fought on every front, and the Commander in Chief must in the last analysis plan the campaign with the aid of his advisers and counselors and those who believe in his cause. This war will be won and the enemy will be routed, perhaps to assemble again reorganized upon a new and different front. I look to the future and seek a remedy that may once and forever eradicate the cause of our present discontent. The cause, as I view it, rests in the fact that wealth has become centralized in the hands of the few, leaving a barren waste and meager existence for the many. Billionaires and paupers may not exist side by side and make a happy or contented nation; and, in my judgment, just as surely as tomorrow's sun may rise the time will come in your day and in mine when by governmental authority there will be a limit placed upon the amount of capital and wealth that any one man may own or control or from the benefits of which he may exclude his fellows. This, in my judgment, is neither socialistic nor idealistic; it is simply in harmony with the great plan of the President, a manifestation of progress that time and civilization have made essential to our national well-being. It is idle to talk about the free and untrammeled right of man to control property as being essential to his willingness to exert himself. It is not the right or power to capture or control wealth that makes ambition or willingness to work.

The great Master of the Universe, when He made each one of us, instilled within us such ambition as we have, such willingness to work, such desire to progress as we have or will have regardless of the amount of dross we may be able to acquire throughout the journey of life.

Aside from all that, the fixing of a reasonable limit will thwart no man's ambition or desire for gain within

reasonable limits, but whether it would or not, it is more important that the well-being of the masses of our people, of the average man and woman who works and serves and tries to live the life of a good and useful citizen, should be protected rather than that a few giants should be fed and nurtured at the expense of the many.

We are all agreed that the problem of the moment is to provide work for the American people at a fair and decent living wage. We have tried the National Industrial Recovery Act, and much good has been accomplished; we have tried to rebuild the fortunes of the farmers, and much good has been accomplished; we have tried to raise the wages of labor, and, again I say, much good has been accomplished, but I believe this plan will not be complete; I believe the President's program will not be fulfilled until by some means we are able to get a purchasing power into the hands of the common people of this Nation. Many speak of an overproduction. There is no overproduction so long as men and women are hungry, so long as children are ill-nurtured and ill-clothed and unprovided for in the enjoyment of the simple wants of life.

In my judgment, if it were possible to place a purchasing power in the hands of the American people, all the factories of this Nation running at a full capacity night and day would not be able to supply the demands that their needs would require. Never in the history of this Nation was the stock on hand in the average family so low as it is today. Never was there a time when there existed such a potential order for consumable goods as exists today. I am not attempting now, nor do I care to argue the justice of the claim of the American veterans upon the Public Treasury. With the justice of the claim for immediate payment I am not concerned in this presentation, but I do say that if you can place two and one-half billion dollars in the hands of the average man and woman of this Nation—two and one-half billion dollars that will be spent tomorrow for consumable goods—you will revive industry within 30 days. I do know that this is a claim that must be paid in due time; I do know that by the issuance of United States Treasury notes, legal tender in their nature, and bearing no interest, we can pay that claim and rehabilitate the purchasing power of the American people. I do know that in my own home county it will bring $4,000,000 in new money, and into my neighboring county it will bring $11,000,000 in new money. If this can be done without cost to the Government, I say we are not carrying out the true intent of the President's program unless we so legislate, and I believe such legislation would go further toward rehabilitating America than all of the nearly $7,000,000,000 we are appropriating in this bill. Time will demonstrate the wisdom of that position and I venture it will be the next part and chapter of the program of this administration.

I should not conclude these remarks until I have sounded a warning that should be heard by every American who loves his country and its institutions. There are those among us who champ at the bit, who are impatient of the restraints of the Constitution of the United States.

Let me say to you here today that times like these bring forth those who are not steeped in reverence for their country's institutions, those who are careless of its history, and who look with longing upon strange fields. Let me adjure you to beware not only of the man who would undertake to scrap the Constitution but even of him who does not revere it.

What is this Constitution? Why, it is the covenant; it is the contract between you and me and our several States; it is born of the wisdom of our Pilgrim Fathers and the best thoughts of the best men of all the ages, of the common experience of mankind, that makes this Nation possible. It is a strange anomaly that in this Nation of ours, wherein the States have reserved to themselves the principal rights and powers of sovereignty, the Nation exists only by virtue of the Constitution. The Nation is the Constitution and the Constitution is the Nation. This Nation has no existence, no background, no past, and no future except that granted to it by the Constitution itself.

Scrap your Constitution and the Federal Government ceases to exist; it becomes but a confederation of States, each of which may go its separate way, choose its own form of government, or abandon government entirely tomorrow, and while we speak of these States as sovereign powers, and while each of them has reserved to itself the principal powers of sovereignty, the United States as a nation exists only by virtue of the Constitution, and not one of these 48 States, except for the Constitution, would be entitled to recognition under international law among the nations of the world. Scrap your Constitution, declare for one moment against its binding force, loosen one strand of its binding power, and this Nation will cease to exist, and these 48 States, with their hundred and twenty million people, with their hopes and fears, and joys and sorrows, will become a rich prey for such strong and designing powers as may seek to subjugate them.

Oh, but you say, we will disregard the Constitution and go the way this one or that one chooses. I say to you that if you disregard this Constitution, then you have ended its binding power, you have destroyed your Nation and your way is as good as mine, and my way as good as yours, and power alone may determine down which road lies journey's end.

If the time comes when it becomes desirable to meet new conditions so that the Constitution should be changed or amended, then change it or amend it in the manner that the covenant has provided, but let us never be patient with those who sneer at the Constitution as an archaic document.

We are embarked upon new ventures; we are striving for new ideals; we are trying to correctly weigh and determine human value. We are embarked upon the new deal, which, if I correctly interpret the words of the President, is not a program of absolutism but a program of trial and error and endeavor by experiment and experience to determine wherein lies the truth and what is best. For the first time in American history we have taken the American people into partnership in government. Experience will demonstrate our mistakes and, frankly, we shall go to the people, acknowledge our mistakes, and try to correct them, but we shall go to the people as partners and not as rulers, as representatives and not as governors—conscious of our human limitations and willing to be corrected for the common good.

The President of the United States personifies an ideal, the ideal of the American people of faith in our institutions, in the Constitution that creates and perpetuates our Government, and in the great spirit of liberty and progress that hovers over us and guides us on. I have a simple faith that each great crisis provides a leader endowed by an all-wise power, with the qualities of leadership suitable to the demands of the day. I believe in my simple faith that when a great people in common unity yearns and hungers for well-being, for progress, and for common good, a great and all-wise God looks down and guides the hand that leads us on toward fertile fields and greener pastures into the sunshine of happiness that ultimately shall and must be the common heritage of man.

Mr. PIERCE. Mr. Speaker, H.R. 9830 gives to the officials of this Government the right and power to expend $1,178,000,000 directly. Should emergencies arise the Chief Executive has the power given him in this bill to spend many millions more, reaching into the billions. This bill is going to be passed by this House practically without discussion or knowledge on the part of most of the Membership of this House, and all in less than 2 hours.

I know the Appropriations Committee has given careful consideration to every detail of the vast and sweeping powers herein granted, but the entire Membership of this House should now be given the opportunity to discuss details of so important a measure. Members of the Appropriations Committee should answer every question that this Membership would ask if they had the chance. So severely to limit debate on such an important bill is wrong, and should be condemned by this House as it will be by the country. There is no necessity for such haste. It brings our Gov-

ernment into disrepute as it does the party which now holds the reins of power.

This direct appropriation is larger than the entire assessed value of the State which I help to represent on this floor. Such a sum of money is almost beyond comprehension, and it is only a fraction of the entire governmental expenditures this year.

This is not war nor a passing depression. We are in a new world; the old order is fast passing. The first and primary need of the hour is work for the unemployed. This is almost the middle of 1934, and we now have, and have had for years, around 10,000,000 unemployed, or at least 20 percent of the working population of our Nation. At least another 20 percent is employed only part time, and at wages less than enough to provide for a decent living. Then, think of the dependents. Practically one-half of our population is in want, or near the edge of despair.

The facts are that as a nation we are in desperate condition. Our total debt—individual, municipal, State, and national—amounts to more than the value of all the property of the Nation. We are in danger of bankruptcy and repudiation. The pride that we Americans used to take in meeting our obligations seems largely to have passed. The unemployed are here because of the use of machines, everywhere, and all kinds. This is distinctly a machine age, an age of plenty, of abundance for some. The machines cannot be abandoned. We cannot return to a primitive state. If this capitalistic civilization is to live, and we are to be able to retain even part of it, then drastic changes must take place at once. I appreciate what we know as the capitalistic civilization. It has given us most of the wonderful things we have and enjoy, but it has gone to seed, it has matured, it has ripened. May I enumerate what seem to me possible remedies?

First, interest, or paying money for use of money or credit, must be drastically reduced. Second, this Government must balance its Budget; so must every municipality and State. Laws of inheritance must be modified, and children and dependents, only, be given a part of vast estates, the balance reverting to the State and Nation. Income taxes as high as those in England must be imposed at once, reaching into the lower brackets, and taking large amounts from the higher brackets.

Then, the Government must take over all utilities like telephones, electric power plants, coal beds, and oil fields. They should become Government property, not at values now placed on such properties by the owners.

A growing tendency that is causing much concern is the assistance demanded of the Government for everything that in any way or manner affects the people. The Government is called upon to lend money to the farmer, the home owner, the big corporations, the small business man. The Government is called upon to open wide its purse for the drought victims and those suffering from devastating flood. The Government must furnish money for irrigation works and also for levees on the Mississippi. The Government must feed the hungry and unemployed.

It must clothe those in tattered garments. It is the Government here and the Government there. We have been told on this floor that the R.F.C. was organized for the purpose of unloading private debts on the shoulders of the public. I am beginning to believe that statement was true. Our people seem to have lost their self-reliance, their initiative. They want Government aid for everything. The citizens should support the Government instead of the Government supporting the citizens. It may be too late.

When I sit here and see billions voted, for raising which no provision has been made, which must, under the present plan, be met by new bond issues, well, I just wonder how far ahead is the breaking point.

May the Seventy-fourth Congress that will assemble here next January at once determine that not one dollar shall be spent beyond the anticipated revenue. May that coming Congress realize that the unemployed are here to stay until we make fundamental changes. It is jobs we want and must have by the millions so all may earn.

Access to the land must be given to those desiring to return to good Mother Earth again, to create, as their forefathers did, those things that support and clothe the human body. We have no choice; we must vote for this bill. Our greatest mistake has been in treating our present condition as a passing phase instead of a condition that has developed out of past events.

Every year we delay levying sufficient revenue to meet the expenses of government, so much the worse. Each succeeding year will become more difficult.

Mr. WOLVERTON. Mr. Speaker, it is gratifying to realize that the deficiency appropriation bill now before the House makes provision for relief for the unemployed by different Government agencies. In this connection I desire to emphasize the importance of the Civil Works Administration. The C.W.A. as a means to provide work relief for the unemployed justifies its continuation. When the program was set up, it was planned to take into its ranks approximately 4,000,000 of the unemployed throughout the Nation. For a period of a few months it did employ an average of 3,000,000. The inauguration of this form of relief was intended to give employment until industry could again provide normal employment for our workers.

The program of civil works when announced naturally created a new spirit of hope in the thousands of harassed, unemployed, and incomeless families in every State. However, in less than 3 months after the work had started notice was given that working hours would be curtailed with income greatly decreased, and, that by May 1, the entire program would be discontinued. This announcement dashed the hopes of millions to the ground. It was cruel and unjustified. It created a feeling among those who suffered that the Government had turned its back upon them.

The civil-works program, while in progress, demonstrated its value as an alternative to public works. Millions of dollars have been appropriated for public works of every kind and description, Federal, State, and local, as a means of providing employment, and yet scarcely any have, as yet, been expended. The program of public works was encompassed with endless red tape, and has, up to the present time, proved a failure. The dilatory tactics of those intrusted with its management has destroyed its usefulness as an employment program. The C.W.A. program, however, proved swifter and more flexible in getting men to work and freeing purchasing power. Furthermore, it opened up an entirely new range of emergency services as a balance to the usual labor and skilled work called into play by public works. It succeeded as a work relief program while the public-works program failed. With industry and P.W.A. still lagging and unable to provide employment, the C.W.A. or some similar agency must continue.

The C.W.A. program has also demonstrated its value as an alternative to relief. By putting greatly increased numbers of people actually to work, it has alleviated some of the deadening effects of enforced idleness and the discouraging hunt for jobs. Its second and perhaps greatest accomplishment has been to place cash in the hands of families whom unemployment and our relief methods had stripped of spending power. Thus it not only puts money in circulation but gives a large group of people, for a short time at least, a chance at living more normally. It recognizes the wisdom of putting enough spending power in the hands of unemployed people so that the minimum necessities of life might be provided for as well as food. Consideration should be given to the extension of this policy of making cash benefits a part of the expenditures of Federal relief funds put at the disposal of States and cities.

In view of the fact that, from present indications, it will not be possible within the next few months to provide employment through public works, seasonal activities or business revival, for the millions of workers still unemployed, a duty, as well as the need, requires that the C.W.A. shall be reestablished and continued on an extensive basis.

DEFICIENCY APPROPRIATION BILL

Mr. CARPENTER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. CARPENTER of Kansas. Mr. Speaker, while I recognize the responsibility of Congress to provide for the necessary appropriations to operate this Government and its various departments, and that we are required in times like the present to make the necessary appropriations to take care of the emergencies that are facing the people of this country, and for that reason I supported such appropriation and voted for the bill as a whole; yet there are certain items in this bill that I am fundamentally opposed to and wish to take this occasion to register my opposition to them and to state, if the opportunity had been available, I would have voted against them.

These items appear in title 1 on page 2 of the bill, appropriating the sum of $8,500 each, a full year's salary, to eight widows of deceased Congressmen, and the sum of $8,500, a year's salary to the daughters of a deceased Congressmen, amounting in all to the sum of $76,500, and the sum of $35,378 to contestants and contestees in election contests for Congress.

I especially object to the appropriating of $43,591 for the International Institute of Agriculture in Italy. I voted against this appropriation twice last year and find it appears in this appropriation bill again this year.

I also object to the appropriation of $8,000 for International Conference for Revising the Industrial Property Convention at London, England; $16,000 for International Technical Consulting Committee on Radio Communications, Lisbon, Portugal; $14,000 for Third Pan American Financial Conference, Santiago, Chile, and Commercial Conference, Buenos Aires, Argentina.

While I am not objecting to emergency appropriations that are absolutely necessary, I do question the advisability and the right of Congress in the placing of amounts running up into billions of dollars of public funds and credits in the hands of any one person, be he the President of the United States or anyone else, to be transferred and applied according to his discretion, as provided in title 2 of this bill.

PERMISSION TO ADDRESS THE HOUSE

Mr. BACON. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BACON. Mr. Speaker, this is the last appropriation bill that will be passed by the Seventy-third Congress, and the Appropriation Committee's work for the year is over. I want to take this opportunity to commend the chairman of the committee, the gentleman from Texas [Mr. BUCHANAN], for the very able way in which he has presided over the deliberations of our committee. [Applause.] He has always shown unfailing courtesy to the members of the minority and never once tried to shut them off during the hearings and during the meetings of the committee. As a member of the minority, may I take this occasion to thank the chairman of the committee, the gentleman from Texas [Mr. BUCHANAN], for his courtesy and the ability with which he has presided over the Appropriations Committee. [Applause.]

EXCISE TAX ON PHILIPPINE COCONUT OIL

Mr. GUEVARA. Mr. Speaker, I ask unanimous consent to insert in the RECORD in connection with my own remarks a letter which I have received from Mr. Quezon of the Philippine Senate on the McDuffie resolution suspending effective date of excise tax on coconut oil from the Philippines.

The SPEAKER. Is there objection to the request of the Resident Commissioner from the Philippines?

There was no objection.

Mr. GUEVARA. The telegram is as follows:

Commissioner GUEVARA,
Washington, D.C.:

Strongly urge earnest consideration and prompt action McDuffie resolution suspending effective date excise tax Philippines coconut oil. Believe if action is deferred until next session will result in serious and unjustified interruption trade relations here. I am firmly convinced investigation will prove imposition tax unwarranted and detrimental interests both countries; believe this should be definitely determined prior to effective date thereof.

QUEZON.

DIVERSIFICATION OF COTTON FARMERS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the subject of diversified farming in the Cotton Belt.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, for more than 20 years I have given close and very continuous study to the farm problems affecting the southern cotton farmer. Of course, if he could be assured of a good price of cotton, to wit, not less than 15 cents a pound every year for all the cotton that he could produce, he would not have to worry about diversification. But statistics show that the more cotton the southern farmer grows the less he gets for it. The total money paid for a bumper crop is less than the total money paid for a very small crop. Consequently, it is to the interest of the southern cotton farmer to reduce his total cotton production. I mean, it is to the interest of all southern cotton farmers throughout the Cotton Belt to produce not exceeding 10,000,000 bales per year, certainly for the next 2 or 3 years, until the existing carry-over can be reduced to a normal carry-over.

But, Mr. Speaker, the problem confronting the Southern cotton farmer in consequence of reduction in acreage is one of what he will do with the spare land and the spare time made available through such reduction program. In trying to solve this dilemma, I have studied the question from every angle, in all parts of this country and in most of the European countries. Consequently, I have come to the conclusion that the Southern cotton farmer must pursue a very systematic form of diversification if he is ever again to become prosperous. That diversification will make possible soil building, through the use of more animals, such as cows, on the ordinary farm, and rotation of crops, and very especially the planting of these lands in crops that leave a large amount of humus in the ground. This will mean that the farmer will produce his cotton without going into debt, because he will sell every week in the year enough of other products to support himself and family while producing the cotton. Systematic diversification will enable the southern cotton farmer, through the use of creameries, canneries, slaughterhouses, and poultry-and-egg assembling plants, all adequately serviced with cold-storage facilities, to escape the terrific burden of buying commercial fertilizers now made necessary, will enable him and his family to live well without having to go continuously to the grocery stores, and ultimately will set our cotton farmers free from the load of debt under which they have staggered for a generation or more.

Therefore, Mr. Speaker, for the information of my colleagues and of many constituents, I am offering to be printed as a part of my remarks a letter written by me to my fellow citizen, the Honorable L. P. Slattery, of Greenville, S.C., on October 17, 1933, and printed in the Laurens Advertiser, a weekly newspaper published in my native county of Laurens, S.C. I may never live to see the fruition of the efforts I have made to encourage diversification for the Southern cotton farmers, but I believe with complete confidence that the next generation will find such diversification their only salvation, and they will be compelled to turn to it. This is especially true of the farmers in the Piedmont section of South Carolina. That section is one of the richest parts of the world, in the content of iodine in the soil. That soil is the result of the disintegration of certain rocks possessing an unusually high content of iodine. This iodine is in the clay, and when the clay becomes soil, that iodine is taken up into the structure of the fruits and vegetables produced in that section. Furthermore, cows that feed upon grass, hay, and grain, grown in that section, yield milk with an unusually high content of iodine. This iodine is essential to health in human life, and especially in the prevention of the awful disease, goiter.

I believe that the massed millions in our great cities and industrial districts that must live each day from products put up in tin cans will demand from their local grocers fruits and vegetables, milk, butter, and cheese produced in the Piedmont section of South Carolina, because of its health-giving quality. This will give our products a market, and that market will ultimately prove far more profitable to our farmers than cotton is or ever will be.

Here is the letter, as published, to which I refer:

MARKETING-CENTER PLAN APPROVED BY CONGRESSMAN J. J. M'SWAIN

Declaring that he discerns great possibilities for the development of the country in the plans to establish farm-marketing centers, etc., in this section, Congressman JOHN J. MCSWAIN this week wrote to L. P. Slattery, of Greenville, of the emergency public-works board, offering his assistance.

Congressman MCSWAIN's letter to Mr. Slattery follows:

GREENVILLE, S.C., *October 17, 1933.*

Hon. L. P. SLATTERY,
Greenville, S.C.

DEAR MR. SLATTERY: I have observed with great interest the proposal which you have made to the emergency public-works board to establish a system of farm-marketing centers, including such units as creameries, canneries, farm-products exchange, cold storage, and other activities depending upon the local conditions.

I have studied the prospectus which you have prepared, and I am convinced that it holds great possibilities for the development not only of the agricultural sections of the country but also of the towns and cities which ultimately depend upon the prosperity of agriculture for their own prosperity.

I wish to report to you that I have discussed this matter privately, publicly, through the press, and at mass meetings in the counties composing the Fourth Congressional District, represented by me, and the idea has been received with great enthusiasm and almost unanimous approval. It is wellnigh axiomatic that no agricultural section can expect stable prosperity if it is dependent upon a one-crop system. That has been the trouble with the South for practically 100 years. That is why our agriculture is now impoverished almost to the point of extinction.

Your proposal will encourage and by necessary economic forces actually compel the farmers to adopt a rational system of diversification of crops. This will not only mean that the farmers will produce sufficient foodstuffs for domestic use and sufficient feedstuffs for the farm stock and cattle, but they will produce a surplus of these foodstuffs to sell and thus supplement the revenues from the farm. The trouble under existing conditions has been that whatever surplus the farmer produced was perishable and his cream soured, his fruits and vegetables rotted, and he could find no market for his eggs and chicks, and he could not sell at fair prices such commodities as nuts, peas, corn, hay, and similar feed crops. Under your plan, these grains and forage crops will be fed on the farm to cows, to the hogs, and to the chickens and thus in the form of milk and cream and in the form of meat, eggs, and poultry will be preserved for the food supply of the farmer and for the market of the neighboring cities and towns.

This is not only a pretty picture but is a realizable fact. I have studied farm marketing conditions in all parts of our Nation and in nearly every nation of Europe. Of course, Denmark is the outstanding and conspicuous example of success in the cooperative marketing of food products. But your plan is something more than a means of giving employment to people in construction of buildings during this emergency. Your plan contemplates a permanent system of agricultural economy, whereby the cotton produced in the South, and especially in the old, worn, and eroded lands of the South Atlantic States, will be produced at a clear profit and will constitute the lump cash crop, enabling the farmer to pay his taxes and interest on his debts and ultimately to pay the debts themselves. By your plan of agriculture, the fertilizer bill will immediately be greatly reduced, and will gradually be reduced until it will be practically eliminated. At present the fertilizer costs are almost prohibitive. Many farmers have told me this year that their fertilizer bills will equal the total cash value of their cotton crops. Thus the farmer has thrown in his land, the labor of himself and his family, the use of his farm implements, and his stock, and has absolutely nothing except a bare subsistence from garden and patches.

Your plan can work and will work, and should be authorized immediately, so that construction can begin and labor employed during the winter months and the farmers have advance notice of several months prior to the planting season next spring, so that they may plan to produce the fruits and vegetables, the eggs and chickens, and the cream and other commodities to find their way into the markets through your system of farm products market center.

I respectfully suggest that the business men of the towns and cities and the farmers be invited and, in fact, required to enter into a fair arrangement of mutual cooperation that will insure the success of the plan.

First, State corporations, either limited profit or nonprofit, or purely cooperative, should be organized to lease and to operate the plants. Operation by these corporations will insure their elimination from politics and the inefficiencies incidental to political control. Also these corporations should be required to enter into binding contracts for the payment of annual rental through the period of the lease of 20 or 30 or 40 years. This rental will take care of the investment by the Government and the depreciation. The operating corporation will be able to raise the money necessary to pay the rental from service charges and from profits made upon raw products purchased at prevailing prices and resold after being manufactured or worked, or treated and properly prepared and packed for the market, to be sold at prevailing market prices. Thus the farmer will be insured of the fair market price for the sale of any product any day in the year.

In this mutual arrangement between the business men of the towns and cities and the farmers there should be a solemn agreement, binding not only upon the conscience but legally binding and enforceable, whereby the farmer would produce the products necessary to keep the establishment active and operating at capacity, and the business men, particularly the wholesale and retail merchants, would bind themselves to buy from the operating corporation all dairy products, canned fruits and vegetables, meats and meat products, nuts and nut products, grains and grain products, forage and forage products that such merchants handle in their respectives lines of merchandise.

Thus, the proposition will be watertight from a business and investment point of view. It will meet the greatest economic and sociological need of the southeastern section. Our farmers are facing the crisis of quitting the farms and entering the industries or remaining on the lands as tenants and peasants. The one-crop system of cotton has wrought its terrible havoc. The farmers are unable to build and finance these farm products marketing centers for themselves, and are left hopeless in the clutches of cotton. The price of cotton oscillates and fluctuates up and down, and leaves the farmers suspended constantly between the upper stone of hope and the under stone of despair, and between the two he is being ground to destruction.

Furthermore, the business men of the cities and towns are now financially unable to construct these necessary farm products marketing centers. The business men have met destructive reverses. Their banks have failed, carrying double stock liability and wiping out their deposits. Dividends on all their corporate investments have practically ceased. The values of town and city real estate have dropped to the very bottom. At the same time property taxes have continued at the same high rate that prevailed during prosperous and booming times. Unless the city property owner pays his taxes he loses his property, and thus is wiped out forever. I know one business man who owns city property to the value of at least $150,000 and has an income even at present justifying that valuation. Yet this business man has been unable to borrow under any terms $28,000 on $150,000 worth of property. The property is not under mortgage, and all the taxes and insurance are paid, and he merely wishes the $28,000 to make a valuable extension to his plant at this time when construction is relatively low and when the employment of labor is so vital to the well-being of our people.

I hereby offer you my services to go to Washington with you and to appear before the Public Works Board or any member thereof in support of your plan. The farmers and business men of my district are enthusiastic for it and will be terribly disappointed if it fails to go through. The Government cannot stand a loss; the building will give employment, and operation of the plants will help to redeem the farmers of the Southeast. With all of these points in its favor, surely twenty or thirty million dollars can be set aside for this great project.

It will mean more to the cotton-cursed Southeastern States than the Tennessee Valley Authority will mean to the Tennessee Valley. It will mean more to our farmers than all the loans that have ever been made and ever will be made, when put together will amount to. It will mean more to our unemployed than double the amount necessary to build these houses and equip them if expended and distributed in a dole system.

It will mean far more to the country than the program of reforestation being carried on by the Civilian Conservation Corps.

If we can save the existing agricultural classes of the South, if we can keep them on the land and build up the land's fertility—stop erosion, stop soil robbing, stop the one-crop cotton system—stop the foreclosure of farm mortgages and start the farmers toward prosperity, start them in paying off mortgages, start them in improving their homes and buildings, start them in enriching their soils, start them in buying the products of industry distributed throughout the towns and cities, start them in building better country churches and better country schoolhouses, start them in building better roads on which to reach the markets, start them in singing a song of hope instead of weeping notes of despair, then we will be conferring a blessing upon humanity; and I respectfully submit that if this great program goes through, your name will be forever linked with the greatest program for the regeneration of agriculture and the salvation of the South Atlantic States.

Therefore, I hope with all my heart that you will not relax your efforts and interest in this program but will press it with zeal, enthusiasm, and determination, and I offer you my services and I believe that I can enlist for you the active cooperation of every Senator and of every Representative from the South Atlantic States.

With very kind personal regards, I am,

Yours truly,

J. J. MCSWAIN.

ADJUDICATION OF LIENS IN PUERTO RICO

Mr. McDUFFIE. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution No. 344, to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an

adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the joint resolution entitled "Joint resolution for the relief of Puerto Rico", approved December 21, 1928, is hereby amended by adding at the end thereof a new section reading as follows:

"SEC. 7. (a) Upon the conditions herein prescribed for the protection of the United States, the consent of the United States is given, to be named a party in any suit which is now pending or which may hereafter be brought in any of the insular courts of the island of Puerto Rico by the Federal Land Bank of Baltimore, or the Land Bank Commissioner acting pursuant to part 3 of the Emergency Farm Mortgage Act of 1933, and the Federal Farm Mortgage Corporation acting pursuant to the Federal Farm Mortgage Corporation Act, for the foreclosure of any mortgage or other lien upon real estate for the purpose of securing an adjudication touching any junior mortgage or other junior lien the United States may have or claim by virtue of loans made pursuant to the provisions of this joint resolution. Service upon the United States shall be made by serving the process of the court with a copy of the bill of complaint upon the United States attorney for the district or division in which the suit has been or may be brought and by sending copies of the process and bill, by registered mail, to the Attorney General of the United States at Washington, D.C. The United States shall have 60 days after service as above provided, or such further time as the court may allow, within which to appear and answer, plead, or demur. Any such suit brought against the United States in any insular court may be removed by the United States to the United States district court for the district in which the suit may be pending. The removal shall be effected in the manner prescribed by section 29 of the Judicial Code (U.S.C., title 28, sec. 72): *Provided*, That the petition for removal may be filed at any time before the expiration of 30 days after the time herein or by the court allowed by the United States to answer, and no removal bond shall be required. The court to which the cause is removed may, before judgment, remand it to the insular court if it shall appear that there is no real dispute respecting the rights of the United States, or all the other parties shall concede of record the claims of the United States. Except as herein otherwise provided, a judicial sale made in pursuance of a judgment in such a suit shall have the same effect respecting the discharge of the property from liens and encumbrances held by the United States as may be provided with respect to such matters by the law of Puerto Rico and in which island the land is situated: *Provided*, That a sale to satisfy a lien inferior to one of the United States shall be made subject to and without disturbing the lien of the United States, unless the United States, by its attorneys, consents that the property may be sold free of its mortgage or lien and the proceeds divided as the parties may be entitled. In any case where the debt to the United States is due, the United States may ask, by way of affirmative relief, for the foreclosure of its own lien or mortgage and in any case where the property is sold to satisfy a first mortgage or first lien held by the United States, the United States may bid at the sale such sum not exceeding the amount of its claim with expenses of sale, as may be directed by the chief of the department, bureau, or other agency of the Government which has charge of the administration of the laws in respect of which the claim of the United States arises. No judgment for costs or other money judgment shall be rendered against the United States in any suit or proceeding which may be instituted under the provisions of this section. Nor shall the United States be or become liable for the payment of the costs of any such suit or proceeding or any part thereof: *Provided*, That if the Federal Land Bank of Baltimore, or the Land Bank Commissioner and the Federal Farm Mortgage Corporation acquire the property involved in the proceedings in which the United States was made a party under the provisions of this section, any amount the bank or the Land Bank Commissioner and the Federal Farm Mortgage Corporation may receive upon the ultimate disposition of the property, exceeding the amount of its investment, but not to exceed the amount of the Commission's lien, shall be paid by the said bank in its own behalf or in behalf of the Land Bank Commissioner and the Federal Farm Mortgage Corporation to the Puerto Rican Hurricane Relief Commission.

"(b) The Hurricane Relief Commission is hereby authorized to waive any priorities it may have or claim over liens in favor of the Federal Land Bank of Baltimore, such priorities arising out of reamortization agreements entered into between the Federal Land Bank of Baltimore and its borrowers who are also indebted to the Commission.

"(c) If the Federal Land Bank of Baltimore, or the Land Bank Commissioner and the Federal Farm Mortgage Corporation acquire or deem it necessary to acquire by foreclosure proceedings any real or personal property in Puerto Rico by virtue of a lien upon the said referred property duly filed of record in the jurisdiction in which the same is located, and a junior lien in favor of the United States attached to such property by virtue of loans made pursuant to the provisions of this joint resolution the said banking institution may make a written request to the Puerto Rican Hurricane Relief Commission to have the same extinguished. If after appropriate investigation, it appears to such Commission that the proceeds from the sale of the property would be insufficient to satisfy in whole or in part, the lien of the United States, or that the claim of the United States has been satisfied or by lapse of time or otherwise has become unenforceable, such Commission shall so report to the Comptroller General, who thereupon may authorize it to issue a certificate of release, which shall operate to release the property from such lien: *Provided*, That any amount that may be realized by the said bank or by the Land Bank Commissioner and the Federal Farm Mortgage Corporation in the ultimate sale of this property, over and above its investment, but not to exceed the amount of the Commission's lien, shall be paid by the bank in its own behalf or in behalf of the Land Bank Commissioner and the Federal Farm Mortgage Corporation to the Puerto Rican Hurricane Relief Commission."

The SPEAKER. Is a second demanded?

Mr. BEEDY. Mr. Speaker, I demand a second.

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. McDUFFIE. Mr. Speaker, this bill was suggested by Governor Meyers of the Farm Credit Administration in order to cure a situation in the Island of Puerto Rico in which the Federal Government has loaned through the Federal Land Bank in Baltimore and the Puerto Rican Relief Commission certain sums of money.

The Federal land bank, prior to 1928, made many loans in the island of Puerto Rico. During the year 1928, as the House will recall, Puerto Rico was visited by an unprecedented storm, whereupon the Congress established what is known as the "Puerto Rican Relief Commission." This Commission, due to the extremities existing in the island, made loans for which second liens or second mortgages were taken on property which was at the time under a first lien to the land bank. We have had two agencies of the United States Government in Puerto Rico lending money in an effort to rehabilitate the inhabitants of that island.

It so happened that the Graham Act of 1931, which was passed following a second hurricane, gave consent to the adjudication of liens in State courts and in the United States district courts but did not in its terms consent to such adjudications in the insular courts of Puerto Rico. The right to adjudicate liens of the United States is now questioned and dependent on the outcome of appellate proceedings, which may not be concluded for many months. The result is we are experiencing in the island considerable difficulty in enforcing the first lien or in clearing titles, because the insular courts do not have the authority to make the United States Government or the Puerto Rican Relief Commission a party to foreclosure proceedings. This hinders new loans by the Federal land bank, and the psychological effect is bad. The right of the United States district court in Puerto Rico when the amount is less than $3,000 is also subject to serious technical objection.

This legislation is designed to make more secure the United States Government or the Public Treasury and to permit reamortization in instances where those in authority deem it wise. In some instances we are told that a few of those able to pay have refused to pay because of the legal or peculiar technical difficulties involved. This is designed to clear up this situation and to protect the Public Treasury.

Mr. LOZIER. Will the gentleman yield?

Mr. McDUFFIE. I yield to the gentleman from Missouri.

Mr. LOZIER. Is it not a fact that this measure amends the procedural law of Puerto Rico in order to give the insular courts jurisdiction over the United States and the Farm Credit Administration in cases involving foreclosures where the Farm Credit Administration or the Hurricane Relief Commission has a second lien?

The Graham Act permitted jurisdiction to be acquired over the United States in the United States but not in our insular possessions; and in numerous instances, as our chairman stated, some of the mortgagors who are able to pay refused to pay because they recognize that under existing law no foreclosure is permissible because no one has authority to enter the appearance of the Federal Government, and there is no procedure prescribed by which the Federal Government can be served with process and brought into court so that the decree of foreclosure will foreclose and conclude the rights of all parties in interest.

May I add that realizing this condition exists, on some of these plantations the trees are being cut down, removed, and

sold, thereby depreciating the value of the security, because they realize that no process is possible to bring about a foreclosure of the mortgage and a conclusive adjudication of the rights and interests of all the parties involved.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. McDUFFIE. Yes.

Mr. SNELL. How many agencies have we making loans down there as the present time?

Mr. McDUFFIE. There is only one, the Farm Credit Administration.

Mr. SNELL. How much money have we at stake that this legislation will affect?

Mr. McDUFFIE. I regret I cannot accurately inform the gentleman. I am informed we have loaned about $6,000,000 in the islands. Perhaps the gentleman from Maine can give us that information.

Mr. BEEDY. I have not the figures.

Mr. SNELL. As I understand, this proposed legislation is for the benefit of the United States?

Mr. McDUFFIE. Yes. I think there are about 1,400 loans by the Relief Commission, on which second liens were taken, ranging in amount from a somewhat nominal sum of $250 or $500 up to $5,000 or more.

Mr. SNELL. Are we likely to get a fair amount of this money back, or does the gentleman know?

Mr. McDUFFIE. The gentleman knows as much about that as I do. We are hopeful we can get a reasonable amount of it returned and this legislation will be helpful in our efforts to bring about that result.

Mr. BEEDY. I wish the gentleman would turn to page 5 of the bill, paragraph (b), and explain to the House for what purpose this paragraph is put in the bill. I do not recall the paragraph or any reference to it in committee. The paragraph reads:

(b) The Hurricane Relief Commission is hereby authorized to waive any priorities it may have or claim over liens in favor of the Federal Land Bank of Baltimore, such priorities arising out of reamortization agreements entered into between the Federal Land Bank of Baltimore and its borrowers who are also indebted to the Commission.

Mr. McDUFFIE. The gentleman will recall that the attorney for the Federal land bank or the Farm Corporation appeared before the committee, as well as Major Landreth, of the Bureau of Insular Affairs, and explained, if I remember correctly, there were certain instances where reamortization or the making of a new loan under different conditions will be necessary, and feasible, in which the Puerto Rican Relief Commission has a first or second lien, and this is to authorize them, as I understand it, to waive their rights, in an effort to bring about such reamortization.

Mr. BEEDY. This language provides that they waive any priorities in favor of the land banks.

Mr. McDUFFIE. Yes. Suppose they had a first lien and the owner of the property desired to secure a new loan—not through the Puerto Rican Relief Commission, because they are lending no more money, as the gentleman knows, but through the Federal land bank. It is feared they have no authority to do this under the present law. This language, I take it, is designed to give the Commission authority to waive their rights in favor of the Federal land bank which will take over the entire indebtedness.

Mr. BEEDY. What is concerning me is that this money that the Relief Commission may lend is reappropriated for that express purpose.

Mr. McDUFFIE. Yes.

Mr. BEEDY. If we authorize them under this paragraph to give up their priorities in favor of the land banks, how is the United States protected?

Mr. McDUFFIE. If they were giving up these priorities to some agency other than a Government agency, I think the gentleman would be correct, but, after all, it is Uncle Sam's money, it matters not which agency extended the loan.

Mr. BEEDY. The theory is that there has probably been more money lent on some of these properties than they will ever get out of them?

Mr. McDUFFIE. I have no doubt of it.

Mr. BEEDY. And therefore in order to effect a first claim in favor of a Federal agency, namely, the Federal land bank, and provide for the reamortization which seems desirable, this language is thought desirable?

Mr. McDUFFIE. Yes.

If there are no further questions, Mr. Speaker, I ask for a vote.

The question was taken, and two-thirds having voted in favor thereof, the rules were suspended and the joint resolution was agreed to.

A motion to reconsider was laid on the table.

PUBLIC MONEYS OF THE PHILIPPINE ISLANDS DEPOSITED IN THE UNITED STATES

Mr. McDUFFIE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9280) relating to deposits in the United States of public moneys of the government of the Philippine Islands.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to accept, upon such terms and conditions as he may from time to time prescribe, deposits of public moneys of the government of the Philippine Islands and to pay out of any funds in the Treasury not otherwise appropriated, interest on any or all of such deposits, other than demand deposits, at such rate or rates, not in excess of 2 percent per annum, as the Secretary of the Treasury may from time to time prescribe.

The SPEAKER. Is a second demanded?

Mr. SNELL. Mr. Speaker, I do not care about a second, but I think the gentleman should explain this bill somewhat.

Mr. BEEDY. Mr. Speaker, I demand a second.

By unanimous consent, a second was considered as ordered.

Mr. McDUFFIE. Mr. Speaker, this legislation was deemed necessary by those occupying the position of a trustee or a quasi-trustee of the funds of the dependent government of the Philippine Islands.

As I understand it, the funds of the government are now deposited in 46 banks throughout the country—not funds of individuals, not funds of organizations within the government, but funds of the Philippine government. The necessity for such legislation was not deemed necessary until the Supreme Court rendered its decision in the case of City of Marion, Ill., against Ben Sneeden, Receiver.

The various banks have heretofore set aside a part of their assets to make these funds secure.

The Court has held that the funds of a State or subdivision must be treated as funds of all other depositors in the event of the insolvency of the bank, and no preference could be given these special deposits.

So far as is known there is only one instance of an insolvent bank where these funds are deposited. This bill is designed to give the depositor of these funds the right to put them in the United States Treasury and to authorize the Treasury to receive them and pay maximum rate of 2 percent interest. The interest rate may be for a less amount and cannot be for any more. This is the amount now paid. It may never be necessary to remove the funds from their present depositories. This is only a safeguard, and the only ground for this legislation is that we are in a manner the guardian of these funds, and should take every precaution to make them secure.

Mr. SNELL. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. SNELL. Why are we responsible for the Philippine bonds?

Mr. McDUFFIE. Because they have to be placed in this country, as the result of an understanding between the two Governments, especially their reserve fund. They must keep them on deposit in this country.

Mr. SNELL. We are not doing it for any other country?

Mr. McDUFFIE. No; no other country has a reserve fund deposited with us.

Mr. SNELL. Do they have any larger rate of interest than is paid by commercial banks?

Mr. McDUFFIE. Not at all. The Secretary of the Treasury may refuse to take them at 2 percent; it is discretionary with him as to the interest he will allow, up to 2 percent.

Mr. SNELL. Is anyone else allowed to deposit funds in the United States?

Mr. McDUFFIE. Only trust funds—like the Indian trust funds and postal deposits.

Mr. SNELL. This is a trust fund set up by the Government?

Mr. McDUFFIE. That is it exactly; that is to say, we are treating these deposits as trust funds. Mr. Speaker, I ask for a vote.

The previous question was ordered.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

AMENDING THE NATIONAL DEFENSE ACT OF JUNE 3, 1916

Mr. FITZPATRICK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2041) to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 37 of the National Defense Act of June 3, 1916, as amended, be, and the same is hereby, further amended by inserting after the words "United States", in the seventh sentence of said section, the words "or of the Philippine Islands."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REGULATION OF DISTILLERIES AND RECTIFIERS

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9617) to authorize the reduction of the required distance between liquor distilleries and rectifying plants, and to authorize higher fences around distilleries. I understand it is a noncontroversial bill.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 3266 of the Revised Statutes (relating to premises on which the distilling of liquor is prohibited) (U.S.C., supp. VII, title 26, sec. 1170) is amended by inserting after the word "rectifying" a comma and the following: "except that the Secretary of the Treasury is authorized to permit such use for distilling on premises at such lesser distance than 600 feet as he prescribes, in any case in which he deems that such permission may be granted without danger to the revenue".

SEC. 2. Section 3280 of the Revised Statutes (relating to minimum distance between places where businesses of distilling and rectifying may be carried on, and to conditions precedent to carrying on distilling business) (U.S.C., supp. VII, title 26, sec. 1183) is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: "except that the Secretary of the Treasury is authorized to permit such business of distilling or process of distillation to be carried on at such lesser distance than 600 feet as he prescribes, in any case in which he deems that such permission may be granted without danger to the revenue".

SEC. 3. Section 3275 of the Revised Statutes (relating to keeping distilleries accessible) (U.S.C., supp. VII, title 26, sec. 1177) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a comma and the following: "but the Secretary of the Treasury may authorize the construction and maintenance of a fence or wall of such greater height than 5 feet as he shall prescribe in any case in which in his opinion such higher fence or wall is necessary to give adequate protection from trespassers."

With the following committee amendments:

On page 2, after line 12, insert the following:

"SEC. 3. So much of section 3244 'third' of the Revised Statutes, as amended (U.S.C., supp. VII, title 26, sec. 1830), as reads 'no officer shall collect any special tax for rectifying distilled spirits on any premises less than 600 feet in a direct line from any distillery' is amended to read as follows: 'no officer shall collect any special tax for rectifying distilled spirits on any premises less than 600 feet (or less than the distance permitted by the Secretary of the Treasury in the particular case) in a direct line from any distillery.'"

On page 2, line 13, strike out "Sec. 3" and insert "Sec. 4."

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its amendment to the bill (H.R. 541) entitled "An act for the relief of John P. Leonard", disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. LOGAN, and Mr. CAREY to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 2439) entitled "An act for the relief of William G. Burress, deceased", disagreed to by the House, agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. LOGAN, and Mr. CAREY to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 3285) entitled "An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes", agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. DILL, Mr. SMITH, Mr. HATCH, Mr. COUZENS, and Mr. WHITE to be the conferees on the part of the Senate.

BRIDGE ACROSS ST. LAWRENCE RIVER, OGDENSBURG, N.Y.

Mr. SNELL. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9584) to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, I ask unanimous consent to substitute therefor the bill (S. 3641) of similar title, a similar bill, and to consider that bill at this time. This has the approval of all of the departments in Washington.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the consideration of the Senate bill?

There was no objection, and the Clerk read the Senate bill as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y., authorized to be built by the St. Lawrence Bridge Commission by an act of Congress approved June 14, 1933, are hereby extended 1 and 3 years, respectively, from June 14, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H.R. 9584) was laid on the table.

REGISTRY OF CERTAIN ALIENS

Mr. DICKSTEIN. Mr. Speaker, I move to suspend the rules and pass the bill, S. 2692, relating to the record of registry of certain aliens, as amended, which I send to the desk and ask to have read.

Mr. JENKINS of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. JENKINS of Ohio. Mr. Speaker, this may not be strictly a parliamentary inquiry, but I should like to ask the gentleman from New York [Mr. DICKSTEIN] whether he would agree to an amendment to this bill. If he does agree to the amendment which I have in mind, I think we can effect the successful passage of the bill without opposition. If he does not, we shall have to oppose it to the best of our ability. The amendment I have in mind is to strike out that which appears in italics and is as follows, "or, (b) who was in the United States as a bona fide political or religious

refugee." This would leave the bill as it was first introduced by the gentleman from New York [Mr. BACON]. In other words, I mean to strike out the italicized language in the bill.

Mr. DICKSTEIN. Does the gentleman oppose the amendment that I offered, to change the date of January 1, 1933, to July 1, 1933?

Mr. JENKINS of Ohio. My principal objection is to confusing the question of granting favors to a few hundred Russians whose lives may be at stake with a far-reaching question of who might be political or religious refugees. That may involve the Nazi and any other group or individual. This bill was introduced originally for the benefit of what we call the "White Russians." We are not opposed to granting them some consideration, but personally I think the privilege which they seek could be granted better in another way. If we are going to add to the Russian question the other proposition, it will complicate the matter and we will have to object, and we will oppose the bill.

Mr. DICKSTEIN. Mr. Speaker, I do not understand what the gentleman means.

Mr. JENKINS of Ohio. Mr. Speaker, I mean what I say, and I ask unanimous consent to address the House for 1 minute.

Mr. DICKSTEIN. Mr. Speaker, I object. I shall have to proceed in an orderly way.

The SPEAKER. The gentleman from New York moves to suspend the rules and pass the bill S. 2692, as amended, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (a) of section 1 of the act entitled "An act to supplement the naturalization laws, and for other purposes", approved March 2, 1929, is amended by adding to the end thereof the following:

"Upon application filed with the Commissioner General of Immigration within 1 year after the approval of this act such registry may also be made as to any alien not ineligible to citizenship who entered the United States prior to July 1, 1933, in whose case there is no record of admission for permanent residence and (a) who prior to that date could not be deported to any country to which it was lawful to deport him, and (b) who was in the United States as a bona fide political or religious refugee, if such alien shall make a satisfactory showing to the Commissioner General of Immigration, in accordance with regulations prescribed by the Commissioner General of Immigration, with the approval of the Secretary of Labor, that he—

"(1) Has not been out of the United States since entry;

"(2) Is a person of good moral character;

"(3) Is not subject to deportation under any law other than the Immigration Act of 1924; and

"(4) Did not, before July 1, 1933, withhold from the immigration authorities of the United States necessary information concerning his personal history sought in connection with their application to the authorities of any foreign country for permission to deport him thereto."

The SPEAKER. Is a second demanded?

Mr. TAYLOR of Tennessee. Mr. Speaker, I demand a second.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from New York is entitled to 20 minutes and the gentleman from Ohio to 20 minutes.

Mr. DICKSTEIN. Mr. Speaker, this bill does not do anything except to enable a number of Russian refugees who are in this country, to adjust their status under our immigration laws through registration under the act of March 2, 1929. Some of them have been here since 1917, some since 1920, some since 1922, and some since 1924. All of these people who are here, several hundreds of them, could not be deported to Russia, because we did not recognize Russia until several months ago. Technically these people are subject to deportation. Ninety-five percent of these aliens are of a high type and are good prospective citizens. In most cases the men have married American women and have American children. We cannot find a record of their entry in the last number of years. Some of them came here as visitors and failed to depart. They would be subject to deportation unless we give some statutory right to the Secretary of Labor to permit these people to remain in the United States. To permit them to remain in the United States, as provided in the bill, they must meet the following conditions: First, they must have entered the United States prior to January 1933. Second, they could not have been deported to any country to which it was unlawful to deport them prior to July 1, 1933. In other words, this applies only to this group of Russians, because Russia was the only country to which we could not deport an alien. Third, they must not have been out of the United States. In other words, the alien must have continuously resided in the United States from the time of his entry. Fourth, they must not have withheld from the immigration authorities of the United States information concerning their personal history sought in connection with the deportation proceedings; that is, they must have been people of good moral character and must not have committed any crime.

This bill permits these men and women who were born in Russia and who have been in this country, 10, 12, and 14 years, who were not subject to deportation, to remain here. The purpose of the law is to permit them to make application for registry and carry out and prove the necessary requirements I have indicatcd to you, provided they are morally and physically fit. And, as I said a moment ago, in 95 percent of the cases, many of which have been presented to the committee, were found to be all fine specimens of manhood, people who speak the English language perfectly. Some of them are professors in our colleges, some of them in our universities, some of them experts in airplanes and some of them are in our Coast Guard. In their families, they have from one to four children. It would be inhuman to take these men and deport them and separate them from their families. This bill does not open the immigration law. It does not change the act of 1924. It simply does a humane thing to a number of people who are qualified for prospective citizenship.

Mrs. KAHN. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mrs. KAHN. Is it not a fact that most of these men are what are known as "White Russians", and if returned to Russia they will probably be shot? They are political refugees?

Mr. DICKSTEIN. That is true. Most of these men who are here today, who have been with us and who have intermarried with our American families, are men of high type, who left Russia a number of years ago. If they were deported, in a number of cases, the death penalty would be executed.

Mrs. KAHN. Many of them were officers in what was known as the "White Army"?

Mr. DICKSTEIN. That is true.

Mrs. KAHN. And they would be subject to the death penalty if they returned?

Mr. DICKSTEIN. Yes.

Mr. MEAD. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. MEAD. Will the gentleman explain the attitude of the White Russian with regard to the political organization of government?

Mr. DICKSTEIN. These aliens were absolutely opposed to communism. They are of the finest element of Russia. They are what we call the aristocracy of Russia. They came from the better quarters.

Mr. BLANCHARD. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. BLANCHARD. There was before the gentleman's committee during this session a bill which sought to change this date to 1924, so that an alien who could not be deported could apply for citizenship.

Mr. DICKSTEIN. That does not apply here at all.

Mr. BLANCHARD. May I ask the gentleman whether or not he expects to report that bill out?

Mr. DICKSTEIN. That bill has been reported out, and I hope the Rules Committee will give me some action soon.

Mr. FOCHT. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. FOCHT. This bill, I understand, is sponsored by the Department of Labor?

Mr. DICKSTEIN. Yes.

Mr. FOCHT. And also the Department of State?

Mr. DICKSTEIN. Yes.

Mr. FOCHT. And they both made thorough investigations?

Mr. DICKSTEIN. That is true. The Department of State and the Department of Labor have collaborated with our good colleague, Mr. BACON, on the Republican side, and this bill was the result of many months' conference and investigation of all these aliens. I assure the gentlemen that this is a very fine bill.

Mr. SCHULTE. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. SCHULTE. There are not very many who will be affected by this, are there?

Mr. DICKSTEIN. No; just a few hundred. They are married to our American women. They have American children.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. DOCKWEILER. I hope there will be no objection to this, because I had some experience myself before leaving California. Some of my Russian friends, who are high-class Russians, said that if we recognized Russia they would have to go back to the detention camps in Russia.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. COCHRAN of Missouri. What is this matter which the gentleman from Ohio [Mr. JENKINS] has been talking about? His objection should be explained. The bill as amended is not available. If the gentleman from Ohio is correct, there should be a further amendment.

Mr. DICKSTEIN. I do not understand what the gentleman has reference to.

Mr. COCHRAN of Missouri. Your view is this bill only applies to aliens who were in the United States before July 1, 1933? In fact, it seeks to reach those who were caught here in 1914, have been here continuously since, and are now men without a country. The Department, I understand, seeks this legislation for protective purposes.

Mr. DICKSTEIN. It only applies to those who were here before July 1, 1933. It has nothing to do with Nazis or Germans.

Mr. BLANTON. Will the gentleman yield?

Mr. DICKSTEIN. I yield.

Mr. BLANTON. And how many people does it affect?

Mr. DICKSTEIN. Four or five hundred. Both Departments have agreed to it. They came before our committee and asked for this legislation.

Mr. BLANCHARD. This does not change the status of these Russians and give them preference over other aliens. I am anxious to have this question cleared up.

Mr. DICKSTEIN. No; it does not.

The Assistant Secretary of State, Mr. Carr, testified before the committee when the bill was up for a hearing. He considered the proposed bill a humane measure and not calculated to open the doors to further immigration but to enable a certain small group of people to have their status corrected so as to enable them to remain in the United States. The number is very small, and the State Department has no objection to the bill at all.

The number of people involved as given by Commissioner McCormack is approximately 1,000, but this figure is only an estimate and includes 1,000 Russians against whom warrants of deportation have already been issued. Commissioner McCormack estimated that in addition to the 1,000 deportation cases there are not more than 3,000, up to about 4,000, persons from Russian territory who are subject to deportation. About half of them came here illegally; the others were here temporarily. The only reason why no legislation was heretofore passed in these cases is that the number of people involved is small, but it is the opinion of Commissioner McCormack that while the number is small the cases are deserving of consideration.

As to the type of people who are involved in the legislation, Mrs. Courtney Campbell, who is a daughter of Judge Green and who for some time acted as a special immigration investigator under section 24 of the immigration law, said that the class of individuals covered by this legislation has a very high percentage of extremely gifted persons. There is a professor of ancient history at Yale University; a professor of sociology at Harvard; a research assistant at Yale; an inventor of television at the Westinghouse Electric Co.; an inventor of synthetic rubber; another professor of history at the University of California; a professor of economics; the noted pianist and composer Serge Rachmaninoff; a soil expert at the Department of Agriculture; an aviator who won the world's altitude record in 1931; Dr. Strachofsky, who is a professor of modern European history at Georgetown; and so forth.

The manner in which these refugees came varies—some came on valid visas and passports, but their passports having expired they are now here technically subject to deportation. Others are students in higher institutions of learning whose status as students has changed and who are therefore also liable to deportation. Most of the men are married and some of them have American-born children.

In addition to the high occupations which were mentioned, there are others who work as manual laborers, some artists, others writers, and so forth.

Most of the men entered this country between 1921 and 1926. Some of them arrived with valid visas for 6 months and others came as members of ships' crews, and there is a whole group of army and navy officers who landed forcibly in San Francisco Harbor, having fled from the Bolshevik terror in the Far East. Most of the Russians unlawfully here range in age from 35 to 50. There are practically no very old men and only a few men are under the age of 25. There was an interesting thing brought to the attention of th ecommittee, to wit: In the National Guard, Two Hundred and Forty-fourth Coast Artillery, there is a group known as the "Russian Battery." This battery consists of 38 members of whom 30 are technically subject to deportation. Most of them served in the former Russian Army or Navy and are now serving as buck privates in the National Guard. This battery has been in existence 5 years and received in 1930 a prize from the War Department for having the highest discipline and morale in the whole State of New York.

Miss Eastman, a worker for the alien branch of the Young Women's Christian Association, testified before the committee about several cases of hardship that came to her attention, one being the case of a Russian woman, named Helen Haritonoff, who is a widow, her husband having been killed in the Russian Army at the beginning of the World War. Two of her brothers perished during the civil war in Russia and her parents died of starvation during the revolution. She herself escaped with her life during the anti-Bolshevik revolts of 1921–22; and after walking for several miles across ice to Finland, she picked up two of her nieces, the daughters of her brothers who perished during the civil war. After placing them in a school in Belgium, she came to this country to continue her medical studies and to support her nieces. She arrived in 1925 as a medical student. She could not obtain employment as a nurse because of her lack of American citizenship, and she is in constant fear of being taken into custody and deported. This is a typical case. Miss Eastman has come in contact with 70 cases of like character.

In conclusion let me emphasize that this bill of itself does not grant citizenship to any alien, nor does it of itself initiate any procedure toward citizenship under our naturalization laws. It does, however, enable the beneficiaries of its provisions to secure a status under our immigration laws upon which it will be possible for them to initiate, in their own behalf, the regular procedure under our naturalization laws, later to become citizens. None of the beneficiaries of this bill would acquire any other status than that of an alien lawfully admitted for permanent residence.

The SPEAKER. The time of the gentleman from New York [Mr. DICKSTEIN] has expired.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Speaker, I am in favor of this bill. I think it is a just measure. I introduced the original bill on this subject. In reply to the gentleman from Pennsylvania, I should like to give him some of the early history of this bill. This bill was drawn by experts from the Departments of State and Labor and has their support. It was originally introduced in behalf of what is known as "White Russian refugees", of whom there are a very few in this country, who could not and cannot be deported to any other country. They were and are in this country. We cannot possibly deport them. They came in as a result of the Russian revolution. There are very few of them. They have proved themselves good and law-abiding residents. They are, however men without a country. Unless this bill passes, they cannot be naturalized, though they will be here as long as they live. Many of them have married American women. Many of them have American children. As a measure of justice, this bill simply allows them to register, so that they may eventually become citizens, providing they can prove by witnesses that they are law-abiding persons of good moral character.

Mr. SNELL. Will the gentleman yield?

Mr. BACON. I yield.

Mr. SNELL. The gentleman says there are a few. Will the gentleman give us some idea what that means?

Mr. BACON. I understand the testimony before the committee showed five or six hundred.

Mr. SNELL. The gentleman is sure that will cover the entire number?

Mr. BACON. It only applies to people who came into this country prior to July 1, 1933, and who could not be deported.

Mr. SNELL. Well, now, just what does that mean?

Mr. BACON. It means that there was no country to which they could be deported. For example, we did not have any diplomatic relations with Russia until recently. Therefore, the White Russians in this country could not be deported to Russia.

Mr. SNELL. And now they could be deported?

Mr. BACON. We could, if we wanted to, in which case they would be sent to Siberia or to immediate slaughter on arrival. The gentleman knows very well that they would not last a month.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BACON. I yield.

Mr. COCHRAN of Missouri. I think this covers cases such as one called to my attention. A doctor, an outstanding specialist, who had a large sanitorium abroad, came to this country to study our methods of treating tuberculosis. He was caught here when the World War broke out. He came on a passport, issued by the Russian Government, as a visitor. He has repeatedly presented himself to the immigration authorities, but they have told him "We cannot send you to any country." I understand it costs the Government considerable to carry continually these aliens, about 400, in their present status.

Mr. BACON. That is correct.

Mr. COCHRAN of Missouri. We broke off relations with the Russian Government before that passport expired and there was no way by which that doctor could go back to Russia. As a result, he is here today.

Mr. BACON. He cannot be deported.

Mr. COCHRAN of Missouri. He cannot leave this country because he cannot secure a passport from any country. For 20 years he has lived here and every 6 months reports to the immigration authorities.

Mr. BACON. That is quite right. I know of some cases where Russians are in this country on old Imperial passports. A great many more are here on what are known as "Nansen League of Nations travel certificates." They are people without a country unless we take them in and allow them to become citizens.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield.

Mr. BLANTON. The chairman of the committee said there were about 400 of them. The gentleman from New York says there are between 500 and 600. Is this about the maximum number?

Mr. BACON. I think that will cover them.

Mr. BLANTON. These people are here; we cannot get rid of them; we cannot send them back anywhere. This bill permits them to become citizens and to assume the responsibilties of citizenship; does it not?

Mr. BACON. The gentleman is quite correct.

Mr. BLANTON. That is what should be done. Every person of good character in the United States today should become a citizen and share the burdens and responsibilities of citizenship.

Mr. BACON. Absolutely. The gentleman knows that I was on the Immigration Committee many years. Ten years ago I helped write the Johnson restricted immigration bill. There is not a Member in the House who has voted more consistently for restricting immigration to our country than I have. This bill does not allow a single additional person to come into this country. This bill does not disturb or touch in any way our immigration laws.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield.

Mr. TRUAX. As I understood the chairman of the committee, he said that these people constituted the aristocracy of Russia. Did the gentleman mean the aristocracy of the royal family or the aristocracy of wealth in Russia?

Mr. BACON. Neither. These people are mostly in straitened circumstances, and all have to work hard for their daily bread. Most of them have an excellent education, far above the average, and all are law-abiding and self-respecting people.

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I yield the gentleman 1 additional minute. I wish to answer the gentleman from Ohio.

Mrs. KAHN. They represent the aristocracy of brains.

Mr. TRUAX. One other question, if the gentleman will permit: What I wanted to know was whether they were members of the royalist aristocracy or the aristocracy of wealth. Would that give them preferred treatment over other Russian citizens in this country?

Mr. BACON. I would say that these people do not fall in either of those categories; and there is no question of preferred status to anybody affected by this bill.

Mr. DICKSTEIN. Mr. Speaker, will the gentleman yield?

Mr. BACON. I yield.

Mr. DICKSTEIN. To answer specifically the gentleman from Ohio, when I said "aristocracy", I meant the fine business people. It had nothing whatever to do with the Czar or with the royalist classes.

Mr. TRUAX. I am glad to have this information, because in this country we have an aristocracy of wealth, although that is about the only aristocracy I know of.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 10 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, this bill is a very important one. I refer to the bill S. 2692. If you have before you a bill with that number, but not numbered calendar 760, then you have not the right bill, and I dare say that 0.9 of the Members present have the wrong bill in their hands. Unless you have that bill, you will not see the amendment to which I referred.

Let us not make any mistake about this bill. I do not know a Member of the House who is opposed to this White Russian project. I am not opposed to it. I think the matter should be handled by an amendment to the deportation laws. The bill without this amendment would be the same as the bill introduced by the gentleman from New York [Mr. BACON]. When the committee sought to amend his bill, he refused to father it any further. This amendment concerning the political and religious refugees has absolutely nothing to do with White Russians. The bill under consideration is supposed to deal with White Russians. When we say "White

Rusians", we mean white as contrasted with red, not white from the Caucasian standpoint, but white in that they are not affiliated with the Russian Reds. I think you understand what I mean. Do not be under any misapprehension about the Senate bill. I do not think that it represents the feeling of the House committee.

Mr. BACON. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. I have not time to yield now.

Mr. Speaker, may I say to the restrictionists not to be carried off their feet and vote for the bill as amended by the Senate. Let us strike out this amendment and enact the so-called "White Russian bill."

I shall read the language of the amendment. It reads, "or who was in the United States as a bona fide political or religious refugee."

Now, this opens up a field that is interminable. Talk about political and religious refugees. Ask the question, Who or what is a political or religious refugee? To find the answer to this question, we might be required to solve complicated and serious situations.

Anybody who might come here surrepticiously might claim that he is a political refugee, and he thereby would come within the provisions of the bill. Anyone who could steal his way into the country and could successfully claim to be a refugee would be entitled to the priceless heritage of American citizenship. To pass such legislation today is not wise. If you want to take care of the White Russians who are here, that is all right. They are here and they do not want to be sent back to Russia because they claim to be afraid of execution. While most of this is propaganda, I do not want to send them back for fear that there are a few meritorious cases. I do not know of anybody who wants to send them back if they are in serious danger. Let them stay here; they have been here ever since the World War. If we want to reach them, the proper way to do it would be to amend the deportation law to exempt from deportation certain individuals under certain conditions, making the exemption fit the case of these White Russians.

Mr. BLANTON raised the question that this compels them to become citizens. It does not have this effect at all. They may elect whether they become citizens. This section that has been added is full of dynamite. It is un-American and it is inconsistent with what we have been doing here for years.

What is the hurry? If you vote this down today, it may come up some other time. No one wants to send these fellows back to Russia, and there is no inclination that I know of on the part of any department to send them back. We have allowed them to stay here 15 years, and we can certainly allow them to stay for another session of Congress.

It is this last sentence in italics that will open the door to all political refugees. I am not opposed to any group particularly, but may I say that from the standpoint of statesmanship on our part we should not establish this precedent. Are we going to open up this great possibility? Are we going to allow the precedent of letting in certain religious refugees and giving them privilege of citizenship? Someone said that this amendment goes back to 1933, but the language I referred to does not go back to 1933 and would affect only White Russians, and I will prove it to you. I asked for an amendment to be inserted striking out the word "or" and inserting the word "and" in lieu thereof. If you would change this word to "and" it would probably be susceptible of an interpretation that it referred only to White Russians.

Now, there are two classifications, one being the White Russians and the other these religious and political refugees.

Mr. BEEDY. The limitation of July 1 applies to the first class and the italic to another class?

Mr. JENKINS of Ohio. The gentleman has it absolutely right. I am very much in earnest about this matter. I am not a member of the Immigration Committee, and I do not desire to thrust myself into this matter in an unseemly manner, but I hope we do not make a mistake.

Let us vote like we have voted here as Democrats and Republicans for many years on these immigration questions. Let us keep up the bars. Immigration is not a political issue. The Republicans have no right to claim that they are restrictionists to the exclusion of the Democrats. In every vote we have had on this question in 10 years I have been here there have been striking majorities on both sides of the aisle. Do not make a mistake today. Let us vote this down and let us bring up the White Russian bill by itself. Let us give them an opportunity and fix it so they shall not be sent back through deportation or give them citizenship if that is your wish. I would not do it that way; and if you want to do it that way, let ur do it in that manner and do it right.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. I have both bills, S. 2692 and H.R. 8850. The House bill was introduced before the Senate bill was introduced, according to the date. The House bill contains the provision that the gentleman is speaking of. As I read it, if aliens cannot prove they were not in this country prior to July 1, 1933, nothing can be done for them. As I read the language here, it does not allow anyone to enter this country. If it does, the committee should agree to an amendment.

Mr. JENKINS of Ohio. No; it does not, on its face, leave anyone come into this country, but it gives rights to citizenship to anyone who can claim any kind of religious or political persecution as his reason for being here.

Mr. COCHRAN of Missouri. Like the gentleman from Ohio, I do not want to open up the doors to everybody when millions of our people are out of work. As I understand the bill, it only applies to the aliens now here.

Mr. JENKINS of Ohio. Here is what the bill does. Anybody can sneak across the border, and they may come from many different countries. If he is caught he will claim he is a religious refugee. Then you cannot send him out. He has a right to become a citizen by stealing his way into this country. He might be the meanest individual in the world. He might have all sorts of crimes attached to his reputation. You have opened the door by this bill. Why open the door today? What is the hurry?

Mr. COCHRAN of Missouri. The gentleman should suggest his amendment and the chairman of the committee should accept it.

Mr. JENKINS of Ohio. I offered my amendment at the outset but it was rejected, and now we will beat the whole bill just because of refusal to amend. If you were to substitute the word "and" for the word "or", it would accomplish that purpose.

Mr. TRUAX. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Ohio.

Mr. TRUAX. As I understand this bill, a White Russian is one who is of the Royalist Party.

Mr. JENKINS of Ohio. I do not know what he is or was. They call them White Russians.

Mr. TRUAX. The Government that we have recognized, which has a legation here, is known as "Red Russia." Are they in favor of this legislation? May this not be an effrontery to them?

Mr. JENKINS of Ohio. I do not know what this Red Russian outfit that the gentleman refers to thinks of this bill. If they oppose it and are anxious to have these refugees sent back so they may shoot them or send them to Siberia, I should think that this would be proof that the gentleman's Democratic President made a mistake in establishing diplomatic relations with such a cruel and bloodthirsty bunch of Communists.

Mr. TRUAX. Is it the gentleman's opinion that this is a bad bill?

Mr. JENKINS of Ohio. Yes; absolutely.

Mr. TRUAX. And the gentleman is of the opinion that it ought to be defeated?

Mr. JENKINS of Ohio. Yes.

Mr. BEEDY. What the gentleman means is that we should not take hasty action on this section on account of a possible question in reference to interpretation.

Mr. JENKINS of Ohio. Yes. If they would agree to the amendment, I would not object.

Mr. BEEDY. If the word "and" is substituted for the word "or", would that take care of the gentleman's objection?

Mr. DICKSTEIN. If the word "and" is put in place of the word "or", will that satisfy the gentleman?

Mr. JENKINS of Ohio. Yes. Although I still think this is not the best way to handle it, so far as I am concerned, I would be willing to adopt the bill with that change.

Mr. DICKSTEIN. Would the gentleman be satisfied if I offered an amendment to that effect?

Mr. JENKINS of Ohio. Yes.

Mr. DICKSTEIN. Where would this amendment go?

Mr. JENKINS of Ohio. Line 3, page 2.

Mr. DICKSTEIN. Mr. Speaker, I ask unanimous consent that on page 2, line 3, after the word "him" the word "or" may be stricken out and insert in lieu thereof the word "and."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEEDY. I understand that amendment is offered to the bill S. 2692?

Mr. JENKINS of Ohio. Yes.

Mr. DICKSTEIN. That is correct.

Mr. WEIDEMAN. Will the gentleman yield? I wonder if this bill will permit the three Russian princes, one of whom married Barbara Hutton, to remain in this country?

Mr. JENKINS of Ohio. I do not know; I am not informed with reference to them. I am interested in opposing entrance into this uncertain broad field of religious and political refugees. Let us keep up the bars. I am glad that the Membership has agreed with me and have received my views so kindly. I appreciate this and hope that the bill will work out to the advantage of that small group of White Russians who are in fact in some danger, but that it will not result in any cheapening of the methods by which aliens can procure the proudest privilege which any man can enjoy—American citizenship. [Applause.]

[Here the gavel fell.]

Mr. DICKSTEIN. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, these people are already in the United States. They are not now assuming any responsibilities as citizens of the United States. If they stay here, I want them to assume such responsibilities along with the rest of us.

The bill provides that they must have been in the United States continuously since entry. They must be persons of good character. They must not be subject to deportation under any law other than the Immigration Act of 1924.

This is a bill that gets after the Bolsheviks of the country. This is a bill not in favor of the kind of aristocracy that is bothering my friend from Ohio [Mr. TRUAX] in his political campaign in Ohio. It is a bill to run the Reds out of the United States and keep the "white people" in, and by "white people" is meant those people who are not Reds, but people who believe in orderly government, people who believe that the Government of the United States ought to be run according to a constitution and not according to anarchy and force and under a red flag. That appeals to me.

Here are some of the people whom this bill affects, and let me read their standing:

A professor of ancient history at Yale University, a professor of sociology at Harvard, a research assistant at Yale, an inventor of television at Westinghouse Electric Co., an inventor of synthetic rubber, a professor of history at the University of California, a professor of economics, a noted pianist and composer, a soil expert now in the Department of Agriculture, a distinguished aviator who won the world's altitude record in 1931, a professor of modern European history at Georgetown University here in Washington.

Are these men the kind of aristocracy that is bugging up in somebody's head just now? [Laughter.]

Mr. TRUAX. Will the gentleman yield?

Mr. BLANTON. Not now; I am sorry.

It is a bill for Americanism and again bolshevism. It is a bill for lovers of constitutional government instead of Russian Bolsheviks, and this is why I am for it.

Mr. TRUAX. Will the gentleman yield?

Mr. BLANTON. Certainly.

Mr. TRUAX. I believe the gentleman said there is a soil expert here that would be let in. I should like to send all the soil experts down in the Department of Agriculture back to Russia. They are ruining the American farmer.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Speaker, I am heartily in favor of that part of this legislation that pertains to the White Russians in the United States. They should be given the benefit of this legislation. They are good citizens. They believe in our form of government and they are sustaining advocates of constitutional government as now carried on in the United States.

The matter that was bothering me was the establishment of a new principle that was proposed here to let into the United States political and religious refugees, and that is what this measure would have done had not the Senate bill as proposed by the chairman of the committee been amended by striking out the word "or" and substituting the word "and", and I am assuming, of course, that this is going to correct this bill and not tack on to this bill something of a very different nature. I believe it will have this effect, and with this amendment adopted I am in favor of the bill.

However, I want to call the attention of the House to the fact that before the bill was amended by the Senate it took care of the Russian situation completely, but it also established a new principle on immigration and permitted political and religious refugees to come in without any restriction whatever. They could also come in here following 1933, and this supposed restriction would have meant the establishment of the principle of permitting such so-called "persecuted, political, and religious refugees" to come into the United States.

Mr. OLIVER of Alabama. Mr. Speaker, will the gentleman yield?

Mr. MCFADDEN. I yield.

Mr. OLIVER of Alabama. It may help in the judicial determination of the bill to here say that this bill would not pass unless it was felt that the courts would give the interpretation to the amendment just offered and unanimously agreed to that the discussion indicates is the wish and desire of the House.

Mr. MCFADDEN. Yes.

Mr. MEAD. Mr. Speaker, will the gentleman yield?

Mr. MCFADDEN. I yield.

Mr. MEAD. There are two matters that ought to be mentioned here. This amendment requires a conference and the conference ought to consider the action taken by the House today and not change the word "and" back to "or."

Mr. MCFADDEN. The gentleman is quite correct, and this discussion should be considered as virtually an instruction to the conferees to accept this amendment to the bill when it is under consideration in the conference.

[Here the gavel fell.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I am an ardent and ultrarestrictionist; but I think the amendment proposed by the gentleman from Ohio and accepted by the House makes this bill very acceptable, and in its present form it is humane and wholesome legislation.

This measure will enable some 400 White Russians who fled to this country during the revolution, and who now cannot be deported under existing law, to become American citizens. To deport them, even if we could, under the present Russian regime, would simply mean to send them to Siberia or the firing squad.

I do not care to consume any more of my time.

The SPEAKER. The question is on the motion of the gentleman from New York to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

A motion to reconsider and a similar House bill, H.R. 3522 were laid on the table.

EXTENSION OF REMARKS

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to extend my remarks and to incorporate therein some excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMEND ACT TO PROVIDE A CIVIL GOVERNMENT FOR PUERTO RICO

Mr. McDUFFIE. Mr. Speaker, I move to suspend the rules and pass the bill, H.R. 5330, to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes."

The Clerk read the bill as follows:

Be it enacted, etc., That a new section is hereby inserted between sections 5a and 6 of the act entitled "An act to provide a civil government for Puerto Rico, and for other purposes", approved March 2, 1917, as amended, as follows:

"SEC. 5b. All persons born in Puerto Rico on or after April 11, 1899 (whether before or after the effective date of this act), and not citizens, subjects, or nationals of any foreign power, are hereby declared to be citizens of the United States: *Provided*, That this act shall not be construed as depriving any person, native of Puerto Rico, of his or her American citizenship heretofore otherwise lawfully acquired by such person; or to extend such citizenship to persons who shall have renounced or lost it under the treaties and/or laws of the United States or who are now residing permanently abroad and are citizens or subjects of a foreign country: *And provided further*, That any woman, native of Puerto Rico and permanently residing therein, who, prior to March 2, 1917, had lost her American nationality by reason of her marriage to an alien eligible to citizenship, or by reason of the loss of the under the provisions of section 4 of the act of September 22, under the provisions of section 4 of the Act of September 22, 1922, entitled 'An act relative to the naturalization and citizenship of married women', as amended."

Mr. TABER. Mr. Speaker, I demand a second.

Mr. McDUFFIE. I ask unanimous consent that a second be considered as ordered.

There was no objection.

Mr. McDUFFIE. Mr. Speaker and gentlemen of the House, this bill seeks to do for approximately 250 Puerto Ricans, who by reason of their absence from the island when the organic act was passed, and by no fault of their own, were denied the privilege of becoming citizens.

The result is that they are people without a country. There are a few in Spain and a few in Chile, native Puerto Ricans who might become citizens under our naturalization laws by complying with them in the event this legislation passes.

Such legislation has been passed with reference to the Virgin Islands, and this simply seeks to give the same privilege to these unfortunate people.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. McDUFFIE. Yes.

Mr. JENKINS of Ohio. About a year or 2 years ago we passed something like this for the Virgin Islands. Is that what the gentleman is seeking to do here?

Mr. McDUFFIE. Yes.

Mr. JENKINS of Ohio. And did we not pass a bill in reference to Puerto Rico?

Mr. McDUFFIE. Not that I recall. We amended the organic law, but at that time these people could not take advantage of its provisions.

Mr. JENKINS of Ohio. This is the first bill passed since the organic act was passed for Puerto Rico.

Mr. McDUFFIE. The organic act was passed in 1899, and then an amendment in 1917.

Mr. JENKINS of Ohio. Who are these people that you seek to benefit?

Mr. McDUFFIE. They are native Puerto Ricans who were residing in other countries and come now in Puerto Rico who have not taken advantage of the former acts of Congress by no fault of their own.

Mr. JENKINS of Ohio. I assume that the committee went into this thoroughly and understandingly and that there cannot be any letting down of the bars?

Mr. McDUFFIE. The committee is opposed to letting down the bars.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed, and a motion to reconsider the vote was laid on the table.

PURCHASE OF INDIAN BUFFALO HUNT

Mr. KELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9003) to purchase and erect in the city of Washington the group of statuary known as "Indian Buffalo Hunt", which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War, the Chairmen of the Committees on the Library of the Senate and the House of Representatives be, and they are hereby, created a commission authorized and directed to procure the colossal group of statuary known as the "Indian Buffalo Hunt", by Henry K. Bush-Brown, the said statuary to be cast in bronze, to have an appropriate pedestal made therefor, and, subject to the approval of the Commission of Fine Arts, to secure a site for the same in the city of Washington, and to have said bronze group placed thereon.

SEC. 2. That for the purposes of carrying out the provisions of this act the sum of $45,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury of the United States not otherwise appropriated.

The SPEAKER. Is a second demanded?

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand a second.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Illinois is entitled to 20 minutes and the gentleman from Massachusetts to 20 minutes.

Mr. KELLER. Mr. Speaker, this is a bill to purchase the well-known piece of sculpture known as the "Indian Buffalo Hunt" by the well-known American sculptor, Mr. Bush-Brown. Many, many millions of people have seen this work of art. It was exhibited in Chicago at the World's Fair in 1893, and it stayed for many years in the Union Station in this city, where many millions of other people saw it. It is at present stored in New York City. Mr. Bush-Brown is a well-known American sculptor. This is probably his very finest work. The man is getting old; he is 77 years of age at the present time. The statuary is now stored in New York. It costs money to store a group like this. He ought to know now whether it is going to be considered by the Government or not.

Mr. MARTIN of Massachusetts. Mr. Speaker, how much are we going to pay for this?

Mr. KELLER. It is going to cost the Government for purpose of buying it and having it cast in bronze and erected here $45,000.

Mr. MARTIN of Massachusetts. How much for the work itself?

Mr. KELLER. I have forgotten the amount, but that is the total amount.

Mr. MARTIN of Massachusetts. Where are they going to place it?

Mr. KELLER. Wherever the commission, which consists of the Secretary of War and the Chairman of the Senate Committee on the Library and the Chairman of the House Committee on the Library, may decide, with the consent of the Art Commission here, but some place in the city of Washington. I understand that the Zoological Park will ask to have it placed at one of its entrances.

Mr. MARTIN of Massachusetts. It is a unanimous report from the committee?

Mr. KELLER. Yes, sir.



Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. KELLER. Certainly.

Mr. TABER. Why should the Treasury pay out $45,000 for this purpose?

Mr. KELLER. We have from time to time, as the gentleman knows, in many cases in this city, expended money for the erection of monuments to our soldiers and statesmen, but to the commemoration of the American Indian and his life we have given absolutely not one penny. This is a characteristic work along that line. Mr. Bush-Brown is 77 years old. He wants to know whether anything is likely to be done. If not, he will of necessity permit the group to be destroyed. It ought not to be destroyed. It ought to be cast in bronze and kept as a work of art.

Mr. TABER. How large a proposition is this?

Mr. KELLER. It is life size, and consists of a buffalo, man, and horse.

Mr. TABER. Of what is it made?

Mr. KELLER. Plaster.

Mr. TABER. Has any effort been made to have the Government buy it before, or has this been exhibited around the country?

Mr. KELLER. It has been mostly exhibited. The Speaker of the House was interested in it for some years, and has been ever since. He think it is a work of art and ought to be kept.

Mr. SWICK. How much will Bush-Brown get out of this?

Mr. KELLER. All that is coming to him, and all that is fair under the conditions, you may be sure of that.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. KELLER. Certainly.

Mr. MOTT. It is my understanding that in the case of statues erected to commemorate soldiers, which are placed in various public squares here in Washington, a large part of the expense has been borne by associations organized for the purpose, and that the cost to the Government has been very little, if any, except for the furnishing of the sites.

Mr. KELLER. Sometimes that has been true, and many times it has not.

Mr. MOTT. Has not that been the case in most instances?

Mr. KELLER. In many instances, but in many not.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. KELLER. Certainly.

Mr. TABER. How much has the artist already realized from the exhibition of this work of art?

Mr. KELLER. I understand he has not realized any money to amount to anything. It has simply been a work of art that has appealed to people everywhere, and the Chicago World Fair asked that it be exhibited there. He gave it to them for exhibition purposes. It was then brought here and it was at the Union Station here in Washington for a number of years.

Mr. TABER. How much of this $45,000 is supposed to go to Mr. Bush-Brown?

Mr. KELLER. Frankly, I do not know.

Mr. TABER. How much will it cost to cast it?

Mr. KELLER. The total cost as given by Mr. Bush-Brown himself, including whatever he may get and the cost of erection, would be $45,000.

Mr. TABER. And the gentleman does not know how that is split?

Mr. KELLER. No; I do not.

Mr. TABER. It seems like a large sum.

Mr. KELLER. Not for a group of that size. It surprised me that it could be done for that amount.

Mr. SWANK. That is the statue that used to be in the Union Station?

Mr. KELLER. Yes, sir.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. KELLER. Certainly.

Mr. MOTT. Has this matter been submitted to the Director of the Budget?

Mr. KELLER. I understand so.

Mr. MOTT. Has the Director of the Budget approved it?

Mr. KELLER. I understand it has been approved three or four times.

Mr. MOTT. Does the report show that?

Mr. KELLER. I do not think it does.

Mr. MOTT. I notice the Director of the Budget has disapproved applications for small sums where the money was absolutely needed, and where in some instances the financial fate of a municipality has depended upon the approval of the Budget Director for a necessary appropriation. He has not hesitated to turn down those applications, and that being his attitude, and it being his attitude now to disapprove everything that the President has not approved of in advance, and everything that is not directly in line with the President's financial policy, it would be interesting to know, if the gentleman can tell us, whether the Director of the Budget has approved this appropriation of $45,000.

Mr. KELLER. As you will understand, this is not a bill to appropriate. This is a bill purely to authorize.

Mr. MOTT. The bills to which I have just referred were bills simply to authorize, and the Director of the Budget has declined to approve those authorization bills on the ground that it was not in line with the President's announced policy.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. BLANTON. This bill to commemorate the western atmosphere of the country was once introduced by the present Speaker of this House. I take it that if there were any antagonism toward it by the Budget Director or the administration, the Speaker now would not have recognized the gentleman from Illinois to call it up.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. KELLER. I yield.

Mr. OLIVER of Alabama. The gentleman has just stated that this was a mere authorization; so, if passed, it should not be understood as directing the Committee on Appropriations to appropriate the full amount if, on investigation, it is found to be too high?

Mr. KELLER. Certainly not.

Mr. MOTT. Does the gentleman know why it was not passed at the time it was introduced before?

Mr. KELLER. I do not know. I have not gone into the history of it. I simply know that it is a work of art that many of the artistic people of this country have asked for. Quite a number of organizations sent their representatives before the committee, asking that it be purchased.

Mr. MOTT. I am not going to object to unanimous consent, but I am going to vote against the bill, because I think it is a piece of useless extravagance, when the people all over the country are in need of relief on account of distress, and when municipalities all over the country are in need of aid from the Federal Government and cannot get it. They cannot get it because the Director of the Budget will not authorize it.

Mr. KELLER. The appropriation will not be made immediately. It will be made whenever the committee desires to make it, when they feel the condition of the country justifies it.

Mr. KNUTSON. The amount that we propose to appropriate will buy about 2,000 tons of hay. We need hay worse than we need statues.

Mr. MARTIN of Massachusetts. Mr. Speaker, I make the point of order that there is not a quorum present.

The SPEAKER. The Chair will count. (While counting:)

Mr. MARTIN of Massachusetts. Mr. Speaker, I will withdraw the point of order for the time being.

The SPEAKER. The question is on the motion of the gentleman from Illinois [Mr. KELLER] to suspend the rules and pass the bill.

The question was taken; and there were on a division (demanded by Mr. MARTIN of Massachusetts) ayes 60, noes 18.

So, two-thirds having voted in favor thereof, the rules were suspended and the bill was passed.

CALL OF THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I raise the point of order that a quorum is not present.

The SPEAKER. The Chair will count. (After counting:) Evidently there is not a quorum present.

Mr. BANKHEAD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 168]

Abernethy	Clark, N.C.	Huddleston	Robinson
Adams	Connolly	Jeffers	Shannon
Allgood	Cooper, Ohio	Johnson, Tex.	Shoemaker
Auf der Heide	Corning	Kee	Simpson
Bacharach	Darrow	Kennedy, N.Y.	Sirovich
Berlin	DeRouen	Kinzer	Smith, W.Va.
Bloom	Dies	Kvale	Stalker
Boland	Douglass	Lanzetta	Strong, Pa.
Bolton	Doutrich	Lee, Mo.	Sullivan
Britten	Driver	Lesinski	Taylor, Colo.
Brooks	Edmonds	McLeod	Taylor, S.C.
Browning	Fish	Mariand	Thurston
Buckbee	Flannagan	Muldowney	Traeger
Burch	Foulkes	Murdock	Treadway
Burke, Calif.	Frear	Nesbit	Wadsworth
Cannon, Mo.	Frey	Norton	Waldron
Carley, N.Y.	Fulmer	O'Malley	Walter
Carter, Calif.	Gambrill	Palmisano	Weaver
Celler	Goldsborough	Peterson	Wilcox
Chapman	Gray	Pettengill	Williams
Chase	Green	Ransley	Wood, Ga.
Church	Griffin	Reid, Ill.	
Claiborne	Higgins	Reilly	

The SPEAKER. Three hundred and forty Members have answered to their names. A quorum is present.

On motion by Mr. BYRNS, further proceedings under the call were dispensed with.

SPECIAL STATISTICAL STUDIES

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9654) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman explain the bill?

Mr. RAYBURN. The bill simply gives the Secretary of Commerce authority, upon the request of firms and corporations, to furnish them special statistical facts if they pay the actual cost of it.

Mr. MARTIN of Massachusetts. There is no cost to the Government?

Mr. RAYBURN. None whatever.

Mr. MARTIN of Massachusetts. I have no objection.

There being no objection, the Clerk read as follows:

Be it enacted, etc., That the Department of Commerce be, and hereby is, authorized, within the discretion of the Secretary of Commerce, upon the written request of any person, firm, or corporation, to make special statistical studies relating to foreign trade, domestic trade, and other economic matters falling within the province of the Department of Commerce; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records, upon the payment of the actual cost of such work by the person, firm, or corporation requesting it.

SEC. 2. All moneys hereafter received by the Department of Commerce in payment of the cost of such work shall be deposited in a special account to be administered under the direction of the Secretary of Commerce. These moneys may be used, in the discretion of the Secretary of Commerce, and notwithstanding any other provision of law for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

SEC. 3. The Secretary of Commerce shall prescribe rules and regulations for the enforcement of this Act; and the Secretary of Commerce shall make a report to Congress, at the beginning of each regular session, giving a detailed statement showing (1) the name of every person, firm, or corporation for whom work has been performed under the authority of this statute; (2) the nature of the services rendered to him; (3) the price charged for these services by the Department of Commerce; and (4) the manner in which the moneys received were deposited or used.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDMENT OF EMERGENCY RAILROAD TRANSPORTATION ACT

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9694) to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933.

Mr. Speaker, I will state for the information of the Members that when the Emergency Transportation Act was passed last year there was assessed against the railroads of the country $1.50 a mile to pay the expense of the Coordinator of Railroads. The Coordinator has found it will cost at least $2 a mile for the next 12 months, and I may say the short-line railroads have interposed no objection, and 90 percent of the class I railroads have agreed, according to Judge Fletcher, who is counsel for the railway executives.

Mr. MARTIN of Massachusetts. Is this a unanimous report from the committee?

Mr. RAYBURN. It is.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That section 14 of title I of the Emergency Railroad Transportation Act, 1933, is amended by striking out the second sentence thereof and substituting therefor a sentence reading as follows: "It shall be the duty of each carrier, within 30 days after June 16, 1934, to pay into this fund, for the second year of the operation of this title, $2 for every mile of road operated by it on December 31, 1933, as reported to the Commission, and it shall be the duty of the Secretary of the Treasury to collect such assessments."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VETERANS' GUARDIANS

Mr. GREENWOOD. Mr. Speaker, I ask unanimous consent to call up House Resolution 409.

The Clerk read the resolution, as follows:

Resolved, That the Committee on Veterans' Affairs of the House of Representatives, or a subcommittee thereof, be, and it is hereby, authorized and directed to investigate the methods and manner of handling of funds and the financial affairs of veterans receiving money as compensation or pensions from the United States Government while under guardianship and subject to the supervision of the United States Veterans' Administration; the losses to the estates of such veterans from negligence, neglect, or misappropriation of funds by guardians and/or conservators; and the manner and method of appointing said guardians, conservators, or other persons, the losses sustained by such veterans while under guardians by reason of the sale of worthless securities by the guardians to such wards; the responsibility for the mishandling of the estates of veterans under guardians; the adequacy of guardians' bonds as provided under the regulations of the Veterans' Administration; and all other questions in relation to the estates of such veterans as are under guardians and receiving compensation, pensions, or other money or things of value from the Government of the United States by reason of veterans' legislation, that would aid the Congress in any necessary remedial legislation.

The committee shall report to the House not later than January 10, 1935, the results of its investigation, together with such recommendations for legislation as it deems advisable.

That said committee, or any subcommittee thereof, is authorized to sit and act at such time and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and production of such books, papers, and documents by subpena or otherwise, to take such testimony. Subpenas shall be issued under the signature of the chairman or any member designated by him, and shall be served on any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States.

Mr. SNELL. Mr. Speaker, reserving the right to object, is this a special report from the Committee on Rules?

Mr. GREENWOOD. The Committee on Rules granted a rule, but to save time we are bringing it up under unanimous consent. So far as I know there is no objection from any member of the Committee on Rules or from the Committee on Veterans' Affairs.

Mr. SNELL. Mr. Speaker, will the gentleman explain the purpose of the resolution?

Mr. GREENWOOD. It was brought to the attention of my colleague, the gentleman from Indiana [Mr. GRISWOLD], that in some cities there has been a mishandling of veterans' funds and estates by their guardians. A special investigator from the Veterans' Bureau spent some time in one of these homes in Indiana, and there was evidence produced from other places—Chicago, Detroit, and elsewhere. This testimony was submitted to the Rules Committee, and the committee felt this investigation was justified.

Mr. SNELL. Who is to make this investigation?

Mr. GREENWOOD. The subcommittee of the Committee on World War Veterans' Legislation.

When the matter was presented to the Rules Committee, a special committee was requested but the Committee on Rules decided that the investigation should be conducted by the Committee on World War Veterans' Legislation.

Mr. SNELL. That committee has not held a meeting during this present session.

Mr. GREENWOOD. The intention of the Committee on Rules was not called to the matter until after this special investigation had been made. When the evidence was disclosed to the Rules Committee it referred the investigation to the legislative committee rather than creating a special committee.

Mr. SNELL. Considering the fact that the Veterans' Committee has not met this session it seems to me rather peculiar to set them up as a special investigating committee for the coming summer. I understood from the reading of the resolution that this committee would have the right to go all over the United States and hold meetings and investigations anywhere. How much money is it expected they will expend in this investigation?

Mr. GREENWOOD. They have the right to administer oaths. I assume that most of the investigation will be made here.

Mr. SNELL. Does not the bill provide that they may hold hearings anywhere in the United States?

Mr. GREENWOOD. But no appropriation is made.

Mr. SNELL. But one will be asked for, of course.

Mr. GREENWOOD. It is contemplated that the investigation will be made here. We are not limiting it to the District of Columbia because it may be necessary to hold a hearing some other place. We do not anticipate that, however.

Mr. SNELL. Does the gentleman remember how many investigating committees have been set up this session?

Mr. GREENWOOD. I do not recall that; but I do know that the evidence disclosed showed that these estates were being mishandled, that the securities carried in these trust funds were often carried at inflated value and sometimes were worthless. It further disclosed that in a number of instances the appointments were irregular. The evidence submitted in support of this resolution by my colleague, Mr. GRISWOLD, justifies this investigation.

Mr. SNELL. I should like to ask the chairman of the committee, Mr. Speaker, whether 4 or 5 years ago we did not have an investigation covering practically the same proposition, the appointment of guardians for mentally incompetent veterans?

Mr. RANKIN. Let me say to the gentleman from New York [Mr. SNELL] that in 1926 we investigated the conditions at St. Elizabeths Hospital, and out of that grew the present guardianship law.

Mr. SNELL. That is what I had in mind.

Mr. RANKIN. Under this law persons acting as guardians were limited, I think, to five guardianships; but the Veterans' Administration thought it best to permit trust companies to handle more, for various and sundry reasons. It now seems that out in Indiana and probably in Chicago and one or two other places there have developed some irregularities. Some of these trust companies failed. An investigation reveals that some of the securities were carried at par when they were not worth par.

We have asked for this investigation in order that we may have the power to swear witnesses and issue subpenas. I may say to the gentleman from New York that my attitude is this: I have appointed a subcommittee. We are going to conduct this investigation without a brass band and a parade, and at just as little expense as possible. My honest opinion is that it will not be necessary for the subcommittee to leave Washington, because we have at our command all the forces of the Government to make these special investigations, and we will have the right under this resolution to subpena witnesses and demand that they come before the investigating committee.

We want to develop the facts necessary to prosecute any persons who have violated the law, with reference to these guardianships.

Mr. SNELL. Cannot those who have violated the law be prosecuted at the present time?

Mr. RANKIN. Further, we want to determine whether it is possible to bring suits and recover those funds, and, if necessary, to amend the law so as to prevent conditions of this kind occurring in the future. We want this information so we may proceed with the necessary legislation.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. RICH. Under the trust laws of the various States a trustee mishandling trust funds may be prosecuted. If the gentleman knows of guardians and trustees who have abused the law why does he not have proceedings instituted against them under present law?

Mr. RANKIN. Mr. Speaker, in reply to the gentleman from Pennsylvania, permit me to say that the law enforcement officials of practically every State in the Union have done that; but in Indiana, and probably one or two other States, they did not, according to the report. We want this information, therefore, to see whether or not there is anything the Federal Government can do to stop this misuse of veterans' funds and to prevent such conditions in the future.

The funds of these insane veterans must be protected.

Mr. GREENWOOD. In connection with that nearly all States have different laws with reference to the handling of these trust funds, but there is no uniformity.

There is a certain amount of responsibility that is lodged in the Veterans' Affairs Committee. This committee wants to get the different angles from the various States on the question of acceptance of securities. We found securities that were not worth more than 50 cents on the dollar being carried at par. The investigator said he thought there would be a loss so far as the security investments were concerned of 50 percent.

Mr. SNELL. Does the gentleman know of any one who has had investments in recent years which have shown a profit?

Mr. RICH. Regardless of whether it is a veteran's or some other estate, the gentleman knows that that situation exists in connection with practically every trust fund today to a certain extent.

Mr. GREENWOOD. I understand that is so.

Mr. RICH. It may not be that there was any discrepancy on the part of the ones administering the funds. It is a condition under which all trusts are being handled at the present time.

Mr. GREENWOOD. That may be partially true. We are not interested in other estates, but we are interested in preserving the securities involved in guardianships of these veteran mental cases.

Mr. WOODRUM. I am in favor of the gentleman's resolution, but does he not think the record ought to show that the Veterans' Administration is already vigorously investigating this matter and has accumulated a great deal of information which has been laid before the Rules Committee?

Mr. GREENWOOD. I am willing for that statement to go into the RECORD. In fact, the gentleman from Mississippi said they were going to use the instrumentalities of the Veterans' Bureau for this investigation. There is no inclination on the part of the resolution to crowd the Veterans' Bureau out of the picture.

Mr. RANKIN. In reply to the gentleman from Pennsylvania [Mr. RICH], I desire to say that I agree with him

that all trust funds have suffered in this depression and the veterans have lost less in proportion to the amount involved than the people of the country generally, but we do not want them to lose any more.

Mr. RICH. If this investigation is held in Washington, it is the idea and purpose of the committee to hold the expenditures of the investigation down as far as possible?

Mr. GREENWOOD. That is correct.

Mr. MOTT. The principal purpose of this resolution is to enable the committee to gather information in order to improve this law?

Mr. GREENWOOD. It is for the purpose of recommending additional legislation that will still further protect investments with reference to these guardianships. We have found a looseness which exists in various States. The facts developed before the Rules Committee justifies a thorough investigation.

Mr. MOTT. The purpose of the investigation is to offer an amendment to the existing law?

Mr. GREENWOOD. That is correct.

Mr. MOTT. The gentleman is not asking this investigation for the purpose of accumulating evidence for the prosecution of certain cases?

Mr. GREENWOOD. No. The Veterans' Committee is asking for this additional information for legislative purposes.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESEARCH VESSEL FOR BUREAU OF FISHERIES

Mr. BLAND. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 8930) to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries.

The Clerk read the bill, as follows:

Be it enacted, etc., That when funds are made available as authorized by section 2 of this act, the Secretary of Commerce is authorized and directed (1) to cause plans and specifications to be prepared for the construction and equipment of a vessel for use in such research work with respect to ocean fisheries as the Secretary finds will be useful to persons engaged in the fishing industry; and (2) to contract for the construction and equipment of such vessel. Such vessel shall be maintained and operated under the supervision of the Secretary of Commerce.

SEC. 2. There is authorized to be appropriated $500,000, or so much thereof as may be necessary, to carry out the purposes of the first sentence of section 1 of this act.

The SPEAKER. Is a second demanded?

Mr. TABER. Mr. Speaker, I demand a second.

Mr. BLAND. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. BLAND. Mr. Speaker, the purpose of this bill is to carry out work that was undertaken and has been carried on by the Bureau of Fisheries for several years.

In 1879 the work commenced with a vessel known as the *Fish Hawk*. After that there was a vessel that was known as the *Albatross*, which became useless from age, was decommissioned, and sold. Then there was procured from the Navy a vessel known as the *Albatross II*. This was found to be uneconomical in operation, and has been decommissioned.

The Bureau of Fisheries carries on a scientific research in the ocean waters along the Atlantic coast, and particularly the North Atlantic coast. The work that is proposed to be done is similar to that which is conducted by other nations. Without the opportunity to carry on this work much of the valuable work that has been done by the Bureau of Fisheries will be lost. For this character of work Great Britain has 5 research vessels, Scotland 3, Ireland 1, Egypt 1, South Africa 1, Norway 1, Sweden 1, Denmark 3, Russia 3, Germany 2, Belgium 1, France 3, Portugal 1, and Japan 1.

The work that is done is of a scientific character. The Bureau is able to predict the general trend of the run of fish, and also to put into operation matters for the economical conduct of the industry.

The Bureau of Fisheries went before the Appropriations Committee, as I understand, and asked for an appropriation for a vessel of this kind. My information is that the witnesses created a very favorable impression, but the Appropriations Committee was of the opinion that there should be legislative authority for its action. This bill simply gives the legislative authority which is necessary for the Appropriations Committee to consider the proposal. They say that they cannot consider it now without legislative authority.

Mr. BLANCHARD. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. Is the Director of the Budget favorable to this bill?

Mr. BLAND. The matter has not been passed on by the Director of the Budget, but in view of the fact that the appropriation must come before the Appropriations Committee, that matter could then be taken care of by the Director of the Budget. It will be noted the particular language of this resolution is "when funds are made available as authorized by section 2." This is simply legislative authority for the proposition.

Mr. MOTT. Will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Oregon.

Mr. MOTT. Did I understand the gentleman to say that the operations of this boat would be confined to the Atlantic coast?

Mr. BLAND. Not necessarily confined to the Atlantic coast, but that is the contemplated work to which it will be adopted in the early years of its use. It could be used in other places. On the Pacific coast there are now some vessels. I think there are about 16 on the Pacific coast.

Mr. MOTT. Vessels of this character owned by the Government and doing the same kind of work?

Mr. BLAND. They are vessels of not as modern a type as this vessel. There is really need that there should be one out there a little later in order to keep up with the other nations of the world in respect of the work they are doing.

But there are, in fact, vessels on the Pacific coast that are doing some work of this kind for the Bureau of Fisheries.

There are about 16, as I recall, that are used principally around Alaska and along the Pacific coast.

Mr. TABER. Mr. Speaker, will the gentleman yield for a question?

Mr. BLAND. Yes.

Mr. TABER. Why do we need to spend as much as $500,000 for a ship of this kind? Are there not a lot of ships under the Shipping Board or connected with the Government in one way or another, that could be used for this purpose?

Mr. BLAND. That matter has been investigated very carefully by the Bureau of Fisheries and it has been found that the vessels now owned by the Navy or the Coast Guard or the Hydrographic Service are not adapted to the peculiar scientific work that this vessel would have to perform.

Mr. TABER. Would it not be better for us to have a smaller ship than this amount would produce and take some vessel that could be fixed up for use in this work? The other countries have already fixed up some other type of vessel, have they not?

Mr. BLAND. In my opinion, this money would be required, but in view of the fact this is an authorization and the question of the extent of the appropriation would come before the committee of which the distinguished gentleman is a member, that question would more appropriately direct itself to that committee.

Mr. TABER. It seems to me that in these days we ought to get along without spending any more money than we have to, and that is why I have asked the question.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Massachusetts.

Mr. TABER. I would think the gentleman from Massachusetts could enlighten us upon this matter.

Mr. McCORMACK. Before I introduced this bill I looked into the matter very extensively, and I took it up with the Bureau of Fisheries in the Department of Commerce, first, with respect to the question of whether or not such legislation is necessary. I found that it is reasonably necessary to authorize the appropriation. The question which the gentleman from New York has so pertinently and properly asked was also looked into by me, and I found that it was the opinion of the Bureau of Fisheries that there were no vessels available which could be transferred from some other Department and utilized for this work.

Mr. BLAND. The committee also went into that.

Mr. McCORMACK. The committee went into that very extensively. I can assure the gentleman that all those aspects were thoroughly looked into and considered by the committee and by myself, and the bill as reported represents the unanimous action of the committee.

Mr. TABER. Would the gentleman be able to tell us something about the type of boat that is to be required?

Mr. McCORMACK. The type of boat we want or what is hoped for is one that a government like ours should have in order to make the necessary research with respect to this time-honored calling that has played such an important part in the development of our country—the fisheries.

Mr. BLAND. The Bureau of Fisheries states—

We have, therefore, specified that the new ship shall be able to handle standard trawl gear and shall have bunker capacity for 3 weeks' cruising in order to reach distant fishing grounds. It must have a speed as low as 1½ knots in order to fish with silk plankton nets, and a cruising speed of 12 knots in order to reduce the total cruising time. The vessel should also have a small hold capable of carrying 10 tons of fish and refrigeration machinery and ample facilities for scientific work aboard. In addition to the usual crew, six seamen will be necessary on cruisers where trawling is done, and space should be provided for them as well as for the scientific staff.

In order to fulfill these requirements, a reliable firm of consulting engineers and architects in Boston estimates that the vessel should be about 160 feet in length, driven by a 1,000-horsepower electric motor, powered by four diesel electric generators. The cost of such a vessel would be about $500,000 for building and equipment.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield.

Mr. WHITE. Does not the Government now own 100 ships that would be suitable for this work that are now tied up and rotting at Seattle and Philadelphia?

Mr. BLAND. After careful investigation by the Bureau of Fisheries they say they cannot carry the necessary instruments and provide the necessary facilities.

Mr. McCORMACK. If the gentleman will permit, the evidence also discloses the fact that the maintenance charges on an existing vessel if it were transferred from the Navy or the Coast Guard to the Bureau of Fisheries would be much greater than if a new vessel were built. This was an important item of consideration in connection with a vessel which might be converted into a research vessel, in addition to the fact that it would not accomplish the purposes and meet the objectives which are desired.

Mr. TABER. Would the gentleman be able to tell us whether other countries have built new ships for this purpose or whether they have converted something they already had?

Mr. McCORMACK. I cannot answer that question, but I believe my friend the gentleman from Maine [Mr. MORAN] can say something about that.

Mr. MORAN. The hearings developed the fact that every first-class fisheries nation has a ship of this type; and, furthermore, the same question had arisen there as here with respect to whether or not some older vessel would not serve the purpose. As I recall the testimony, it was invariably the fact that every nation has a special type of boat and none of them has been able to use its old ships.

Mr. BLAND. I may say that I have before me photographs of two very handsome vessels, one the *Shonan Maru*, Japan's 151-foot research vessel, powered with two 340-horsepower diesels, and equipped with complete, modern research apparatus; and the *Biologen*, the new research vessel of the Danish Biological Station, which replaces an older and smaller vessel.

Mr. McCORMACK. Will the gentleman yield further?

Mr. BLAND. Yes.

Mr. McCORMACK. I might say further that the gentleman from the west coast made a very pertinent inquiry. I think a nation of our size, with the tremendous value of our fisheries, ought to have at least two research vessels, and in view of the important part played in our past history by fishermen and by this industry, I think we should have probably from three to five of such research vessels, and I shall join any effort seeking to provide such a research vessel for the west coast if the matter should come up for consideration later.

Mr. MOTT. Will the gentleman accept an amendment?

Mr. McCORMACK. Let us go ahead with this one. Let us utilize this and then we can afterward go ahead on one for the west coast.

Mr. MOTT. I am not going to object, but I hope that we will get the support of the gentleman for the west coast next session.

Mr. WHITE. Will the gentleman yield?

Mr. BLAND. I yield.

Mr. WHITE. Why could not they use a vessel that is now lying in Seattle which has been used in the ocean-going trade?

Mr. BLAND. Because it is not adapted to this use. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended and the bill was passed, and a motion to reconsider was laid on the table.

AMEND GRAIN FUTURES ACT

Mr. JONES. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9623) to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity future exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges, by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the Grain Futures Act (U.S.C., title 7, sec. 1) is amended to read as follows: "This act shall be known by the short title of 'Commodity Exchange Act.'"

SEC. 2. The Grain Futures Act (U.S.C., title 7, secs. 1 to 17, inclusive) is amended by striking out the word "grain" wherever it appears in such act and inserting in lieu thereof "commodity", "any commodity", or "commodities", as the case may require.

SEC. 3. Section 2 of the Grain Futures Act (U.S.C., title 7, sec. 2) is amended by—

(a) striking out the third sentence of paragraph (a) and inserting in lieu thereof the following: "The word 'commodity' shall mean wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, and mill feeds."; and

(b) adding at the end of paragraph (a) the following sentences: "The words 'cooperative association of producers' shall mean any bona fide cooperative association, corporate or otherwise, owned or controlled by producers of agricultural products whether of not qualified under the act of Congress of February 18, 1922 (U.S.C., title 7, secs. 291 and 292), or any organization acting for a group of such associations and owned or controlled by such associations. The words 'member of a contract market' shall mean and include individuals, associations, partnerships, corporations, and trusts owning or holding membership in, or admitted to membership representation on, a contract market or given members' trading privileges thereon. The words 'futures commission merchant' shall mean and include individuals, associations, partnerships, corporations, and trusts engaged in soliciting or in accepting orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market and that, in or in connection with such solicitation or acceptance of orders, accepts any money, securities, or property (or extends credit in lieu thereof) to margin, guarantee, or secure any trades or contracts that result or may result therefrom. The words 'floor broker' shall mean any person who, in or surrounding any 'pit', 'ring', 'post', or other place provided for the meeting of persons similarly engaged, shall engage in executing for others any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market, and who for such services receives or accepts any commission or other compensation. The words 'the commission' shall mean the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General."

SEC. 4. Section 4 of the Grain Futures Act (U.S.C., title 7, sec. 6) is amended by—

(a) striking out the word "except" at the end of the first paragraph;

(b) striking out all of paragraph (a); and

(c) striking out the parentheses and letter "b" and the word "Where" at the beginning of paragraph (b) and inserting in lieu thereof the words "except, in any of the foregoing cases, where".

SEC. 5. The Grain Futures Act is amended by adding after section 4 (U.S.C., title 7, sec. 6) the following new sections:

"SEC. 4a. (1) Excessive speculation in any commodity, causing sudden or unreasonable fluctuations or unwarranted changes in the price of such commodity, is an undue and unnecessary burden on interstate commerce in such commodity. For the purpose of diminishing, eliminating, or preventing such burden, the commission shall, by order, fix such limit or limits on the amount of trading under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market which may be done by any person as the commission finds is necessary to diminish, eliminate, or prevent such burden. The trading limit may be fixed in different amounts for different markets and for different futures or delivery months, or a trading limit may be fixed to apply to all markets and all futures of any commodity. Such trading limit may be different for the different purposes of subparagraphs (A) and (B) hereof and may be fixed in certain amounts for buying operations and in the same or different amounts for selling operations. The commission shall, in such order, fix a reasonable time (not to exceed 10 days) after the order's promulgation; after which, and until such order is suspended, modified, or revoked, it shall be unlawful for any person—

"(A) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market, any amount of such commodity during any one business day in excess of the trading limit or limits fixed by the commission in such order for or with respect to such commodity; or

"(B) directly or indirectly to buy or sell, or agree to buy or sell, under contracts of sale of such commodity for future delivery on or subject to the rules of any contract market, any amount of such commodity that shall result in giving such person a net-long or net-short position at any one time in or with respect to any such commodity in excess of the trading limit or limits fixed by the commission in such order for or with respect to such commodity.

"(2) The trading limits authorized in paragraph (1) of this section shall not apply to transactions which are shown to be bona fide hedging transactions. Transactions known as 'spreads' or 'straddles' may be exempted in such order of the commission, or the commission in such order may fix different trading limits applying to such spread or straddle transactions.

"(3) For the purpose of paragraph (2) of this section, hedging transactions shall mean sales of any commodity for future delivery on or subject to the rules of any board of trade, to the extent that such sales are offset in quantity by the ownership or purchase of cash commodities or, conversely, purchases for future delivery to the extent that such purchases are offset by sales of cash commodities. There shall be included in the amount of any commodity which may be hedged by any person—

"(A) the amount of such commodity such person is raising, or in good faith intends or expects to raise, within the next 12 months, on land (in the United States or its Territories) which such person owns or leases;

"(B) an amount of such commodity the sale of which for future delivery would be a reasonable hedge against the products or byproducts of such commodity owned or purchased by such person, or the purchase of which for future delivery would be a reasonable hedge against the sale of any product or byproduct of such commodity by such person.

"(4) This section shall apply to a person that is licensed as a futures commission merchant or as floor broker under authority of this act only to the extent that transactions made by such persons are made on behalf of or for the account or benefit of such person. This section shall not apply to transactions made by, or on behalf of, or at the direction of the United States, or a duly authorized agency thereof.

"SEC. 4b. It shall be unlawful for any member of a contract market, or for any correspondent, agent, or employee of any member, in or in connection with any order to make, or the making of, any contract of sale of any commodity in interstate commerce, or for future delivery, made, or to be made, on or subject to the rules of any contract market for or on behalf of any person if such contract for future delivery is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

"(A) to cheat or defraud or attempt to cheat or defraud such person;

"(B) willfully to make or cause to be made to such person any false report or statement thereof, or willfully to enter or cause to be entered for such person any false record thereof;

"(C) willfully to deceive or attempt to deceive such persons by any means whatsoever in regard to any such order or contract or the disposition or execution of any such order or contract, or in regard to any act of agency performed with respect to such order or contract for such person; or

"(D) to bucket such order, or to fill such order by offset against the order or orders of any other person, or willfully and knowingly and without the prior consent of such person to become the buyer in respect to any selling order of such person, or become the seller in respect to any buying order of such person.

"SEC. 4c. It shall be unlawful for any person to offer to enter into, enter into, or confirm the execution of, any transaction involving any commodity, which is or may be used for (1) hedging any transaction in interstate commerce in such commodity or the products or byproducts thereof, or (2) determining the price basis of any such transaction in interstate commerce in such commodity, or (3) delivering any commodity sold, shipped, or received in interstate commerce for the fulfillment thereof—

"(A) if such transaction is, or is of the character, commonly known to the trade as a 'wash sale', 'cross trade', or 'accommodation trade', or is a fictitious sale;

"(B) if such transaction is, or is of the character, commonly known to the trade as a 'privilege', 'indemnity', 'bid', 'offer', 'put', 'call', 'advance guaranty', or 'decline guaranty', or

"(C) if such transaction is used to cause any price to be reported, registered, or recorded which is not a true and bona fide price.

"Nothing contained in this act shall be construed to prevent the exchange of futures in connection with cash commodity transactions or of futures for cash commodities, or of 'transfer trades' or 'office trades' if made in accordance with board of trade rules applying to such transactions and such rules shall not have been disapproved by the Secretary of Agriculture.

"SEC. 4d. It shall be unlawful for any person to engage as futures commission merchant in soliciting orders or accepting orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale or contracts to sell any commodity for future delivery, on or subject to the rules of any contract market unless—

"(1) such person shall have been licensed by the Secretary of Agriculture as such futures commission merchant and such license shall not have expired nor been suspended nor revoked; and

"(2) such person shall, whether a member or nonmember of a contract market, treat and deal with all money, securities, and property received by such person to margin, guarantee, or secure the trades or contracts of any customer of such person or accruing to such customer as the result of such trades or contracts as belonging to such customer. Such money, securities, and property shall not be used to margin or guarantee the trades or contracts, or to secure or extend the credit, of any customer or person other than the one for whom the same are held: *Provided, however,* That such money, securities, and property may be deposited or pledged separately and apart or commingled with the deposits and pledges of such person with any bank or trust company and that such share thereof as shall be necessary to margin, guarantee, or secure the contracts or trades of such customer carried with the clearing house organization of such contract market or with a member of such contract market, may be deposited or pledged with such clearing house organization or with such member.

"SEC. 4e. (1) Any person desiring to be licensed as futures commission merchant or as floor broker hereunder shall make application to the Secretary of Agriculture, which application shall be made in form and manner to be prescribed by the Secretary of Agriculture, giving such information and facts as the Secretary of Agriculture may deem necessary concerning the business in which the applicant is or will be engaged, including, in the case of applications of futures commission merchants, the names and addresses of the managers of all branch offices and of all correspondents and agents engaged in soliciting or accepting on behalf of such applicant any orders for the purchase or sale of any commodity for future delivery on or subject to the rules of any board of trade, and including also the names of its officers and partners, if a partnership, and of its officers, directors, and/or stockholders, as the Secretary of Agriculture may direct, if a corporation. Such person, when licensed hereunder, shall likewise continue to report and furnish to the Secretary of Agriculture the above-mentioned information and such other information pertaining to his business as the Secretary of Agriculture may require.

"(2) Any person licensed as futures commission merchant hereunder shall post in a conspicuous place in each of the offices maintained by such person in the United States in which orders for the purchase or sale of any commodity for future delivery are solicited or accepted, the original or duplicate copy (issued by the Secretary of Agriculture) of such person's license as such futures commission merchant. All licenses shall expire on the 31st day of December of the year for which issued.

"SEC. 4f. It shall be unlawful for any person to act as floor broker in executing any orders for the purchase or sale of any commodity for future delivery, or involving any contracts of sale or contracts to sell any commodity for future delivery, on or subject to the rules of any contract market unless such person shall have been licensed by the Secretary of Agriculture as such floor broker and such license shall not have expired nor been suspended nor revoked.

"SEC. 4g. If any person licensed hereunder as futures commission merchant or floor broker shall violate any of the provisions of this act, or any of the rules or regulations of the Secretary of Agriculture hereunder, or shall fail or refuse to make any report required by the Secretary of Agriculture regarding the transactions of such person, or the transactions of the customers thereof, in commodities for future delivery on any board of trade in the

United States or elsewhere, or shall fail or refuse to keep the books and records pertaining to such transactions in the form and manner required by the Secretary of Agriculture, or shall fail or refuse to keep such books and records open to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice, the license of such person may be suspended or revoked after notice and hearing in accordance with the procedure described in paragraph (b) of section 6 of this act.

"SEC. 4h. It shall be unlawful for any person—

"(1) To conduct any office or place of business anywhere in the United States for the purpose of soliciting or accepting any orders for the purchase or sale of any commodity for future delivery, or for making or offering to make any contracts for the purchase or sale of any commodity for future delivery, or for conducting any dealings in commodities for future delivery that are or may be used for (A) hedging any transactions in interstate commerce in such commodity or the products or byproducts thereof, or (B) determining the price basis of any such transaction in interstate commerce, or (C) delivering any such commodity sold, shipped, or received in interstate commerce for the fulfillment thereof, if such orders, contracts, or dealings are executed or consummated otherwise than by or through a member of a contract market; or

"(2) Falsely to represent such person to be a member of a contract market, or the representative or agent of such member, or to be a licensed futures commission merchant, or the agent of such licensed futures commission merchant, in soliciting or handling any order or contract for the purchase or sale of any commodity in interstate commerce for future delivery, or falsely to represent in connection with the handling of any such order or contract that the same is to be or has been executed on, or by or through any member of, any contract market.

"SEC. 4i. It shall be unlawful for any person to make any contract for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market unless such person shall report or cause to be reported to the properly designated officer in accordance with the rules and regulations of the Secretary of Agriculture (1) whenever such person shall directly or indirectly make such contracts with respect to any commodity, or any future of such commodity, during any one day in an amount equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture; and (2) whenever such person shall directly or indirectly have or obtain a long or short position in any commodity or in any future of such commodity, equal to or in excess of such amount as shall be fixed from time to time by the Secretary of Agriculture. Such person shall also keep books and records of transactions coming within the provisions of (1) and (2) hereof, which books and records shall show complete details concerning all such transactions, including the names and addresses of all persons having any interest therein, and shall be open at all times to inspection by any representative of the United States Department of Agriculture or the United States Department of Justice.

"SEC. 4j. It shall be unlawful for any person to make or enter into, or be a party to as principal or agent, any contract of sale of any commodity for future delivery on or subject to the rules of any contract market, unless—

"(1) Such contract shall be made prior to a date to be fixed by rule or regulation of the Secretary of Agriculture, which shall not be earlier than the 15th day of the delivery month to which such contract relates: *Provided*, That the Secretary of Agriculture may fix different dates for different commodities, and if as to any commodity no date is fixed, then as to such commodity the provisions of this paragraph shall not apply; and

"(2) Such contract shall require, in accordance with the rules or regulations of the Secretary of Agriculture, that the party making delivery thereon of any commodity shall furnish to the party receiving the same, written notice of the date of delivery, which notice shall be given at least three business days prior to the date of delivery: *Provided*, That the Secretary of Agriculture, by rule or regulation, may require longer notice of delivery as to any commodity or commodities, not exceeding 10 business days; and

"(3) such contract provides for the delivery thereon of a commodity of a grade or grades conforming to United States standards, if such standards shall have been officially promulgated."

SEC. 6. Section 5 of the Grain Futures Act (U.S.C., title 7, sec. 7) is amended by—

(a) striking out the word "is" after the word "board" in paragraph (a) and inserting in lieu thereof the word "are";

(b) striking out the word "purpose." at the end of paragraph (a) and inserting in lieu thereof the following: "purpose: *Provided*, That any board of trade not so located shall be designated as a 'contract market' if such board of trade provides for the delivery of commodities on such contracts at a delivery point or points and upon terms and conditions approved by the Secretary of Agriculture."; and

(c) striking out the word "or" after the word "prices" in paragraph (d) and inserting in lieu thereof the word "and".

SEC. 7. The Grain Futures Act is amended by adding after section 5 (U.S.C., title 7, sec. 7) the following new sections:

"SEC. 5a. Each board of trade which shall have been designated as a 'contract market' under authority of this act shall—

"(1) promptly furnish the Secretary of Agriculture copies of all bylaws, rules, regulations, and resolutions made or issued by it or by the governing board thereof or any committee, and of all changes and proposed changes therein,

"(2) allow inspection at all times by any authorized representative of the United States Department of Agriculture or United States Department of Justice of the books, records, and all minutes and journals of proceedings of such board of trade, its governing board and all committees, and of all subsidiaries and affiliates of such board of trade, which books, records, minutes, and journals of proceedings shall be kept for a period of 3 years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and

"(3) when so directed by the Secretary of Agriculture, require the operators of warehouses in which or out of which any commodity is delivered on any contract for future delivery on such board of trade, to make such reports, keep such records, and permit such warehouse visitation as the Secretary of Agriculture may prescribe. Such books and records shall be required to be kept for a period of 3 years from the date thereof, or for a longer period if the Secretary of Agriculture shall so direct, and such books, records, and warehouses shall be open at all times to inspection by any representative of the United States Department of Agriculture or United States Department of Justice.

"SEC. 5b. The failure or refusal of any board of trade to comply with any of the provisions of this act, or any of the rules and regulations of the Secretary of Agriculture thereunder, shall be cause for suspending for a period not to exceed 6 months or revoking the designation of such board of trade as a 'contract market' in accordance with the procedure prescribed in paragraph (a) of section 6 of this act."

SEC. 8. Section 6 of the Grain Futures Act (U.S.C., title 7, secs. 8, 9, 10, and 15) is amended by—

(a) striking out the first sentence of paragraph (b) and inserting in lieu thereof the following: "If the Secretary of Agriculture has reason to believe that any person has violated any of the provisions of this act, or any of the rules and regulations made pursuant to its requirements, or has manipulated or is attempting to manipulate the market price of any commodity, in interstate commerce, or for future delivery on or subject to the rules of any board of trade, he may serve upon such person a complaint stating his charges in that respect, to which complaint shall be attached or contained therein a notice of hearing, specifying a day and place not less than 3 days after the service thereof, requiring such person to show cause why an order should not be made directing that all contract markets until further notice of the Secretary of Agriculture refuse all trading privileges to such person, and/or to show cause why the license of such person, if licensed as futures commission merchant or as floor broker hereunder, should not be suspended or revoked.";

(b) striking out the words "said commission" after the words "before the" in the second sentence of paragraph (b) and inserting in lieu thereof "Secretary of Agriculture";

(c) striking out the word "who" in the second sentence of paragraph (b) and inserting in lieu thereof "which referee";

(d) striking out the words "as chairman of the said commission" in the second sentence of paragraph (b) after the words "to the Secretary of Agriculture";

(e) striking out the words and numerals "of section 12" after the word "penalties," in the third sentence of paragraph (b);

(f) inserting, after the word "amended" in the third sentence of paragraph (b) the following: "and supplemented (U.S.C., title 49, secs. 12, 46, 47, and 48)";

(g) striking out the word "or" after the word "commission", in the third sentence of paragraph (b) and inserting in lieu thereof the word "and";

(h) striking out the fourth sentence of paragraph (b) and inserting in lieu thereof the following: "Upon evidence received, the Secretary of Agriculture may require all contract markets to refuse such person all trading privileges thereon for such period as may be specified in the order, and, if such person has been licensed as futures commission merchant or as floor broker hereunder, may suspend, for a period not to exceed 6 months, or revoke, the license of such person.";

(i) striking out the word "commission" wherever it appears in the sixth, seventh, and eighth sentences of paragraph (b) and inserting in lieu thereof the words "Secretary of Agriculture";

(j) striking out the words "its chairman or to any member thereof" after the word "to" in the seventh sentence of paragraph (b) and inserting in lieu thereof the word "him"; and

(k) striking out the word "Code" at the end of paragraph (b) and inserting the following: "Code, as amended."

SEC. 9. The Grain Futures Act is amended by adding after section 6 (U.S.C., title 7, secs. 8, 9, 10, and 15) the following new sections:

"SEC. 6a. No board of trade which has been designated as a 'contract market' shall exclude from membership in, and all privileges on, such board of trade, any association or corporation engaged in cash grain business having adequate financial responsibility which is organized under the cooperative laws of any State, or which has been recognized as a cooperative association of producers by the United States Government or by any agency thereof, if such association or corporation complies and agrees to comply with such terms and conditions as are or may be imposed lawfully upon other members of such board, and as are or may be imposed lawfully upon a cooperative association of producers engaged in cash grain business, unless such board of trade is authorized by the commission to exclude such association or corporation from membership and privileges after hearing held upon at least 3 days' notice subsequent to the filing of complaint by the board of trade. Such commission may prescribe that such association or corporation shall have and retain membership and privileges, with

or without imposing conditions, or it may permit such board of trade immediately to bar such association or corporation from membership and privileges. Any order of said commission entered hereunder shall be reviewable by the circuit court of appeals for the circuit in which such association or corporation, or such board of trade, has its principal place of business, on written petition either of such association or corporation, or of such board of trade, under the procedure provided in paragraph (a) of section 6 of this act, but such order shall not be stayed by the court pending review.

"SEC. 6b. If any board of trade, or any director, officer, agent, or employee of any board of trade, shall violate any of the provisions of this act or any of the rules or regulations of the Secretary of Agriculture thereunder, or any order issued by the commission pursuant to any provision of this act, the commission, in lieu of revoking the designation of such board of trade as a 'contract market' may, upon notice and hearing and subject to appeal as in other cases provided for in paragraph (a) of section 6 of this act, make and enter an order directing that such board of trade, director, officer, agent, or employee shall cease and desist from continuing such violation or violations, and if such board of trade, director, officer, agent, or employee, thereafter and after the lapse of the period allowed for appeal of such order, shall fail or refuse to obey or comply with such order, such board of trade, director, officer, agent, or employee shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not less than $500 nor more than $10,000 or imprisoned for not less than 6 months nor more than 1 year, or both. Each day during which such failure or refusal to obey such order continues shall be deemed a separate offense."

SEC. 10. The Grain Futures Act is amended by adding after section 8 (U.S.C., title 7, sec. 12) the following new section:

"SEC. 8a. The Secretary of Agriculture is authorized—

"(1) to issue licenses to futures commission merchants and floor brokers upon application in accordance with rules and regulations and in form and manner to be prescribed by the Secretary of Agriculture; and

"(2) to refuse to issue a license to any person if such person has violated any of the provisions of this act or any of the rules or regulations promulgated by the Secretary of Agriculture hereunder for which the license of such person has been revoked; and

"(3) to suspend or revoke the license of any futures commission merchant who shall accept any order for the purchase or sale of any commodity for future delivery on or subject to the rules of any contract market from any person if such person has been denied trading privileges on any contract market by order of the Secretary of Agriculture under the provisions of paragraph (b) of section 6 of this act and the period of denial specified in such order shall not have expired; and

"(4) to fix and establish from time to time fees and charges for the issuance of licenses and renewals thereof and for copies, not to exceed $10 for each such license, renewal, or copy; and

"(5) to make and promulgate such rules and regulations as, in the judgment of the Secretary of Agriculture, are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of this act; and

"(6) to communicate to the proper committee or officer of any contract market and to publish, notwithstanding the provisions of section 8 of this act, the full facts concerning any transaction or market operation, including the names of parties thereto, which in the judgment of the Secretary of Agriculture disrupts or tends to disrupt any market or is otherwise harmful or against the best interests of producers and consumers."

SEC. 11. Section 9 of the Grain Futures Act (U.S.C., title 7, sec. 13) is amended by:

(a) striking out the word "section" and the numeral "4" and inserting in lieu thereof the following: "section 4, section 4a, section 4b, section 4c, section 4d, section 4f, section 4h, section 4i, or section 4j";

(b) inserting after the comma following the word "act" the following: "or who shall manipulate or attempt to manipulate the price of any commodity in interstate commerce, or for future delivery on or subject to the rules of any board of trade, or who shall corner or attempt to corner any such commodity,";

(c) striking out the words "said section" after the words "mentioned in" and inserting in lieu thereof the words "section 4 of this act"; and

(d) inserting after the word "deliver" the words "or cause to be delivered".

SEC. 12. If any provision of any section of the Grain Futures Act shall be held invalid by reason of any amendment thereof by this act, then and in that event such section, in its original form without amendment, shall continue in force and effect. No proceeding shall be abated by reason of any such amendment, but shall be disposed of pursuant thereto.

SEC. 13. This act shall take effect 90 days after the date of its amendment.

Mr. HOPE. Mr. Speaker, I demand a second.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

There was no objection.

Mr. JONES. Mr. Speaker, I would not present a bill of this importance under suspension of the rules but for the fact that the passage of the so-called "stock exchange bill" makes it very desirable that legislation of this kind be enacted.

This is not a partisan measure, and is supported by practically all members of the Agricultural Committee, with perhaps two exceptions.

It is to amend the Grain Futures Act. Instead of having that act limited to grain, it changes the word to "commodities" and amends the act in such a way as to make it commodity legislation, including, in addition to the items now on the list, rice, cotton, and mill feeds.

It authorizes the board, which is provided in the original act, to have a further power of fixing trade limits which any man or concern may have in the way of short or long speculative position in the market at one time. The board is composed of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General. When that board has fixed the trade limit, which any one firm must keep, then any sales beyond that limit are forbidden.

It has developed during these years that there are from 8 to 16 traders on the Chicago Board of Trade who have been largely responsible for the constant fluctuations in the market that has occurred during the raiding of the market. These violent fluctuations have been caused largely by these big traders, such as Arthur Cutten, who are not interested in any way in the maintenance of the market. I have as an illustration some propaganda put out by one of the brokerage houses on April 17 of this year.

It starts off:

Nthing but a miracle can keep grains up. Sell on rallies.

We see no reason for buying grains at this time. Sell on rallies.

All the economists, analysts, and market services must have gotten the same tip, judging by the hydrophobia bullishness of their opinions. We said, "Sell on rallies."

What the world is looking for now is good customers. Why legislate against them?

We know of something definite that will positively affect the markets as they have not been affected for years and which very seldom occurs.

This cannot be explained in this letter. In fact, it is the most legitimate thing that has happened to the grain trade during this administration and will produce the biggest single effect in the market of anything except wide-open inflation.

They do not in a single instance in this propaganda refer to the prices to be paid to the farmer; they do not say anything about a legitimate market for the produce of the farm, but are interested only in the profits in a speculative way because of the transactions in which they engage. This bill will stop these accommodations, trades, options, indemnities, crosstrading, wash sales, puts and calls and will leave hedging untouched. Otherwise, it will leave the market open except for the trading limits which may be established by the board. I want to see these institutions made what they were intended to be—a market place for the actual commodities. I want to see the gambling abolished.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. JONES. Yes.

Mr. MAY. In other words, by the stock-exchange regulation bill that we put through we take control of the speculation in stocks and bonds and securities on the stock exchanges, and by this bill we do identically the same thing in respect to commodities such as wheat and oats and corn, and so forth.

Mr. JONES. Largely the same thing, and the same in principle. If anyone is interested in the comparative changes, they may be found in the report which sets out the regular grain exchange bill which it changes. If they violate the terms of the act, the Secretary will have the right to close them and stop their operations entirely.

Mr. MAY. What was the proof in the hearings of the committee with regard to the character of speculation that is indulged in in dealings in commodities at certain markets such as Chicago, for instance, as compared with the stock-exchange business in New York?

Mr. JONES. They have the same character of trading. There was one man named Cutten who operated without making reports and was short as high as 10,000,000 bushels of wheat at one time.

Mr. MAY. In other words he is the J. P. Morgan of the grain exchange in Chicago as compared with Mr. Morgan in New York?

Mr. JONES. Yes; he is interested in the money he can make out of it, of course. I reserve the remainder of my time.

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr BOILEAU].

Mr. BOILEAU. Mr. Speaker, I believe this bill is necessary to give protection to the American farmer. It seems to me that the present law, the Grain Futures Act, is entirely inadequate in that it does not have enough teeth in it to permit the Department of Agriculture to properly regulate the grain exchanges. This bill proposes to put some teeth into the law. At least the bill goes as far as the Department of Agriculture recommends, and the officials of the Department of Agriculture believe that if this bill is enacted they will be able to more advantageously deal with the grain and cotton exchanges. I call the attention of the membership of the House to the present system which unreasonably taxes the American farmer for services of the grain exchanges. Last year there were about 500 million bushels of wheat produced in the United States. On the Chicago Board of Trade alone more than 20 times that amount was sold for future delivery.

In other words, although we produced in the United States about a half billion bushels of wheat the future sales on the Board of Trade of Chicago alone were 20 times that much. Of course, more than 500,000,000 bushels of wheat were sold in cash sales, and in all those cash sales the commission men got a commission of a cent and a half a bushel, and the American people have been led to believe that that is the only charge made for the handling of this wheat. In addition to the cash sales of wheat, there were 10,000,000,000 bushels of speculative sales on the Chicago exchange alone, which means that a commission was paid 20 times for the handling of that wheat in addition to the commission paid on the so-called "cash sales", when the deliveries of wheat were made. The commission charges on futures sales are one-eighth of 1 cents a bushel for members of the exchange, and the commission companies charge other people one-quarter of a cent a bushel. Twenty times an eighth of a cent is 2½ cents a bushel, but for sales made by people not members of the exchange it meant 20 times a quarter of a cent, or 5 cents a bushel, making a total, including commissions on cash sales of all the way from 4 to 6½ cents a bushel commission charges on every bushel of wheat that was sold in the United States last year. It makes an entirely different picture, and it is because of these so-called "speculative dealings" that this tremendous handling charge is placed on wheat, and those commission charges must be taken out of the selling price of wheat before the farmer gets his price, because the commission men sell it for as much as they can get and they take out all commissions and gambling profits and give the farmer what is left. The present law permits too large a commission to be paid to the commission company. This bill will permit the Department of Agriculture to limit speculative trades, so that there will not be so many of these so-called "futures purchase and sales", and there will not be so much money paid out in commissions.

The only justification advanced for future sales and purchases is that the commission men and exchanges say that the future purchases provide an additional market for the farmer's grain. They say that if the speculators buy 10,000,000,000 bushels of wheat for future delivery they are thereby helping the farmers by providing a market, creating a demand for his wheat, but they fail to tell you that when that speculator buys that wheat for speculative purposes he also has that additional amount of wheat on hand, which increases the supply to the same extent and negatives any benefit that the farmer might have obtained by the supposed increased demand. There is no justification for this tremendous gambling and speculating on the grain exchanges, and I hope this bill will pass, because it will give the Department of Agriculture some little help in trying to prevent this abuse. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield such time to the gentleman from Mississippi [Mr. RANKIN] as he may desire.

Mr. RANKIN. Mr. Speaker, I first want to congratulate the distinguished gentleman from Texas [Mr. JONES], Chairman of the Committee on Agriculture, for bringing in this bill to regulate the grain and cotton exchanges. From the standpoint of the cotton farmers this is one of the most important pieces of legislation that has come before the American Congress since I have been a member of it; and I am sure it will prove of as much benefit to the farmers in the Grain Belt.

The farmers of this country have lost hundreds of millions of dollars through the manipulation of the market on these exchanges. Those manipulators toil not neither do they spin, but they invariably take all the profit of the farmer's crop and leave him with the bills to pay. These outrageous practices should have been stopped long ago, and they would have been stopped if we had had an administration that was more in sympathy with the farmer than it was with those who profiteered at his expense.

When I was a boy, I planted a patch of cotton one year and raised a good-sized remnant, or part of a bale. I put it with another remnant raised by one of the neighbor boys, had it packed into a bale, and he and I took it to town, counting the money we were going to get and deciding what we would buy with it. When we reached the cotton yard the first thing they told us was that cotton was off—the price had gone down. Our feathers fell. I wondered where cotton got off. I saw where we were going to get off.

For many years, I heard that same story drummed into the ears of disappointed farmers—"cotton is off today." During those years, I wondered who fixed the price of cotton and how it was fixed and where it was fixed. I at last found out, and I am going to tell you in as few words as possible how the price of cotton is fixed.

Some years ago I visited the New York Cotton Exchange. At that time it was on the nineteenth floor of a building overlooking Wall Street. While we were waiting for the exchange to open, one of its former presidents led me over to a window and said, "I want to show you what a wonderful view we have." As I looked down, I could see below me the elevated railways flying with lightninglike rapidity, carrying their human burden to every section of the world's greatest city. Below them I could see automobiles and pedestrians rushing to and fro in feverish haste through Wall Street, the world's financial center; and I realized that even below them the subway trains were roaring past. Over to the left, I could see East River, spanned by Brooklyn Bridge, across which pass daily more people than over any other bridge in the world. To my right I could see the harbor and the Atlantic Ocean covered with sail and steamships, bearing their burdens of freight and passengers to every port in the world. He said, "Isn't this a marvelous picture?" I said, "Yes, but did you know that if the farmers of this country were to fail, the chances are that those elevated railways would cease to run, Wall Street would become a panic, the subways would cease to roar, Brooklyn Bridge would be crowded with the anxious faces of hungry men, women, and children, and your commerce would fade from the face of the earth?"

At about that time the clock struck and the cotton exchange opened. In the center of the room was a circular rail about waist high and around it men were crowded, some with their sleeves rolled up, their collars unbuttoned, tearing their hair, their veins standing out like whipcords, yelling at the top of their voices, trying to buy or sell cotton—America's greatest commodity. At intervals around that ring a man was standing with a white glove on his hand. When a sale was made, he reported it by the use of the deaf and dumb alphabet, the noise being too great for his voice to be heard and understood. At that time, the smallest number of bales that could be sold on the exchange

was 100. If one man offered a lot of cotton for sale, of a hundred bales or more, and another man bought it, we will say at 12 cents a pound, the man with the white glove on his hand telegraphed the news to a man on a platform who was using a telephone. We will say that cotton was sold on October delivery. The only information the man with the gloved hand gave was "October 12 cents", meaning that a sale had been made for October delivery and that the price was 12 cents a pound. The man on the platform immediately telephoned this information to a man on the other side of the room who was marking up the board. Under the October column he simply wrote the figure "12", meaning that the last sale on October delivery was 12 cents a pound. That information was immediately flashed to every exchange in the world.

A few minutes later, another sale was made, also for October delivery. This time the price was 12.10 cents—10 cents a hundred pounds or 50 cents a bale more than the previous sale. This information was transmitted by the gloved hand and telephoned to the man at the board, who wrote under the October column the figures "12.10", showing that the last sale for October delivery was $12.10 a hundred pounds. This information was immediately flashed to every exchange in the world.

We will say a farmer on the streets of your town had 10 bales of cotton on his wagon. The cotton merchant who was buying it raised his voice and inquired of the man in the window of the local exchange what the market was doing. The answer came back that it went up 10 points. He immediately turns to the farmer and says, "I can give you 10 points more, or $5 more for your 10 bales of cotton than I could a few moments ago." In other words, the last sale on the exchange fixes the price. That is where cotton gets off.

So long as we have a free, an open, and well-regulated exchange, all is well and good, but the last few years, there has developed a practice of manipulating the exchange so as to drive the price down when the farmer is selling and to raise it after his crop is all gone.

In 1927, certain large cotton factors in this country got a lot of cotton passed by the Government classers that was below the standard, but because it was approved by the Government classers, it could be offered on the exchange, and anyone who bid and bought it could be forced to accept it at the price stipulated.

Manufacturers who wanted cotton for their own use sent their representatives on to the floor of the exchange to buy, but when they found that they had bought a contract from the people owning this low-grade cotton, they simply paid their losses and got out. As a result, the market fell from 22 cents a pound down to about 12 or 13 cents a pound, in a few weeks.

I took the floor here and exposed to the Congress and to the country what was being done. It created an uproar throughout the cotton trade. The farmers were desperate, and small cotton merchants were being ruined. The Senate appointed an investigating committee, and they invited me to come over and help conduct the investigation. I sent and had samples of this cotton brought to Washington. I had it reclassed by disinterested cotton classers from the various spot exchanges of the country. I proved every charge that I made, and have the sworn testimony to substantiate it. We forced them to clean out that low-grade cotton and alter the rules of the exchange so as to prevent such a thing occurring again. Cotton went up by leaps and bounds. While we were on that investigation, it went up 8 cents a pound, or $40 a bale. That $40 a bale went into the pockets of the farmers who still had cotton for sale.

That is one method in which the exchange may be manipulated to the great detriment of the man who toils through the summer months to make a few bales of cotton to carry him and his family through the year. That is another way that cotton gets off, to the detriment of the farmer.

Another vicious practice is what they call "straddles"—straddling between exchanges or straddling between months. Now they are enabled, under what they call southern deliveries, to straddle between delivery points. Only the big firms can straddle, but by doing so they can so manipulate the market as to destroy the little fellows and invariably depress the price when they want to buy and raise the price when they go to sell. That is another way that cotton sometimes gets off.

Unless our cotton farmers have some such protection as this bill offers, they can never hope to receive for their cotton the full measure of its worth.

President Roosevelt has announced his policy of trying to take care of the "forgotten man." No man under the American flag has been more thoroughly forgotten by his Government, worse neglected, or worse imposed upon than the cotton-grower of the South. He has paid the highest interest rate in the world. He has been plundered by high protective tariffs that levy a tax on everything he buys, from the swaddling clothes of infancy to the lining of the coffin in which old age is laid away. He has been robbed through these criminal manipulations of the cotton market. I sometimes think that Edwin Markham must have had him in mind when he wrote his famous poem, "The Man with the Hoe":

> Bowed by the weight of centuries, he leans
> Upon his hoe and gazes on the ground,
> The emptiness of ages in his face,
> And on his back the burden of the world.

I am glad, Mr. Speaker, that an administration has at last come into power that fosters a measure of this kind to protect the cotton and grain growers of the Nation from exploitation through the exchanges, and I again congratulate my distinguished friend from Texas [Mr. JONES] for bringing out this measure to help the farmer secure a just price for the products of his toil. [Applause.]

Mr. JONES. Mr. Speaker, I yield to the gentleman from Arkansas [Mr. GLOVER], such time as he may desire.

Mr. GLOVER. Mr. Speaker, I agree with my friend who has just spoken, that this is one of the most important pieces of legislation which this Congress has considered or will consider during this session.

As stated by the chairman a moment ago, this is a companion bill to go along with the bill which we have just passed with reference to the other exchanges. The abuses that have grown out of future trading are something that have been extremely harmful to the people of the United States engaged in agriculture. Early in my experience in this Congress I introduced a bill to prevent gambling in futures on exchanges. It is not a new proposition to me. I have been advocating it for a long time, and I am glad today to have an opportunity of voting for a bill that, in my opinion, will do more for agriculture than almost anything that could be done.

I appreciate the splendid address by the gentleman from the other side of the aisle that was made here today. I want to say for the members of the Committee on Agriculture on the other side that we have had a fine spirit of cooperation and helpful thought from them, in helping to make this the very best bill that could possibly be made. We have had the best thought that we could get from the entire committee. As stated by the chairman, it is a practically unanimous voice of the entire 26 members of the Committee on Agriculture. I do not believe there ought to be a single vote against this measure, and I hope there will not be.

Mr. JONES. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, the chairman of the committee referred to Mr. Arthur Cutten. A few days ago I had some remarks to make with reference to J. P. Morgan when we passed the stock exchange bill. I want to place in the same category with Mr. Morgan, Mr. Arthur Cutten, of Chicago, who has ruined more farmers in this country than any other single man. If you could gather together all the bones of the people he has caused to die an economic death, they would form a triumphal arch from Chicago to New York, where he went for bigger gambling operations, through which he could safely ride. Destroy the Chicago grain racketeers now when we have the chance.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, I am one of those who believe that every time a man sells a bushel of grain on the market, someone else buys it. Therefore, it has been difficult for me to understand just why the market is unduly influenced by buying and selling in futures or in cash transactions, because it must be true that just as many bushels have been sold as have been bought on every day's transaction. But when we look into the matter we discover that the speculators who deal in large quantities are the ones who dominate the trading. They are the fellows who corner the market. They are able to govern and control large blocks and thereby fleece the honest dealers and beat the market up or down to the detriment of the farmer, the producer, and the ordinary trader on the board. This fact was specifically shown by the hearings and is the proposition to which I call your attention. The representatives from the Department gave us the result of their studies as based upon recorded statistics and stated that concentrated large-scale operations result in abnormal price movements. This is true in 80 percent of the instances which they have on record. For example, last year wheat varied 27 cents in 2 days, because of a concentrated big-scale speculation. The markets do not advance because there are more purchases than sales, neither do they decline because there are more sales than purchases. The two are always equal.

Prices are influenced more by the manner in which purchases or sales are made and how the orders flow into the market and how they are executed. Excessive sales from a single source aggregating millions of bushels in the course of an hour exert a very much greater influence upon the price than the same volume of orders originating from widely different sources. Now this bill will prevent excessive and abnormal transactions which result in cornering the market, or which result from excessive large-scale transactions.

The bill also is directed against purely gambling transactions and against all of those dishonest schemes to which dishonest traders sometimes resort in order to trick a gullible public and prevent the producer from getting an honest price. The trader should not be allowed to deal with a marked deck. If he plays the game, he should play it honestly. Such things as "wash sales", "puts", "calls", "bucketing", and kindred things, are denounced by the bill. Cross trades and accommodation trades are likewise banned. Purely gambling transactions are prohibited, and the bill will prevent transactions which will cause any price to be registered or reported which is not a true and bona fide price.

I believe it was Bret Harte who told us in his famous poem about a game of cards that for "ways that are dark, and for tricks that are vain", the heathen Chinee is peculiar. So it is with gamblers who rob the public on the stock exchanges. They have many ways that are dark and many tricks that are vain. And this bill will prevent many of them.

My attention has been called to one carload of wheat that came in from the country to the Minneapolis market. This carload was sold and resold 57 times before it reached the miller. The trader had a good time with that car of wheat. It went through a peculiar ownership—from boss to bell boy, from manager to stenographer—and every time it changed hands somebody was fleeced. It is easy to guess that neither the producer nor the consumer made anything out of these fraudulent sales, and every time it was sold and in addition to the fraud that there was in it, you must remember that a commission was paid by somebody to somebody. The entire crop is sold hundreds of times each year. Who pays these commissions? Rest assured that they come out of the producer, and the farmer must pay for it in the end.

The bill does not go far enough. But it is a step in the right direction, and we should support it even though we believe that it should go much farther than it does.

The bill does not interfere with legitimate trading. It does not interfere, for example, with the practice of hedging. The bill has been misrepresented before the public, and I have friends in my district who have been disturbed about it. But there is nothing in this legislation that any honest man should object to it. It simply amends and perfects the Grain Futures Act in ways that will prove to be wholesome.

This bill is designed to operate against purely gambling transactions and against those things that are corrupt and dishonest, and it protects the public against them, even though it does not go the full length that many people desire.

Mr. JONES. Mr. Speaker, I yield to the gentleman from Oregon [Mr. PIERCE] such time as he may desire.

Mr. PIERCE. Mr. Speaker, this bill, known as "H.R. 9623", is an attempt to curtail and restrict the activities of the grain exchanges by amending the Grain Futures Act. This object is sought to be accomplished by limiting short selling and speculation, also by licensing commission merchants who deal in commodities for future delivery.

It is the general belief that grain exchanges are necessary and are of real value in agricultural and commercial life. I do not share in this belief.

This bill creates a commission consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General. The commission is given power to fix limitations on speculative trading; also to prohibit cheating, fraud, and practices that are harmful and dishonest. It is the almost universal belief that the unbridled speculation in the exchanges, especially the stock exchanges, was largely responsible for the financial catastrophe of 1929.

The present law, the Grain Futures Act of 1923, has been almost a complete failure. It has no teeth. Under the present act the grain exchanges were supposed to regulate themselves. This they have not done.

The great wrong to the growers of grain is done when a few traders prevent an honest increase in the price which would have come because of a short crop, or, when they meet an active demand by selling for future delivery, millions and millions of bushels that never existed, thus beating down the prices to the farmers.

The commission can, under this bill, stop excessive selling of grain and allow the price to rise in accordance with the natural demand. Wash sales and fictitious transactions are prohibited, as they should be, and severest penalties are provided for such practices.

Legitimate hedging is allowed. By that I mean a flour mill may buy of a farmer or dealer 10,000 bushels of actual wheat for milling; then if that miller does not want to take chances on the possible fall in the market price of that wheat, he can sell in any legal exchange 10,000 bushels against the actual wheat bought. Under the proposed law it is lawful to seek protection against the future fluctuation in the market price of grain by buying or selling on the exchange.

This bill is to be known as the "Commodity Exchange Act" and includes all grain, also cotton.

I do not believe in the speculative market. If we cannot have elimination of speculation in food products, all of which is a hindrance to legitimate business, then I am willing to accept the best possible substitute, which is a controlled exchange.

The Chicago Grain Exchange is responsible for more ruined fortunes, more bankrupt grain merchants, than any other one agency. Man is a natural gambler; he wants to take a chance. By law we have sought to curb that tendency by prohibiting all lotteries, but we have allowed the grain exchange to run wild, luring its victims into its nets by the most dishonest of methods, and the result has been the bankruptcy of thousands of farmers, millers, bankers, and business men of every kind.

The worst feature of the grain exchange is the fact that as soon as the farmer or business man becomes interested in gambling on the future price of grain they nearly all find themselves incapable of transacting ordinary business. The

grain speculator can think only of those things that will influence the future price. Those who control are able to dictate what the news shall be in the papers and other channels read or heard by the amateur speculator. In other words, those on the inside make most of the news fed to the public. The insiders often have power enough to influence the reports of the various branches of the Federal Government. The amateur speculator, like the farmer who sells his real wheat to buy paper wheat, has practically no chance. He is betting with the experienced speculator who is using loaded dice.

There are thousands of farmers in almost every State that date their financial ruin from the date they commenced operating on the speculating market.

I presume I am one of the few Members of the House who have actually dealt on the grain exchanges of San Francisco and Chicago. I have been a heavy raiser of wheat myself.

Many years ago I listened to the siren voice of the managers of the exchange and concluded that the right thing to do was to sell real wheat and buy paper wheat. This was the practice in places in the Pacific Northwest; and, almost universally, it meant that the money put into paper wheat was lost.

I have arrived at the place where I should like to vote for a bill absolutely prohibiting the trading in futures on exchanges. This is the best bill we can get at the present time.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. McFARLANE. Will not the gentleman explain how this bill will affect trading operations on the market?

Mr. PIERCE. That would take more time than I have at my command, and I should like to leave it for the chairman of the committee to explain.

Mr. WHITE. Mr. Speaker, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. WHITE. Does the gentleman not feel that there should be a provision in the bill prohibiting a person from selling or agreeing to sell that which he does not own?

Mr. PIERCE. Yes.

Mr. JONES. Mr. Speaker, I yield one-half minute to the gentleman from Texas [Mr. TERRELL].

Mr. TERRELL of Texas. Mr. Speaker, I shall support this bill. I should like to see it amended, but I was told that it could not be amended as it was called up under a suspension of the rules. The amendment I would suggest would be on page 15, between lines 14 and 15, to insert the following:

That when any sale of any commodity is made for future delivery and the grades of the commodity are specified in the contract of sale, that actual and physical delivery of the commodity of such grade must be made at the time and place specified in the contract.

Any person violating this provision shall be fined in any sum not exceeding $1,000, and each violation shall constitute a separate offense. In addition such person shall have his license suspended for a period of 1 year.

[Here the gavel fell.]

Mr. HOPE. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this is a bill to supplement the original Grain Futures Act that was passed in 1922. It is not a partisan measure at all. There was practically a unanimous report from the Committee on Agriculture. It is true that minority views were filed by one member of the committee, but that gentleman is not here today to defend his views; so, as far as I know, there is no active opposition to the enactment of the measure on the part of the committee. At the time the measure was reported there were only two votes against it in the committee, as I recall. The original Grain Futures Act was passed by a Republican Congress and signed by a Republican President. It was a new venture, and necessarily some features of it now require changing and strengthening. The present measure embodies recommendations which have been made by both Republican and Democratic Secretaries of Agriculture since the enactment of the Grain Futures Act. It is the result of the experience of the Department in the enforcement of that act and attempts to plug up some of the holes which have been found during the 12 years the act has been on the statute books.

The most important part of the pending bill is that which authorizes a board composed of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General to fix trading limits on the exchanges. I am not one of those who believes in abolishing boards of trade, at least not under existing conditions. I think that, properly regulated, they serve a useful purpose; and it would be a calamity to the farmers of this country, in my opinion, if, under present conditions, we did not have boards of trade. On the other hand, unless properly regulated, there is no doubt but what they do result in the manipulation of prices to the detriment of the producers of the country.

Mr. MILLER. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. MILLER. As I understand the gist of the proposition it is to cut out speculative dealings on the various exchanges. Is not that the main purpose of the bill?

Mr. HOPE. It does not entirely cut off speculative dealings, and I do not think it would be wise to do that.

Mr. MILLER. It limits speculation within reasonable bounds.

Mr. HOPE. It does. Of course, there are valuable purposes served by boards of trade. One of them is to furnish a medium through which buyers and sellers can meet and reflect conditions of supply and demand. In the second place, they enable producers, dealers, and processors to maintain a system of price insurance, thus creating throughout the year a more stable market. If we had a market which was entirely free of manipulation, I do not think there could be any serious criticism; but the experience of the Department in administering the present law has shown clearly that where a dealer or a trader deals in an excessively large amount of any commodity it has a pronounced effect upon the price. The reports which have been issued by the Department of Agriculture, and there are several, clearly show this to be the fact. If any Members of the House are particularly interested in this question I would suggest that they read Senate Document No. 61 which goes into this matter quite briefly but thoroughly.

The purpose this bill would serve in giving the power to the board is to enable it, in its judgment and discretion, to fix trading limits above which traders cannot deal. This is, of course, an important grant of power, but we can admit, I think, in view of the fair administration which the Grain Futures Administration has given under the 1922 law, that it would exercise its discretion in this instance in the interest of the producers of this country.

I have not time to discuss even all the important provisions of the bill, but I call attention particularly to the fact that the bill has some features which have been requested by the cooperative farm organizations of the country. For several years there has been a controversy between the Chicago Board of Trade and certain cooperative organizations which have seats upon it. There has been a deliberate effort not only by the Chicago Board of Trade but others as well to prevent cooperative organizations from trading on the exchanges. This bill enlarges the rights of the cooperatives to trade on the exchanges and also provides a better and a different method for settling any disputes which may come up over these rights.

The bill also prohibits a number of practices which I think all traders on the exchange recognize as being inimical to legitimate business transactions. A good many of the matters which are contained in this bill are included in a code which the grain exchanges of the country recently adopted; but this code, of course, is only a temporary affair, and it was thought best to put these restrictions, many of which have the support of the better class of traders on the exchanges, into the form of permanent law.

The bill also provides for the licensing of commission men and pit brokers, thus giving some measure of control over those who do the actual trading.

The bill makes additions to the list of commodities now contained in the Grain Futures Act, the most important of which is cotton. For many years the cotton farmers of this country have been urging that there be some control of speculation in cotton. We have at this time what is known as the "Cotton Futures Act" but this act imposes very little restraint on trading in cotton futures. It has been administered by the Bureau of Agricultural Economics. In this bill the regulation of all commodity exchanges including cotton is transferred to the Grain Futures Administration of the Department of Agriculture.

There has been a great deal of propaganda against this measure circulated by the boards of trade throughout the country, particularly the Chicago Board of Trade. It is the type of opposition and propaganda which was used in 1921 and 1922 prior to the enactment of the present Grain Futures Act. The dire predictions which were made at that time as to the results which would follow if that bill were passed have been proved false. There is no reason whatever for believing that the passage of this bill will in any way interfere with useful trading on the commodity exchanges or adversely affect anyone who has legitimate business there. The effect of this bill, in my opinion, will not be to prevent trading, but to make a broader market, one which is not manipulated, and a better market in which legitimate hedging transactions can be carried on. It will prevent a great many evil practices which are going on and which many members of boards of trade say they would like to have the opportunity of eliminating. In the end I think we can say that it will mark a forward step in the regulation of an institution which, if it is properly managed and regulated, can be made a benefit to the producers of agricultural products instead of a detriment, as has too often been the case in the past. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield the remainder of my time to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, this bill, no doubt, will affect the city of Chicago to a greater degree than it will any other city, and I fully appreciate that the 15 or 20 big grain manipulators, who have for years opposed any regulation, will dislike it; but I am satisfied that the legitimate trade and the commercial men, the exporters, and the general public will approve it, as it will surely inure to their benefit. This bill will not injure but will benefically affect legitimate dealers. It will only restrict the selling short of millions upon millions of bushels of grain, notwithstanding that the sellers never owned one bushel of it, just for the purpose of destroying the market and the prices. It will restrict the amount of trading as well as fluctuations, and no man who is not directly interested in this vicious and contemptible practice can object to as sane a bill as this.

For many years I have carefully pointed out that most of the dubious transactions on the board of trade have been by professionals, and if those transactions had not affected prices they would never have interested me, as I have no objections to a gentleman gambling, if he is so inclined; but what I have been endeavoring to prevent are these gambling activities affecting improperly the prices of grains or of any other commodity, which gambling, as a rule, militates against the best interest of the growers as well as the consumers.

During the last 5 years I have had several conferences with the gentlemen in charge of the board of trade and the stock exchanges and warned them that it would be for the best interests of the Nation, including their own, if they would restrict the gambling operations and the unnecessary fluctuations which have created uncertainty in the market and are invariably practiced solely for the purpose of hammering down prices.

In 1931 Congress created the Farm Board and appropriated $500,000,000 to purchase wheat and corn, which were then selling at an extremely low price, and to increase the farmers' sale price and stimulate the market. When the Farm Board stepped in to purchase large quantities of wheat to improve and stimulate prices paid farmers, these few manipulators sold short millions upon millions of bushels, thereby reprehensively destroying our honest efforts and causing a loss of millions of dollars to the Government. Therefore no one who has the interest of the Nation, especially that of the farmers, at heart can possibly have any sympathy for these complaining gentlemen, as they are not entitled to any.

I have stated many times on the floor that it matters not how many millions we appropriate, nor what other legislation we pass to aid the farmers, they will not avail if these selfish, avaricious gamblers are permitted to continue in their diabolical tactics and practices of selling short. This bill is by no means perfect, and it will not eliminate all abuses, but I am convinced that it will at least minimize and restrict them. The most unfortunate part is that these very gentlemen may transfer their activities to the Winnipeg and Liverpool markets, and I wonder whether the Committee on Agriculture has given any thought as to how that could be prevented, for, after all, the prices, no doubt, on these two exchanges will affect the prices to some extent in the United States. If after this bill becomes the law of our land I find that these speculators are trying to manipulate the Winnipeg and the Liverpool markets, I am positive I will be able to draft a law that will make it unprofitable for them so to do.

Mr. CULKIN. Will the gentleman yield?

Mr. SABATH. I yield for a brief question.

Mr. CULKIN. The gentleman wishes that the committee might have jurisdiction over Winnipeg and Liverpool. May I ask the gentleman if the committee and the administration do not now have jurisdiction over reclamation projects on which they are spending $300,000,000?

Mr. SABATH. The gentleman does not understand the principle of this bill.

Mr. CULKIN. The gentleman does not understand my question.

Mr. SABATH. Yes, I do. It is not a question.

Mr. CULKIN. The gentleman spoke of aiding the farmers.

Mr. SABATH. If the gentleman understood the principle of this bill and if he were interested in the farmers, he would not ask such a question. I thought the gentleman wanted to ask a question relative to this bill.

Mr. CULKIN. The gentleman has not answered the question.

Mr. SABATH. No; and I will not answer the question either, because I am not going to speak about reclamation. Some day when I have time I will talk to the gentleman about reclamation. I now want to explain the importance of this bill.

I want to call attention to the fact that this bill will do more for the good of the Nation, and especially for agriculture, than any piece of legislation that has been enacted.

I pleaded for some sort of legislation similar to this at least 12 years ago. In 1922, under a Republican administration, we did pass a grain futures bill, but it had no teeth. It could not be enforced and did not amount to anything. This bill before us today, although it does not go as far as I advocated, has some teeth and will prevent and stop "wash", "short", and fictitious sales and "puts and calls" and many other schemes by which the values and the prices of grains have been shamefully manipulated.

While the farmer is harvesting his wheat or grain, prices are hammered down to the extreme low point, but the moment the farmer parts with his grain the speculators start to raise the price and the result is that both the consumers and the farmers are mulcted by a bunch of professional, dishonest speculators, many of whom do not know the difference between wheat or barley, but still they sell millions of bushels of wheat, corn, or rye, just for the purpose of artificially lowering the price so that they can buy the grains back at a much lower price. These dastardly tactics have been followed from day to day and year to year to the detriment of the growers, legitimate dealers, and the public.

This bill will also aid the cotton growers in the South, and, in fact, all agriculturists throughout the United States.

I am, indeed, grateful that within 1 week from the passage of the stock exchange bill, which I also advocated for many years, I am to have the privilege of seeing united and salutary action taken by the House on this meritorious bill which, as I have stated, I am sure will do more good than any other piece of similar legislation ever enacted by the Congress.

I herewith give a résumé and explain the provisions of this bill:

First. The Grain Futures Act of 1922 has withstood every attack made against it in the courts. The pending bill proposes to change the title of the present law to the Commodity Exchange Act and adapt the present statute to apply to any commodity dealt in for future delivery, making it apply at this time specifically to wheat, cotton, rice, corn, oats, barley, rye, flaxseed, gain sorghums, and mill feeds (secs. 1, 2, and 3 of bill).

Second. The Commission created under the present Grain Futures Act consisting of the Secretary of Agriculture, the Secretary of Commerce, and the Attorney General, is empowered to fix "trading limits" beyond which it will be unlawful to buy or sell futures for speculative purposes. Wide discretion is given the Commission to fix different limits for different commodities and different markets, and for selling and buying operations, and the Commission will have ample power to curb short selling. Hedging transactions are exempted and are defined in such a way as to make certain that these operations will not be interfered with (sec. 4a added by sec. 5 of bill).

Third. Cheating and fraud upon customers by exchange members, or by their employees or agents, in connection with the handling of orders, is made a criminal offense. Bucketing of orders and becoming the buyer in respect to selling orders, and vice versa, without the prior consent of the customer is made unlawful (sec. 4b added by sec. 5 of bill).

Fourth. "Indemnities" are outlawed, as are also "wash sales", "cross trades", and all transactions used to cause any price to be reported, registered, or recorded which is not a true and bona fide price (sec. 4c added by sec. 5 of the bill).

Fifth. Commission merchants who are intrusted with the funds of the public and receive orders from customers and the floor brokers who execute these orders on the exchange must be licensed by the Secretary of Agriculture (secs. 4d and 4f added by sec. 5 of bill).

Sixth. Margin moneys collected from customers must be safeguarded and not used to extend credit or to margin trades of any person other than the one for whom held. Such moneys are to be held and treated as trust funds, subject to deposit with other members or with the clearing house only as required to margin a customer's trades (sec. 4d added by sec. 5 of bill).

Seventh. Licensed commission merchants must display license or copy thereof in each office maintained by them in which orders are solicited, and must keep records and furnish the Secretary of Agriculture with information pertaining to their business as required (sec. 4e added by sec. 5 of bill).

Eighth. It is made unlawful to solicit orders or conduct any dealings in commodities for future delivery unless such orders and dealings are executed or consummated by or through a member of a contract market (sec. 4h added by sec. 5 of bill).

Ninth. It is made unlawful for any person to represent himself falsely to be a member of a contract market, or the agent of such member, in soliciting orders, or to represent falsely that orders are executed by or through any member of a contract market (sec. 4h added by sec. 5 of bill).

Tenth. Nonmembers as well as members of contract markets must report their transactions in futures direct to the Secretary of Agriculture when of a size required to be so reported by rule or regulation of the Secretary of Agriculture (sec. 4i added by sec. 5 of bill).

Eleventh. The Secretary of Agriculture may fix a date not earlier than the fifteenth of any delivery month beyond which contracts for the sale of any commodity for delivery during that month may not be made, and may require that the party making delivery shall furnish to the party receiving delivery written notice of delivery. Notice of delivery may be fixed by the Secretary of Agriculture at not less than 3 nor more than 10 business days (sec. 4j added by sec. 5 of bill).

Twelfth. Contracts for future delivery must provide for the delivery of grades of commodities conforming to United States standards, if such standards have been officially established (sec. 4j added by sec. 5 of bill).

Thirteenth. Each exchange designated as a "contract market" must promptly furnish the Secretary of Agriculture copies of all bylaws, rules, regulations, and resolutions of such exchange, or the governing body thereof, and of all changes and proposed changes. Such exchange must allow inspection of its books and records and of its minutes and journals of proceedings and, when so directed by the Secretary of Agriculture, must require warehouses in which or out of which commodities are delivered on the futures contracts of such exchange, to make reports, keep records, and permit warehouse visitation as required by the Secretary of Agriculture (sec. 5a added by sec. 7 of bill).

Fourteenth. The power and authority of the commission named in the act is transferred to the Secretary of Agriculture in the matter of violations on the part of individuals, leaving unchanged the authority and jurisdiction of the commission with respect to contract markets and the revocation of contract market designations. The Secretary of Agriculture has authority to revoke the licenses of commission merchants and floor brokers for cause, subject to appeal to the courts (sec. 8 of bill).

Fifteenth. Further protection is extended cooperative associations by requiring their admission to membership and exchange privileges on order of the commission. The rights of such cooperative associations on an exchange are preserved pending appeal of any order to the courts (sec. 6a, added by sec. 9 of bill).

Sixteenth. In the case of a violation of the act by any exchange or its directors and officers, the commission, in lieu of revoking the contract market designation of such exchange, may issue cease and desist orders, which, if violated, will constitute a penal offense, subjecting the exchange or its officers to fine and imprisonment (sec. 6b, added by sec. 9 of bill).

Seventeenth. The Secretary of Agriculture is given power to issue and revoke licenses of futures commission merchants and floor brokers, to fix and establish fees and charges for the issuance of licenses and renewals, not to exceed $10, and may make and promulgate such rules and regulations as in his judgment are reasonably necessary to effectuate any of the provisions or to accomplish any of the purposes of the act. He is also authorized to publish the facts concerning any market operation, including the names of parties, which in his judgment is inimical to the market or against the interests of producers and consumers (sec. 8a, added by sec. 10 of bill).

The SPEAKER. The question is on the motion of the gentleman from Texas [Mr. JONES] to suspend the rules and pass the bill as amended.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on June 4, 1934, the President approved and signed bills of the House of the following titles:

H.R. 8241. An act to authorize the construction and operation of certain bridges across the Monongahela, Allegheny, and Youghiogheny Rivers in the county of Allegheny, Pa.;

H.R. 8714. An act to extend the times for commencing and completing the construction of a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S.C.;

H.R. 8937. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Wabash River, at or near Delphi, Ind.;

H.R. 8951. An act authorizing the city of Shawneetown, Ill., to construct, maintain, and operate a toll bridge across the Ohio River at or near a point between Washington Avenue and Monroe Street in said city of Shawneetown and a point opposite thereto in the county of Union and State of Kentucky;

H.R. 9000. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Holtwood, Lancaster County;

H.R. 9065. An act granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at Turners Falls, Mass.;

H.R. 9257. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Bainbridge, Lancaster County, and Manchester, York County;

H.R. 9271. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Millersburg, Dauphin County, Pa.; and

H.R. 9502. An act authorizing the State Highway Departments of the States of Minnesota and North Dakota to construct, maintain, and operate certain free highway bridges across the Red River from Moorhead, Minn., to Fargo, N.Dak.

GOVERNMENT CONTRACTS AND AGREEMENTS

Mr. FULLER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 2817) to amend the act relating to contracts and agreements under the Agricultural Adjustment Act, approved January 25, 1934.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act entitled "An act relating to contracts and agreements under the Agricultural Adjustment Act", approved January 25, 1934, is amended by inserting before the period at the end thereof a comma and the following: "The Federal Farm Loan Act, as amended, and the Home Owners' Loan Act of 1933."

The SPEAKER. Is a second demanded?

Mr. HOPE. Mr. Speaker, I demand a second.

By unanimous consent, a second was considered as ordered.

Mr. FULLER. Mr. Speaker, we now have a statute under title 18, sections 204 and 205, that makes it a penitentiary offense and also providing for removal from office, for a Member of Congress to enter into a contract in which the Government is interested.

This applies to agricultural loans, including cotton and the hog and corn program. The matter was held up for a long time, and finally they passed a bill through the Congress providing an exemption so far as Congressmen are concerned.

When the statute was enacted it was never intended that it would apply to legitimate transactions, but only to cases where there was a question of profit to a Member of Congress involved in order to keep them from entering into contracts to sell Government property, and so forth.

It has now developed that they are applying this provision to the Home Loan Corporation and that they will make no loans to individuals or constituents where a Congressman holds the mortgage or where he is connected with an institution, directly or indirectly, that is making such a loan. Under the Home Loan Act if I happen to have a mortgage and I want to go ahead and accept bonds to help out a man to whom I have lent some money, I have to make a sacrifice in order to do it, just as everybody else, if it is honest and fair and legitimate, because I have to accept bonds at 3 percent instead of 5 or 7 or 8 percent.

Many of the Members of Congress, I am sure, did not know about this matter, and it has only recently been called to our attention that such transactions have occurred. There ought not to be any reason in the world why anybody would be opposed to this kind of a bill. The Department is not exactly demanding it, but I think I can speak with authority and say that the legal counsel of the Department is anxious that this should be done in order to save embarrassment both to the Congress and the Department. For instance, men are connected with banks either as directors or stockholders, and they are also connected, perhaps with building and loan associations. Suppose someone comes in and wants to borrow money. Simply because I happen to own some stock in one of these institutions, is there any reason why Bill Smith or Mary Jones, who may be a widow, should not borrow money or should not participate in the benefits of the Home Owners' Loan Act? Not a bit in the world. This is of no benefit to Congressmen, but it is of benefit to their constituents, and it will keep us from being embarrassed in protecting our people. I cannot understand why anybody would be opposed to this bill.

I do recall that this bill passed the Senate, it came over to the House and after it came over to the House it was referred to the Committee on Agriculture. Why it was referred to the Committee on Agriculture I presume is because it amends the Agricultural Adjustment Act, but we passed a law exempting Congressmen from the Agricultural Adjustment Act with reference to this emergency proposition. The measure was reported back to the House with the recommendation that it do pass. Since then no action has been taken, and since then an article appeared in a paper that this was for the benefit, especially, of Congressmen, allowing them to profit and receive benefits by it, and it has been lying dormant. I cannot understand why the measure should not be passed.

Mr. SNELL. Will the gentleman yield for a question.

Mr. FULLER. I gladly yield to the gentleman from New York.

Mr. SNELL. The proposition has been put up to me in this way, as a reason why it should apply to Members of Congress. Say, for instance, you had a mortgage on a farm of mine and you sent an inspector to appraise it. The probabilities are that you had something to do with the appointment of the appraiser. Does not the gentleman think this might have some influence on the valuation he would put on the property which was to be the subject of a loan?

Mr. FULLER. I may say to the gentleman that I can conceive of such a thing happening, but I cannot conceive that a man who had such a standing in his community would be willing to resort to such tactics. I believe Congressmen are made of better material than that.

Mr. SNELL. That is a good, general statement.

Mr. FULLER. I believe it is a perfectly true statement.

Mr. SNELL. If a man living alongside of the man who got a loan did not get one, he might feel that the Congressman got a loan because he had some influence in appointing the appraiser to his position.

Mr. FULLER. Let me state the converse of that. I believe if a Member of Congress had a loan of that character to handle he would be mighty careful in going out there and recommending any loan at all, because he would be held personally responsible for it if he took any chance of a profit or any benefit in the world and, personally, you would not do it and hardly any of us would.

Mr. SNELL. It is not a question of profit, but a question of general feeling.

Mr. FULLER. Suppose you hold a mortgage on my place, I am not a Member of Congress, and you are willing to take the bonds and save foreclosure. Should I be barred simply because you own the mortgage? Should your friends be penalized simply because you were in Congress? I believe a Member of Congress is entitled to the same privileges of any citizen and no more.

Mr. SNELL. I think there is a little fine point there and it might be as well if we did not come in under this act.

Mr. FULLER. Section 208 never contemplated that it should apply in this case. It only contemplated where an agreement or where a Congressman made a contract that yielded some profit. This bill is only to relieve an embarrassing situation. There is nothing that can be directly or

indirectly political. I cannot for the life of me see where anyone should oppose it.

Mr. CARPENTER of Nebraska. Is not the gentleman from New York assuming a good deal when he says that a Democratic Congressman will have anything to do with the appointment of an appraiser in the Farm Loan Administration?

Mr. FULLER. I do not know about that.

Mr. LEHLBACH. Will the gentleman yield?

Mr. FULLER. I yield.

Mr. LEHLBACH. If a Congressman holds a mortgage and is barred by the act, why cannot that Congressman relieve his constituent of that embarrassment by assigning the mortgage to a private person?

Mr. FULLER. Then he would be doing indirectly what he cannot do directly. And the law is that you cannot do indirectly what you cannot do directly. Why whip the devil around the stump?

Mr. TABER. Will the gentleman yield?

Mr. FULLER. I yield.

Mr. TABER. There might be some question about a situation where a Member of Congress holds a mortgage on the property, but how can the gentleman justify a Member of Congress who profited from either one of these organizations?

Mr. FULLER. I am not justifying them.

Mr. TABER. Would not this bill permit it?

Mr. FULLER. Yes; it would permit it.

Mr. TABER. I do not think we ought to do such a thing as that and put ourselves in such a position. I do not think we ought to get in such a position.

Mr. CULKIN. Will the gentleman yield?

Mr. FULLER. I yield.

Mr. CULKIN. Is it true that if a Congressman is director of a bank or loan association, under existing law that organization is barred from participating in contracts with the Government?

Mr. FULLER. According to the way they hold, he is. And it gets many men into trouble. It makes it a felony, and on conviction he is removed from office.

Mr. CULKIN. May I say that I think the gentleman's point is well taken. I think the law should not apply, or the home-loan law should not apply, to banks and organizations.

Mr. FULLER. I think because a man is a Congressman he ought not to be barred from what other people can participate in, if he does it honestly. Personally, I would not think of trying to borrow under this law, because it is an emergency matter.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. FULLER. Yes.

Mr. TRUAX. There possibly might not be any Members on the Republican side who would ever take advantage of this, but there might be some Democrats, if they happen to own farms. Something was said about Congressmen appointing appraisers. In my State, when an applicant for an appraiser's job went to the supervisors to be trained, and the supervisors were 9 Republicans out of 10, the first question asked was, "Are you recommended by a Democratic Congressman?" and if the answer was "yes", it meant curtains for that fellow, he had no chance of getting a job.

PERSECTION OF THE JEWS

Mr. COLLINS of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Speaker, one of the most priceless heritages of the American people is the principle of religious liberty established by the founders of this country. Many of them came to this land to escape the terrors of religious persecution practiced in the countries from which they fled.

When the Revolution ended and the American Republic was established, religious liberty was made one of its chief cornerstones. It was guaranteed by the Constitution and embodied in the laws of this Nation. It has contributed to the peace, happiness, and unity of this country and of the world.

Today this great principle is threatened. If we are loyal to it we cannot remain silent in the face of the persecution of the people of the Jewish faith by the Nazis. The founder of the Christian religion was a member of their race. They have furnished the world with many of its greatest statesmen, scholars, scientists, and musicians. They gave to England the great Prime Minister Disraeli. Two of the ablest members of the United States Supreme Court, Justice Brandeis and Justice Cardozo, belong to that faith.

The Jewish people have no nation of their own. They must look to other races to protect their right to life, liberty, and the pursuit of happiness. Wherever this fundamental human right is denied, no liberty-loving American can remain unmoved.

I wish to raise my voice in protest against what is happening today under Adolph Hitler and his misguided Nazi followers. Many of the outstanding citizens of that county are being imprisoned and persecuted. The great scientist, Einstein, has been driven into exile and his property confiscated. The United States has offered refuge to him and to other scientists and scholars who have fled to this country during the past year.

What is happening under Hitler today is a challenge to every civilized country. We have answered that challenge by once again making this land a place of shelter for those who seek religious liberty. We must answer it also by raising our protest against the injustice and the inhumanity of the persecutions that are taking place under the rule of the Nazis today.

THE VOLLBEHR BOOKS AND THE LIBRARY OF CONGRESS COPY OF THE GUTENBERG BIBLE

Mr. BLANTON. Mr. Speaker, in that connection the gentleman from Mississippi [Mr. COLLINS] is the sponsor for the measure that caused the purchase of the valuable books known as the "Vollbehr collection." He has references of the press and others made to that work and I think it will be well worth getting into the RECORD. I ask unanimous consent that the gentleman from Mississippi [Mr. COLLINS] be permitted to extend his remarks and to put in those excerpts regarding that collection of books.

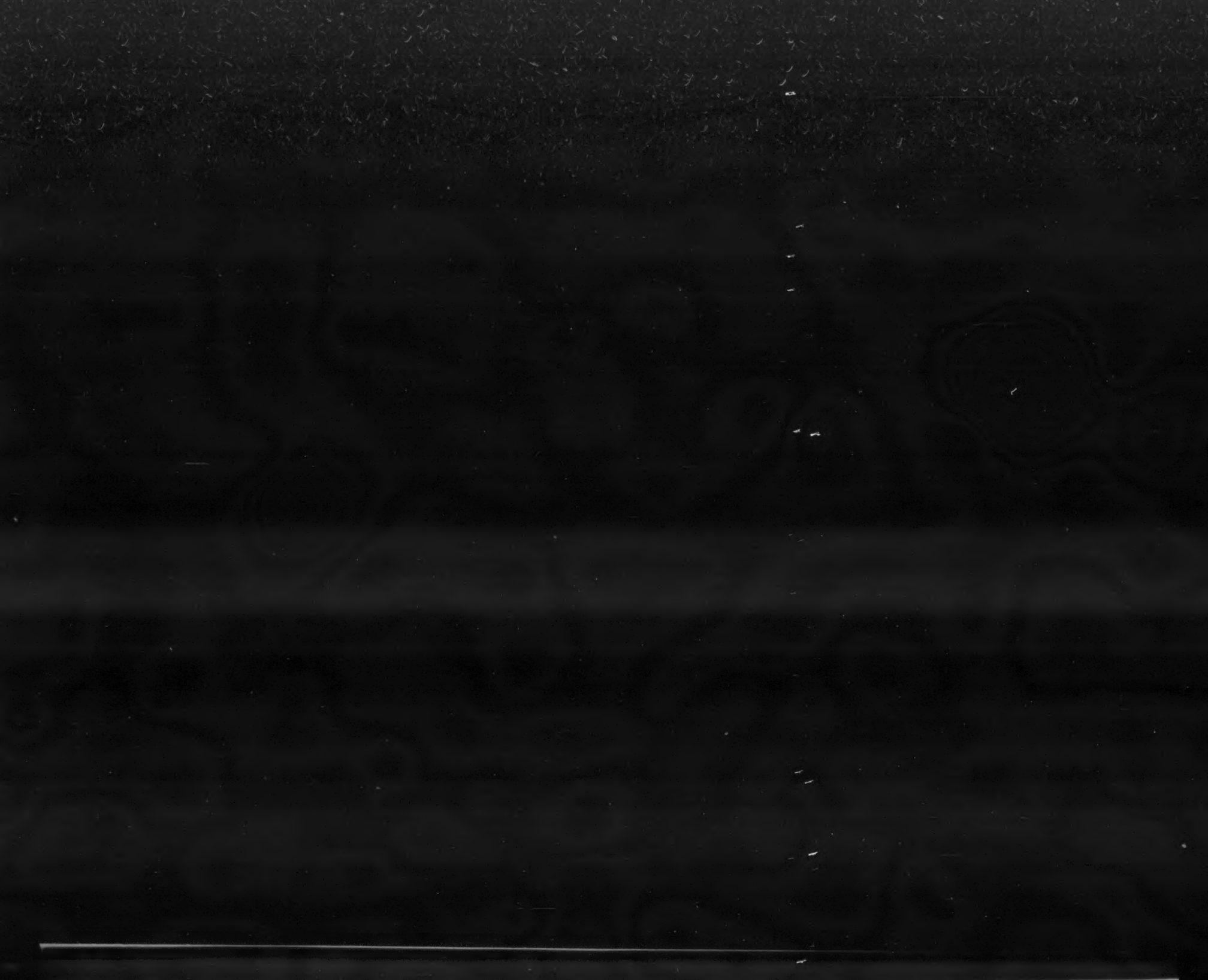
The SPEAKER. Is there objection?

There was no objection.

Mr. COLLINS of Mississippi. Mr. Speaker, the Vollbehr collection of incunabula fired the imagination of the American people as few other things within the past decade. The word "incunabula", formerly scarcely known outside of the very small circle of bibliophiles and medievalists, is now in the vocabulary of millions of Americans. Perhaps it means the beginning of a renaissance for our country, which, having grown rich in the material things, is now beginning to yearn for culture and the spiritual values of life. With more and more leisure in the group of our citizens the use of books grows more universal and the cause of scholarship becomes more important.

The response from the press was to a large extent responsible for the interest manifested in these fifteenth century books. One cannot set forth the importance or the extent of public sentiment which crystallized in favor of the Government purchasing them without giving full credit to the newspapers of this country. It is indeed amazing the number of articles and editorials that appeared after the Representative from Mississippi introduced H.R. 6147. I shall not attempt to quote articles and editorials in full or even a small part of them, but I shall give excerpts from a few newspaper comments regarding the Vollbehr books and the Gutenberg Bible.

Evening Transcript, Boston: "These volumes of the babyhood of printing are not valuable merely as curiosities. They represent, probably, the most beautiful examples of the art of printing in existence. Printing was an art that started out brilliantly. Never, since its first century, has more careful attention been paid to the attainment of beauty in typography and presswork, and this, no doubt, for the reason that the earliest books had to compete in the public eye with manuscript books, and these had attained their maximum beauty. A Caxton—the work of the great



English printer—is a work of beauty worthy of the careful study of any typographers; and we have a fair representation of Caxtons in this country."

The Publishers' Weekly: "No one can accurately estimate the value of these 3,000 books, but experts agree that the price asked is not more than half of its book-market value and that the price could only have been made because of Dr. Vollbehr's genuine interest in seeing this collection in a library where it would do the greatest possible good.

"The collection has been exhibited from time to time in various places and has proved its importance. Booksellers should join with the librarians in urging that this bill for its purchase by the Nation be passed."

George H. Sargent, the well-known author and bibliophile, wrote a letter to the editor calling attention to one or two errors that had appeared in the editorial of January 22. He called attention to the fact that Boston Public Library had very few incunabula, and so forth. I quote from his letter as follows:

But the common error into which the Transcript writer has fallen is that these books are valuable merely for their typography. These "cradle books" are chiefly valuable because in them is embodied the life and the thought of the people of the time. They are not merely theological, but deal with science, art, medicine, geography. Some of these books have been issued in new editions almost down to the present day, and books that have thus survived do not owe their long life to any typographical features. The Bibliothèque Nationale and the British Museum have perfect copies on vellum of the Gutenberg Bible. They are not likely to part with them, and if this country does not acquire the only other perfect copy of the three known copies, it may at some time in the future find itself in the position of the Emperor Tarquin, who bought the last of the Sibylline books on a rising market.

Winston-Salem (N.C.) Journal: "The value of these books is obvious. They should be in the Library of Congress. They are of distinct importance to research students, scholars, and the general reader who takes keen delight in examining books that are, as it were, milestones in the intellectual and literary progress of the race."

The Houston Press: "Strange to say there is no Gutenberg Bible in the Congressional Library, where one should be on exhibition. One Gutenberg was sold page by page to collectors throughout the world. The incunabula collection, or books from the birth or cradle days of printing, contains many other rare volumes. They are valued at over $3,000,000 by collectors. Congress has the opportunity to buy the volumes for $1,500,000 and some shudder at the suggestion that we invest such a sum in old literature in its original type, illustrations, and bindings.

"Those same Congressmen occasionally authorize the expenditure of $35,000,000 for one battleship. That's more than the cost of the Congressional Library and all the books stored there since its birth."

The Washington Post: "Because of the rarity and value of each volume in the collection, it is the hope of thousands of historians, librarians, printers, churchmen, philologists, antiquarians, book lovers, collectors, and literary people generally, that the world's outstanding collection of incunabula in private hands will find a permanent home in the Library of Congress, and that Congress should seize this opportunity to honor its Librarian, under whose administration the Library of Congress has grown in 30 years to its present value and dignity. Acquisition of the Vollbehr collection, which represents a cross-section of the thought and culture of the people of the fifteenth century, the Renaissance, the period contemporaneous with the beginning of the Reformation, and with the discovery of America, would enormously increase the prestige of the Library of Congress.

"Congress has sometimes refused to take advantage of opportunities to secure for the Library of Congress important and valuable collections of books and manuscripts. Its failure to acquire the library of George Washington, the original manuscript of Washington's Farewell Address, the Hartley papers, rich in American history, and the famous historical library of George Bancroft are shining examples of lack of foresight. Another unusual opportunity is now offered to acquire a collection that has no rival in the world. This opportunity to enrich the Nation's historical resources should not be ignored."

Morning Call, of Paterson, N.J.: "Probably never again will such an opportunity arise whereby this country will be offered an authentic vellum Gutenberg Bible along with 2,999 other fifteenth century books at such a price. Within a dozen years the appraised value of the book will have risen twofold, maybe threefold. Must we not all feel that there is no time like the present to consummate such a transaction? England and France are the only other nations owning complete vellum copies. Let America now step to the forefront in this as well as in all other worthwhile objectives and secure for herself, for all time, this choicest and scarcest and most famous of all books—the rarest Gutenberg Bible!"

Saturday Review of Literature: An article by Mr. E. Paul Saunders on the Vollbehr collection, which has already been inserted into the RECORD by Senator Bingham. I cannot refrain from giving Mr. Saunders' closing argument for the desirability of purchasing the Vollbehr collection:

"Congress should pass H.R. 6147 without a dissenting vote as a matter of national pride—pride in that, added to what we already have in the way of rare books (about 30,000 items, including about 1,600 incunabula, first editions, rare bindings, and some 10,000 early American pamphlets, manuscripts, and documents), acquisition of the Vollbehr collection would place the Library of Congress on an unquestionable parity with the national libraries of Europe, including particularly the famous British Museum and the Bibliothèque Nationale, at present the two leading libraries in the world.

"Let us have parity of scholarship as well as in ships, in culture as well as cruisers, in books as in battleships!"

St. Louis Post Dispatch: "The liberality of Congress has enabled the Library to acquire a vast and varied collection of rare books, pamphlets and documents, but Congress has missed some opportunities to acquire invaluable collections, such as the library of George Washington, the original manuscript of Washington's Farewell Address; the Hartley papers, rich in American history; all of which Congress refused to buy and has regretted its refusal ever since. The Vollbehr offer is probably the only chance that Congress will have to acquire for the Nation such a collection of invaluable incunabula. Certainly it is the only chance it will have of getting the Gutenberg vellum Bible. Its purchase will put the Congressional Library in the first rank among libraries.

"If the Nation can spend $40,000,000 for a battleship, it can certainly spend a million and a half for a collection of incunabula and classics which will have not only intrinsic value but an inestimable value to historians, students, scholars, and the art of bookbinding. The Library Building and land cost nearly $7,000,000, but its value is measured not by the cost of land and building but by the treasures it contains."

The Library Journal: "The library profession was represented in person by several librarians and the entire session was a compliment to the National Library as showing both professional and congressional appreciation of the rank which Dr. Putnam's administration has given to it. Those who spoke were among the best informed and the best noted in the field of incunabula, and that they journeyed from several parts of the country to urge favorable action is the best possible endorsement of Representative COLLINS' proposal. As 'parity' is now in the air, it may be observed that the acquisition of the third known copy of the vellum Gutenberg Bible by our own National Library will put it on a parity with the British and French national libraries, which have the other copies. It may be added that not only this inclusion makes the purchase an extraordinary bargain but that the acquisition by the Government of such a collection might serve to draw many a gift of similar material of a value ultimately beyond that proposed in this measure, collectors being prone to favor institutions whose application of their own resources indicates appreciation of such rarities."

Editorial in the Sunday Record, of Columbia, S.C., entitled "Honor to Mississippi", March 16:

Mr. COLLINS' speech is not only informing as to the Vollbehr collection, but it gives an enticing history of the Library of Congress. Among the entertaining sidelights are the expressions of disesteem with which Thomas Jefferson was held by some who opposed the purchase of his library in 1814. One Member opposed the purchase on the grounds that the books were "immoral, indecent, irreligious, and generally revolutionary." Another said that he was opposed to the dissemination of "the principles of a man (Jefferson) who had inflicted greater injury upon our country than any other except Mr. Madison."

But the Jefferson library of 7,000 volumes was purchased at a cost of $23,900.

The Vollbehr collection should be purchased. It is an opportunity that comes rarely, and maybe never again.

Hartford Courant: "Congress, to its later sorrow, has missed similar opportunities in the past, although on the whole its liberality has enabled the Library to acquire an immense and diversified collection of valuable books, pamphlets, and documents. Probably the present offer of Mr. Vollbehr is the only chance which we will be given to acquire this collection and to put the Congressional Library into the front rank among such institutions. So much money is expended annually on matters of less permanent value to the country that it would seem a great misfortune were we to neglect the chance to purchase something that not only has immediate and negotiable value but will add an inestimable prestige to our National Library."

Boston Evening Transcript: In the column entitled "The Bibliographer" appeared the following:

The present opportunity to make the Library of Congress of international importance for all time is one that ought not to be lost. If the Vollbehr collection is not secured for this country the men who bring this reproach to American culture and scholarship will go down in history, if their names are remembered at all, as those who put dollars before sense and who are directly responsible for losing to the Nation a collection "becoming more and more precious, more highly appreciable with the passage of time, imperishable in its influence on scholarship and the advancement of science and culture in the United States."

The other noticeable feature of this desiderate list is that it enumerates a very large number of Bibles, incunabula and classics, specimens of early printing, which are in the famous Vollbehr collection, a bill for the purchase of which is now before Congress. To have this collection come to the Library in its entirety would wipe out some of the most important items in the desiderate list. The Gutenberg Bible, of course, is the greatest of the items desired,

and unless the copy of the Vollbehr collection is acquired now, the Library is not likely to have this foundation stone for the National Library.

Chicago Evening Post: "Practically the only times when citizens of a literary turn of mind are tempted to indulge in the well-know American indoor sport of 'writing to your Congressman' is when some misguided legislator introduces a bill for Federal censorship. It should thus be of particular interest to such citizens to know that there is at present before Congress a bill of another type and one which they may well urge their Representatives and Senators to support. The bill in question is one for the purchase of the Vollbehr collection of incunabula for the Library of Congress. You should write now if you are interested in having your legislators pause for a moment to devote to cultural purposes a sum small indeed compared to the millions appropriated annually for military, industrial, and political projects."

Publishers' Weekly: "The dramatic thing about the great Vollbehr collection of fifteenth century books is the fact that there is a copy of the vellum edition of the Gutenberg Bible in the collection. This book is of such inestimable value that the acquisition of the vellum copy by the Library of Congress is of national importance. Librarians and scholars gathered at the hearing to emphasize the importance of this collection to the Library; but, more than that, they helped by so doing to emphasize the importance of the Library of Congress itself, which is so steadily becoming not only a reference library but a housing place for treasures of inestimable value."

Public Ledger, Times-Picayune, the New York Evening Post, the Danbury News, the Democrat Chronicle of Washington, and other papers: Clinton W. Gilbert, in his column entitled "The Daily Mirror of Washington", has the following to say, among other things, about this collection:

Congress is showing more interest in this collection of rare books than it has been in the habit of showing in literary rarities. It neglected a century or more ago to buy for $2,500 the private library of George Washington. Similarly, in 1850, though urged to do so by Henry Clay, it neglected to purchase the manuscript of Washington's Farewell Address for $100. George Bancroft's very valuable library of Americana—books, manuscripts, and pamphlets, nearly 20,000 items—was allowed to slip into other hands, though offered for $75,000. So, too, the Hartley collection of Americana failed to interest Congress in 1860.

Times Union of Rochester, N.Y.: "This distinctly is an opportunity that Congress will never have again. In this collection are books that millions on millions of Americans will never see if they are not purchased by Congress. Representative COLLINS of Mississippi has seen the need of not only completing the Library of Congress but of bringing the books to the United States, where they may be seen and read. As he points out, they are not merely a collection of museum pieces, they are books necessary to education and culture."

Knickerbocker Press of Albany, N.Y.: "The Gutenberg three-volume Bible is valued at $1,000,000 by librarians and book experts everywhere. In a few years its value will be increased twofold. But the Bible and other books of the Vollbehr collection are offered to the Library of Congress for $1,500,000."

"This distinctly is an opportunity that Congress will never have again. In this collection are books that millions on millions of Americans will never see if they are not purchased by Congress."

In the Bethlehem Globe-Times, Librarian H. S. Leach, of Lehigh University, states in an interview:

There is no question whatever as to the authenticity and enormous value of the collection, and its purchase would put our National Library on a par with the best in the world. The price of $1,500,000 asked for the entire collection is regarded as an opportunity for the United States to improve the value of its library that is without parallel.

Waterbury Republican: "The situation of governmental finances is little different now, but the announcement in Sunday's papers that the cost of American participation in the World War has reached the stupendous total of $51,400,000,000, and that we shall pay this year the sum of $1,162,000,000 on account, brings up a matter of relative values. A million and a half dollars for culture and education seems a slight enough sum in contrast to the cost of the war.

"Book dealers have agreed that the Vollbehr collection is a bargain. It contains for one thing a Gutenberg Bible, which it is safe to say will some day bring a million dollars, in the rare event that one is ever offered for sale again. One of the chief arguments for the purchase of the collection is that it probably represents the last chance the Library of Congress will have to acquire this finest example of the printer's art and the first book to be printed with movable type. The other two known copies on vellum are owned by Britain and France and will presumably never be available.

"But the Bible is only one of 3,000 'cradle volumes' in the Vollbehr collection. It includes many works on religion, travel, science, philosophy, law, medicine, and orientalia, and many of the earliest printed editions of Greek and Roman classics. Not a few of the books shed a good deal of light on European conditions in the fifteenth century which resulted in the discovery and exploration of America. The Library of Congress should have the collection, and it is greatly to be hoped that Congress will see its way clear to appropriate the money."

Evening Star, Washington, D.C.: "They will be of interest and aid to students of the history of printing and to those engaged in other lines of research. The presence of that collection in the Library of Congress will bring Washington appreciably closer to the point of being the literary cultural center of the world."

Chattanooga News: "The Library of Congress is our national museum of literature. It should be the finest in the world. In point of numbers it is certainly one of the finest. It consists of 4,000,000 books and pamphlets, a million maps, a million pieces of music, over 70,000 bound volumes of newspapers, and many other pieces. It would be a source of pride to Americans to know that this great library would be crowned with the choicest book of Christendom."

Journal, of Auburn, N.Y.: "It is worth while for this Nation to take its mind off material things for a time. Possession of the Vollbehr collection would stimulate the interest of thousands of bibliophiles, librarians, printers, and art students. As a whole, the collection represents the cultural and artistic soul of the people of the Renaissance. Scholars would find it a rare field for research. Instead of going abroad, they could find in our Library of Congress some of the finest examples of early bookmaking. Foreign students would travel to America to study the collection."

The Punxsutawney Spirit: "With this wonderful collection added to its shelves the Congressional Library would take rank with the greatest in the world.

"America, with some semblance of justice, has been stigmatized as commercial and mercenary, a Nation of dollar worshipers, lacking culture and love for the beautiful in art, literature, and music. A country in which jazz is called music, and a vulgar display of wealth passes for aristocracy. The purchase by our Government of this incomparable collection of rare and priceless books would prove that we think of other things besides the accumulation of dollars. In the old days of rivalry for naval supremacy, Congress would spend $40,000,000 for a battleship without batting an eye. The bill to add this wonderful bibliographical treasure to the Congressional Library should be promptly passed."

Star Eagle, of Newark, N.J.: "The Vollbehr is the outstanding collection of incunabula in the world and its greatest treasure is the faultless copy of the three-volume Gutenberg Bible, printed upon vellum. Only three perfect copies of this work exist. The other two copies are in the British Museum and the Bibliothèque Nationale in Paris. The Gutenberg Bible in the Vollbehr collection has been called 'the choicest book in Christendom', but it is not by any means the only treasure which the United States has an opportunity to acquire for the Congressional Library. Of more than 40 percent of the books in the Vollbehr group, no single copy exists in America. It contains, among other things, copies of 20 of the known 32 fifteenth century books concerned with the discovery of America. More than 100 of the books were printed between the years 1455 and 1470, in the very infancy of the art of printing."

Courier, Waterloo, Iowa: "The Vollbehr collection, acknowledged the outstanding one of its kind in the world, numbers 20 of the 32 known books of the fifteenth century published regarding the discovery of America; while of more than 1,200 of its titles no single copy exists in America."

Boston Post: "Let America now step to the forefront in this as well as in all other worthwhile objectives, and secure for herself, for all time, this choicest and scarcest and most famous of all books—the rarest Gutenberg Bible."

Philadelphia Inquirer: "Favorable action will make these rarities accessible to scholarship, affording first-hand information on historical subjects. Since the period includes the Renaissance and the discovery of America, the volumes cover an important epoch of civilization. The material will be available to correct errors in modern works, many of whose authors never went to original sources to verify their data. How important is the task of checking up may be indicated when one remembers that much of what passes for familiar knowledge in our schools is really based on slender evidence.

"Dating back to the beginning of the art of printing, the Vollbehr collection offers possibilities of checking up on an important age."

Boston Herald: "Here is a chance to place the Congressional Library at a single stroke on a plane of parity at least with its only rivals in the world. We should make the most of it. As Elihu Root has said: 'The possession of such a collection would give distinction to our Library and it would not be treated as a second-class institution.'"

Indianapolis News: "But this Vollbehr library of 3,000 volumes is rich in all departments of learning—classic, patriotic, scientific, and law. Nor are the books mere 'museum pieces' for many, if not most of them, are of the highest value to scholars and research workers. The price is, as one of the experts says, 'amazingly' low for a literary and art treasure of inestimable value, and our great Library would be the poorer without having had the chance to acquire it. It is no question of having a national library, but rather one weather, having it, we shall see it is kept up to the very highest standards.

Ernest Boyd in the New Freeman: "It has always amused me to observe the contortions of governments when confronted with the opportunity for useful expenditure, out of which no party kudos can be extracted. How it hurts when someone suggests that a great work of art, or a rare library ought to be purchased by the Nation and placed in some appropriate public institution.

"We are forever hearing lamentations over the failure of this government or that to acquire for the nations works which must otherwise be sold to the highest bidder and thereby withdrawn from general consumption. On no occasion does the amount involved approach that casually spent upon pretty devices for the destruction of human lives and it is such evidences that men have gradually accumulated to prove that they are not necessarily swine. I shall not attempt, with my unarithmetical mind, to calculate how much $1,500,000 would cost us per person in proportion to the wealth and population of the taxpayers of the United States.

"Nevertheless, our legislators will hesitate over the Vollbehr collection, as the legislators of other countries almost as wealthy have hesitated in analogous circumstances. Ces Messieurs suddenly become frightfully aware of their responsibilities to the taxpayer. When they have saved him from rashly becoming the owner of a Gutenberg Bible, they feel that they have not lived in vain and have deserved well of their constituents. The National Treasury must not be bankrupted by Jeffersonian scoundrels; let the latter leave that to their inferiors, who know how and when to do it, without arousing the apprehensions of the plain people. Let who will buy the Nation's literature, provided we vote for their battleships, is their happy thought. There is more rejoicing over the launching of one cruiser than over the purchase of ninety and nine works of immortal beauty."

Milwaukee Journal: "Congress should not miss the opportunity to bring to this country a collection so rich in history, literature, and the art of printing that, while its value must of necessity be measured in dollars, it is really priceless."

Daily Clarion Ledger, Jackson, Miss.: "There is now pending before Congress H.R. 6147, introduced by Congressman Ross COLLINS, of this State, which would appropriate $1,500,000 to purchase the Otto H. F. Vollbehr collection of 3,000 volumes 'cradle books'—so called because printed in the infancy of the 'art preservative of arts.'

"Under terms of this bill the collection would be acquired for the Nation and be deposited in the Library of Congress and remain a part thereof, to be known as 'the Herbert Putnam collection of incunabula.'

"This bill and the part taken in its passage by Congressman COLLINS have created a great deal of attention throughout the country and have received the general approval of the leading editors of the Nation.

Miami Herald: "The proposition is not a question of mere money. The volumes have a rare and intrinsic importance. They would be a priceless source of information for those who cannot go to Europe to consult references. The collection contains works on religion, astronomy, medicine, natural science, law, geography, cosmography, chess, cookery, history, matrimony, philosophy, customs, travel, bibliomania, temperance, military and naval sciences, printed in English, Latin, Greek, Hebrew, Italian, French, Chinese, Slavonian, German, or Spanish. It is twice as large as any single American collection except the Huntington.

"America has scrapped on occasions a single battleship representing many times the sum asked for this collection. Its possession would symbolize our desire for parity in culture as well as in cruisers."

Brooklyn Citizen: "An interesting feature of the great Vollbehr collection is a copy of the Gutenberg Bible on vellum, which is one of the only three perfect copies in existence. Edward F. Stevens, librarian of the Pratt Institute of Free Library of Brooklyn, discussing the collection, says: 'The three-volume Gutenberg Bible, printed upon vellum XXX included in this collection, itself awakens eager and jealous desire that its permanent home shall be in the United States in its National Library, where the people may behold it and take pride in it forever. Only two other faultless copies of the Gutenberg Bible printed upon parchment exist, one in the Bibliothèque in Paris and one in the British Museum. America should own the third. Dr. Vollbehr's copy not only equals the other two in perfection but is the only vellum specimen extant in three volumes. This copy has been described as the 'choicest book of Christendom.'"

Portland Evening News, Portland, Maine: "'This Vollbehr collection could not be duplicated', says Dr. George P. Winship, of Harvard, a leading authority on incunabula, 'now or at any time in the future for any amount of money * * * The opportunity is in every way exceptional. * * * It will never again be possible to bring together another collection remotely comparable to this one.'"

"An so testify all authorities on incunabula in the country. The collection is offered the Library of Congress because only such a library has the ability to pay the price, and because Dr. Vollbehr wishes his collection to be kept in its entirety.

"This opportunity to acquire for the people of the United States such a priceless collection at so really small a price will never come again. It is literally an opportunity of a lifetime—of a century. An unanimous vote for the bill seems in order."

Chicago Daily Tribune: "In Europe conservation policies mean not alone the salvage of natural resources but the rescue of the great works of human hands and minds from the destruction of scattering that time imposes on them. Though America has fewer works of time and of tradition available for saving, she has more money to save what there may be. As a memorial to Carl Schurz, Dr. Otto H. F. Vollbehr, of Berlin, presented his collection of 20,000 early woodcuts to the Library of Congress more than a year ago. His incunabula (cradle books) printed in the infancy of printing are now available at one-half their appraised value. The great Gutenberg Bible, incunabulum incunabulorem, alone makes this a national investment well worth the cost."

The Commonweal: "One bill regarding which there could be no difference of opinion was introduced some time ago by Representative Ross A. COLLINS of Mississippi. Indeed, if it were not for the dictates of economy the matter would have been taken care of in a jiffy. A famous German collector of books, Dr. Otto Vollbehr, presents for sale to the United States Government for the Library of Congress his accumulation of incunabula, as books printed during the early days of the art's history are termed. One item is a unique three-volume Gutenberg Bible—absolutely the only one of its kind in existence, and held to be worth a round million dollars. Dr. Vollbehr offers his entire library, 3,000 volumes, at $500 apiece, which figure is absurdly reasonable."

Editorial in the Nation of May 21: "A million and a half dollars is the comparatively trifling sum asked of Congress for the purchase, for the Library of Congress, of the Vollbehr collection of incunabula. Nor could this sum, about a tenth of the cost of a new cruiser, be spent in any more worth-while or satisfactory manner. Three thousand books comprise the collection, 40 percent of the titles not being represented at all in the United States today.

"There is every reason to believe that Congress will be willing to appropriate money for the purchase of these books. Its policy toward the Library of Congress has been, on the whole, farsighted, generous, and intelligent.

"In determining appropriations for the Library, Congress has made several bad slips, which have been regretted ever since by persons aware of their significance. Now it may make up for these unfortunate mistakes by appropriating without delay funds for the purchase of the unique and invaluable Vollbehr collection. When we consider the vast sums that are discussed for the 'limitations of armaments', a mere million and a half seems little indeed."

Times-Picayune, of New Orleans: "It is not without interest to note that the Member of Congress who drew the measure now before our legislators, and whose speech in advocacy of his proposal was an outstanding address of the current year, was not from Boston, New York, Washington, or other literary center, was not from the North, even, but from our own next-door State, Mississippi. In short, this earnest advocate of a great literary acquisition was the Honorable Ross A. COLLINS, of the Fifth District. Purchase of the Vollbehr books will come up in Congress for action at a later date, and the collection, if acquired, will place us, incunabulistically speaking, on a par with the nations of the Old World."

Hartford Courant: "The Library of Congress, center of the Nation's historical and intellectual heritage, should not be denied these books. If Congress persists in being dilatory in the matter, the collection will be broken up and sold at auction in Europe. Immediate action is necessary. The matter should be decided at this present session, else the chance may be gone forever."

Bookman: "The keynote of the whole collection is, of course, the Gutenberg Bible on vellum, one of the three known perfect copies, the others being firmly anchored in the British Museum and the Bibliothèque Nationale. Readers of Roman history may remember the story of the Emperor Tarquin who refused to buy the nine Sibylline books offered to him, and who in the end paid the same price for the last three of them after the Sibyl had destroyed the other six. History, it is said, repeats itself."

GOVERNMENT CONTRACTS AND AGREEMENTS

Mr. HOPE. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, I hate to see this bill come up here in this shape. Frankly it makes Members of Congress eligible borrowers from both the Farm Loan banks and the Home Loan banks, and I can conceive of nothing that will bring Congress into more dispute than to pass such a bill. I do not see how we can go back home and face our constituents after passing such a bill. The rulings of the Comptroller General do not bar dealing with the Government by corporations in which Members of Congress happen to hold a small amount of stock. It is not necessary from any such standpoint as that. I don't believe there will be serious objection to passing a bill which would permit one of those organization to take over small mortgages or something of that kind, but for Members of Congress to go out and borrow directly on property that they own from either of these organizations I think is absolutely ridiculous.

Mr. FULLER. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. FULLER. The gentleman should understand that this does not apply to farm land, this applies on the Home Loan Bank business. They can only accept bonds at 3 percent. It does not apply to the farm loan, because that is not a Government agency.

Mr. TABER. The report of the committee says that the amendment is to add the words "The Federal Farm Loan

Act as amended and the Home Owners' Loan Act of 1933." That would bring farm loans under it.

Mr. FULLER. That is correct.

Mr. TABER. I don't see why we should take any chances of that kind and bring the House of Representatives and the Senate into disrepute. [Applause.] I think we ought to vote this bill down in the shape in which it is presented.

Mr. SNELL. Mr. Speaker, as I understand it, a general statute prohibits a Member of either body entering into a contract with the Government.

Mr. TABER. Yes.

Mr. SNELL. Why should we make an exception for this specific purpose at this time?

Mr. TABER. I can see no reason except to benefit Members of Congress.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. O'CONNOR. In view of the statement the gentleman made, that the Comptroller General had ruled that where a Member of Congress owned a small amount of stock in a corporation, the corporation was not prevented from contracting or dealing with the Government, I do not see how the Comptroller General could so rule, because section 206 does pertain to any corporation and as I interpret that and have so advised people I believe that if a Member of Congress owned all of the stock of a corporation, that corporation would not be prevented from dealing with the Government.

Mr. TABER. I think that is true.

Mr. O'CONNOR. I do not want the RECORD to indicate anything to the contrary.

Mr. TABER. I used the expression "small amount of stock", because they were the words the gentleman from Arkansas [Mr. FULLER] used. I think the gentleman is right, that it does not apply to a corporation in any way.

Mr. HOPE. Mr. Speaker, will the gentleman yield?

Mr. TABER. Yes.

Mr. HOPE. I call the gentleman's attention to the fact that section 206 of the criminal code, which is the section referred to by the gentleman from New York [Mr. O'CONNOR], provides:

> That nothing contained in sections 204 and 205 of this title shall extend or be construed to extend to any contract or agreement made or entered into or accepted by any incorporated company, where such contract or agreement is made for the general benefit of such corporation or company, nor to the purchase or sale of bills of exchange or other properties by any Member or Delegate to Congress or Resident Commissioner, where the same are ready for delivery and payment therefor is made at the time of making or entering into the contract or agreement.

Mr. TABER. It is not only clear as to that, but I should say that the last part of the language that the gentleman read would take care of any small mortgage or anything of that kind turned into those corporations.

Mr. SNELL. Will the gentleman yield for a question?

Mr. TABER. I yield.

Mr. SNELL. If the principle of allowing a Member of Congress to enter into a contract with the Government was wrong, we should try to change it entirely, but not just change it for this special law.

Mr. TABER. There is no question about it. We ought not get ourselves into trouble by passing such a law as this.

Mr. ARNOLD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. ARNOLD. The gentleman should not lose sight of the fact that both of these acts were passed in the interest of the distressed home owner and the distressed farmer. With this ban in the law as it is now, the farmer or home owner who has a loan that is held by a Member of Congress or is held by any institution in which a Member of Congress is interested, cannot receive any relief whatever under either the Federal Home Loan Act or the Home Owners' Loan Corporation.

Mr. TABER. I do not think the gentleman understands the law.

Mr. ARNOLD. If we look at this from the standpoint of the home owner or the farmer, this ban should be removed.

Mr. TABER. If the gentleman will listen, I will read this statute:

> SEC. 206. Contracts not affected. Nothing contained in sections 204 and 205 shall extend to or be construed to extend to the purchase or sale of bills of exchange or other property by any Member of or Delegate to Congress where the same are ready for delivery and payment therefor is made at the time of making or entering into the contract or agreement.

That would except a mortgage which was to be turned over to this corporation. There is no question about it. That is what the law says.

Mr. ARNOLD. But the departments have ruled otherwise.

Mr. O'CONNOR. Will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. Those sections of the Criminal Code, 202 on, were adopted in 1909, as I recall it?

Mr. TABER. That is correct.

Mr. O'CONNOR. Of course, they did not anticipate the situation that exists today. What they had in mind was a Member of Congress being directly interested, although they say indirectly, in a contract with the Government. It has been held, for instance, that where a general contractor has a contract with the Government, a Member of Congress, interested in a subcontract on that general contract, is not prohibited by these sections. These acts did not anticipate the situation we have today. Does the gentleman really think that the Government would suffer any if a mortgage were made on the home or farm of a Member of Congress?

Mr. TABER. I think we would be a great deal better off if we did not get into that sort of thing.

Mr. O'CONNOR. I am not personally interested.

Mr. TABER. I think for the protection of Members of Congress, we would be much better off if we did not take any chance.

Mr. DOWELL. Will the gentleman yield?

Mr. TABER. I yield.

Mr. DOWELL. Should we open this door and permit Members of Congress to be dealing in this character of securities?

Mr. TABER. I think we should not.

Mr. DOWELL. Should we not oppose this bill and should not this bill be defeated?

Mr. TABER. I think it should be.

Mr. DOWELL. There is no real call for it that I know of, and I hope it will be defeated.

Mr. HOPE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill amends a bill which we passed earlier in this session, which provided that the provisions of law which have been referred to here, prohibiting Members of Congress from contracting with the Government, should not apply to contracts entered into under the Agricultural Adjustment Act. I think there was a very good reason for making an exception of those contracts, because with that prohibition in the law it prevented Members of Congress from cooperating with the agricultural program of the Government. There are a great many of them who are producers of agricultural products. They were perfectly willing and anxious to cooperate and could not do it. It was certainly setting a bad example, if nothing else, to the other farmers of this country who were urged to go into these various allotment contracts for Members of Congress not to cooperate. So I think there was a very good reason why that legislation was proper. But here we have an entirely different situation.

Mr. FULLER. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. FULLER. Does the gentleman not think there are Members of Congress who want to cooperate on this home loan law, who own mortgages, that have people who want to borrow, where they will have to take a sacrifice by taking bonds. Does the gentleman not think that situation prevails all over this House?

Mr. HOPE. I do not know why it would be called cooperation for a Member of Congress to apply for and get a loan on his home or his farm. I do not consider there is anything cooperative about that. Especially is this true

when we recall that the total amount which can be loaned is limited and that it is those in financial distress who are supposed to be benefited.

Mr. FULLER. That is not what I asked the gentleman.

Mr. HOPE. That is what this bill provides, that Members of Congress can borrow from the Home Owners' Loan Corporation, and from the Federal land banks. If we pass this bill that is the word that will go out to this country, that we have changed the law and Members of Congress can enter into contracts with the Government to that extent.

I think there is a sound reason why Members of Congress should not enter into contracts with the Government, and it certainly should apply to farm loans and home loans just as much as to any other beneficial contract.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield for a question purely for information?

Mr. HOPE. I yield.

Mr. BANKHEAD. The suggestion has been made that under the present construction of some department of the Government, parties who are distressed and who are seeking to secure an adjustment of their obligations under the present law are prevented from availing themselves of it because some Member of Congress might incidentally hold stock in the loan association to which application is made, and situations of a similar nature. Is this true?

Mr. HOPE. I do not know of any such ruling.

Mr. BANKHEAD. That seems to be the real basis of merit for this proposition.

Mr. HOPE. If there is any such regulation it is contrary to both the letter and spirit of the law. The section which I read to the House a short time ago shows this very clearly.

Mr. FOCHT. Will the gentleman yield?

Mr. HOPE. I yield.

Mr. FOCHT. I hear a great deal of opposition raised on account of the likelihood of Congressmen borrowing money from institutions conducted by the Government. I should like to know how many Members there are in the House at this minute who are not now carrying loans for money borrowed from a State or Government institution—a national bank. Is there any difference between borrowing money from a Farm Loan Board or the home-loan bank and a national bank holding a charter from the National Government, examined by national inspectors, accountable to the Government? I do not see the consistency of the objection to the pending bill. I think it is a most meritorious bill; I think we are casting reflection upon ourselves when we say Members of Congress did not have the same right to borrow from the Farm Loan Board that they have to borrow from national banks. [Applause.]

Mr. HOPE. A national bank is not a Government institution. It is a private corporation chartered by the Government of the United States. The pending bill proposes to permit Members of Congress to borrow directly from and to make contracts with certain governmental agencies which they cannot do under existing law.

Now, Mr. Speaker, may I say to the Members of the majority side particularly, that just a few days ago a news story went out from one of the Washington press services regarding this bill. It was intimated in that story—I do not know how much fact or how much fiction there was to it—it was intimated that someone down at the White House was waiting for this bill with an ax. I do not know, perhaps the author of this interesting item was mistaken; it might be mentioned, however, that in the past the information sent out by this press service indicates that the author either knows what is going on or has an almost uncanny ability to guess correctly.

If we pass this bill we are going to put ourselves in the questionable position of voting to permit Members of Congress to make contracts with the Government. It will not add any to the credit of this body.

Mr. DOWELL. And for that reason it should be beaten.

Mr. HOPE. I think so.

The SPEAKER. All time has expired.

The question is, Shall the rules be suspended and the bill passed?

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 65, noes 43.

Mr. LEHLBACH. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

Mr. FULLER. Mr. Speaker, I also make the point of order that there is not a quorum present.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 143, nays 185, answered "present" 3, not voting 99, as follows:

[Roll No. 169]

YEAS—143

Adair	Dickinson	Kloeb	Rudd
Adams	Dickstein	Kniffin	Sabath
Arnold	Doughton	Kocialkowski	Sadowski
Ayers, Mont.	Doxey	Kopplemann	Sanders, La.
Bankhead	Driver	Kramer	Sanders, Tex.
Beam	Edmiston	Lanham	Sandlin
Biermann	Ellzey, Miss.	Lesinski	Schaefer
Black	Farley	Lloyd	Schuetz
Bland	Fernandez	Lozier	Schulte
Boehne	Fitzpatrick	McCarthy	Scrugham
Boland	Focht	McCormack	Secrest
Boylan	Frey	McFarlane	Sisson
Brown, Ga.	Fuller	McKeown	Smith, Wash.
Brown, Ky.	Fulmer	McReynolds	Snyder
Brunner	Gavagan	Maloney, La.	Steagall
Buchanan	Glover	May	Strong, Tex.
Bulwinkle	Goldsborough	Meeks	Stubbs
Burch	Greenway	Miller	Sweeney
Busby	Greenwood	Montet	Tarver
Byrns	Gregory	Murdock	Terrell, Tex.
Carden, Ky.	Haines	Nesbit	Thomason
Carmichael	Hart	O'Brien	Thompson, Ill.
Cary	Hastings	O'Connell	Thompson, Tex.
Castellow	Healey	O'Connor	Turner
Chavez	Henney	Oliver, Ala.	Vinson, Ga.
Clark, N.C.	Hildebrandt	Oliver, N.Y.	Walter
Coffin	Hill, Samuel B.	Parks	Werner
Colmer	Hughes	Parsons	West, Ohio
Cox	Jacobsen	Patman	West, Tex.
Cravens	Jenckes, Ind.	Peyser	White
Crosby	Johnson, Tex.	Prall	Whittington
Crowe	Jones	Rayburn	Willford
Cullen	Kee	Reilly	Williams
Dear	Kennedy, Md.	Richardson	Wilson
Deen	Kerr	Robinson	Wood, Mo.
Delaney	Kleberg	Romjue	

NAYS—185

Allen	Dowell	Kenney	Randolph
Andrew, Mass.	Drewry	Kinzer	Rankin
Andrews, N.Y.	Duffey	Knutson	Reece
Arens	Dunn	Kurtz	Reed, N.Y.
Ayres, Kans.	Durgan, Ind.	Lambertson	Rich
Bacon	Eagle	Lamneck	Richards
Bakewell	Eaton	Larrabee	Robertson
Beiter	Eicher	Lea, Calif.	Rogers, Mass.
Blanchard	Ellenbogen	Lehlbach	Rogers, Okla.
Blanton	Eltse, Calif.	Lehr	Ruffin
Boileau	Englebright	Lemke	Sears
Brown, Mich.	Evans	Lewis, Colo.	Seger
Buck	Faddis	Luce	Schallenberger
Burke, Nebr.	Fiesinger	Ludlow	Sinclair
Burnham	Fletcher	Lundeen	Sirovich
Caldwell	Ford	McClintic	Smith, Va.
Cannon, Mo.	Foss	McFadden	Snell
Cannon, Wis.	Gasque	McGrath	Spence
Carpenter, Kans.	Gilchrist	McGugin	Stokes
Carter, Wyo.	Gillespie	McLean	Strong, Pa.
Cartwright	Gillette	McSwain	Studley
Cavicchia	Goodwin	Maloney, Conn.	Sumners, Tex.
Celler	Granfield	Mansfield	Sutphin
Christianson	Griswold	Mapes	Swank
Clarke, N.Y.	Guyer	Marshall	Swick
Cochran, Mo.	Hancock, N.Y.	Martin, Colo.	Taber
Cochran, Pa.	Harlan	Martin, Mass.	Taylor, Colo.
Colden	Hess	Mead	Taylor, Tenn.
Collins, Calif.	Hill, Ala.	Merritt	Terry, Ark.
Condon	Hill, Knute	Millard	Thom
Connery	Hoeppel	Mitchell	Thomas
Cooper, Tenn.	Hoidale	Monaghan, Mont.	Tinkham
Crosser, Ohio	Hollister	Moran	Tobey
Crowther	Holmes	Morehead	Treadway
Crump	Hope	Mott	Truax
Culkin	Howard	Musselwhite	Turpin
Cummings	Imhoff	Owen	Umstead
Darden	Jenkins, Ohio	Peavey	Underwood
De Priest	Johnson, Minn.	Perkins	Wallgren
Dirksen	Johnson, Okla.	Pierce	Warren
Ditter	Johnson, W.Va.	Polk	Wearin
Dobbins	Kahn	Powers	Weideman
Dockweiler	Keller	Ramsay	Welch
Dondero	Kelly, Pa.	Ramspeck	Whitley

Wigglesworth	Wolfenden	Wood, Ga.	Young
Withrow	Wolverton	Woodrum	Zioncheck
Wolcott			

ANSWERED "PRESENT"—3

Collins, Miss. Lewis, Md. Parker

NOT VOTING—99

Abernethy	Connolly	Hancock, N.C.	Palmisano
Allgood	Cooper, Ohio	Harter	Peterson
Auf der Heide	Corning	Hartley	Pettengill
Bacharach	Cross, Tex.	Higgins	Plumley
Bailey	Darrow	Huddleston	Ransley
Beck	DeRouen	James	Reid, Ill.
Beedy	Dies	Jeffers	Rogers, N.H.
Berlin	Dingell	Kelly, Ill.	Shannon
Bloom	Disney	Kennedy, N.Y.	Shoemaker
Bolton	Douglass	Kvale	Simpson
Brennan	Doutrich	Lambeth	Smith, W.Va.
Britten	Duncan, Mo.	Lanzetta	Somers, N.Y.
Brooks	Edmonds	Lee, Mo.	Stalker
Browning	Fish	Lindsay	Sullivan
Buckbee	Fitzgibbons	McDuffie	Taylor, S.C.
Burke, Calif.	Flannagan	McLeod	Thurston
Cady	Foulkes	McMillan	Traeger
Carley, N.Y.	Frear	Marland	Utterback
Carpenter, Nebr.	Gambrill	Martin, Oreg.	Vinson, Ky.
Carter, Calif.	Gifford	Milligan	Wadsworth
Chapman	Goss	Montague	Waldron
Chase	Gray	Moynihan, Ill.	Weaver
Church	Green	Muldowney	Wilcox
Claiborne	Griffin	Norton	Woodruff
Cole	Hamilton	O'Malley	

So, two-thirds not having voted in favor thereof, the bill was rejected.

The Clerk announced the following pairs:

General pairs:

Mr. Sullivan with Mr. Bacharach.
Mr. Chapman with Mr. Darrow.
Mr. Lindsay with Mr. Moynihan of Illinois.
Mrs. Norton with Mr. Woodruff.
Mr. Weaver with Mr. Traeger.
Mr. Bailey with Mr. Buckbee.
Mr. Corning with Mr. Gifford.
Mr. Dies with Mr. Thurston.
Mr. Huddleston with Mr. Beedy.
Mr. Shannon with Mr. James.
Mr. Pettengill with Mr. Plumley.
Mr. Gambrill with Mr. Carter of California.
Mr. Flannagan with Mr. Wadsworth.
Mr. Griffin with Mr. Bolton.
Mr. Kelly of Illinois with Mr. Doutrich.
Mr. Montague with Mr. Britten.
Mr. Bloom with Mr. Higgins.
Mr. Vinson of Kentucky with Mr. Muldowney.
Mr. Carley of New York with Mr. Beck.
Mr. Palmisano with Mr. Hartley.
Mr. Taylor of South Carolina with Mr. Fish.
Mr. Hancock of North Carolina with Mr. McLeod.
Mr. Allgood with Mr. Edmonds.
Mr. McMillan with Mr. Reid of Illinois.
Mr. McDuffie with Mr. Connolly.
Mr. Wilcox with Mr. Frear.
Mr. Kennedy of New York with Mr. Stalker.
Mr. Gray with Mr. Chase.
Mr. Somers of New York with Mr. Waldron.
Mr. Green with Mr. Cooper of Ohio.
Mr. Browning with Mr. Simpson.
Mr. Milligan with Mr. Ransley.
Mr. Rogers of New Hampshire with Mr. Goss.
Mr. Cross with Mr. Kvale.
Mr. Claiborne with Mr. Shoemaker.
Mr DeRouen with Mr. Berlin.
Mr. Dingell with Mr. Carpenter of Nebraska.
Mr. Disney with Mr. Douglass.
Mr. Smith of West Virginia with Mr. Hamilton.
Mr. Brennan with Mr. Duncan.
Mr. Lambeth with Mr. Abernethy.
Mr. Harter with Mr. Martin of Oregon.
Mr. Cady with Mr. Fitzgibbons.
Mr. Church with Mr. Marland.
Mr. Brooks with Mr. Lee of Missouri.
Mr. Cole with Mr. Burke of California.
Mr. Auf der Heide with Mr. O'Malley.
Mr. Jeffers with Mr. Foulkes.
Mr. Utterback with Mr. Petersen.

Mr. ROBERTSON, Mr. EICHER, Mr. LUDLOW, Mr. FIESINGER, Mr. WALLGREN, Mr. CALDWELL, Mr. CONNERY, Mr. SIROVICH, Mr. GILLESPIE, Mr. KNUTE HILL, Mr. SUMNERS of Texas, Mr. JOHNSON of Minnesota, Mr. HOLMES, Mr. RUDD, and Mr. IMHOFF changed their vote from "yea" to "nay."

The result of the vote was announced, as above recorded.

PUEBLO LANDS OF SAN DIEGO

Mr. BURNHAM. Mr. Speaker, I ask unanimous consent to call up the bill (H.R. 3084) authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.

The Clerk read the title of the bill.

Mr. McFARLANE. Mr. Speaker, reserving the right to object, what is the nature of this bill?

Mr. BURNHAM. It has reference to the matter of a right-of-way through Government property. The War Department has passed favorably on this matter, and, as a matter of fact, the road is already built.

Mr. McFARLANE. Does it cost the Government anything?

Mr. BURNHAM. This is one case where the Federal Government will get something out of the matter. The city of San Diego will pay the Federal Government $50. I have the report of the committee here if it is necessary to read it.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War, in his discretion, is authorized to sell to the city of San Diego, Calif., approximately eight hundred and seventy-five one-thousandths of an acre of Pueblo lots 281 and 305 of the Pueblo lands of San Diego for a public street, subject to such conditions and limitations as he may impose to safeguard the interests of the United States, for the sum of $50 and pay the proceeds into the Treasury of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARBITRATION—UNITED STATES AND TURKEY

Mr. McREYNOLDS. Mr. Speaker, I move to suspend the rules and pass House Joint Resolution 295, authorizing appropriation for expenses of representatives of the United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary.

The Clerk read the House joint resolution as follows:

Resolved, etc., That the sum of $90,000, or so much thereof as may be necessary, is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for participation by the United States in the examination and settlement at Istanbul, Turkey, or before an umpire, if necessary, of the claims presented by either the American or Turkish Government against the other, including personal services in the District of Columbia or elsewhere without reference to the Classification Act of 1923, as amended, and rent of offices and rooms for the use of the American representatives, in addition, if deemed necessary by the Secretary of State, to the lawful per diem, stenographic reporting and translating services by contract if deemed necessary, without regard to section 3709 of the Revised Statutes (U.S.C., title 41, sec. 5); traveling expenses; purchase of law books and books of reference; printing and binding; official cards; entertainment; expenses or honorarium of a neutral umpire in the event such an appointment is found desirable; and such other expenses as may be authorized by the Secretary of State, including the reimbursement of other appropriations from which payments may have been made for any of the purposes herein specified: *Provided*, That any expenditures from the amount herein authorized to be appropriated shall become a first charge upon any moneys received from the Turkish Government in settlement of the respective claims and the amount of such expenditures shall be deducted from the first payment by the Turkish Government and deposited in the Treasury of the United States as miscellaneous receipts: *And provided further*, That the Secretary of State, in distributing to the respective claimants the balance of the amounts received from the Turkish Government, as provided by act of Congress approved February 27, 1896 (29 Stat. 32), shall apportion the amount withheld, as above provided, in such a manner as to constitute a uniform percentage of deduction from the amount found to be due each claimant.

The SPEAKER. Is a second demanded?

Mr. BAKEWELL and Mr. BLANTON demanded a second.

Mr. BAKEWELL. Mr. Speaker, I am a member of the committee and demand a second.

The SPEAKER. The gentleman from Connecticut demands a second and will be recognized for 20 minutes.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. McREYNOLDS. Mr. Speaker, this resolution merely provides for the authorization of $90,000, or so much thereof as may be necessary, for the purpose of paying for an arbitration of certain claims of citizens of the United States against Turkey. These claims arise on behalf of American

citizens, some 2,500 of our people being involved, from the seizure of American property, personal injuries, and property losses resulting from the deportation of American citizens and losses resulting from the Smyrna fire of 1922.

There was an agreement entered into between this Nation and Turkey in 1922 providing for a committee by which they hoped to settle these claims. Ratification of the treaty between the United States and Turkey was not finally made until 1933. Under this agreement the United States of America appointed two local men as the representatives of this Government in undertaking to reach some agreement as to these claims. They were unable to do so, and it became necessary for the Secretary of State through the President of the United States to get an extra agreement for an arbitrator.

It was necessary under this agreement that a representative of this Government should be sent to Turkey, and he has already been sent there by the President. Judge Neilson was sent over there by the President as our representative, and he now asks favorable consideration for an authorization to pay expenses. This is not an appropriation. If it does not require this amount the Appropriations Committee have the right to pass upon the amount that should be appropriated. This bill provides further that all amounts collected for our citizens shall be paid into the Treasury of the United States and then a deduction shall be made from the amount collected to pay the expenses to which this Government has been put, and a pro rata part of the balance to be given to the individuals involved.

This request is made through the Secretary of State, and also through the President of the United States, because he has already sent a man there for this purpose.

Mr. SNELL. Will the gentleman yield?

Mr. McREYNOLDS. I yield to the gentleman from New York.

Mr. SNELL. Do I understand the commission is over there now doing this work and there is no money to pay them?

Mr. McREYNOLDS. That is correct. This had to be done on account of the treaty.

Mr. MARTIN of Massachusetts. And the Government will be reimbursed for any expense to which it might be put from the first payments on these claims?

Mr. McREYNOLDS. Yes. These claimants are scattered all over the United States. I could give you the number in each State, but I will merely call attention to the largest numbers. The claims amount to something like $20,000,000, and there are approximately 2,500 claimants in the United States.

When I called on the State Department to furnish the residence of these people, 905 of these claims had already been sent to Turkey, and they were unable to give the States from which they came. However, the claimants came from Alabama, Arkansas, 168 from California, 25 from Connecticut, the District of Columbia 29, Illinois 87, Indiana, Iowa, Kentucky, Maine, Massachusetts 236, Michigan 228, and various other States. There are also claimants from New Jersey, 20; New York, 386; Ohio, 19; Pennsylvania, 77; Rhode Island, 59; and 17 from Wisconsin.

I call attention to this in order to let the Members know that these are your citizens who are involved, and we are asking an adjustment and adjudication of these claims. The United States is undertaking to make this adjudication, not at the expense of the United States, but the amount collected, as I stated before, is to be placed in the Treasury, then paid out.

It has not been long since we had this treaty, and Turkey is living up to it faithfully. If they had not lived up to their treaty we would not have Insull today locked up in Illinois to answer the charges of the people against him for defrauding them of millions of dollars.

You know that when he escaped from Greece and landed in Turkish waters they went out and seized him, and they are responsible for bringing that man to justice in this country. It is therefore absolutely necessary that we should keep our agreement and our treaty with these foreign nations.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. McREYNOLDS. I yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Is it not also true that in presenting claims against other nations the United States has collected a large amount of money?

Mr. McREYNOLDS. We have many cases in which this same situation exists. These matters have been arbitrated and the amounts have been collected. I can give the Members of the House a list of these arbitrations if it is desired.

Mr. BAKEWELL. I think it would be helpful if the gentleman would give us these figures, because that furnishes the information upon which objection has been raised to this bill.

Mr. McREYNOLDS. It has been stated on this floor that none of these arbitrations ever amount to anything; that we never collected anything, and for that reason this resolution should not be approved.

I called on the State Department a few days ago for the papers in reference to that matter, and, not going back very far, they furnished me instance after instance where this Government has collected money and in some instances taken out the cost of collection and paid the citizens, just as they are proposing to do now. For instance, Austria and Hungary, arbitration against Austria, three-hundred-and-seventy-thousand-and-odd dollars; Hungary, $172,619, paid, so I am advised; China, $887,000 plus, paid; Charles J. Hanna against Cuba, $350,000; Germany, $265,000,000, which is being paid, and bonds are there to protect the interests of our people, and 1 percent is being taken out for the expense; Great Britain, an arbitration involving millions of dollars; and also Guatemala, and an arbitration with Mexico, which has not yet been determined, and one each with Panama and Sweden. These are a few of the instances where arbitration has taken place and our country has received the benefit of it.

Mr. SNELL. Mr. Speaker, will the gentleman yield for a question?

Mr. McREYNOLDS. I am pleased to yield to the gentleman.

Mr. SNELL. Do I understand we have similar delegations or commissions in each of these countries collecting or trying to settle these private debts?

Mr. McREYNOLDS. I do not know about the particulars, but in some cases I know they have.

Mr. SNELL. These are all private debts against Turkish citizens and also against the Turkish Government?

Mr. McREYNOLDS. Yes; the Turkish Government.

Mr. SNELL. And there is a pretty good chance of realizing on most of them?

Mr. McREYNOLDS. I could not say about most of them. There is about $20,000,000 involved and they hope to get quite a good deal for our people.

Mr. SNELL. And as I understand from the Department, the first money collected goes to pay the expense of collection?

Mr. McREYNOLDS. Every cent that is collected goes into the Treasury and the expense is taken out and the pro rata part paid to the claimants.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. MARTIN of Massachusetts. And the expense would not be more than $80,000 or $90,000.

Mr. McREYNOLDS. Yes; and I can hardly see how it would be that much, because in the report of Secretary Hull he states that he is going to use at least two men who are over there in the Department.

I may also say that this is a unanimous report from our committee.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. REED of New York. I have not had an opportunity to examine either the report or the bill. Are there any counterclaims on the part of Turkey?

Mr. McREYNOLDS. There are no counterclaims filed by Turkey, and the time for filing has expired.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I take it this is the most effective and the most practical way to accomplish something for our citizens and for our own country?

Mr. McREYNOLDS. It is absolutely the only way that is left us.

Mr. McCORMACK. And out of any money that is collected the United States Government is reimbursed this sum?

Mr. McREYNOLDS. Absolutely.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I gladly yield to the gentleman from New York.

Mr. TABER. Is there any obligation on the part of the Government of Turkey to pay anything if the awards are made?

Mr. McREYNOLDS. I understand there is, under the agreement that was signed and approved.

Mr. TABER. I have just been reading this letter from the Secretary of State, and I may be mistaken about it, because I had not seen it before a moment ago, but it rather seems to me there has just been an exchange of notes and there is no ratified treaty which would be binding.

Mr. McREYNOLDS. The gentleman is absolutely wrong. The treaty has been ratified. They first tried to settle this by a lump sum, but they could not agree on it, and then ratification was exchanged between the nations.

Mr. TABER. It states here that they have had an exchange of notes which took place on August 15, 1933.

Mr. McREYNOLDS. I am very sorry, but I cannot take up more time. The exchange of ratification has been made by both nations. The gentleman is referring to the meeting of the committees.

Mr. Speaker, I reserve the balance of my time.

Mr. BLANTON and Mr. BAKEWELL rose.

Mr. MARTIN of Massachusetts. Mr. Speaker, on the question of who demanded a second, may I state that the gentleman from Connecticut, a member of the committee, demanded a second and his demand was granted.

Mr. BLANTON. The Speaker recognized me to demand a second, and I demanded it.

The SPEAKER. Is the gentleman from Texas a member of the committee?

Mr. BLANTON. No, Mr. Speaker; but I was the one who demanded a second, and the Speaker recognized me and a second was considered as ordered without objection. I was the one who demanded a second, and this is a bill I have been fighting here for several months.

The SPEAKER. The Chair thinks a member of the committee has preference.

Mr. BLANTON. The gentleman did not demand it and did not get recognition from the Speaker. The gentleman should have demanded this at that time. I was the one who got up and demanded a second.

The SPEAKER. The Chair is advised that the gentleman from Connecticut was on his feet.

Mr. BLANTON. I was the one who demanded a second, and the Speaker recognized me.

Mr. BAKEWELL. I demanded a second as a member of the committee.

Mr. LEHLBACH. Mr. Speaker, I thought I heard the Speaker state that the gentleman from Connecticut would have 20 minutes.

Mr. BLANTON. No; the Speaker never said that. The gentleman from Connecticut is for the bill. I was the one against the bill the Speaker recognized, and the Speaker immediately said, "Without objection, a second is considered as ordered." There was no time nor anything else mentioned.

The SPEAKER. The Chair thinks a member of the committee should be recognized. The Speaker is advised that the gentleman from Connecticut was on his feet, and the Chair thinks the gentleman should be recognized.

Mr. BAKEWELL. I shall be very pleased to yield the gentleman from Texas 5 minutes.

Mr. BLANTON. I thank the gentleman. That is what I was going to give the gentleman; in fact, I was going to give him 10 minutes, had he been against the bill. But he is for the bill, yet he has claimed the time that is due those who are against the measure.

I am afraid that our Parliamentarian is fast becoming just a little bit too much adversely partisan, when he rules that just because one is a member of the committee he is entitled to demand the second, and thereby get in control of all the time against a measure, when such member is for the bill, and is going to speak in favor of it, and just because he is a Republican. Had not our Parliamentarian so ruled, the Speaker would have recognized me.

Since I have been in this House it has always been the rule that a Member against the bill is entitled to demand a second, in preference to any other Member who favors the bill. Otherwise, in a limited debate under suspension, where there is only 20 minutes allowed against a bill, such 20 minutes would be controlled by a Member in favor of the bill, and the entire time for debate would be in the control of proponents of the measure, which would be manifestly unfair.

I sincerely hope that our Parliamentarian will eventually forget that he received his first appointment from Republicans, under whom he served so long, and that his present appointment is from Democrats, who expect from him a fair, square deal at all times. He has deprived me of my right to control the time against this measure. And he persisted in advising the Speaker that a member of a committee, even though favoring the bill, was entitled to demand the second, and thereby control all of the time against the bill.

Because, eventually, he will have to change that ruling, for it is erroneous, and not in accord with the rules, I am registering this vigorous protest in the RECORD. The Parliamentarian will not deny that his ruling was erroneous.

Mr. Speaker, coming from a great committee, this is a most ridiculous proposition. This proposal will throw away $90,000. This is an undetermined claim. Suppose it were a judgment against Turkey, evidenced by her bonds due us. Suppose we had Turkey's bonds for $90,000? Would there be any assurance of getting money on it? Is Turkey any more stable than Great Britain? Is Turkey any more stable on a debt-paying proposition than France? Is Turkey any more stable on paying its bills than Italy, the great Mussolini government? They together owe us $10,000,000,000, and we have their bonds, and they will not pay one red penny.

Why, I have in my hand a statement here from the Treasury Department of the United States showing that today France owes this Government an honest debt, a debt of honor, of $3,803,650,000, and not a cent will France pay us. I have a statement here that Great Britain today owes this Government a debt of honor of $4,360,000,000, and not a dollar will she pay us. I have a statement here that Italy—the Mussolini government—owes this Government of the United States today a debt of honor of $2,004,900,000, and they will not pay us a single dollar.

This $90,000 would be wasted; you would not get a dollar back. It is taking good money of the people, who are already overburdened with taxation, and putting it down a rat hole. It is like pouring water in a prairie-dog hole. I am not going to do it. You can go home if you want to and tell your constituents, "Yes; with all that these big foreign governments already owe us and will not pay, we spent $90,000 of your money hoping to get a little money out of poor little Turkey." You will not get back even a soiled and broken tail feather out of Turkey. [Laughter.]

This is nothing in the world but a junket for certain officials of the State Department, and a junket to Turkey on the people's money. I have been here 17 years, and during that time I have been checking up on the various junkets the State Department has been taking every year on the money of the people. I am not going to vote for it.

Now, I am a good friend of Secretary Cordell Hull. I think as much of him as anybody does. I am a good friend of Wilbur Carr as well as of the chairman of this great committee, but Wilbur Carr has taken more junkets to foreign countries on just such measures as this than any other man in the United States. Wilbur Carr has been to Europe as many times, almost, as I have been to the White House, and I go to the White House about once each Congress.

You can vote $90,000 for this junket if you want to, but I am not going to do it. You can explain to your people when you go back home. I am not going to have to explain it to mine; I am going to tell them that I tried to stop it.

Mr. BLANTON's time having expired, Mr. BAKEWELL yielded him 5 minutes more.

Mr. BLANTON. Remember, they are good, valid, subsisting debts that Great Britain, France, and Italy owe us to the tune of about $10,000,000,000. We have their solemn bonds drawn legally, with the amount agreed upon and already determined. They have agreed to pay us about $10,000,000,000. We already have their bonds for about $10,000,000,000. Yet today we cannot get a dollar from Great Britain, France, or Italy.

Now, you cannot get away from the facts of this case. This is not a case where Turkey has agreed to pay us $5,000,000 and we are to spend $90,000 in going over there to try to collect it. That would be foolish, for if Turkey had already agreed to pay us $5,000,000, I would not consider her promise to pay of any greater value than the promise to pay of Great Britain, France, and Italy.

Great Britain owes us, and has agreed to pay us, $4,360,000,000, and we have her bonds for that amount, and she will not pay. France owes us, and has agreed to pay us, $3,803,650,000, and we have her bonds for that amount, and she will not pay. Italy owes us, and has agreed to pay us, $2,004,900,000, and we have her bonds for that amount, and Italy will not pay. We are not spending $90,000 going to England, France, and Italy asking them to pay us $10,000,000,000 they owe and have agreed to pay, because we know we would waste the $90,000. But this is a proposal to spend $90,000 in going to Turkey, just to ask Turkey to agree to pay $5,000,000, and if she should so agree, there would be nothing accomplished, for we would get no money.

You will pass this bill, but next January I am going to show you where the money went, and who spent it, and show you that you did not collect one dollar by wasting this $90,000.

Look at what the other countries owe us, and we have their bonds. Here is Austria, $23,752,000; Belgium, $400,000,000; Estonia, $10,000,000; Finland, $8,000,000, and she is paying her debts, but owes $8,000,000 yet; Greece, $31,000,000; Hungary, $1,900,000; Latvia, $6,000,000; Lithuania, $6,000,000; Poland, $206,000,000; Rumania, $63,000,000; Serbs and Croats, $61,000,000. Only Finland is paying us. They are all debts evidenced by bonds and we cannot collect the money, and here you are talking about spending $90,000 of the people's tax money to go over there to try to get Turkey to agree that they owe you something. I am getting tired of seeing the money wasted.

Mr. TABER. Is Turkey on that list?

Mr. BLANTON. They expect to get some turkey, but they will not even get any sauce. They may get some sass.

Mr. LEHLBACH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LEHLBACH. I take it from what the gentleman is saying that he is in favor of paying his just obligations.

Mr. BLANTON. I am. Certainly, I pay my own obligations. And I expect these foreign nations to pay theirs.

Mr. LEHLBACH. Then why not pay these commissioners who have done the work?

Mr. BLANTON. Oh, they have not done the work. They have done nothing. If they had been the right sort of commissioners, they would have something to show for it, and they have not anything to show for it. There is not a man here who has a higher regard or a deeper affection than I have for my colleague from Tennessee, our great Chairman of this Foreign Affairs Committee [Mr. MCREYNOLDS]. I have a deep affection for him, and I will go along with him on any kind of proper matter, but I want to say this, that if he does not watch this committee of his, and if he does not get them to quit voting out everything the State Department asks for, he will get his committee into such disrepute that we will be afraid to allow them anything.

Take that tin-can resolution that was reported out by the Rules Committee the other day——

Mr. MCREYNOLDS. That did not come out of my committee.

Mr. BLANTON. It is nevertheless another one that will waste money. You better watch it. We have to stop these bills, this junketing at public expense. I now yield to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I understood the gentleman to state that Mr. Carr, of the State Department, the Assistant Secretary of State, had been on "junkets" more times than he had been to the White House.

Mr. BLANTON. My last check-up showed that to be about correct, for I think that he has been on trips to foreign countries about that many times.

Mrs. ROGERS of Massachusetts. I do not know how many times the gentleman has been to the White House, but I am very sure that the Assistant Secretary of State, Mr. Carr, has been abroad only once when all his expenses were paid by the Government.

I learned from the Department of State Mr. Carr has never gone abroad on any kind of junket. In his service of nearly 42 years there have been but three occasions when any of his expenses in traveling abroad have been reimbursed by the Government:

First. In September 1916 Mr. Carr was sent abroad by the Secretary of State for certain confidential work and was absent for approximately 2 months. The Government reimbursed all of his expenses for travel and subsistence.

Second. In 1931 Mr. Carr happened to be in Europe on a holiday at his own expense, when that holiday was interrupted by a telegraphic order from the Secretary of State to hold immigration conferences at London, Stuttgart, and Warsaw for the purpose of putting into effect administrative measures designed to curb immigration. The Government reimbursed his transportation and subsistence expenses while he was engaged on those conferences from the time he left Paris until he returned to take the steamer home. His ocean transportation and other expenses on that trip were paid from his own pocket.

Third. In 1932 he was sent by the Secretary of State to Paris to perform certain duties there, and was reimbursed by the Government for his ocean transportation and subsistence while actually engaged in Paris on official work for which he was sent over.

Mr. BLANTON. How many times has he been abroad in the last 20 years?

Mrs. ROGERS of Massachusetts. But he has paid his own expenses.

Mr. BLANTON. Does the lady know how many times he has been abroad in the last 20 years?

Mrs. ROGERS of Massachusetts. I do not.

Mr. BLANTON. I do know that he has been many times. I sat across the table from him in the committee room.

Mrs. ROGERS of Massachusetts. Does the gentleman call this a "junket"?

Mr. BLANTON. Yes. Mr. Carr may not call this a "junket", but they spend the money, and they have expenses paid.

Mrs. ROGERS of Massachusetts. If a gentleman pays his own expenses, he is not on a so-called "junket."

Mr. BLANTON. Has the lady ever sat across the table from Carr in hearings?

Mrs. ROGERS of Massachusetts. I have.

Mr. BLANTON. Has the gentlewoman questioned him about these junkets?

Mrs. ROGERS of Massachusetts. Yes.

Mr. BLANTON. On what committee?

Mrs. ROGERS of Massachusetts. On the Foreign Affairs Committee.

Mr. BLANTON. Oh, but I am on a committee that appropriates the money out of the Treasury, where we are concerned about how it is spent and where it is spent and by whom it is spent and why.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. BAKEWELL. Mr. Speaker, I yield 3 minutes to the gentlewoman from Massachusetts.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I call the attention of the ranking member of the Committee on Appropriations [Mr. TABER] to the fact that the Senate did ratify this treaty in 1933.

Mr. TABER. I see something here about a commercial treaty. We have had a great many commissions—I would say 50 or 60—that we have appropriated a lot of money for, and I am wondering if any of those commissions ever resulted in the collection of any claim.

Mrs. ROGERS of Massachusetts. Yes, I can say to the gentleman; and I will put in the RECORD the amount that has been collected. A very large sum has been collected as a result of this work.

Mr. TABER. I know we have had a commission with reference to Mexico, but as I remember, except about a million dollars, they have never done a thing.

Mrs. ROGERS of Massachusetts. Yes; they have. The United States and Mexico in 1933 referred to arbitration claims of Mexican nationals against the United States and of American nationals against Mexico. The arbitration has not been concluded, but to date the awards total $39,000 to Mexican nationals, and to American nationals $2,599,166.10.

A great many claims have been collected amounting to a great many thousand dollars, in fact, millions of dollars. In this case you are at most spending only $90,000, and you will get that back, and, I think, in view of the amount of money received in claims presented against other governments, at least $5,000,000.

This bill is an authorization for an appropriation. Before a penny is expended the Appropriations Committee must report out a bill appropriating money—the $90,000. Suggested in this bill is really only a loan for the purpose of presenting these claims, because the amount expended by the Government will be taken from the amount paid to the claimants. So that, as a matter of fact, it will cost the Government nothing. The claimants will pay for the presentation of their own claims in the end. Two thousand five hundred claims have been presented against the Turkish Government. Over 225 citizens of my own State of Massachusetts have claims against Turkey. The time for the Turkish Government to present any claims against us has expired.

I want to bring out the fact again that other countries in presenting claims against us have not secured any money to speak of; in fact, practically nothing, and we have secured a great deal of money.

Following are the figures which I mentioned previously:

AUSTRIA AND HUNGARY

The Tripartite Claims Commission, established pursuant to the agreement of November 26, 1924, between the United States and Austria and Hungary, to adjudicate claims of American nationals against those countries for losses sustained during the World War, completed its work in 1929. The awards against Austria, including interest, were $370,052.14, and those against Hungary, $172,619.70.

CHINA

The Commission established by agreement between the United States and China to pass upon claims of American nationals against China arising out of the Nanking disturbances in 1927 concluded its work on March 13, 1929. There was awarded in favor of American nationals $887,177.58 Chinese currency and $54,550.52 in United States currency.

CUBA

The Governments of the United States and Cuba agreed to arbitrate the claim of Charles J. Harrah against Cuba for illegal destruction of private property by Cuban authorities. The arbitrators awarded $350,000 to the American claimant.

The United States and Cuba also agreed to arbitrate the claim of Capt. Walter Fletcher Smith on account of expropriation of property belonging to him. The arbitrator awarded Smith the sum of $190,000.

GERMANY

The United States and Germany established a Mixed Claims Commission to adjudicate the claims of American citizens against Germany arising out of the World War. Although its labors have not yet terminated, as of June 15, 1933, the Commission had handed down 6,823 awards in favor of American citizens, or a total amount of $265,939,068.37. The Government is being reimbursed for the cost of this arbitration by a percentage deduction from the awards.

GREAT BRITAIN

The United States and Great Britain referred to arbitration under The Hague Convention of 1907 certain claims of which 75 cases received final disposition. The United States received favorable awards in 66 cases and Great Britain in 9. The amounts involved ranged from a few hundred dollars to $5,000,000.

GUATEMALA

The United States and Guatemala referred to arbitration the claim of P. W. Shufeldt against Guatemala for alleged illegal cancelation of a concession. The claimant was awarded $225,468.38.

MEXICO

The United States and Mexico, in 1933, referred to arbitration claims of Mexican nationals against the United States and of American nationals against Mexico. The arbitration has not been concluded, but to date the awards to Mexican nationals total $39,000 and to American nationals $2,599,166.10.

PANAMA

The United States and Panama referred to arbitration the claims of 78 American citizens resulting from riots in Panama in 1912. The arbitrator rendered awards in the sum of $12,350.

The two Governments also referred to arbitration the claims of nationals of either country against the other. The Commission awarded $3,150 in favor of Panama, and $114,396.25 in favor of the United States. The United States Government was reimbursed for the entire cost of the arbitration by percentage deduction from the awards.

SWEDEN

The United States and Sweden submitted to arbitration a claim of Sweden against the United States for detention of Swedish ships during the World War. The arbitrator dismissed the claims, which involved an amount of $3,012,173.28. It seems to me in these days of tremendous expenditures of money with no return to the Federal Government, this is an extremely wise measure. I hope the bill will pass.

Mr. BLANTON. Will the lady yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. BLANTON. Suppose Turkey would admit that there was $5,000,000 due and agree to pay it, would we ever get a dollar of it?

Mrs. ROGERS of Massachusetts. Yes; I am sure we would.

Mr. BLANTON. Is Turkey better than Great Britain and France and Italy, who, together, justly owe us, and have agreed to pay us, an aggregate of about $10,000,000,000, and we cannot get one dollar now?

Mrs. ROGERS of Massachusetts. The United States has had better luck in collecting from the smaller countries than from the larger ones—witness complete payment of debts by Finland. But because some countries do not pay their debts to us, is there any reason why we should not try to collect from other countries? It is the only way to help our citizens.

The SPEAKER. The time of the lady from Massachusetts [Mrs. ROGERS] has expired.

Mr. BAKEWELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, the gentleman from Texas is very much excited over the fact that European governments have not paid their war debts. This bill has nothing whatever to do with war debts. It has to do with claims of citizens and organizations of America against the Turkish Government for damages incurred during the war. Similar claims have been brought against other governments. The gentleman from Tennessee, chairman of the committee, read you the amounts of the claims that had been awarded against other governments, and, with the exception of two countries, those claims have been paid. We have no right to assume that the Government of Turkey will be false to its legitimate obligations. In any case, we ought not to be false to our obligations, and we have signed this treaty which calls for this meeting which is now being held. It is necessary, for us at least, to play an honorable role, and to meet in accordance with the terms of that treaty and see that those terms are fulfilled. It seems hardly necessary to answer the gentleman from Texas. Everything to him looks like a junket. I suppose that when he sat across the table from Mr. Carr he was himself on one of those so-called "junkets." If you read the statement of the Secretary of State, you will find that he is employing, as far as possible, members of his own organization, those who are already in the pay of the Government, so as to reduce to a minimum this cost.

It has been shown in the case of all the other countries, where similar situations have developed, that the claims have been paid, and that the Government has been reimbursed for the amount it had advanced. This will not cost the Government a penny, and may bring to our citizens many millions of dollars. I, for my part, propose to assume that Turkey is honest until she has been proven otherwise.

Mr. BLANTON. Will the gentleman yield?

Mr. BAKEWELL. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman claimed the time against the bill, and now he is speaking for it. I was not on that big a junket.

Mr. BAKEWELL. I was not asked whether I was for or against the bill.

Mrs. ROGERS of Massachusetts. Will the gentleman yield?

Mr. BAKEWELL. I yield.

Mrs. ROGERS of Massachusetts. Several citizens in Texas also have claims against Turkey, have they not?

Mr. BAKEWELL. They have.

Mr. BLANTON. But they have wiped them off. They knew they would never get anything out of it. And they do not want to have $90,000 more of their good money wasted and thrown away by this bill.

The SPEAKER. The time of the gentleman from Connecticut [Mr. BAKEWELL] has expired.

Mr. BAKEWELL. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Speaker, the gentleman from Texas and I are quite in accord as regards payments of the war debts which are owed to the United States Government by foreign countries. I want to call his attention and the attention of the House to the situation in which the House is going to find itself in regard to those debts. I wish that each Member of the House would look up the speech of the President which he made during his campaign in 1932 at Sioux City, Iowa. You will discover apparently what is happening to the foreign-debt situation. I was happy the other day to see such a positive message sent to the House in regard to the payment of foreign debts; but I call the attention of the House at this time to the fact that you have now passed tariff authority to the President, giving him authority to deal with and reduce tariffs with the same countries who owe us the war debts. He can now carry out the terms of his Sioux City, Iowa, speech. If he lives up to that speech made in Sioux City, you will find a trade being made of tariffs for war debts. In other words, the American people are going to pay for those war debts through loss of duties on foreign goods. The American workingman is going to pay through loss of wages and through settlement and adjustment deals made by the President under the powers granted by the present Congress. Tariffs will be lowered to those countries that owe us providing they agree to pay the war debts to us.

Mr. COOPER of Tennessee. The act specifically provides that the war debts shall in no way enter into the question.

Mr. MCFADDEN. But the President will put it on what will be purported to be a broad economic basis. We cannot help but consider such a fact now that this authority has been given to the President in the tariff and money bills, and that it is further indicated by the President's messages to the House and his utterances during his campaign that he proposes to make a trade in tariffs to the countries that owe us, which in the last analysis will mean that foreign-made goods will be permitted to come in here at lowered tariff to compete with American-made goods, made by American labor, and American people will thus pay this war debt, just as the foreigners have intended that we should pay. It will be a shift of the burden from the foreigners to the back of the American taxpayer. So that is the predicament we are in. The gentleman from Texas [Mr. BLANTON] and others who feel as he and I do in this respect should not have passed that law, but should have at all times insisted in a firm manner that the administration should live up to the rider on the moratorium bill, to wit, that there would be no further reduction or cancelation of the war debts.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. MCFADDEN] has expired.

Mr. MCREYNOLDS. Mr. Speaker, I assure the House I shall not use all the time at my disposal. The gentleman from Texas says that he is on that committee which votes out or fails to vote out money; that is, the Committee on Appropriations. This bill merely makes an authorization. If we pass the bill, the matter of the appropriation will come before the Committee on Appropriations, the committee of which the gentleman from Texas is a member.

The gentleman from Texas commented on Mr. Carr. There was no evidence before the committee in reference to Mr. Carr. I want to say for Mr. Carr that I have never known him to take what the gentleman from Texas characterizes as a junket to any country, although Mr. Carr is in charge of the foreign agents. No one is more conscientious about his duties than this gentleman.

All I want to say to the Members is that in my opinion, if this authorization is given and the appropriation is made, it will not cost our Government one cent to undertake to collect the debts that Turkey owes to the citizens of this country. May I say further that this bill is recommended by Hon. Cordell Hull, Secretary of State; and a request for its passage was made by the President of the United States, Franklin D. Roosevelt.

Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the motion of the gentleman from Tennessee to suspend the rules and pass the bill.

The question was taken.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is not a quorum present, and I object to the vote on the ground that there is not a quorum present; and, pending the determination of that point, I ask for the yeas and nays.

The SPEAKER. Will the gentleman withhold his point of no quorum?

Mr. BLANTON. Yes.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—IMPROVEMENT AND DEVELOPMENT OF THE RIVERS OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States:

To the Congress of the United States:

On February 2, 1934, by resolution, the Congress requested me to report on "a comprehensive plan for the improvement and development of the rivers of the United States, with a view of giving the Congress information for the guidance of legislation which will provide for the maxi-

mum amount of flood control, navigation, irrigation, and development of hydroelectric power."

Pursuant thereto I requested the Secretaries of the Departments of the Interior, War, Agriculture, and Labor to advise on the development of a water policy and on the choice of projects. I am sending herewith copies of their report, together with separate letters from the Secretary of War and the Secretary of Labor, and also:

(1) List of technical advisory committees of the President's committee.

(2) Review of reports of technical subcommittees on water flow.

(3) Review of report of technical subcommittees covering additions in the arid section, prepared by the Bureau of Reclamation.

(4) Seven reports of technical subcommittees covering various regions.

I ask that the Congress bear in mind certain obvious facts relating to these reports:

(1) That the time for the preparation of these reports was extremely limited.

(2) That the subject is one of enormous magnitude, covering the whole of the United States.

(3) That the resolution of the Congress, covering the subjects of flood control, navigation, irrigation, and development of hydroelectric power, automatically opened the door to all interrelated subjects which come under the general head of land and water use. This broader definition brings to our attention very clearly such kindred problems as soil erosion, stream pollution, fire prevention, reforestation, afforestation, marginal lands, stranded communities, distribution of industries, education, highway building, home building, and a dozen others.

(4) All of the reports were based primarily on information already at hand and further study is strongly recommended.

(5) For the purpose of making a preliminary test, I requested a wholly tentative trial selection of 10 specific projects. As I had expected, the report strongly doubts the advisability of recommending these projects, on the ground that any selection at this point must necessarily omit many meritorious projects which further analysis may show to be preferable.

(6) The reports of the technical subcommittees, covering various areas, are of definite value. But before any work is done, it is obvious that a competent coordinating body must go over all of these reports, as well as reports on other projects, and produce a comprehensive plan.

In view of the above, I, therefore, suggest that the Congress regard this message and the accompanying documents as merely a preliminary study and allow me, between now and the assembling of the next Congress, to complete these studies and to outline to the next Congress a comprehensive plan to be pursued over a long period of years. Further legislative action on this subject at this session of the Congress seems to me, therefore, unnecessary.

I expect before the final adjournment of this Congress to forward to it a broader outline of national policy in which the subject matter of this message will be presented in conjunction with two other subjects also relating to human welfare and security.

We should proceed toward a rounded policy of national scope.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 4, 1934.*

During the reading of the President's message the following occurred:

Mr. BLANTON. Mr. Speaker, I do not want a long message read intervening. I insist on my point of no quorum. Let us get through with the bill under consideration. The reading of the message will take some time, and I insist on my point of no quorum.

The SPEAKER. Evidently there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 268, nays 45, not voting 117, as follows:

[Roll No. 170]

YEAS—268

Adair	Doughton	Kleberg	Reilly
Adams	Dowell	Kloeb	Rich
Allen	Doxey	Kniffin	Richards
Andrew, Mass.	Drewry	Kocialkowski	Robertson
Andrews, N.Y.	Driver	Kopplemann	Rogers, Mass.
Arnold	Duffey	Lambeth	Rogers, N.H.
Ayers, Mont.	Dunn	Lamneck	Rogers, Okla.
Ayres, Kans.	Eagle	Lanham	Romjue
Bacon	Eaton	Larrabee	Rudd
Bakewell	Edmiston	Lea, Calif.	Ruffin
Beam	Eicher	Lehlbach	Sabath
Berlin	Ellenbogen	Lehr	Sadowski
Biermann	Elizey, Miss.	Lemke	Sanders, La.
Black	Englebright	Lewis, Colo.	Sanders, Tex.
Bland	Evans	Lloyd	Sandlin
Boehne	Farley	Lozier	Schaefer
Boileau	Fernandez	Luce	Schuetz
Boland	Fiesinger	Lundeen	Sears
Boylan	Fitzpatrick	McCarthy	Secrest
Brown, Ga.	Fletcher	McClintic	Seger
Brown, Ky.	Focht	McCormack	Sinclair
Brown, Mich.	Ford	McFadden	Sirovich
Brunner	Foss	McFarlane	Smith, Va.
Buchanan	Frey	McGrath	Snell
Buck	Fuller	McKeown	Snyder
Bulwinkle	Gasque	McLean	Spence
Burke, Nebr.	Gavagan	McReynolds	Steagall
Busby	Gilchrist	Maloney, Conn.	Stokes
Byrns	Gillespie	Maloney, La.	Stubbs
Cady	Gillette	Mansfield	Studley
Caldwell	Glover	Mapes	Sutphin
Carden, Ky.	Goss	Martin, Colo.	Swank
Carmichael	Granfield	Martin, Mass.	Tarver
Carter, Calif.	Greenway	Martin, Oreg.	Taylor, Colo.
Cartwright	Greenwood	Meeks	Terry, Ark.
Cary	Gregory	Merritt	Thom
Castellow	Griswold	Millard	Thomason
Celler	Guyer	Miller	Thompson, Ill.
Chapman	Haines	Mitchell	Tinkham
Clark, N.C.	Hancock, N.Y.	Monaghan, Mont.	Treadway
Clarke, N.Y.	Harter	Montet	Turner
Cochran, Mo.	Hastings	Moran	Turpin
Coffin	Healey	Mott	Umstead
Colden	Henney	Musselwhite	Underwood
Cole	Hildebrandt	Nesbit	Vinson, Ga.
Condon	Hill, Ala.	O'Brien	Vinson, Ky.
Connery	Hill, Knute	O'Connell	Walter
Cooper, Tenn.	Hill, Samuel B.	Oliver, Ala.	Warren
Cox	Hollister	Oliver, N.Y.	Wearin
Cravens	Holmes	Owen	Welch
Crosby	Howard	Parker	Werner
Cross, Tex.	Hughes	Parks	West, Ohio
Crosser, Ohio	Imhoff	Parsons	West, Tex.
Crowe	Jacobsen	Patman	White
Crowther	Jenckes, Ind.	Peavey	Whitley
Crump	Jenkins, Ohio	Perkins	Whittington
Culkin	Johnson, Minn.	Peyser	Wigglesworth
Cullen	Johnson, Tex.	Plumley	Williford
Darden	Johnson, W.Va.	Polk	Williams
Deen	Jones	Powers	Wilson
Delaney	Kahn	Ramsay	Withrow
De Priest	Kee	Ramspeck	Wolcott
Dickinson	Keller	Randolph	Wolfenden
Disney	Kelly, Pa.	Rankin	Wolverton
Dobbins	Kennedy, Md.	Rayburn	Wood, Mo.
Dockweiler	Kenney	Reece	Woodrum
Dondero	Kerr	Reed, N.Y.	Young

NAYS—45

Arens	Durgan, Ind.	Ludlow	Taber
Blanchard	Eltse, Calif.	McGugin	Terrell, Tex.
Blanton	Goodwin	Marshall	Thomas
Cannon, Mo.	Harlan	May	Tobey
Carpenter, Kans.	Hart	Morehead	Truax
Carpenter, Nebr.	Hess	Murdock	Wallgren
Christianson	Hoeppel	Pierce	Weideman
Cochran, Pa.	Hope	Robinson	Wood, Ga.
Collins, Calif.	Kinzer	Scrugham	Zioncheck
Colmer	Kramer	Strong, Pa.	
Dirksen	Kurtz	Strong, Tex.	
Ditter	Lambertson	Swick	

NOT VOTING—117

Abernethy	Burnham	Dies	Griffin
Allgood	Cannon, Wis.	Dingell	Hamilton
Auf der Heide	Carley, N.Y.	Douglass	Hancock, N.C.
Bacharach	Carter, Wyo.	Doutrich	Hartley
Bailey	Cavicchia	Duncan, Mo.	Higgins
Bankhead	Chase	Edmonds	Hoidale
Beck	Chavez	Faddis	Huddleston
Beedy	Church	Fish	James
Beiter	Claiborne	Fitzgibbons	Jeffers
Bloom	Collins, Miss.	Flannagan	Johnson, Okla.
Bolton	Connolly	Foulkes	Kelly, Ill.
Brennan	Cooper, Ohio	Frear	Kennedy, N.Y.
Britten	Corning	Fulmer	Knutson
Brooks	Cummings	Gambrill	Kvale
Browning	Darrow	Gifford	Lanzetta
Buckbee	Dear	Goldsborough	Lee, Mo.
Burch	DeRouen	Gray	Lesinski
Burke, Calif.	Dickstein	Green	Lewis, Md.

Lindsay	O'Connor	Shoemaker	Thompson, Tex.
McDuffie	O'Malley	Simpson	Thurston
McLeod	Palmisano	Sisson	Traeger
McMillan	Peterson	Smith, Wash.	Utterback
McSwain	Pettengill	Smith, W.Va.	Wadsworth
Marland	Prall	Somers, N.Y.	Waldron
Mead	Ransley	Stalker	Weaver
Milligan	Reid, Ill.	Sullivan	Wilcox
Montague	Richardson	Sumners, Tex.	Woodruff
Moynihan, Ill.	Schulte	Sweeney	
Muldowney	Shallenberger	Taylor, S.C.	
Norton	Shannon	Taylor, Tenn.	

So, two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Sullivan with Mr. Bacharach.
Mr. Faddis with Mr. Taylor of Texas.
Mr. Chavez with Mr. Beck.
Mr. Bankhead with Mr. James.
Mr. Smith of West Virginia with Mr. Carter of Wyoming.
Mr. Lanzetta with Mr. Gifford.
Mr. Bloom with Mr. Knutson.
Mr. Hamilton with Mr. Bolton.
Mr. Brooks with Mr. Reid of Illinois.
Mr. Goldsborough with Mr. Simpson.
Mrs. Norton with Mr. Wadsworth.
Mr. Marland with Mr. Traeger.
Mr. Lindsay with Mr. Britten.
Mr Huddleston with Mr. Thurston.
Mr. Weaver with Mr. Buckbee.
Mr. Allgood with Mr. Stalker.
Mr. Taylor of South Carolina with Mr. Carter of California.
Mr. Bailey with Mr. Waldron.
Mr. Dickstein with Mr. Chase.
Mr Wilcox with Mr. Woodruff.
Mr. Johnson of Oklahoma with Mr. Connolly.
Mr. Burch with Mr. Burnham.
Mr. Church with Mr. Cooper of Ohio.
Mr. Lambeth with Mr. Edmonds.
Mr. Hoidale with Mr. Hartley.
Mr. Montague with Mr. Frear.
Mr. Fulmer with Mr. Cavicchia.
Mr. Dear with Mr. Fish.
Mr. Utterback with Mr. Higgins.
Mr. Somers of New York with Mr. McLeod.
Mr. Shannon with Mr. Darrow.
Mr. Gambrill with Mr. Doutrich.
Mr. Cummings with Mr. Moynihan of Illinois.
Mr. Lee of Missouri with Mr. Muldowney.
Mr. McDuffie with Mr. Ransley
Mr. Lesinski with Mr. Shoemaker.
Mr. Mead with Mr. Kvale.
Mr. O'Connor with Mr. Thompson of Texas.
Mr. Sweeney with Mr. Prall.
Mr. McSwain with Mr. Lewis of Maryland.
Mr. Shallenberger with Mr. Smith of Washington.
Mr. Schulte with Mr. Richardson.
Mr. Sumners of Texas with Mr. Sisson.
Mr. Beiter with Mr. McMillan.
Mr. Collins of Mississippi with Mr. Cannon of Wisconsin.
Mr. Pettengill with Mr. Flannagan.
Mr. Browning with Mr. Claiborne.
Mr. Kelly of Illinois with Mr. Green.
Mr. Hancock of North Carolina with Mr. Peterson.
Mr. Palmisano with Mr. O'Malley.
Mr. Jeffers with Mr. Carley.
Mr. Corning with Mr. DeRouen.

Mr. REED of New York and Mr. McFARLANE changed from "nay" to "yea."

The result of the vote was announced as above recorded.

PUERTO RICO'S CITIZENSHIP

Mr. IGLESIAS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the citizenship bill and other bills introduced by me; and also to insert a memorial from the Legislature of Puerto Rico asking for statehood and a liberalization of our organic act.

The SPEAKER. Is there objection to the request of the Delegate from Puerto Rico?

There was no objection.

Mr. IGLESIAS. Mr. Speaker, the effect of this H.R. 5330 would be: (1) To enable persons born in Puerto Rico to acquire United States citizenship at birth, as all natives of New York, Illinois, Florida, and the other States, do; (2) to make this naturalization provision retroactive so as to cover all persons born in Puerto Rico after the change of sovereignty in the island—that is, since April 11, 1899—and who are permanently domiciled here, those temporarily residing abroad included; and (3) to give Puerto Rico women equality of rights of naturalization with—continental—American-born women. The bill also coincides with the policy of approximation to which the declaration of the last national Democratic platform with respect to Puerto Rico's statehood, clearly points.

First. It would establish the equivalent of the American constitutional rule regarding citizenship. All persons born in the United States and subject to the jurisdiction hereof, are citizens of the United States.

Second. It would facilitate the proof of American citizenship when required. One born here after April 11, 1899, and domiciled here, would need to establish only the facts of his birth and domicile, without submitting any evidence as to the American nationality of his father.

Third. It would strengthen the Puerto Rican against any attempted discrimination with respect to status in the Federal laws and regulations, as in veterans' pension claims.

Fourth. It would point to a greater approximation of Puerto Rico to the mainland.

Puerto Rico stands literally at the crossroads of the world, at the entrance to the Caribbean region and on a direct line between east and west, north and south. San Juan, the capital and chief port, is but 1,000 miles away from the Panama Canal, 1,300 miles from New York or Philadelphia, less than 1,000 miles away from Habana, and under 4,000 miles away from the great European markets.

PUERTO RICO IS AN AMERICAN TERRITORY

In this connection I desire to quote from Hon. Harry W. Blair, the assistant to the United States Attorney General, the following memorandum:

I have had under consideration your request for recommendation on H.R. 7873 (73d Cong., 2d sess.) and reasons in support thereof, particularly concerning the request contained in the letter of SANTIAGO IGLESIAS, Resident Commissioner of Puerto Rico. I take it that the request of the Commissioner goes no further than to consider whether Puerto Rico is such a Territory as is intended to be governed by this act. I will, therefore, confine my consideration of the matter of that question.

It is to be first noted that the language of the act is broad, general, and comprehensive and without prohibitions or limitations as to any political subdivision of the United States. Section 1 reads:

"*Be it enacted, etc.*, That the Congress hereby declares that the cooperation of the Federal Government with the several States, Territories, and the District of Columbia is necessary to prevent the premature closing of elementary and common schools. * * *"

Section 2 of the act uses the same term: "* * * as will enable the several States, Territories, and the District of Columbia, to maintain their regular school terms * * *"

The bill does not exclude any form of political government which might be said to be within the broad and general definition of "State or Territory." If, therefore, Puerto Rico may be said to be within the meaning of the term "Territories", the act applies to Puerto Rico. It is true that Puerto Rico is not a fully organized Territory such as Alaska and Hawaii and has not been incorporated into the Union as a Territory (*Balzac* v. *People of Puerto Rico*, 258 U.S. 298, 305). On the other hand, it has been held by the United States Supreme Court to be a completely organized Territory.

In a case in which there was involved the question of the right of the Governor of any organized Territory to issue requisitions for the return of fugitive criminals, the Supreme Court held (*People of New York ex. rel. Kopel* v. *Bingham, Commissioner*, 211 U.S. 468):

"Under section 17 of the act of April 12, 1900 (ch. 191, — Stat. 77, 81), the Governor of Puerto Rico has the same power that the Governor of any organized Territory has to issue requisitions for the return of fugitive criminals under section 2, article IV, Constitution of the United States, refers in terms only to the States, Congress, by the act of February 12, 1793 (ch. 7, 1 Stat. 302, now sec. 5278, Rev. Stat.), has provided for the demand and surrender of fugitive criminals by Governors of Territories as well as of States, and the power to do so is as complete with Territories as with States (*Ex parte Regeel*, 114 U.S. 642)."

Puerto Rico, although not a Territory incorporated into the United States, is a completely organized Territory.

SYLLABUS

In the opinion Mr. Chief Justice Fuller said, page 476:

"It may be justly asserted that Puerto Rico is a completely organized Territory, although not a Territory incorporated into the United States, and that there is no reason why Puerto Rico should not be held to be such a Territory as is comprised in section 5278."

Section 5278, Revised Statutes, referred to States in part:

"Whenever the executive authority of any State or Territory demands any person as a fugitive from justice, of the executive authority of any State or Territory to which such person has fled, * * *."

We find therefore the general term "Territory" used in a statute similar to the one under consideration has been held to be a Territory within the meaning of the act.

Again in the case of *Gromer* v. *Standard Dredging Co.* (224 U.S. 362), the Supreme Court said with reference to Puerto Rico and the application of the Foraker Act of April 12, 1900 (p. 370):

"The purpose of the act is to give local self-government, conferring an autonomy similar to that of the States and Territories, reserving to the United States rights to the harbor areas and navigable waters for the purpose of exercising the usual national control and jurisdiction over commerce and navigation."

See also *People of Puerto Rico* v. *Rosaly y Castillo* (227 U.S. 270).

There must also be taken into consideration the organic act of Puerto Rico of April 12, 1900 (31 Stat. 77), known as "the Foraker Act", and the organic act of March 2, 1917 (39 Stat. 954), known as "the Jones Act", in which later act this provision appears:

"* * * the statutory laws of the United States not locally inapplicable, except as hereinbefore or hereinafter otherwise provided, shall have the same force and effect in Puerto Rico as in the United States, except the internal-revenue laws * * *."

There does not seem to be anything in the act under consideration locally inapplicable, and I see no reason why the act may not be as capable of operation in the territory of Pureto Rico as in State or Territory.

The same question, under a more doubtful status, was before Attorney General Mitchell with reference thereto, appearing in Thirty-sixth Opinions, 326. There the question was specifically as to whether the Agricultural Marketing Act which might not unreasonably be construed as limiting the operations of the act to continental United States. However, Attorney General Mitchell had under consideration the statute just referred to as to the applicability of the general laws of the United States where not locally inapplicable, and his opinion therefore appears as a precedent in the Attorney General's office that under similar expressions Puerto Rico is held to be included within the general term "Territory."

The specific question asked by the Commissioner is:

"The object of this letter is to ascertain whether under the term 'Territories' Puerto Rico is included and will benefit by this bill or any other bill where the word 'Territories' is used."

I, therefore, answer this question in the affirmative.

(Signed) HARRY W. BLAIR,
Assistant United States Attorney General.

The Legislature of Puerto Rico has approved a memorial that was addressed to Congress, which reads as follows:

Concurrent resolution to declare that the final status of Puerto Rico should be statehood and that the people of Puerto Rico dsire that Puerto Rico become a state, forming a part of, and associated with, the federation of the United States of America; to petition the Congress of the United States of America for legislation authorizing the people of Puerto Rico to adopt its own state constitution for its approval by the Congress of the United States of America, after it has been ratified by a plebiscite to which it shall be submitted; to demand from the Congress of the United States of America an immediate liberalizing reform, of a political and economic nature, of the autonomic regimen of government at present enjoyed by Puerto Rico, through amendments to the organic act in force, and for other purposes

PART I

Whereas for more than 35 years the people of Puerto Rico, in a state of deep preoccupation, have suffered the disappointments inherent in a regime under which it has been working among difficulties caused by differences in systems, laws, customs, and language, assimilating, however, with clear vision of the future, the fundamental ideals which serve as a basis for the institutions of our government;

Whereas during that interregnum in which the people of Puerto Rico have lived trusting in the justice of the people of the United States of America, the latter, believing the former capable of living a life of equality, dignity, and honor in their relations with each other, granted to the Puerto Ricans, through Congress, American citizenship with all the prerogatives inherent therein;

Whereas the consensus of opinion of the people of Puerto Rico shows that it is advisable to know what is to be the final status of Puerto Rico in its relations with the United States of America, with the understanding that the preservation of its characteristics and other traditions are not in conflict with the principles and ideals of the American Nation, and that the vernacular may subsist in conjunction with the use of the English language, all within the new structure of government within which the people of Puerto Rico will live in dignity in association with the people of the United States of America, under the same flag; and

Whereas the people of Puerto Rico have always aspired, and continue to aspire, to the fulfillment of the words which, in the lexicon of liberty of the United States of America, involved the consecration of the principle that "peoples have the right to determine their own destinies": Now therefore, be it

Resolved by the Legislature of Puerto Rico:

SECTION 1. That the people of Puerto Rico desire that Puerto Rico become a state and be admitted to the Union under the same conditions as the States which integrate the same.

SEC. 2. To request from the Congress of the United States of America, as it is hereby requested, legislation authorizing the people of Puerto Rico to frame there own State constitution, in order to submit it for the approval of the Congress of the United States of America after it is ratified by the electoral body of Puerto Rico to which it shall be submitted through a plebiscite for such purpose, the result of which shall be certified by the executive secretary of Puerto Rico; and the Governor of Puerto Rico shall give notice thereof to the President of the United States for the proper purposes.

PART II

Whereas until the proceedings heretofore referred to in this resolution have been carried out, the people of Puerto Rico need urgently to improve the conditions of its internal life by protecting its agriculture and promoting the development of its industry, by reorganizing its government institutions, by regulating the application to Puerto Rico of certain acts of Congress, and by securing exemption from the effect of certain fiscal acts already enacted in the United States, by obtaining Federal aid in temporarily balancing its annual budgets without detriment to essential services, and by securing amendments to the organic act in force in order to attain said ends;

Whereas, with the enactment of measures of this kind, while the proceedings are being carried out and the obstacles in the way of enjoying the final status of statehood are being overcome, the people of Puerto Rico shall have full political and fiscal autonomy to solve its own problems and may temporarily enjoy its internal independence and its internal sovereignty: Now, therefore, be it

Further resolved by the Legislature of Puerto Rico:

SEC. 3. That the people of Puerto Rico demand an immediate liberalizing reform, of a political and economic nature, of the autonomic regimen of government which it now enjoys. petitioning the Congress of the United States of America, as it is hereby petitioned, to amend the organic act of Puerto Rico in force, in accord with the following:

1. Recognizing the right of the people of Puerto Rico to elect its own governor;

2. Granting powers to the Governor of Puerto Rico so that he may, with the advice and consent of the insular senate, appoint all the heads of department of the insular government of Puerto Rico;

3. Granting authority to the Legislature of Puerto Rico to fix the salaries of the heads of department, their powers and duties, and the number and titles thereof, without exceeding the number now existing;

4. Authorizing the Governor of Puerto Rico to fill the vacancies among senators and representatives without the need of holding partial elections, and on proposal of the directing body of the party to which the legislators whose post is vacant belonged;

5. Granting power to the Legislature of Puerto Rico to revoke the veto of the executive by the vote of two-thirds of the total number of members of each legislative house;

6. Providing that the jurisdiction of the United States District Court for Puerto Rico be limited to the same jurisdiction as that which belongs to courts of like nature in the States of the Union; and likewise providing that the chief justice of the Supreme Court of Puerto Rico or, by delegation, any of the associate justices, shall act as judge of said Federal court;

7. Stating that the decisions of the Supreme Court of Puerto Rico shall be reviewable only by the Supreme Court of the United States through the same procedure as that followed in regard to final judgments of the supreme courts of the States of the Union; adopting, moreover, the remedy of certiorari before said court in those cases in which there is a controversy in regard to the American Constitution or in regard to treaties or Federal laws;

8. Establishing that statutory acts hereafter enacted by the Congress of the United States shall govern in Puerto Rico when made expressly applicable to the island and adopted by the Legislature of Puerto Rico, except when they refer to the organization and operation of the Federal agencies, offices, and departments functioning in Puerto Rico;

9. The modification of all laws preventing competition in the transportation of freight and passengers between the United States and Puerto Rico in order to obtain a low-priced and adequate transportation service, and chiefly to avoid the rise in price of merchandise due to high freight rates.

10. That the Congress of the United States, as a rehabilitation measure, authorize Puerto Rico to establish fiscal tariffs, the object of which shall be:

(1) To provide revenues to meet the expenses of the current budget;

(2) To protect all the products of our agriculture and industry;

(3) To declare free from import duties all such articles of prime necessity for our people as are not produced in Puerto Rico.

And likewise to authorize the Legislature of Puerto Rico to exempt from customs duties, and to levy taxes on, construction materials and raw materials necessary for the promotion of the industrialization of the island; and likewise to prohibit the importation of all articles injurious to health due to the loss of their food value in the course of their preparation or otherwise.

SEC. 4. To request the Congress of the United States of America, as it is hereby requested, to enact legislation for the consolidation of the public debt of Puerto Rico as far as it may be possible, to make extensive to Puerto Rico the Federal Reserve Act and any other measures enacted for the benefit of national banking, for the benefit of banking in Puerto Rico; likewise making extensive to Puerto Rico all the Federal acts already enacted, or to be hereafter enacted, for the protection and promotion of the agriculture, industry, and commerce of Puerto Rico.

SEC. 5. To request the Congress of the United States of America, as it is hereby requested, to authorize the Legislature of Puerto Rico to adopt legislation tending to solve the problem of absenteeism, and, as a consequence thereof, the concentration of property of nonresidents.

SEC. 6. To request the Congress of the United States of America, as it is hereby requested, for the purpose of improving the health of the people of the island, a work already begun with the amounts appropriated and which are being distributed by the Federal Relief Administration, to appropriate in its annual budgets, as it is accustomed to do as aid to the Federal States, such sum as it may deem fair in order to drain the miasmal mangrove swamps and to combat tuberculosis and uncinariasis in Puerto Rico.

MIGUEL A. GARCIA MÉNDEZ,
Speaker, House of Representatives of Puerto Rico.
RAFAEL MARTÍNEZ NADAL,
President of the Senate of Puerto Rico.

The undersigned secretaries of the House of Representatives and of the Senate of Puerto Rico do hereby certify that the preceding resolution was duly adopted this 15th day of April 1934.

ANTONIO ARROYO,
Secretary, House of Representatives of Puerto Rico.
ENRIQUE GONZALEZ MENA,
Secretary, Senate of Puerto Rico.

A CENTURY OF PROGRESS

Mr. KELLY of Pennsylvania. Mr. Speaker, I ask unanimous consent to print in the RECORD a brief oration delivered by the young high-school student who won the oratorical high-school championship.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. KELLY of Pennsylvania. Mr. Speaker, it is with real pleasure that I take advantage of the unanimous consent of the House to print in the RECORD the following oration on A Century of Progress.

It was written by Harvey Schauffler, one of my young constituents and a student in the Glassport (Pa.) High School. Through the merit of his composition and the appeal of his delivery, this young American won the national original oration championship at Topeka, Kans., in competition with high-school students from all the States.

It was my privilege to hear it delivered in the home school before neighbors and friends. I was impressed with the orator's ability and with the evidences of the efficient training given by the faculty of his high school. I was especially impressed with the eloquent and timely message of the oration itself. America might well resolve to answer the challenge of Harvey Schauffler, an inspiring young product of our public-school system. The oration is as follows:

A few months ago on the shores of Lake Michigan there was epitomized, in an unusual panorama A Century of Progress, the world's fair, in essence a fragment of a possible scientific utopia—a utopia emphasizing not only the past, but like an enclave of one kind of civilization hemmed in by another almost totally different. It selected not what is actually representative of the life of man on earth today; it is what, by the grace of science, is going to be representative 20, 50, a hundred years from now. Lights twinkling, odd shapes, and showy colors blossoming along the Lake front—outward signs of Chicago's world fair. The Century of Progress represented a hundred years of development in medicine, chemistry, geology, physics, astronomy, industry, and art. Chicago spent millions of dollars to perfect a replica of tangible scientific progress. In medicine it pictured the slovenly, dangerous cures advocated by alchemists of an older age and brought the advancement up to today's supermicroscopes, isolations, inoculations, and immunities. Chicago depicted "travel and transport", an advance from the Conestoga wagon, a mere horse and cart, to the modern stream-line Century Limited; a century of progress in homes, producing a standard of living highly inflated as compared with ancient and temporary abodes. It showed the world sights never seen. It was a scene of life and virility with its constant striving for comfort, convenience, and happiness—a vivid and dynamic visualization of man's endeavor, a drama depicting the power of the human mind to conquer nature's mighty powers and to harness them for the benefit of mankind. Just as Chicago took root and grew to imposing size and beauty, so, too, those massive structures typified the very essence of the purpose of A Century of Progress. Here were shown the contribution of other civilizations, dwellings, and communities of foreign peoples and of aborigines, temples of the Orient, modern housing exhibitions, amusement places of thrills, pastimes, the "talkies", racing, the drama—all in A Century of Progress. Yet, in our minds, it is a century that has looked from the future toward the present, from the present back to the past.

On that lake shore stood the portrayal of man's marvelous contributions to enlightenment, welfare, and happiness. Hundreds of thousands of people thronged the grounds daily, spending hundreds of thousands of dollars, admiring these achievements of men. Indeed, they had every right, every reason, every privilege, to stand open-mouthed and awe-struck in amazement at the achievements of their fellow men. Here, indeed, was A Century of Progress. Yet, lurking in the background, hung that hideous monstrosity, that parasite of civilization—organized crime. It too had a century of progress. Science had portrayed noble achievement; yet the scourge of criminal progress still existed.

It is said that Cato the Elder was so convinced that the safety of Rome demanded the destruction of Carthage that for years he never rose in the Senate to speak on any subject that he did not begin by saying, "Carthage must be destroyed." Today another Carthage threatens the safety of a modern Rome, for we, like Cato the Elder must demand the destruction of crime. The past hundred years have been filled with progress and crowded with problems of tremendous variety and complexity; the World War, the inflation and deflation of business, our emergence as a creditor nation, the spectacular increase in efficiency, the onset of business distress, birth control, prohibition, race riots, immigration, woman suffrage, the League of Nations; yet the greatest progress has been made in crime. For years we have been accustomed to speak of the crime wave. Today, however, the crime wave is a permanent elevation. We are used to opening the daily papers and reading of bandits, who, in the heart of the city or at any other place they see fit, in broad daylight, hold up persons who have in their possession money or valuables, in some cases not even taking the trouble to disguise themselves, committing assault, injuring or killing the victims. Then we read that the trail is lost. Police forces have been increased 100 percent; yet murders have been increased 350 percent. The annual crime bill, through expenditures for the prevention and punishment of crime, the maintenance of jails and penal institutions, and the loss of property by fraud, or destruction by arson, amounts to the staggering total of $13,000,000,000. This stupendous sum is more than three times the annual cost of maintaining the Federal Government and is increasing every year.

America's largest industry today, in these times of industrial depression, is the gangsterized industry of racketeering, which organized on a Nation-wide scale, under the leadership of the country's most notorious criminals, corrupt politicians, and unscrupulous lawyers, is costing the American people $18,000,000,000 a year, seven and a half times the amount spent annually by the Federal Government and the 48 States of the Nation on public schools—and the amount is increasing every year. Today 120,000 crimson-handed assassins are roaming at large in this country, the number getting larger each year. Only progress means protection; yet today 400,000 citizens make their living through crime, constituting a scarlet army three times the size of the regular protective Army of the United States. Experts say that before his sojourn in the Federal Penitentiary at Atlanta, Al Capone's annual income was $100,000,000. Yet it is a well-known fact that honest and fearless law enforcement is often handicapped in the prosecution of gangsters, racketeers, and other criminals, because their victims are so terrorized that they will not testify against them in court.

Yes; while you stood in Chicago admiring A Century of Progress you stood in the very mecca of crime—the gangster's playground.

And still the American people are indifferent. Becoming bolder and more brazen, the gangsters, the hoodlums, the crooks, the racketeers, the white slavers, the kidnapers, the spawn of the gutter, the jails and the brothels, are throwing the dirty rag of defiance into the faces of the American people, of whom you are one; and, inconceivable as it may seem, the great body of the American people, of whom you are one, who, if they so wished, could end this frightful, disgraceful situation, are entirely indifferent about the matter.

The Nation's crime bill has been raised to $16,000,000,000. All over the Nation prisons are crowded. The violent death rate has doubled since 1900, and 12,000 people are murdered every year—a relic of barbarism that defies civilized countries. The American homicide record is a shameful disgrace for a country which affects the claim that it is a leader among enlightened people. We profess a century of progress in a nation having an evidence of lawlessness which has no counterpart in any other country in the world. President Roosevelt has said, "There is no justification for crime, when we, as a sovereign power, are charged with the responsibility of protecting the dependent against the whims of the lawless."

Now we stand on the threshold of a new era. Above us tower the mighty symbols of human progress and betterment. Yet, striding insolently ahead of us, moves the malevolent figure of evil and corruption. The challenge is not strange to us; it confronts us in our conversation, our thinking, our acts, and our daily living—one that we, as the American people, have ignored.

When we are as constant and faithful to our political rights as the slums and brothels, when the educated, industrious, and thrifty citizen is as zealous and prompt in political activity as crime is venal and sucking, then we will have a century of progress in dissociation of crime.

It is not to the scientists, mathematicians, and engineers to whom you and I must turn for our century of progress in the disruption of crime. It is to the workshop and office, to our churches and schools, to the God-given intelligence of every man and woman that assures the divine truth that right makes might that we must look to destroy this parasite of civilization. It is you and I who must rise in a new armor of militant leadership to build the truest

century of progress—an era of morality. And it is only when you and I can bend the same efforts that made a century of progress in science, to the destruction of crime, that we shall realize the true significance of a higher century of progress.

GOVERNMENT CONTRACTS AND AGREEMENTS

Mr. HILL of Alabama. Mr. Speaker, on the roll-call vote on the bill (S. 2817) to amend the act relating to contracts and agreements under the Agricultural Adjustment Act, approved January 25, 1934, the following Members, Mr. ROGERS of New Hampshire, Mr. HARTER, Mr. JAMES, Mr. GOSS, and Mr. PLUMLEY, were absent, being in attendance on the special committee set up by the House for the investigation of War Department purchases. Had these gentlemen been present, they would have voted "no."

FOREIGN-TRADE ZONES

Mr. CULLEN. Mr. Speaker, I ask unanimous consent to have until midnight tonight to file a conference report on the foreign-trade zone bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER. The Clerk will complete the reading of the President's message.

The Clerk concluded the reading of the President's message.

The SPEAKER. The message embraces subjects over which several committees have jurisdiction. The message recommends no legislation, but suggests a further study and a report at the next Congress. Under these circumstances the Chair will not refer the message to any standing committee, but refers it to the Committee of the Whole House on the state of the Union and with accompanying reports and papers ordered to be printed with illustrations.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. DIES (at the request of Mr. THOMASON) for today and tomorrow, on account of illness.

To Mr. KVALE indefinitely on account of illness.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5884. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H.R. 7353. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes;

H.R. 9323. An act to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes; and

H.R. 9370. An act to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 176. An act for the relief of Harry Harsin;

S. 254. An act for the relief of Fred H. Cotter;

S. 1078. An act for the relief of Mrs. Asa Caswell Hawkins;

S. 1780. An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes;

S. 1994. An act for the relief of Estelle Johnson;

S. 2696. An act to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs";

S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia;

S. 2750. An act for the relief of Claude A. Brown and Ruth McCurry Brown, natural guardians of Mamie Ruth Brown;

S. 2790. An act for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.;

S. 2918. An act for the relief of N. Lester Troast;

S. 2973. An act for the relief of First Lt. Walter T. Wilsey;

S. 3026. An act for the relief of Lucy Cobb Stewart;

S. 3117. An act authorizing and directing the Court of Claims, in the event of judgment or judgments in favor of the Cherokee Indians, or any of them, in suits by them against the United States under the acts of March 19, 1924, and April 25, 1932, to include in its decrees allowances to Frank J. Boudinot, not exceeding 5 percent of such recoveries, and for other purposes; and

S. 3380. An act providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 5884. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto;

H.R. 7353. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes;

H.R. 9323. An act to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes; and

H.R. 9370. An act to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

RECESS

Mr. BYRNS. Mr. Speaker, under the rules it is in order today to call up bills under suspension of the rules and to call the Consent Calendar. We have been here since 11 o'clock. The entire day has been taken up in suspensions. There are quite a number of bills on the Unanimous Consent Calendar. A number of Members have come to me and said they were very anxious to have those bills called. Perhaps this will be the last time the Consent Calendar can be called during this session. I think it is only fair that this legislative day shall go over until tomorrow.

Mr. Speaker, I move that the House stand in recess until 11 o'clock tomorrow.

Mr. BOILEAU. Mr. Speaker, I offer a preferential motion.

Mr. Speaker, I move that the House do now adjourn.

Mr. BYRNS. Mr. Speaker, under the rule adopted last week my motion is highly privileged.

The SPEAKER. The gentleman from Wisconsin cannot be recognized.

Mr. SNELL. Mr. Speaker, may I ask the majority leader if it would not be just as well if we met at 12 o'clock tomorrow?

Mr. BYRNS. Having asked that we meet at 11 o'clock tomorrow, should I now change it I would be confronted with objection on the minority side.

The SPEAKER. The question is on the motion of the gentleman from Tennessee.

The question was taken; and the Speaker announced that the ayes seemed to have it.

Mr. BOILEAU. Mr. Speaker, I object to the vote on the ground there is not a quorum present.

Mr. BLANTON. Mr. Speaker, I make a point of order that it does not take a quorum to recess; it takes only a majority of those present.

The SPEAKER. The point of order is overruled.

Two hundred and twenty-one Members are present, a quorum.

Mr. BOILEAU. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

Mr. BOILEAU. Mr. Speaker, I ask for tellers.

Tellers were refused.

So the motion was agreed to.

Accordingly (at 5 o'clock and 53 minutes p.m.) the House stood in recess until tomorrow, Tuesday, June 5, 1934, at 11 o'clock a.m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Tuesday, June 5, 10 a.m.)

Continuation of the hearings on the oil bill, H.R. 9676.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

495. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, House of Representatives, fiscal year 1934, in the sum of $3,656.82 (H.Doc. No. 394); to the Committee on Appropriations and ordered to be printed.

496. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the legislative establishment, House of Representatives, fiscal year 1934, in the sum of $87,305.26 (H.Doc. No. 393); to the Committee on Appropriations and ordered to be printed.

497. A letter from the Acting Secretary of the Treasury, transmitting a suggested draft of a bill designed to make the power of the narcotics officers over vehicles an effective instrument in law enforcement; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KNUTE HILL: Committee on Indian Affairs. H.R. 9769. A bill to amend the act of June 19, 1930 (46 Stat. 788), entitled "An act providing for the sale of the remainder of the coal and asphalt deposits in the segregated mineral land in the Choctaw and Chickasaw Nations, Oklahoma, and for other purposes"; without amendment (Rept. No. 1880). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEDY of Maryland: Committee on the Disposition of Useless Executive Papers. House Report 1881. A report on the disposition of useless papers in the Smithsonian Institution. Ordered to be printed.

Mr. DOUGHTON: Committee on Ways and Means. H.R. 9441. A bill to reduce internal-revenue taxes on tobacco products; without amendment (Rept. No. 1882). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. YOUNG: Committee on War Claims. H.R. 4819. A bill authorizing adjustment of the claim of the Public Service Coordinated Transport of Newark, N.J.; with amendment (Rept. No. 1883). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLDEN: A bill (H.R. 9832) to provide for the construction and operation of a vessel for use in research work with respect to Pacific Ocean fisheries; to the Committee on Merchant Marine, Radio, and Fisheries.

By Mr. MUSSELWHITE: A bill (H.R. 9833) providing for an examination and survey of Muskegon Lake and Channel; to the Committee on Rivers and Harbors.

By Mr. MOYNIHAN of Illinois: A bill (H.R. 9834) granting the consent of Congress to the city of Chicago to construct, maintain, and operate a free highway bridge across the Calumet River at or near Torrence Avenue in the county of Cook, State of Illinois; to the Committee on Interstate and Foreign Commerce.

By Mr. WOLFENDEN: A bill (H.R. 9835) to provide for the repair of breaks in the banks of the Delaware River in Tinicum Township, Delaware County, Pa.; to the Committee on Flood Control.

By Mr. LEWIS of Maryland: A bill (H.R. 9836) to provide for licensing of operators in beauty shops in the District of Columbia; to the Committee on the District of Columbia.

By Mr. KNUTSON: A bill (H.R. 9837) to prohibit exportation of arms and munitions of war and giving financial aid to any foreign country not adhering to a code of warfare agreed to by the United States; to the Committee on Foreign Affairs.

By Mr. ENGLEBRIGHT: A bill (H.R. 9838) granting to the Water Project Authority of the State of California, a body politic and corporate of said State, certain lands, and for other purposes; to the Committee on the Public Lands.

By Mr. LAMNECK: A bill (H.R. 9839) amending the Independent Offices Appropriation Act of 1935; to the Committee on Expenditures in the Executive Departments.

By Mr. MARTIN of Oregon: A bill (H.R. 9840) to amend section 402 of the War Risk Insurance Act, as amended October 6, 1917, providing for the payment of insurance policies to beneficiaries named therein where the insured died while in the active military or naval service of the United States even though by mistake, oversight, or otherwise the premiums on said policies were not taken out of the pay due the insured; to the Committee on World War Veterans' Legislation.

By Mr. WOOD of Missouri: A bill (H.R. 9841) to provide homes and farms for the tenant farmers of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. McSWAIN: Resolution (H.Res. 417) to suggest action by the Attorney General of the United States as to Port Newark Army Base; to the Committee on the Judiciary.

By Mr. DOUGHTON: Resolution (H.Res. 418) to authorize the Committee on Ways and Means to conduct an investigation of the internal-revenue laws, and for other purposes; to the Committee on Rules.

By Mr. VINSON of Georgia: Resolution (H.Res. 419) to create a select committee to conduct an investigation of the discrimination against southern shippers; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRUNNER: A bill (H.R. 9842) for the relief of Rolph J. Lackner; to the Committee on Naval Affairs.

By Mr. GAVAGAN: A bill (H.R. 9843) granting the Congressional Medal of Honor to Matthew G. Rice; to the Committee on Military Affairs.

By Mr. HOWARD [by departmental request]: A bill (H.R. 9844) for the relief of the heirs of Louise Cullooyah and Michel Kizer, deceased; to the Committee on Indian Affairs.

By Mr. WILCOX: A bill (H.R. 9845) for the relief of Andrew L. Johnson, father of Earl Johnson, a minor; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4943. By Mr. JOHNSON of Minnesota: Resolution of the citizens of Lincoln County, Minn., urging a proclamation by President Roosevelt calling for a moratorium on debt in the drought-striken area of the United States; to the Committee on Banking and Currency.

4944. By Mr. LEHR: Petition of the Educational Farmers' Union of America, Local No. 76, of Dundee, Mich., urging passage of the Frazier bill and the Swank-Thomas bill; to the Committee on Agriculture.

4945. Also, petition of the Woman's Christian Temperance Union of Ypsilanti, Mich., urging favorable action on the Patman motion-picture bill (H.R. 6097), to provide high moral standards for films entering interstate and international commerce; to the Committee on Interstate and Foreign Commerce.

4946. By Mr. LINDSAY: Petition of the Coyne & Delaney Co., Brooklyn, N.Y., opposing the act to create a National Industrial Board; to the Committe on Labor.

4947. Also, petition of the Filtrine Manufacturing Co., of Brooklyn, N.Y., opposing the Wagner disputes bill (S. 2926); to the Committee on Labor.

4948. Also, petition of the American Vault Co., Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

4949. Also, petition of the Permatex Co., Brooklyn, N.Y., protesting against the passage of the Wagner disputes bill; to the Committee on Labor.

4950. Also, petition of the Moeller Instrument Co., Brooklyn, N.Y., protesting against the passage of the new Wagner disputes bill; to the Committee on Labor.

4951. Also, petition of the Tilden's Brake Service, Brooklyn, N.Y., protesting against the new Wagner disputes bill; to the Committee on Labor.

4952. Also, petition of the Vessel Owners and Captains Association, Philadelphia, Pa., protesting against cancelation of that portion of the lumber code which permits lumber mills located on navigable waters to sell their lumber at minimum code prices f.o.b.; to the Committee on Ways and Means.

4953. Also, petition of the Public Relations Committee, southern independent oil men's group, favoring the passage of the Thomas-Disney Federal oil control bill; to the Committee on Ways and Means.

4954. Also, petition of the National Publishers Association, Inc., New York City, objecting to the passage of the new Wagner disputes bill; to the Committee on Labor.

4955. Also, petition of Burton-Dixie Corporation of Brooklyn, N.Y., protesting against the passage of the new Wagner disputes bill; to the Committee on Labor.

4956. Also, petition of the Order of Sleeping Car Conductors, New York City, urging passage of amendments to Railway Labor Act and railway employees pension bill; to the Committee on Labor.

4957. Also, petition of Benisch Bros., Brooklyn, N.Y., opposing the passage of the amended Wagner labor bill as reported to the Senate on May 26; to the Committee on Labor.

4958. Also, petition of the Eberhard Faber Pencil Co., Brooklyn, N.Y., urging consideration and passage of House bill 9002; to the Committee on the Judiciary.

4959. By Mr. McFADDEN: Petition of the Duplan Silk Corporation, E. Rohr, Kingston, Pa., representing over 6,000 workers in the textile industry, protesting against the passage of the Industrial Adjustment Acts and asking Congress to appoint a committee to conduct further hearings during the summer; to the Committee on Interstate and Foreign Commerce.

4960. By Mr. MILLARD: Resolution adopted by the Immigration Restriction League, Inc., of New York City, expressing opposition to the enactment of House bills 9518, 9363, 9365, 9366, 9367, and 9364; to the Committee on Immigration and Naturalization.

4961. By Mr. RUDD: Petition of the American Vault Co., Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

4962. Also, petition of the National Publishers' Association, Inc., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

4963. Also, petition of the Burton-Dixie Corporation, Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

4964. Also, petition of the Filtrine Manufacturing Co., Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

4965. Also, petition of the Permatex Co., Brooklyn, N.Y., opposing the passage of Wagner-Connery disputes bill; to the Committee on Labor.

4966. Also, petition of the Sperry Products, Inc., Brooklyn, N.Y., opposing the new Wagner labor disputes bill; to the Committee on Labor.

4967. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, opposing the new Wagner disputes bill (S. 2926); to the Committee on Labor.

4968. Also, petition of Fairchild Sons, morticians, Brooklyn, N.Y., opposing the new Wagner labor-disputes bill; to the Committee on Labor.

4969. Also, petition of the Tilden's Brake Service, Brooklyn, N.Y., opposing the new Wagner labor disputes bill; to disputes bill (S. 2926); to the Committee on Labor.

4970. Also, petition of the Vessel Owners' and Captains' Association, Philadelphia, Pa., protesting against the cancelation of that portion of the lumber code which permits lumber mills located on navigable waters to sell their lumber at minimum cost prices f.o.b. loading points for water shipments of lumber; to the Committee on Ways and Means.

4971. By the SPEAKER: Petition of veterans and veterans' friends assembled in Plaza Park, Portland, Oreg., May 24, 1934, at the call of Post No. 45, Workers' Ex-Servicemen's League, endorsing the immediate cash payment of the bonus, repeal of the Economy Act, and the passage of House bill 7598 providing for unemployment insurance; to the Committee on Ways and Means.

4972. Also, petition of Charles Forney, Norfolk, Va., requesting that Congress block the endeavor to force Western Union Telegraph Co. to share with Postal Telegraph & Cable Co. certain facilities; to the Committee on Interstate and Foreign Commerce.

SENATE

TUESDAY, JUNE 5, 1934

(Legislative day of Monday, May 28, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 4, was dispensed with, and the Journal was approved.

ORDER FOR CONSIDERATION OF THE CALENDAR TOMORROW

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that tomorrow, at the conclusion of the routine morning business, the Senate proceed to the consideration of unobjected bills on the calendar.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RECONSIDERATION AND RECOMMITTAL OF POST-OFFICE NOMINATIONS

Mr. McKELLAR. Mr. President, as in executive session, I ask unanimous consent that two nominations on the executive calendar, that of Harry E. Trout to be postmaster at Mercersburg, Pa., and that of Ollie W. Aucker to be postmaster at Tionesta, Pa., be recommitted to the Committee on Post Offices and Post Roads. The request for the recommittal comes from the senior Senator from Pennsylvania [Mr. REED]. I ask that the two nominations be withdrawn from the executive calendar and recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the nominations referred to are recommitted to the Committee on Post Offices and Post Roads.

Mr. McKELLAR. Mr. President, as in executive session, I also ask unanimous consent that the vote by which the nomination of Ocie C. Hawkins to be postmaster at Stanton, Tenn., was confirmed, be reconsidered, and that the nomination be recommitted to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. McKELLAR. Also, as in executive session, I move that the nominations of Hazel B. Davis to be postmaster at Westfield, Pa., and of Ray W. Jones to be postmaster at Ashland, Nebr., be recommitted to the Committee on Post Offices and Post Roads.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended; and

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

The message also announced that the House had passed the bill (S. 2692) relating to the record of registry of certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 3084. An act authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.;

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes";

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries;

H.R. 9003. An act to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt";

H.R. 9280. An act relating to deposits in the United States of public moneys of the Government of the Philippine Islands;

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9623. An act to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity futures exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges, by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes;

H.R. 9654. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes;

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933;

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes;

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary; and

H.J.Res. 344. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 176. An act for the relief of Harry Harsin;

S. 254. An act for the relief of Fred H. Cotter;

S. 1078. An act for the relief of Mrs. Asa Caswell Hawkins;

S. 1780. An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes;

S. 1994. An act for the relief of Estelle Johnson;

S. 2696. An act to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs";

S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia;

S. 2750. An act for the relief of Claude A. Brown and Ruth McCurry Brown, natural guardians of Mamie Ruth Brown;

S. 2790. An act for the relief of Charlestown Sand & Stone Co., of Elkton, Md.;

S. 2918. An act for the relief of N. Lester Troast;

S. 2973. An act for the relief of First Lt. Walter T. Wilsey;

S. 3026. An act for the relief of Lucy Cobb Stewart;

S. 3117. An act authorizing and directing the Court of Claims, in the event of judgment or judgments in favor of the Cherokee Indians, or any of them, in suits by them against the United States under the acts of March 19, 1924, and April 25, 1932, to include in its decrees allowances to Frank J. Boudinot, not exceeding 5 percent of such recoveries, and for other purposes; and

S. 3380. An act providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade.

CONTINGENT EXPENSES, PUBLIC MONEYS, 1933–34 (S.DOC. NO. 188)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting draft of a proposed provision pertaining to the appropriations "Contingent expenses, public money", Treasury Department, for the fiscal years 1933 and 1934, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATES OF APPROPRIATIONS, DEPARTMENT OF COMMERCE (S.DOC. NO. 189)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of Commerce, fiscal year 1935, amounting to $102,430, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS OF THE COURT OF CLAIMS

The VICE PRESIDENT laid before the Senate a letter from the Chief Clerk of the Court of Claims, informing the Senate that in the following cases referred to the court on March 3, 1923, by resolution of the Senate, under the act of March 3, 1911 (known as the Judicial Code), the court filed orders entering judgments in the amounts and dates set forth: Congressional, 17341, Rose City Cotton Oil Mill, May 7, 1934, judgment for $14,413.23; Congressional, 17505, Southwestern Cotton Oil Co., May 7, 1934, judgment for $1,570.98; and Congressional, 17560, Dallas Oil & Refining Co., May 7, 1934, judgment for $6,194.64, which was referred to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Immigration Restriction League, Inc., of New York City, N.Y., protesting against the enactment of legislation loosening immigration restrictions, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the State Planning Board of Montana, favoring the prompt completion of the Poplar River irrigation project on the Fort Peck Indian Reservation, Roosevelt County, Mont., which was referred to the Committee on Indian Affairs.

Mr. TYDINGS presented a petition of sundry citizens of Annapolis, Md., praying for the passage of the bill (S. 2800) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, which was ordered to lie on the table.

OLD-AGE PENSIONS—PETITIONS

Mr. CAPPER. Mr. President, I send to the desk petitions from several hundred citizens of Finney and Ford Counties, in southwestern Kansas, praying for early passage of Federal old-age-pension legislation. While I have the floor, Mr. President, I want again to direct the attention of the Senate to the necessity, as I see it, of early action along this line. I have introduced a bill on the subject, but, unfortunately, in the press of emergency legislation this session have not been able to get action upon it. However, if the bill is not successful at this session, I expect to press for action on this legislation at the next session of Congress, and hope that some helpful legislation will result.

If we, in this machine age, are going to continue to displace men with machines it is going to mean that an increasingly large percentage of our population over 45 years of age will be burdens upon the community. Our past experience with county poor farms and similar institutions is far from satisfactory. Institutional life for such a large part of the population as will be there in another generation at the rate we are going will in the end break down our civilization. Statistics indicate that from the viewpoint of governmental economy alone it is cheaper in dollars and cents to allow pensions to individuals than to keep them in institutions. A small gross-income tax on all able-bodied citizens between 21 and 45 years of age would, in my judgment, take care of an adequate pension system. I send the petitions to the desk for reference.

The VICE PRESIDENT. The petitions will be re-received and lie on the table.

THE MOTION-PICTURE CODE

Mr. DAVIS. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a letter received from Mr. Fred J. Herrington, of Pittsburgh, secretary of Motion Picture Theater Owners of Western Pennsylvania, Inc. It deals briefly with what Mr. Herrington terms conflicting statements with respect to the operation of the motion-picture code, and urges a neutral investigation of that industry.

There being no objection, the letter was referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

MOTION PICTURE THEATRE OWNERS OF
WESTERN PENNSYLVANIA, INC.,
Pittsburgh, Pa., June 2, 1934.

Hon. JAMES J. DAVIS,
Senate Office Building, Washington, D.C.

DEAR SENATOR DAVIS: The confusion created by the conflicting statements of General Johnson and his subordinates for the N.R.A. and of Clarence Darrow for the National Recovery Review Board, with reference to the motion-picture code, makes it imperative for a neutral investigation of all the facts.

Mr. Darrow has charged that the N.R.A. motion-picture code is an oppressive instrument which tends to the complete monopolization of the industry by the "big eight" and is designed to crush small business. On the other hand, Solomon Rosenblatt, division administrator of the N.R.A., replies with vituperative invective, attacking those who testified before the Darrow Board, and points with pride to the many hours of work that he put in during the negotiations leading to the imposed code on the motion-picture industry. This is the first instance in the writer's varied experience when the amount of time put in was advanced as a deciding factor in favor of the resulting document.

The independent theater owners who are members of this association urgently request that you actively support the move for an investigation by the Senate of the United States into all phases of the motion-picture industry. This investigation should thoroughly cover the personalities and incidents leading to the promulgation of the motion-picture code by the N.R.A., and also the activities of the Darrow Board. With the Senate taking a hand in this matter, the facts surrounding the highly controversial issue of the motion-picture code will be settled once and for all. And, in our judgment, it will inevitably lead to proper legislation designed for the ultimate good of the American people.

We should like very much to hear from you, and we stand ready to furnish you with such additional facts as you may require in this matter.

Respectfully yours,

MOTION PICTURE THEATRE OWNERS OF
WESTERN PENNSYLVANIA, INC.,
FRED J. HERRINGTON, *Secretary.*

REPORTS OF COMMITTEES

Mr. NEELY, from the Committee on Civil Service, to which was referred the bill (S. 2757) for the relief of Harry H. A. Ludwig, reported it without amendment and submitted a report (No. 1252) thereon.

Mr. HAYDEN, from the Committee on Printing, to which was referred the joint resolution (S.J.Res. 130) to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress, reported it without amendment and submitted a report (No. 1253) thereon.

Mr. GORE, from the Committee on Interoceanic Canals, to which was referred the bill (S. 2517) to provide for the method of measurement of vessels using the Panama Canal, reported it without amendment and submitted a report (No. 1254) thereon.

Mr. LA FOLLETTE, from the Committee on Indian Affairs, to which was referred the bill (S. 3532) granting certain property to the State of Wisconsin for institutional purposes, reported it with amendments and submitted a report (No. 1255) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2856) authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes, reported it with an amendment and submitted a report (No. 1256) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which was referred the bill (H.R. 6781) to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions, reported it without amendment and submitted a report (No. 1257) thereon.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3731) to deepen the irrigation channel between Clear Lake and Lost River in the State of California, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. VANDENBERG:

A bill (S. 3732) authorizing the coinage of a 3-cent nickel piece; to the Committee on Banking and Currency.

By Mr. NYE:

A bill (S. 3733) for the promotion of international peace and good will between nations and the recognition of the International Peace Garden in the Turtle Mountains of North Dakota and Manitoba; to the Committee on Foreign Relations.

By Mr. TYDINGS:

A bill (S. 3734) to authorize appropriations for the creation of a public airport for national defense in or near Washington, D.C., and as a national shrine to pioneer aviators, and for other purposes; to the Committee on Military Affairs.

By Mr. COPELAND:

A bill (S. 3735) for the relief of the Telescope Folding Furniture Co., Inc.; to the Committee on Claims.

By Mr. GIBSON:

A bill (S. 3736) to provide for the designation of beneficiaries by employees subject to the provisions of the Civil Service Retirement Act of May 29, 1930, as amended, and for other purposes; to the Committee on Civil Service.

By Mr. STEPHENS:

A bill (S. 3737) authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes; to the Committee on Commerce.

By Mr. WHEELER:

A bill (S. 3738) for the relief of Zelma Halverson; to the Committee on Claims.

By Mr. KING:

A bill (S. 3739) authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti; to the Committee on Naval Affairs.

(Mr. TYDINGS introduced Senate bill 3740, which appears under a separate heading.)

By Mr. NORBECK:

A bill (S. 3741) to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. GIBSON:

A bill (S. 3742) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt.; to the Committee on Commerce.

AMENDMENT OF FARM CREDIT ACT OF 1933

Mr. TYDINGS introduced a bill (S. 3740) to amend section 70 (a) of the Farm Credit Act of 1933, which was read twice by its title, and referred to the Committee on Banking and Currency; and, on motion of Mr. TYDINGS, the bill and accompanying memorandum were ordered to be printed in the RECORD, as follows:

A bill to amend section 70a of the Farm Credit Act of 1933

Be it enacted, etc., That effective 30 days after the enactment of this act, session 70a of the Farm Credit Act of 1933, be, and the same is hereby, amended to read as follows:

"(1) The board of directors of every Federal land bank, production credit association, and bank for cooperatives shall be selected as hereinafter specified and shall consist of seven members. Three of said directors shall be known as local directors, of whom one shall be chosen by and be representative of national farm loan associations and borrowers through agencies, one shall be chosen by and be representative of production credit associations, organized under the Farm Credit Act of 1933, and one shall be chosen by and be representative of borrowers from regional banks for cooperatives, organized under the Farm Credit Act of 1933. Four of the seven directors shall be known as Federal directors of the farm credit agencies and shall be appointed by the President by and with the consent of the Senate. All of said directors shall be residents of the district for which they are either elected or appointed.

"The local directors who have heretofore been elected and are now serving in the various Federal bank districts shall continue in office until the expiration of their present term. The successors of the present local directors shall be elected in the manner hereinafter prescribed in this act. The election of the successors to the present local directors shall be so arranged that the national farm loan associations and borrowers shall have one representative, the production credit association shall have one representative, and the regional bank for cooperatives shall have one representative. The term of office of each of the local directors shall be 3 years. The terms of office of the Federal directors first appointed shall be one for a term ending January 1, 1935, one for a term ending January 1, 1936, one for a term ending January 1, 1937, and one for a term ending January 1, 1938. Thereafter the terms of the successors to the first Federal directors appointed shall be 4 years. The Federal directors may be removed by the President at any time. The board of directors selected and appointed shall upon qualification take over the management and control of the farm credit agencies in the various land bank districts.

"(2) At least 2 months before an election of a local director the Governor of the Farm Credit Administration shall cause notice in writing to be sent to those entitled to nominate candidates for such local director. In the case of an election of a director to represent national farm loan associations and borrowers through agencies, such notice shall be sent to all national farm loan associations and borrowers through agencies in the district; in the case of an election to represent production credit associations, such notice shall be sent to all production credit associations in the district; and in the case of a director to represent borrowers from banks for cooperatives such notice shall be sent to all cooperatives which are borrowers at the time of sending notice. Within 10 days of receipt of such notice those entitled to nominate the director shall forward nominations of residents of the district to the Governor of the Farm Credit Administration. The Governor of the Farm Credit Administration shall, from such nominations, then prepare a list of candidates for such local director consisting of the 10 nominees receiving the highest number of votes.

"(3) At least 1 month before the election of a local director the Governor of the Farm Credit Administration shall mail to each person or organization entitled to elect the local director the list of the 10 candidates nominated in accordance with the provisions of the previous section of this act. In the case of an election of a director to represent national farm loan associations and borrowers through agencies, the directors of each farm loan association shall cast the vote of such association for one of the candidates on the list. In voting under this section each such association shall be entitled to cast a number of votes equal to the number of stockholders of such association and each borrower through agencies shall be entitled to cast 1 vote. In voting under this section each production credit association shall be entitled to cast a number of votes equal to the number of the class B stockholders of such association. In voting under this section each cooperative which is a holder of stock in a bank for cooperatives (except the Governor of the Farm Credit Administration) shall be entitled to cast 1 vote. The votes shall be forwarded to the Governor of the Farm Credit Administration, and no vote shall be counted unless forwarded to him within 10 days after the list of candidates is received. In case of a tie the Governor of the Farm Credit Administration shall determine the choice. The nominations from which the list of candidates is prepared, and the votes of the respective voters, as counted, shall be tabulated and preserved, and shall be subject to examination by any candidate for at least 1 year after the results of the election is announced."

The memorandum above referred to is as follows:

MEMORANDUM REGARDING PROPOSED AMENDMENTS TO THE FARM CREDIT ACT OF 1933

The proposed amendments to the Farm Credit Act of 1933 will give the President the right and power within 30 days after it is enacted to appoint, with the consent of the Senate, four Federal directors in each of the several land-bank districts in the United States. The President has the right to remove these Federal directors at any time.

The election of the three local directors is not changed. Those in office will continue there until their terms expire and then their successors will be elected, one to represent the farm loan associations, the second to represent the production credit associations, and the third to represent the regional bank for cooperatives.

One other change made is that the election of the local directors is placed under the control of the Governor of the Farm Credit Administration rather than under the Land Bank Commissioner. As I understand it, the Land Bank Commissioner has really been merged in the other credit organizations.

The enactment of this amendment in its present form will remedy a lot of the evils which now exist in the administration of the credit agencies and will place the control of the credit directly under the President. In view of the fact that the present Congress has enacted legislation that makes the United States responsible for both the interest and principal of the debts incurred by these various agencies, the head of the Government should have complete control over the appointment of a majority of the directors of these important governmental agencies.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred or ordered to be placed on the calendar, as indicated below:

H.R. 3084. An act authorizing the sale of portions of the pueblo lands of San Diego to the city of San Diego, Calif.; to the Committee on Military Affairs.

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries; and

H.R. 9654. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes; to the Committee on Commerce.

H.R. 9003. An act to purchase and erect in the city of Washington the group of statuary known as the "Indian Buffalo Hunt"; to the Committee on the Library.

H.R. 9623. An act to amend the Grain Futures Act to prevent and remove obstructions and burdens upon interstate commerce in grains and other commodities by regulating transactions therein on commodity future exchanges, by providing means for limiting short selling and speculation in such commodities on such exchanges, by licensing commission merchants dealing in such commodities for future delivery on such exchanges, and for other purposes; to the Committee on Agriculture and Forestry.

H.R. 9830. An act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes; to the Committee on Appropriations.

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries; and

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933; to the calendar.

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes"; and

H.J.Res. 344. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution; to the Committee on Territories and Insular Affairs.

H.J.Res. 295. Joint resolution authorizing appropriation for expenses of representatives of United States to meet at Istanbul, Turkey, with representatives of Turkish Republic for purpose of examining claims of either Government against the other and for expense of proceedings before an umpire, if necessary; to the Committee on Foreign Relations.

AMENDMENT OF REVENUE ACT OF 1932

Mr. COPELAND submitted an amendment intended to be proposed by him to the bill (H.R. 9234) to amend section 601 (c) (2) of the Revenue Act of 1932, which was referred to the Committee on Finance and ordered to be printed.

MONETARY USE AND PURCHASE OF SILVER—AMENDMENTS

Mr. McCARRAN submitted an amendment intended to be proposed by him to the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, which was ordered to lie on the table and to be printed, and to be printed in the RECORD, as follows:

On page 2, line 13, at the end of said line, to change the period to a semicolon and add: *"And provided further*, That in the event that silver certificates are not used originally or directly in payment for any silver purchased or acquired, then immediately after purchasing or acquiring any silver at home or abroad, silver certificates shall be issued to the full amount as provided in this act, and such certificates shall be placed in actual circulation through the payment of governmental obligations."

Mr. THOMAS of Oklahoma submitted an amendment intended to be proposed by him to House bill 9745, which was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 1, lines 5 to 9, strike out section 2 and insert:
"SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary metallic reserves of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of such reserves by value in silver."

EXPENSES OF SPECIAL COMMITTEE ON AIR-MAIL AND OCEAN-MAIL CONTRACTS

Mr. BLACK submitted the following resolution (S.Res. 259), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the limit of expenditures under Senate Resolution 949, Seventy-second Congress, second session, agreed to February 25, 1933, supplemented by Senate Resolution 94, Seventy-third Congress, first session, agreed to June 10, 1933, and Senate Resolution 143, Seventy-third Congress, second session, agreed to January 24, 1934, is hereby increased by $5,000.

FOREIGN-TRADE ZONES—CONFERENCE REPORT

Mr. STEPHENS submitted the following report, which was ordered to lie on the table:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with amendments as follows: In lieu of the matter proposed to be inserted by the Senate amendment, restore the matter proposed to be stricken out by the Senate amendment; and on page 2 of the House bill, strike out lines 7 to 10, inclusive, and insert the following:

"(e) The term 'public corporation' means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality, or a corporate municipal instrumentality of one or more States;"

And on page 12, line 5, of the House bill, after "repeated", insert "willful."

And the Senate agree to the same.

H. D. STEPHENS,
ROYAL S. COPELAND,
CHAS. L. MCNARY,
Managers on the part of the Senate.

THOS. H. CULLEN,
JOHN MCCORMACK,
FRED M. VINSON,
ALLEN T. TREADWAY,
I. BACHARACH,
Managers on the part of the House.

REVISION OF AIR-MAIL LAWS

Mr. PITTMAN. Mr. President, I ask that the unfinished business, being House bill 9745, be laid before the Senate and then be temporarily laid aside, according to the unanimous-consent agreement of yesterday.

The VICE PRESIDENT. Under the unanimous-consent agreement, the unfinished business is laid aside temporarily, and the Chair lays before the Senate the conference report on the air mail bill, so called.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3170) to revise the air-mail laws.

Mr. AUSTIN obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President, I inquire if the Senator would like to have a quorum present.

Mr. AUSTIN. I prefer not to take the time to call for a quorum.

Mr. ROBINSON of Arkansas. Very well.

Mr. AUSTIN. Mr. President, I had intended not to discuss the conference report on the bill providing for a revision of the air-mail laws; but after examining the report carefully and, I confess, after being excited somewhat by the activity of people who I thought represented public opinion fairly, I feel it my duty to say something about the conference report, in view of the special study I gave to and experience I had with the subject matter as a member of the Special Committee to Investigate Ocean-Mail and Air-Mail Contracts.

It has been pointed out to me several times that it was, perhaps, unfortunate that the membership of the conference committee had not included someone like the Senator from Maine [Mr. WHITE], who advocated here in the Senate opposing views to the views expressed either in the House bill or the Senate, and who expressed those views by way of a substitute offered for the Senate bill. Of course, it is obvious that I would naturally oppose the adoption of the conference report, in view of the opinions which I have expressed in debate and in the amendments which I had a part in offering.

However, there are other reasons than those of adhering merely to a previous opinion that excite me to oppose the conference report. They are contained in the report itself, for, as I interpret it, the report does not represent entirely what was offered by the Senate or what was offered by the House. Of course, there is matter in the conference report which was offered either by the House or by the Senate, and was actually considered by those bodies as a legislative act, but, if I interpret the conference report correctly, there is new matter in it which never was contemplated by either House or Senate and which has never been considered or debated in the Senate.

Speaking generally of the conference report, I call attention to something which is obvious, and that is that the entire policy of the Federal Government toward air mail and aeronautics is reversed by this proposed legislation. As the matter stood when the cancelation of the air-mail contracts occurred, the policy of the Government was to encourage aeronautics, so as to specify the requirements of a contract for the carriage of the air mail that the carrier must equip his planes with safety devices for the benefit of passengers as well as of mail and express. Encouragement was afforded by means of a policy of subsidizing the service. The pending conference report proposes entirely to reverse that plan. If this report shall be adopted and the bill in this form shall become a law, there will be nothing in the measure that will be assured save securing the transportation of mail at the cheapest possible cost. The obvious economic effect of that upon aeronautics will be that the carrier will reduce his costs to a sum within the amount of his bid, if possible; that, indeed, he will go one step farther and reduce his costs to a point where he may earn some return by way of profit for the capital invested and for the service performed by executives and employees. On no other basis do we Americans conceive that we may have prosperity or that we may restore unemployment; and yet, if this report should become a law, it would discourage the incentive which has excited the highest endeavor in developing the great aeronautical industry in the United States.

Practically speaking and specifically, the difference in policy is vital in this way: If carried into effect, it will mean that the mail will be moved in planes having such equipment and value as may be expressed by, say, $15,000 or $20,000 for airplanes, whereas the effect of the other policy, up to the time of the cancelation of the air-mail contracts, was that the air mail was carried in planes which represented a cost of from $50,000 to $70,000 per airplane.

Of course that is only one incident or one piece of evidence tending to show what the effect of this reversal in public policy may be; but it seems to me that it is sufficient evidence, it is convincing evidence of the inadvisability of such a policy. This change is expressed in section 3 of the conference report under which these contracts are opened to bidding, and any other method of letting contracts is entirely excluded. Under the law as it now exists these contracts may be entered into by certificates by means of which the Government keeps control over the contractor and requires performance according to the specifications regarding safety and efficiency, to which I have referred. All that is to be done away with. The Postmaster General may not award an extension or a certificate under this proposed law when it goes into effect to a company which has demonstrated its ability and its superiority in the service of the public. Under the bill as it now stands that company will get the contract which shall submit the lowest bid for the service. This is very significant; it is a vital distinction; it is an entire change of the policy of the United States Government.

There is no expression in this conference report of the attitude of the Federal Government toward the national defense; there is not one word in the conference report that reflects any policy of the United States to encourage the development of aeronautics in the interest of public defense; and I submit that therein lies a grave defect in this report, for there probably is no single activity which is more vital or more effective in the national defense than that of aeronautics. If we are to keep pace with the other nations of the world, we must so arrange our policy in this country as to encourage the development of speed, efficiency, and safety in the flying of the air for the purpose of national defense.

Mr. McNARY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Oregon?

Mr. AUSTIN. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Cutting	Kean	Pope
Austin	Davis	Keyes	Reynolds
Bachman	Dickinson	King	Robinson, Ark.
Bailey	Dieterich	La Follette	Russell
Bankhead	Dill	Lewis	Schall
Barbour	Duffy	Logan	Sheppard
Barkley	Erickson	Lonergan	Shipstead
Black	Fess	Long	Smith
Bone	Fletcher	McCarran	Steiwer
Borah	Frazier	McGill	Stephens
Brown	George	McKellar	Thomas, Okla.
Bulkley	Gibson	McNary	Thomas, Utah
Bulow	Glass	Metcalf	Thompson
Byrd	Goldsborough	Murphy	Townsend
Byrnes	Gore	Neely	Tydings
Capper	Hale	Norbeck	Vandenberg
Caraway	Harrison	Norris	Van Nuys
Carey	Hastings	Nye	Wagner
Coolidge	Hatch	O'Mahoney	Walcott
Copeland	Hayden	Overton	Walsh
Costigan	Hebert	Patterson	Wheeler
Couzens	Johnson	Pittman	White

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO] occasioned by illness, and the absence of the Senator from Florida [Mr. TRAMMELL] and the Senator from Missouri [Mr. CLARK] occasioned by official business.

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] and the Senator from Indiana [Mr. ROBINSON] are necessarily absent.

The PRESIDENT pro tempore. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. AUSTIN. Mr. President, continuing my observations on the conference report, in a word it will be observed that there is a vital change in the policy of the Government expressed by the conference report, and that is a complete departure from the policy of subsidizing a great public service such as this. I submit to the Senate the unwisdom of making such a vital change in our public policy before, and not after, the report of the commission which the bill professes to create for the purpose of ascertaining what should be the policy of the United States regarding this service.

Instead of leaving the status quo for the commission to study and to use the facts ascertained by its study in considering the problems relating to the subject, the proposed law completely wrecks all existing law under whose beneficent influence there has grown up the greatest Air Mail Service in the world. The wreckage is not temporary. The conference report is designed to make it permanently effective. Throughout the conference report there is written, in words so plain that one who runs may read, the consolidation and the destruction of the Service itself and of the great law under whose influence it was created. At the outset the first contract will run for 1 year, and under the terms of the conference report it may be continued indefinitely, showing that the purpose, although it is under the guise of a 1-year contract, is really to arrange that it may be continued for years and years.

In the meantime we must consider that there are 21 sections in the conference report, of which the first 19 require certain definite changes to be made in the Air Mail Service, to be made in the character of relationship between the contractor and the Government, all of which 19 provisions become effective before the proposed commission begins to operate and prepares and submits its report for the consideration of Congress.

The conference report makes it almost certain that any commission appointed under the provisions of the measure

will be led away from the fine policies, crystallized in the remarkably short time of 4 years under the McNary-Watres Act, whose benefits we have been enjoying in this country, and leading to a system of competitive bidding in a case where competitive bidding is entirely inconsistent with the character of the institution.

As I have previously said, we might as well ask the New York Central Railroad to bid on a mail service over the Santa Fe as to call for competitive bids for the carriage of the mail, for the simple reason that an airway consists of a great plant on the ground. The ship flying in the air is only a part of it; and if we are to retain these great transcontinental services which were built up under the McNary-Watres Act we must be able to assure to the contractors and operators the benefit of that investment on the ground.

The conference report aims at cutting up those great services into little, short pieces. When I arrive at the part of the bill which accomplishes that purpose, I shall call particular attention to it. That is a reversion to the very conditions which brought about the enactment of the McNary-Watres Act 4 or 5 years ago.

It is possible that the commission to be created might reach the conclusion that at least some portions of the former and present air-transport systems are sound, and should be continued. The commission, to be really effective, should have a full opportunity of considering the present status before that status is completely changed; yet the provisions of the conference report, 19 of them, require change, fundamental change, representing the ideas of those who participated in framing the conference report. We well recognize some of these distinguished men as entirely set, almost a fixed idea possessing them, against subsidizing air mails, and I do not know but that they are opposed to subsidy in general anyway.

Speaking generally of the conference report again, it would subject this relatively small industry and business to the jurisdiction of five different departments of government—the Post Office Department, the Department of Commerce, the Interstate Commerce Commission, the National Labor Board, and the Comptroller General—and each one of these departments is given an amount of authority which would render it possible to bankrupt every one of the aviation organizations.

I call attention to the provision relating to rates in section 3 (a) of the report, in which it is provided that in no case shall the rate exceed 33⅓ cents per airplane mile for transporting a mail load not exceeding 300 pounds; and it continues:

> Payment for transportation shall be at the base rate fixed in the contract for the first 300 pounds of mail or fraction thereof plus 0.1 of such base rate for each additional 100 pounds.

I submit that that is most illogical and uneconomical, and ought not to be made the law. It is extremely arbitrary. For an increase of the load one-third, there is an increase of pay of 0.1.

I should like to know what business man could possibly enter upon a service like that unless he had in view the possibility of something in the future being done to change the conditions. How could a business man enter upon such a service as that at such a rate with any hope of living, with any hope of saving the investors in and the employees of the industry, when the more he does, the deeper he goes in the hole?

Now, let us take subparagraph (c) of section 3, which reads:

> If, in the opinion of the Postmaster General, the public interest requires it, he may grant an extension of any route, for a distance not in excess of 100 miles, and only one such extension shall be granted to any one person, and the rate of pay for such extension shall not be in excess of the contract rate on that route.

I call the attention of the Senate to the fact that there is an admission of one of the controverted issues before the Senate when we were considering the Senate bill. The issue was whether the McNary-Watres Act enabled the Postmaster General to make extensions; and those who espoused the Senate bill denied that it gave the power to make extensions unlimited in number and unlimited in mileage as they were made by Postmaster General Brown. Now they come before us and, having achieved their objective of the destruction of that law and of the institution, provide expressly for a limitation in mileage to 100 miles, and for a limitation in number to one extension. Of course, it is gratifying to us who held the view that the McNary-Watres Act specifically authorized the Postmaster General to establish air-mail routes by many extensions, and by extensions of more mileage, to find that the soundness of our view is thus admitted by the conference report.

Mr. WHITE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Maine?

Mr. AUSTIN. I do.

Mr. WHITE. I think what the Senator has said about extensions is completely justified. In the conference committee provision the conferees have recognized the soundness of the principle of extensions and then, as I said once before, they have run away from that principle, because they have provided that if there were a line running between A and B, we will say, an extension might be granted from A, and then that extension, having been granted, however much greater might be the justification for an extension at B, it could not be done under this provision as the conferees have framed it.

Mr. AUSTIN. Mr. President, I recognize that that is absolutely true, and I recognize also how unsound it is in principle, how utterly absurd it is; and the natural effect of it must be that the Postmaster General's hand is palsied in any effort to make a logical route, to make a through route, to make a route that is controlled and operated by one contractor. That is true because not only is he limited to one extension and that to 100 miles, but he is also limited by another provision in the conference report which permits a contractor to hold only three contracts at the outside, and which enables him to serve over only one primary route. I shall refer to these things a little later.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Michigan.

Mr. VANDENBERG. May I ask the Senator whether the objections which the Senator is voicing go to jeopardies that were inherent in the original Senate bill entirely, or whether the conference report adds to the jeopardies?

Mr. AUSTIN. Mr. President, the conference report increases the jeopardies in all directions—jeopardies with respect to responsibility, jeopardies with respect to efficiency, jeopardies with respect to speed of delivery of mail and of passengers, and finally an absolute limitation of the service that may be performed by the contractors.

Mr. VANDENBERG. In other words, if the bill as originally passed by the Senate was considered inimical to wise and appropriate air development, it is the Senator's view that the conference report multiplies that hazard and makes the contemplation even more unacceptable?

Mr. AUSTIN. That is the view which I hold. I desire now to call attention to one point in that respect. It is in clause (d) of section 3, reading:

> The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes and the eastern and western coastal routes among primary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

This is an absolute reversal of the provision in the Senate bill.

I now call attention to the language of the Senate bill as it stood before the conference got hold of it:

> *Provided further*, That the Postmaster General may designate certain routes as primary and secondary routes and may include at least four transcontinental routes, extending to termini, as nearly as practicable, on the Atlantic and Pacific coasts, as primary routes. All other routes shall be secondary routes.

The new matter brought in by the conference report changes the entire purport of that provision. The words "and the eastern and western coastal routes among primary routes", are added, the number is increased to six, and the operation is so changed that two of these routes may

be allowed north and south, whereas the original bill designed only four primary routes, to run east and west.

The conference report excludes "from coast to coast" and opens up the authority of the Postmaster General so that he may specify any number of such routes, and he is not bound by the policy declared by the Congress in the original bill, which describes the termini. He may make the termini entirely different from those contemplated in the policy adopted by the Senate when it discussed the proposed legislation before it went to conference, and he may make every one of the routes in this country a primary route. The effect is to cut the country up into a string-bean plan, as we were before the McNary-Watres Act was enacted, an entirely illogical plan, based on many different contractors undertaking to do a transcontinental business, and connecting up with each other, with all the hazards, with all the delays, with all the natural results of having a transaction such as transportation from ocean to ocean handled by many instead of handled by one operator.

Mr. VANDENBERG. Mr. President, will the Senator yield to me?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. The Senator is illustrating very forcefully his answer to my question, to demonstrate the change which has been made by the conferees in the Senate bill. May I ask whence the new idea in the conference report comes? Does it come from the House bill, or is it brandnew matter?

Mr. AUSTIN. Mr. President, nothing was presented by the Senate, nothing was presented by the House, that would permit any such power. It is matter which comes from the conference itself, and not from either House of Congress.

Mr. VANDENBERG. Then would it be fair to say that we are not considering a conference report in the normally accepted use of that phrase, but that we are considering airmail legislation de novo in net effect?

Mr. AUSTIN. Mr. President, that is my interpretation of it. As I interpret the provision alone which I have read, it is of such character and scope and of such effect that it means legislating anew. This is a policy which neither House of Congress has ever debated or ever considered. It is here de novo. It may be said that the subject matter was, in a certain way, considered by the Senate, but the new material in the report changes the provision entirely.

Mr. VANDENBERG. Then, Mr. President, why is it not subject to a point of order?

Mr. AUSTIN. I saw fit not to raise the point of order, because of the purpose I had of getting into the RECORD for future reference the views I held currently with the return of this conference report to the Senate, for I conceived that nothing we do today will bind the American people, and when they come to exercise their powers, which are supreme, we may want to have something to refer to by way of a record.

Mr. VANDENBERG. But it is the Senator's view that if a technical course were pursued, the report would be subject to a point of order?

Mr. AUSTIN. I believe that to be true.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. AUSTIN. I yield to the Senator from Maine.

Mr. WHITE. The Senator has referred to this particular section as containing matter that was in neither the House bill nor the Senate bill, and he is exactly right in that statement. I take it that one could go through the conference report and find a dozen instances where the conferees have inserted matter in the bill now before us which was never in contemplation either by the Senate or by the House, or was even referred to in either the House or Senate bill. They have written a piece of legislation, and it is brought here for consideration by the Senate practically de novo.

Mr. VANDENBERG. Mr. President, will the Senator from Vermont yield to me to ask a question of the Senator from Maine?

Mr. AUSTIN. I yield.

Mr. VANDENBERG. The Senator from Maine has had wide legislative experience in both houses of Congress. May I ask him whether, in his judgment, the conference report would be subject to a point of order? I am asking, not for the purpose of making the point, but for the purpose of definitely personifying the conclusion.

Mr. WHITE. The Senator is more familiar with the rules of the Senate than I, because he has served here longer. What happened was that, after all following the enacting clause of the Senate bill was stricken out and the House amendment was inserted, I presume the conferees proceeded on the theory, in those circumstances, that the entire subject matter was open to them, and that they could therefore write new legislation.

I have been told that that question has not been definitely passed on by the Senate. I do not know what the ruling of the Presiding Officer here would be. There is no question at all, however, that the conferees have gone outside the language and the purpose and the spirit of both the House and the Senate bills in drafting the report which is now before us.

Mr. BLACK. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. BLACK. It is my judgment that if the Senator from Maine believed that the conferees had gone outside of the Senate bill and the House amendment it would be his duty to raise a question of order. I deny that the conferees have done any such thing. If the statement is correct, and the conference report is subject to a point of order, we invite the point of order. There has been no departure from the purpose of the Senate bill and the House amendment; there has been no departure which justifies, in my judgment, the statement which has been made in response to the question of the Senator from Michigan. If that be the case, I suggest that the points of order be raised, rather than criticize the report on that ground, and not raise the points of order.

Mr. AUSTIN. Mr. President, I hope the point of order will not be raised while I am occupying the floor. I suppose it might be, but I hope no one will raise a point of order.

The PRESIDENT pro tempore. The Chair would hold that the Senator could not be interrupted for that purpose.

Mr. COPELAND. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. COPELAND. I am convinced that the conference report should be recommitted, because of the fact that the rule has been violated. I intend to raise the point myself at a later time, and attempt to argue it. I am convinced that in the conference report will be found matter not found in either the House amendment or the Senate bill, and if that be the case, of course it is subject to a point of order. What the Presiding Officer may do with it, or what the Senate may do with it, I do not know, but I am convinced that it is clearly outside the rule.

Mr. FESS. Mr. President, will the Senator from Vermont yield to me?

Mr. AUSTIN. I yield.

Mr. FESS. Because of the colloquy which has taken place, and especially the statement of the Senator from Maine——

Mr. COPELAND. Mr. President, I make the point of order that while the conversation going on may be interesting, we cannot hear it over here.

The PRESIDENT pro tempore. The point of order is sustained. The Senator from Ohio will speak so that the Senator from New York may hear him.

Mr. FESS. I invite the Senator to come over to this side of the Chamber.

Mr. COPELAND. Do I have to leave my place and go over to the Republican side?

The PRESIDENT pro tempore. The Chair will not pass on that question. [Laughter.]

Mr. FESS. It would improve the situation if the Senator would do so.

In the colloquy to which we have just listened in regard to whether the conferees have gone beyond their authority

or not, the Senator from Maine made the statement, in accordance with the fact, so far as I know, that this question has not been raised before in the Senate. But this is the statement in the report:

In lieu of the matter proposed to be inserted by the House amendment insert the following—

There is the blanket authority—

In lieu of the matter proposed to be inserted by the House amendment insert the following.

Then, with that blanket statement, the conferees throw in everything, new and old, what has been considered and what has never been considered.

I think it is doubtful whether, under the rules of the Senate, the conferees can use that blanket authority and write anything they please into the proposed legislation. Everybody will admit that there are things in the conference report that were considered by neither the Senate nor the House, but whether they can be included through a blanket method of the kind employed ought to be settled by the Presiding Officer.

Mr. AUSTIN. Mr. President, one of the policies of our Government, through a long period of experience with transportation by rail, has been economy, and the method of securing economy has been by consolidation into great transcontinental routes, and such a policy has been upheld by the decision of the Supreme Court even so recently as in the Allegheny case.

The designation in this conference report of four transcontinental routes and the eastern and western coastal routes as primary routes is mandatory. It is to be noted that other routes may be so designated. That is, the Postmaster General has a permissive right to designate many other routes as primary. In view of the provisions in section 15 prohibiting any one contractor from operating more than one primary route, the result of the operation of the new law may be to bring about a series of later readjustments of companies, with all the attendant confusion, losses to stockholders, and lessening of economies in operation. The purpose obviously is to confine each operator's energies to one particular line. To this I object This is a complete reversal of the policy of the United States in the interest of its citizens both with respect to transportation by rail and by air.

I now call attention to subsection (e). I read:

(e) If on any route only one bid is received, or if the bids received appear to the Postmaster General to be excessive, he shall either reject them or submit the same to the Interstate Commerce Commission for its direction in the premises before awarding the contract.

What kind of legislation is that? What check is there imposed by Congress on the Interstate Commerce Commission with respect to the bids? What guide is there to direct the Interstate Commerce Commission what to do with the bids? There is absolutely nothing of the kind. Carte blanche is given this Department, one of the five departments which will have jurisdiction over this small industry, to exercise powers which are unrestricted, ungoverned, unguided, and which we know may be exercised to the destruction of the aviation companies. I am considering the conference report with respect to its possibilities, for that is the only way to test legislation in the process of formulation. I object to the conference report because it includes such a provision as that to which I have just referred.

I now read the next subsection:

(f) The Postmaster General shall not award contracts for air-mail routes or extend such routes in excess of an aggregate of 29,000 miles, and shall not establish schedules for air-mail transportation on such routes and extensions in excess of an annual aggregate of 40,000,000 airplane-miles.

Why should Congress want to withdraw encouragement to that extent? Why should Congress have such a grudge against the people of the United States that it wants to restrict and limit the enjoyment by the people of this service? This provision is deadly. It contains not an element of progress. It represents retrogression. There is no chance of development beyond those limits. Not only that, it really runs short of the mileage which was being flown at the time of cancelation of the air-mail contracts.

I have here information furnished by Harllee Branch, Second Assistant Postmaster General, who is in charge of the Air Mail Service, and I call attention to what that Service was prior to the annulment of contracts. The total route mileage was 25,248 miles. The daily trip mileage was 111,381 miles. And the annual trip mileage was 40,653,907 miles.

In other words, this bill fixes an annual trip limit of less than that which was being flown at the time these contracts were canceled. Is that wise? Is that the policy of this Government? I submit that is a question which will be of great interest to the people, and there will be a response to it.

Moreover, it is entirely unnecessary to provide such a limitation. With the scheme as it is now set up to let these contracts to the lowest bidder, why put on such a limit? It is not in the interest of economy. The only interest there can be in such a scheme is to deprive the citizens of the service.

Now I read section (g):

(g) Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract let by him prior to the passage of this act, or which may be let pursuant to a call for competitive bids therefor issued prior to the passage of this act, and to extend any such contract for an additional period or periods not exceeding 9 months in the aggregate at a rate of compensation not exceeding that established by this act nor that provided for in the original contract: *Provided*, That no such contract may be so extended unless the contractor shall agree in writing to comply with all the provisions of this act during the extended period of the contract.

Here is the vindictive feature of that temporary contract carried into effect in the future in this surreptitious and covert manner. Reading this sentence one does not perceive that the real object and purpose of that particular section of the conference report are to fasten upon the contractors who performed this great service before February 19, 1934, a stigma, a disability, and completely to disqualify them all for a long enough time so that the destructive effect of that exercise of sheer force contrary to law may become permanent.

I ask, Do the citizens of the United States wish to tolerate legislation which encourages disregard of the law and encourages a tyrannical and impetuous exercise of power by the officers of government? I know they do not. That is what that provision of this conference report does, and it does it covertly, under an artfully drawn sentence which does not disclose its extent and scope, and would never be noticed unless someone called attention to the fact that the contracts let for temporary service were upon bids which contained a specification that disqualifies all those who formerly enjoyed the contracts and performed the service of the air mail.

I now skip over, because my time is passing, to section 6 (a):

SEC. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air-mail route, but not in excess of the rates provided for in this act, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing.

That is a limitation to 40 cents. Forty cents is the maximum possibility of the rate which can be paid, and it is restricted. It hinders development. It has no regard for the peculiarities and the special difficulties and burdens of one section of the service over another. Nor does it have any regard for the type of the service or the amount of the investment in it.

To be sure, there is a provision later, namely, subsection (d), which applies to the consideration of this question certain provisions of the law governing railroads, but we submit that those provisions are complex, that they were designed to apply to such a different institution, so many thousands of miles of railway and so many cars, that they

are too cumbersome to apply to a little institution with only 600 carriers: that is to say, 600 airplanes.

The peculiarity of the conference report on this particular topic is set forth in subsection (e) which reads as follows:

(e) In fixing and determining the fair and reasonable rates of compensation for air-mail transportation, the Commission shall give consideration to the amount of air mail so carried, the facilities supplied by the carrier, and its revenue and profits from all sources, and from a consideration of these and other material elements, shall fix and establish rates for each route which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.

What an illogical scheme that is. After 1938 the revenue which it is anticipated will be derived is to be the limit, and under the authority here proposed for fixing rates they shall be so apportioned that all the different contractors shall bear an equal share of the burden, regardless of the actual load carried. In other words, the provision makes the carrier who carries a heavy load do so at a less rate than the carrier receives who carries a light load because of this limitation in the aggregate. On the other hand, Mr. President, a rational basis, a rational provision to have been put into this proposed law, if we were going to use any such plan of fixing rates, would have been to apportion the income to the specific carrier according to the service he performed. But does this measure permit any such thing? Not at all. There is no discretion about it. The Commission is directed to fix the rates in such a manner that the income is divided among all the carriers regardless of the load they carry.

Section 7a provides for divorcing all companies which are engaged in transportation of mail from those engaged in the manufacture of planes and equipment Of course, there is a place where those who proposed and supported the Senate bill and we who opposed it and recommended a substitute for it will never agree.

On our part we recognize that the history of the industry shows that this combination vertically enabled the art to have a stimulating benefit, the indispensable and necessary benefit, of the capital and the special skill and service of the companies which flew the mail as well as of those companies which provided the inventor and the manufacturer. Together they furnished all the necessary actors in this wonderful work, the speeding up of the efficiency of the airships, and the manufacture of safety devices and other improvements. In our opinion, they should not be divorced.

However, Mr. President, the complaint we make this instant is that this bill, should it become a law, would effect the unscrambling of them all before ever the commission that is created by the bill may study that problem, submit its report to the Senate, and have that report considered by the Senate; in other words, we are enacting permanent legislation before we hear a report derived from any intelligent study of the subject. Instead of preserving the status quo we are consolidating the complete destruction of the status quo before we have the benefit of the report of this Commission; and to that we object. That is waste. I now call attention to subsection (d) of section 7, which reads as follows:

(d) No person shall be qualified to enter upon the performance of, or thereafter to hold an air-mail contract (1) if at or after the time specified for the commencement of mail transportation under such contract such person is (or, if a partnership, association, or corporation, has a member, officer, or director, or an employee—

The conferees went clear out to the end of the branch there—

performing general managerial duties—that is, an individual who has theretofore entered into any unlawful combination to prevent the making of any bids for carrying the mails: *Provided*, That whenever required by the Postmaster General the bidder shall submit an affidavit executed by the bidder, or by such of its officers, directors, or general managerial employees as the Postmaster General may designate, sworn to before an officer authorized and empowered to administer oaths, stating in such affidavit that the affiant has not entered nor proposed to enter into any combination to prevent the making of any bid for carrying the mails, nor made any agreement, or given or performed, or promised to give or perform, any consideration whatever to induce any other person to bid or not to bid for any mail contract, or (2) if it pays any officer, director, or regular employee compensation in any form, whether as salary, bonus, commission, or otherwise, at a rate exceeding $17,500 per year for full time.

More vindictiveness; more saving of face; more effort to uphold the strong right arm that struck down the rights of citizens without trial, without hearing, without any lawful right to do so; writing it into the law; and Congress doing it with its eyes wide open. After full consideration of the whole matter now Congress is about to say that is all right; it is a proper thing for an official of the Government to exercise the power of his office, being a Cabinet minister, to destroy a whole class of contracts, condemn a whole school of citizens without trial, all done collectively without separate opportunity for consideration afforded; all smeared with the same tar brush, regardless of any considerations they severally might have to interpose either by way of complete defense or by way of palliation or anything of that kind. All of them are dubbed and characterized as frauds and crooks, and by legislation we now are about to say that is all right.

The first part of this section carries the attainder of these citizens; the second part of this provision, which appears as if it were a proviso, does not qualify the first section. The first section in itself is a complete bar to any of those who were so regarded by the Postmaster General and whose contracts were canceled to become effective February 19, 1934. Does the Congress understand what it is doing? I prophesy that the day will come when it will understand what it will have done if it shall pass this measure, and that the people of this country will make Congress understand it.

Now notice the harshness of this provision:

SEC. 8. Any company alleging to hold a claim against the Government on account of any air-mail contract that may have heretofore been annulled may prosecute such claim as it may have against the United States for the cancelation of such contract in the Court of Claims of the United States, provided that such suit be brought within 1 year from the date of the passage of this act—

And so forth.

There was no necessity for that provision in this measure. If its objective was to enable anyone to bring suit in the Court of Claims, that power exists now by general statute. The sole purpose of this provision found in the conference report is to put a limitation which is extraordinary, which is harsh and severe, and one under which no other contractors suffer. Why was that provision with all its circumlocution and all its verbiage written into the measure? It was to hide from the public the harshness and the severity of the act; to conceal from the casual reader that an effort was being made merely to save the face of a tyrannical Postmaster General.

This does wrong. This deprives the citizen of rights, and Congress is going to walk right into it and do this thing with eyes wide open.

What is the effect of the limitation? Of course, all the world would have understood it if the provision had stated that "the limitation upon action based upon cancelation of an air-mail contract is 1 year, and no action may be brought thereafter." But that was not done. The provision has been hidden under the guise of granting a right, and it is a mere guise, because the right exists today. Such a limitation is put upon the right of the citizen to assert his claim in the Court of Claims that he may lose it entirely, for the reason that he is already in some other court, and while he is in that other court he may not go into the Court of Claims; and by the time he gets out of that other court his year has gone by, and he has lost his right of action.

That is what Congress is about to do. I know full well that Senators realizing the complete import of that provision do not subscribe to it because it deprives citizens of ordinary, normal rights which they have always enjoyed until we arrived at this era when the trend of affairs is opposed to freedom, opposed to free institutions, opposed to

justice, and in the direction of force, unlimited force, unregulated power.

Listen to the next clause:

SEC. 9. Each person desiring to bid on an air-mail contract shall be required to furnish in its bid a list of all the stockholders holding more than 5 percent of its entire capital stock, and of its directors, and a statement covering the financial set-up, including a list of assets and liabilities; and in the case of a corporation, the original amount paid to such corporation for its stock, and whether paid in cash, and, if not paid in cash, a statement for what such stock was issued. Such information and the financial responsibility of such bidder, as well as the bond offered, may be taken into consideration by the Postmaster General in determining the qualifications of the bidder.

With that list, and the check-up of Democrats and Republicans in the list, a check-up of those who contributed "to keep the Democratic donkey alive", as the testimony in the words of one of the witnesses expressed it, it is a very simple thing for a Postmaster General to assign, as a reason why he does not grant a contract to a contractor of an opposing political faith; that he is covered by something contained in the information. Does this provision specify what it is that shall disqualify the applicant for a contract? Not at all. This great power is granted with no limitation. The information must be furnished, and the Postmaster General is not limited to any particular information he finds therein. He may say, "I have found it, and I am not obliged to expose it; but it is satisfactory to me, and I deny the contract though you are entitled to it under the specifications and bid."

Does the Senate intend to grant this autocratic power? No, it does not; but it will, just as sure as fate, judging by the past experiences at this session of Congress.

There is a provision in section 13 which enforces compulsory arbitration. To be sure it is carefully concealed and perhaps very difficult to discover, but I read the section in order to submit to the Senate whether it is right as a matter of labor policy to enact such legislation as this:

SEC. 13. It shall be a condition upon the awarding or extending and the holding of any air-mail contract that the rate of compensation and the working conditions and relations for all pilots, mechanics, and laborers employed by the holder of such contract shall conform to decisions of the National Labor Board. This section shall not be construed as restricting the right of collective bargaining on the part of any such employees.

There we have it in a nutshell. Does any Senator believe that the workmen and workwomen of the country would subscribe to such a policy? I do not believe so, and yet the Senate is about to adopt compulsory arbitration so far as it affects this industry.

I now invite attention to section 15:

SEC. 15. After October 1, 1934, no air-mail contractor shall hold more than three contracts for carrying air mail, and in case of the contractor of any primary route, no contract for any other primary route shall be awarded to or extended for such contractor. It shall be unlawful for air-mail contractors, competing in parallel routes, to merge or to enter into any agreement, express or implied, which may result in common control or ownership.

There we have a policy diametrically opposed to that beautiful system which was operating perfectly up to February 19, 1934, a system under which we had by actual experience three great transcontinental lines, with extensions northerly and southerly, not only on the Atlantic and the Pacific coasts but throughout the country. They were operated and controlled by a single governing board as respects each one of the three different systems. An airship load of mail or passengers could be transported from ocean to ocean without stop, as was done in eleven and a fraction hours the last day that splendid system existed.

Now we are about to enact a law which would forbid any one contractor having more than three contracts. It would forbid him also to have more than one primary route. So we are reversing the policy. Why? Because it is good? Oh, no. No; there is not a Senator who has really studied the problem who is willing to admit that it is better to divide the cross-country routes among 3 or 4, or even 2 contractors, than it is to have 1 contractor operate the routes throughout from ocean to ocean. Oh, no; it is not public policy. That is not the purpose. It is politics. Politics is the objective.

Mr. CAREY. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Vermont yield to the Senator from Wyoming?

Mr. AUSTIN. I yield.

Mr. CAREY. Is not the purpose of the particular provision to put out of business certain people who now hold contracts, and to get rid of them?

Mr. AUSTIN. Mr. President, of course the debate which we had here previously and the whole record of the evidence taken before the special committee show that the objective of those who brought all the political pressure to bear upon the Postmaster General's Office was to cancel extensions and contracts, so that men, who before had not had any contracts, could obtain contracts. Obviously, if we fix it so one contractor may not have more than three contracts, however short the routes may be, and so that he may not have more than one primary route, we multiply the number of opportunities to spread this largess—for the benefit of the public? Oh, no; but for the benefit of those who helped to keep the Democratic donkey alive.

There is another feature of the measure, Mr. President, to which I wish to invite attention. It will be observed that this measure is to take effect after October 1, 1934. In the meantime there are companies which are serving the country under temporary contracts, some of whom obtained contracts without having the necessary equipment and were obliged to equip themselves for the service; but under the proposed law on October 1, 1934, the Government, which we are supposed to represent on behalf of the people, is to take away contracts and take away rights. Is there any equivalent rendered? Oh, no; not a dollar. The property of the citizen is to be taken without any compensation at all. Is it for a public use? Not at all! It is for the private accommodation of other contractors.

So I claim that that provision of the conference report is directly in conflict with the due-process clause of the Constitution.

Section 16 relates to Canadian contracts. Mr. President, I wonder why they picked on Canada, and why they never mentioned South America, and never mentioned Mexico. Is it possible that this law is to be made to fit one of our foreign neighbors and not all of them? If we read the conference report, we see that that is what it means; and we are about to solemnly adopt this conference report with probably a vote of 20 in opposition to it, and all the rest of the Senate voting for it, and yet there is in the measure that irrational provision with respect to our relations with our neighbors. I read it:

The Postmaster General may provide service to Canada within 150 miles of the international boundary line, over domestic routes which are now or may hereafter be established, and may authorize the carrying of either foreign or domestic mail, or both, to and from any points on such routes, and make payment for services over such routes out of the appropriation for the domestic Air Mail Service: *Provided*, That this section shall not be construed as repealing the authority given by the act of March 2, 1929 (U.S.C., Supp. VII, title 39, sec. 465a).

I submit that if it is the purpose of Congress not to have that provision apply to any other country than Canada, it should be so expressed in the bill.

I now call attention to section 17:

The Postmaster General may cause any contract to be canceled for willful disregard of or willful failure by the contractor to comply with the terms of its contract or the provisions of law herein contained and for any conspiracy or acts designed to defraud the United States with respect to such contracts. This provision is cumulative to other remedies now provided by law.

And here we ourselves are about to exercise judicial powers. Congress cannot assume judicial powers, nor can it delegate any such powers to an executive officer, and yet that is what we undertake to do by that provision. I cite many cases which I ask permission to insert in the RECORD to support this dictum.

The PRESIDING OFFICER (Mr. HAYDEN in the chair). Without objection, that may be done.

The matter referred to is as follows:

Congress cannot assume judicial powers, nor can it delegate any such power to an executive officer (*Kilbourn* v. *Thompson*, 103 U.S. 168; *Andrews* v. *Hovey*, 124 U.S. 717; *Gordon's Case*, 7 Ct. Cls. 1; *Prigg* v. *Pennsylvania*, 16 Pet. 539; *Angle* v. *Chicago, etc., Ry. Co.*, 151 U.S. 20; *Aldleman* v. *Booth*, 21 How. 506).

Where a statute is susceptible of two constructions, by one of which grave and doubtful constitutional questions arise, and by the other of which such questions are avoided, the latter construction should be adopted (*Texas* v. *Eastern Texas Ry. Co.*, 258 U.S. 204; *Arkansas Gas Co.* v. *Railroad Commission*, 261 U.S. 379).

The Constitution imposes upon the judicial department the solemn duty of interpreting the laws; and however disagreeable that duty may be, in cases where its own judgment shall differ from that of other high functionaries, it is not at liberty to surrender or to waive it (*United States* v. *Dickson*, 15 Pet. 162; *Muskrat* v. *United States*, 219 U.S. 346; *United States* v. *Freund*, 290 Fed. 411).

Mr. AUSTIN. Consider this phrase:

The Postmaster General may cause any contract to be canceled for willful * * * failure by the contractor to comply with * * * the provisions of law.

Who says what the law is under our system of government? Is it Congress? Not at all. The judiciary is the sole and exclusive department of government which may pass upon what we do here, and say what the law is. It has the exclusive authority to pass upon a controversy between the Government and one of its citizens relating to a contract, and to say what is the law which applies to that contract, and whether one side or the other is violating the law with respect to that contract. Yet we here, Senators many of us lawyers, many of us former judges, are about to enact legislation which undertakes to delegate to a Cabinet officer the power to pass upon what the law is, and to say whether or not a contractor is violating it. That is an obvious violation of the judicial power which has been vested solely in the judiciary.

Worse than that, and more directly affecting the contractor, it may take his rights away from him without any trial, without due process of law. The arbitrary flat of a Cabinet officer, issued as was that of February 9, 1934, may be repeated.

Why is such an extravagant law now proposed to be passed by the Congress? It is because a Cabinet officer had the temerity to exercise that power unlawfully heretofore, and we now must save his face. We now must declare that it was proper for him to take the action he took by writing into a new measure what appears to be an authority to do that very thing.

Ah, I say, the rational understanding of such a clause in this bill is that the Congress knows that it never before existed. It knows that the Postmaster General never before had this power to act without notice and without trial; and that is why it is now being stuck in this measure, in order to grant him that power. If he had that power before, under the section under which he claimed he had it, why is it undertaken now to give him that power? It is nothing but a face-saving gesture.

The trouble with this gesture is that it is not innocent. It is not without damage. The trouble is that when we break down a great principle of government, designed to preserve the liberties of the people, we do a damage that is almost irreparable. Were it not for the recuperative powers of the American people, were it not for their great civic virtue, which enables them to pass through such a period of tyranny as we are living in today and keep their heads, it would be irreparable; but because of that virtue and that recuperative power we shall see the day when these things will be condemned, and the condemnation will be so emphatic that it will be many centuries before any other administration again tries to put them into effect.

It is to be noticed, however, that when it comes to penalizing any citizen by a fine of $10,000, and imprisonment for not more than 5 years, or both, as expressed in sections 18 and 19, the proposed legislation in effect provides for a trial. While it does not specifically provide for it, the bill seems to recognize the great American principle and institution of a finding of guilty by a judicial tribunal.

Mr. President, we have read this morning news of a decision in the District Supreme Court, rendered by Hon. Daniel W. O'Donoghue, Associate Justice, in which, if the report in the papers be correct, it was held that section 395 (o) of the public statutes, under which Postmaster General Farley canceled these contracts, was constitutional, and, therefore, that the court would not take jurisdiction of the case.

That statute has been discussed here, and the claim has been made by my colleague the Senator from Maine [Mr. WHITE] and myself that the statute, if ever intended to be interpreted as it is now interpreted by this court, amounts to a bill of attainder. I do not care to weary the Senate with a discussion again of that subject; but for the sake of those who may read the RECORD I recall to their memory the fact that it has been discussed, and a brief on it is already in the RECORD.

I wish to make one comment about that decision. No man respects our courts more than I. I do not challenge that decision on the floor of the Senate. I think it is bad taste for a Senator to undertake to deal with an absentee, whether he is a private citizen or a justice of a court, upon a specific matter like this; but I do call attention to the fact that nisi prius judges, when presented with a question of the constitutionality of a statute which is susceptible of two constructions, by one of which grave and doubtful constitutional questions arise, and by the other of which such questions are avoided, will always, and I think they ought to, adopt the construction which is in conformity with the constitutionality of the act. Moreover, I believe a nisi prius judge would have to have an extraordinary type of hardihood, he would have to have an extraordinary amount of moral courage in these days, in our times, when the trend of legislation and the trend of administration is such, and the trend indeed of judicial decision is such that the Constitution is being bowed down to the ground—I say, he would have to have extraordinary moral courage to stand up and declare in the first instance before him that a piece of legislation was unconstitutional.

Of course, we recognize that the Constitution imposes on him and the judicial department generally the solemn duty of interpreting the law, and, however disagreeable that duty may be, in cases, especially, where the judge's own judgment may differ from that of other high functionaries, such as a Postmaster General, he is, nevertheless, not at liberty to surrender it or to waive it. It is his duty, and in this instance he performed his duty; he passed upon the question of the constitutionality, and he declared for the constitutionality of the statute.

So far as this decision goes, it should be considered by all the people of the United States as a nisi prius decision, having the characteristics of a decision which will, in all likelihood, be reviewed by a higher tribunal, and by that great tribunal which is invested with the exclusive and final power and authority and duty to say what is a transgression of the Constitution, and to say, if there is legislation which directs force as a substitute for justice, and there is a Constitution which directs justice instead of force, that the Constitution shall prevail, that it shall be supreme over the statute.

There is still hope, in any event, whatever any court may do—and I have felt at times that there remained only one more thing to subvert entirely American institutions, and that is the overthrow of our courts—whatever may happen, even if our courts have so far weakened that they will not support the Constitution, I know that the other tribunal will be resorted to, and will render its judgment in saving the Constitution and saving the bill of rights.

LAURA GOLDWATER

Mr. BAILEY submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4253) for the relief of Laura Goldwater, having met, after full and free conference, have agreed to recom-

mend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

J. W. BAILEY,
M. M. LOGAN,
ARTHUR CAPPER,
Managers on the part of the Senate.
LORING M. BLACK, JR.,
ROBERT RAMSPECK,
U. S. GUYER,
Managers on the part of the House.

The report was agreed to.

THE FOREIGN DEBTS AND REASONS ADVANCED FOR REFUSING PAYMENT OF INSTALLMENTS DUE

Mr. LEWIS. Mr. President, it is no purpose of mine to intrude within this discussion for too long a time something of a matter not related that should displace what might be called the harmony of this debate.

I rise for the moment that I may address myself to a matter to which the public press of this morning referred, and with which the country at large is acquainted—the failure to pay the installments due on international debts, and the reasons advanced for the deliberate omission.

The President of the United States on yesterday had before this honorable body a message as to the international debts, the debts due the United States from certain of the debtor countries, where payments upon those debts under the contracts existing are due and payable. The message of the President was, upon the motion of the honorable Chairman of the Committee on Foreign Relations, the distinguished Senator now presiding over the Senate as the President pro tempore, the Senator from Nevada [Mr. PITTMAN], sent to the Committee on Foreign Relations, of which I have the honor to be a member. At a proper and appropriate time the committee will give such consideration to the message, and what accompanies it, as the circumstances will then justify.

In the meantime, in no wise invading upon the province of the honorable committee, I wish to make a comment upon what I regret to say has been a most regrettable assault upon the revival of friendships and confidences between the United States and its debtor nations, principally England and France.

Mr. AUSTIN. Mr. President, will the Senator yield that I may suggest the absence of a quorum?

Mr. LEWIS. No; I thank the Senator. I shall occupy but a short time, and the incoming of the Senators so numerously indicates a complimentary audience.

Mr. President, certain representatives of the established and renowned Government of England in public place assert that the message of the President of the United States demanding payment of debts due is in the form of blackmail. I do not know how stand these honorable gentlemen in the homes where they live. I only know that it is so contrary to the manners of an English gentleman to allude to the conduct of any official of another government as being blackmail that I cannot conceive that the statesmen who are the authors of the remark, though occupying, as is reported, official positions, represent either the gentility of family of England or its decency of politics.

The other Government, sir—and I refer to France—finds it agreeable, through three of its political spokesmen, to charge that the message of the President of the United States has been sent to Congress for political purposes, that it may be used for such benefit as will follow in the approaching congressional elections.

From this floor a short while since I made brave to say such charge would be made against us, when we sought the payments, according to the due dates of the debts. I said that it would be asserted that the whole object was to serve some political purpose on the part of the administration. I then called attention to the fact that our honorable opponents upon general questions—those of whom we speak as the Republican side, ourselves on the Democratic side, between which there is some conflict on some measures—have unitedly presented at all times the fact that there never was a suggestion of party politics as influencing the action of the United States in merely demanding the payment of its just debts.

To use the words of President Coolidge, our honorable debtors employed the money; they had the use of it; or, to use the New England expression, as the eminent Senator from Pennsylvania [Mr. DAVIS] invites me to recall as the expression of the ex-President, they "hired" the money; but as I do not wish to use the harsh expression of the honorable ex-President, I say that the present President of the United States calls the attention of the world to the fact that this Government is quite willing to have any proposition entertained which our honorable debtors desire to submit. He freely said to the world in his message that such proposition will be considered in the spirit of the friendship and fraternity which we wish ever to prevail in our relations with our debtors as governments.

It is to be deplored, sir, that the government of any debtor, having received so generous a message, lighted with so genial a temperament, and softened with so kindly an attitude, indicating that anything it might present looking to an alleviation of any burden it assumed to carry would be received with tolerance, liberality, and cooperation, shall meet it, through some of its officials, with the charge of "blackmail" on the part of a great government, its equal and its friend. More, sir, is it to be deplored that a great Government like that of England, whose friendship we seek and would like to possess and which, I trust, accepts our friendship with equal favor of its recognition and the consciousness of its power, should, as against such message, meet it with terms of such opprobrium. Behold how unfitted in every form and conception are the constructions to what would be called the language of statesmanship of statesmen or friendship of nations!

Mr. President, this is no time in the world for men of hasty thought or want of reflection to divide those who naturally have a common interest in the preservation of the just rights of man. This much let us concede, that the preservation of parliamentary government, if it is to be preserved in the world, will much depend upon that land of which we speak as the mother of parliaments—England—and which her coadjutors speak of as Britain, and this the United States of America. Little will be preserved of distinctive democratic rule or republican form of government or parliamentary procedure in legislation in the conducting by man of the shape and form of government if these two great governments of parliamentary existence shall, as between themselves, allow such expressions of opprobrium or that display of evil manners to defeat them in the common cause of the perpetuation of what may be called the "liberty of human action and the democracy of free government."

Mr. HATFIELD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from West Virginia?

Mr. LEWIS. I yield.

Mr. HATFIELD. There is no doubt in the Senator's mind but that both the Governments of England and France put to a very good use the money which they borrowed from the Government of the United States? Is that not true?

Mr. LEWIS. I dare say the record discloses, and I will agree with the Senator from West Virginia, that the uses to which the money was applied were for the benefit of the debtors. The exact details of that use have been, in one form or the other, made manifest by different reports; and as to that I will agree with the Senator, I am sure, in such conclusion as he may reach upon his own standard of justice.

But, Mr. President, I am pressing upon you how thoughtless it is on the part of either of these Governments—our own or that of England—at this particular political hour in the affairs of the world, to allow the mere matter of a difference, possibly, in the sum of indebtedness or the method of its payment or the manner of its adjustment, to bring forth from those who assume to speak for the Gov-

ernment expressions which widen the chasm of controversy existing among the people of each land.

We, the public representatives, are not beguiled in one sense to resent, or deluded in another to fire animosity. We know that these expressions come forth from those who are not the spokesmen of their government. We know they come forth from men who either in hasty action explode themselves in expressions which they fancy are the definition of their feeling, or submitting them, sir, for the benefit of the locality in which they speak, for such uses as the temporary modes of politics often call for we may often justify.

But it is the people of the United States of America for whom I speak. They do not understand or adopt such attitudes as permissible. It is the people of Great Britain and of France for whom I speak. They do not understand the limitations applicable to such manifestations. Just at a time when we were getting closer and nearer to a common understanding of the joint needs of both nations in a great common cause of world preservation of freedom to have the eminent representatives of these Governments characterize the action of the President of the United States in terms which in ordinary political debate upon the hustings are rarely indulged in approbrium, sir, that no gentleman invites himself to make use of without the fear that another gentleman will not tolerate it or bear it—this is not a thing, sir, to be lightly held, nor to be overlooked in its effect upon the innocent, the citizens of both these countries.

Sir, these citizens should be the beneficiaries of the joint friendship of both and all nations joined in common cause, but it is these who are being deprived of such by that set of gentlemen who seem to have learned that now and then an apostrophe or a trope form of expression, however vulgar, is to be indulged, for that it gladdens their sense of vanity, they never considering the effect it has upon disrupting the reuniting ties that are now rewelding these two great countries.

It was not long ago, sir, that it fell to me to rise to this floor to bring forth a communication in the form of a letter which an eminent citizen of one of these countries wrote to the President of the United States, in which this eminent economist, historian, and literary genius proceeded to characterize the advisers of the President as being "half-baked" and his policies as "foolish", and made a direct allusion against United States Senators in terms and expressions which I am sure the respectability of England and the decency of its citizenship never would have approved. Why, now, sir, after that incident—most unjustified as it was, emboldened by an audacity inexcusable—should this new affront be repeated?

That, Mr. President, brings me to the conclusion of this observation, to ask what is the motive behind these citizens of this friendly Government to incite these animosities on the part of our people at a time like this, when our honorable President of the United States is striving in his message, by declaration, and officially by his conduct, to demonstrate to the world how glad we are to receive any proposition from any debtor in any form and to submit it, in pursuance of the act of Congress we have passed, to the Congress for dealing with as one friend deals with another?

Now, Mr. President, as to France, the condition is all the more deplorable. Where are we in this hour? It was but Sunday past when the representatives of this Government, without regard to distinction of party or pretense of political opposition, assembled in the House of Representatives and, under the leadership of the President of the United States, poured out their salutations of respect and veneration for the great citizen of France, the Marquis de La Fayette. After having set forth his virtues and declaimed splendidly, through the different officers of our Government, upon the qualities he represented, upon a citizenship noble in its kind, renowned in its character, we are met, sir, in the very first expression after that, by the insulting insinuation by those who assume to speak for the Government of France, that the President's message is a "farce", literally speaking; that it is a "clever political lie"; that its assertions have no foundations in sincerity; that it is an utterance hurled forth to the public "for the benefit of such political uses as in the coming congressional elections may be availing to him."

What kind of a man do our honorable friends feel that wise America has chosen as its President? We may differ upon his policies; we may contest them; we may contend they do not work the results that he dreamed—but the gentility of the individual is not the subject of debate. His honor as a man and his quality as a sincere gentleman cannot be the basis of dispute. Why should a foreign country find it agreeable, in return for an offer of friendship, to hold before the world that it is a pretense of a farce play in some drama which we in America liken to a vaudeville performance?

Mr. President, it is very high time that these honorable friends understand one plain truth: It is not the administration of the United States that seeks money from any debtor nation. The people lent this money to the Government. The Government then lent it to those who sought to borrow it.

The Government of the United States is asking its agents, the President and its Congress, please to collect its money. The agent is asking the debtor, "Will you please comply with the contract the best you can, that we may collect the money which we, as an agent of the people, took from them to lend you?"

There, sir, is the front and end of our offending.

These honorable governments abroad, I dare say—referring to its people especially—do not quite understand the relationships between the people and the Government, or between the States and the Union here; and we can easily conceive that through these misconceptions the ordinary citizen might misapply to us a term wholly inapplicable and very unjust. It is all under the misconceived idea of the President as director and dictator to the States and to their people. Therefore, to have eminent sources who appear to be spokesmen of a party within these governments, who do understand our complete political situation, send forth their declaration, calmly written, and then later, in interview, repeat it, which throws a blight upon the friendships which we hope to keep ever knit, is beyond our understanding and impossible for us to adopt or condone.

Now, Mr. President, I observe for the final suggestion, there comes to us through two certain sources of this Government a new bit of information from abroad, highly interesting, but nothing further. It takes on no form of solemnity, but partakes of humor well calculated to awaken the risibilities of those inclined to what may be called funmaking. It is that the Government of the United States, through its Congress, has just passed a law which enables the President of the United States to enter into a form of treaty-making to draw forth from other governments privileges of their trade with us and their barter by which they purchase our goods to the enrichment of the United States; that the suggestion of the President at this particular time that the debt is to be paid is merely a form of pressure upon those governments with whom it is understood an effort is to be made to have some reciprocity of treaty in behalf of trade; that the message is intended to intimate, "Gentlemen, if you will deal very broadly with us in allowing our goods to go in very large volume to your country, we shall see what can be done with a view of releasing a part of your debts. We can submit to Congress in a message the generosity you have disclosed as to this prospective trade which we invite by the treaty, and upon the basis of that compensation seek from the Government a return reward by remitting a portion of the indebtedness."

Mr. President, for myself I assert that no such proposition will ever be made by any President of the United States who can ever be elected by the people.

Without regard to what his party designation might be, there is no man in America who could be elevated to that place who could be guilty of such perfidy of faith, who, in such violence of imagination, could enter upon the proposal of so detestable a trade.

America will present to other nations such suggestions for the exchange of trade as she feels will be to the mutual advantage of both, but she will make no offer to sell the independence of her country, the rights of her people, or the debt due her citizens in return for any political favor by any people or commercial concession by any country.

Finally, sir, comes the intimation, and, as is known, reaching official quarters of this Government, as to "what shall be said if it is requested by America that certain debtor countries disarm?" I refer to present efforts in the convention called for the consideration of disarmament. It is intimated as though to say, "If your President meant in his message to indicate the cessation of expenditures referred to in the message for something of an unworthy character, intimating very clearly expenditures for the obnoxious purpose of unnecessary war and the preparation for conflict for the demolition of mankind and the devastation of civilization—if he meant to declare that such expenditure does not meet the approval of a Christian, civilized people, such as is represented by the United States of America—if your President of the United States meant that, then what have you to say, gentlemen, to the proposal that if we disarm, accepting your suggestion of disarmament, you proportionately will reduce the amount of the indebtedness this particular debtor owes you, to the amount of the value of our disarmament", and then to ask, "To what extent will you, the United States, disarm your indebtedness as against that if we disarm the armaments of warfare as against the world, including yourselves?"

Mr. President, I know this is very delicate ground. I am conscious of the admonition the bard speaks from the mouth of the humble to the great, saying, "Those who stand in high places are blown by many a blast, and should they fall they dash themselves to pieces"; but I speak for myself to say that the people of America never have elected a President of the United States who could have been of a character or kind who was of audacity to suggest to a nation to change its armament as some favor to our country without regard to that nation's national preservation and to its national defense.

Under no circumstances would a President of the United States of any party that our people would elevate to this distinguished ascendancy commit an affront to the privileges of another nation by offering it American money in turn for asking it to do a duty due to humanity. If due humanity, it will be sought by us as a mere encouragement in behalf of international human justice; if not due humanity, it is no province of ours to attempt to purchase the promise of doing that which was not due the land itself, or not due to us.

Sir, we have now no officer of this Government, and there is none that will receive the confirmation of this honorable body, who will barter American property to equalize indebtedness in consideration of a promise of some nation to reduce its armament. In the first place, such a promise would not be kept. I would applaud the nation that would disavow it, if it had been brought to the promise by such irregular, devious, and questionable means.

Finally, sir, any agreement of that kind from any nation might honestly be made at the time; and yet conditions might soon confront that nation which in its defense and preservation might call for a wholly different course; and who could blame it for promptly acting upon the emergency of self-preservation?

Now, sir, as to ourselves. I speak for myself. I decline to admit that any nation in this world has a right to sit in conclave with other nations, or alone in its own sovereignty, and dictate to the United States of America the limitation upon what is necessary for its self-defense. I pray God the time may never come when any conflict of war shall curse this, my home, my country; but if the hour is in the distance when the blackened clouds are flashing with the squirming fires that speak the flames of war, and if they shall spread to the misfortune and the affliction of this, the United States of America, this much be admonished: We prepare our defense, and we do it according to the sense of our preservation as directed by the conscience of America, as inspired by a sense of right and sustained by the sanctity of faith in God. America for her defense stands America; and while she gladly tests the suggestion made by any friendly nation, she will not tolerate the thought of a direction or domination of any nation or nations as to what shall be the limit and form and manner in which she shall prepare to defend herself against an emergency that might be on the way, whether in the imagination of her citizens or in the actual realization of the fear.

Mr. President, therefore I trust that it shall be now understood that America's presentation to her people through her President of the reasons by which we seek the payment of the debts due us is not for the oppression of any people; it is for the mere fulfillment of faith, the keeping of an honest contract made between the debtor and the creditor. I trust it may be understood, and here let it be asserted, if there be any nation in the world that fancies, through its statesmen, that by the imputation of dishonorable motive to the United States it can force us to withdraw from the determination of fulfilling our duties to our own countrymen, let that people awaken from their illusion, and realize that such cannot influence a people such as Americans. On the other hand, no resentments will be invited, no vengeance will be executed, no retaliation in the form of legislation will be permitted, far less invited, merely as a punishment to those whose lack of good sense or want of good manners make it agreeable to insult a people whose only offense was to tender every generous consideration that humanity among mankind might ask. We are America, and America is full on the way to the fulfillment of the laws of honor. With this consummation we will maintain the independence of the American citizen; with it we will preserve the sovereignty of America.

I thank the Senate.

REVISION OF AIR-MAIL LAWS

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3170) to revise the air-mail laws.

Mr. COPELAND. Mr. President, after listening to the eloquence and common sense of the Senator from Illinois [Mr. LEWIS] I hesitate to do so commonplace a thing as to make a reference to the rules of the Senate; but I am quite concerned over the pending conference report.

Mr. FESS. Mr. President, will the Senator yield to enable me to suggest the absence of a quorum?

Mr. COPELAND. I yield.

Mr. FESS. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BYRD in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Pope
Ashurst	Cutting	Kean	Reynolds
Austin	Davis	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Connally	Hatch	O'Mahoney	Walsh
Coolidge	Hatfield	Overton	Wheeler
Copeland	Hayden	Patterson	White
Costigan	Hebert	Pittman	

Mr. LEWIS. I wish to reannounce the absences of the Senators as to whom I this morning gave detail and for the reasons I have stated, and to ask to have the announcement stand for the day.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Ninety-one Senators having answered to their names, a quorum is present.



Mr. COPELAND. Mr. President, until last year when our party came into power in the Senate I had only two occasions to serve upon a conference committee. This year it so happens that I have served upon a number of conference committees. Many times in the conferences the question has arisen as to just how far the conferees could go in the use of new language. We have been embarrassed on a number of occasions, apparently under the rules, to be obligated to retain in a bill provisions which the conferees on the part of both Houses did not wish to retain.

Further than that, as Chairman of the Committee on Rules and the temporary custodian of the rules of the Senate, I think it is my duty to make some statement as to what has happened with reference to the measure now before us. I make these suggestions without reference to the merits of the bill. I am not qualified to speak regarding them.

The conferees have gone far afield in this conference report in adopting new language, language not found either in the text of the bill as it passed the House or in the text of the bill as it passed the Senate, and which, it seems to me, violates the spirit of both.

I invite the attention of the Chair to rule XXVII, paragraph 2, found at the top of page 34. I read:

2. Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained, the report shall be recommitted to the committee of conference.

Mr. President, I speak first of subsection (d) found on page 2 of the conference report, which reads as follows:

(d) The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes and the eastern and western coastal routes among primary routes.

It will be observed that as written in the conference report 6 primary routes are established, 4 transcontinental routes, and an eastern coastal route and a western coastal route, making 6 primary routes. The nearest approach to this language in the bill is found on page 3 of the bill as it passed the Senate, beginning in line 10:

The Postmaster General may designate certain routes as primary and secondary routes and may include at least four transcontinental routes.

That is the language which is repeated thus far in the conference report. But in addition to the language just quoted we find that the text of the bill as it passed the Senate definitely determined what transcontinental routes are, because, if Senators will refer again to page 3 of the bill, they will see that it describes the transcontinental routes and defines them in this language:

Extending to termini, as nearly as practicable, on the Atlantic and Pacific coasts.

That is to say, in order to be a primary route there would have to be a terminus at or near the Atlantic and a terminus at or near the Pacific or, in the language of the bill, page 3, "extending to termini, as nearly as practicable, on the Atlantic and Pacific coasts."

Mr. President, there is nothing in the bill as it passed the Senate or as it passed the House that suggested primary routes which are coastal in their operation, because both termini of a coastal route would be either on the Pacific coast or on the Atlantic coast, as the case may be, and not, as the language on page 3 indicates, with termini on both coasts or a terminus on each coast.

Mr. President, that is not all. If we take page 1 of the conference report, section 3, toward the bottom of the page, we find the insertion of the adjective "initial" in the phrase "for initial periods of not exceeding 1 year." That, I assume, might be regarded as a limitation. I am not sure but that under our rules that would be an acceptable amendment. Nevertheless, there is there the insertion of a word which does not appear either in the House bill or in the Senate bill.

We find in the third line from the bottom on page 1 of the conference report that the right of appeal is to the Comptroller General. If I am correct in the matter, the reference made in the bill as it passed the two Houses of Congress was to the Interstate Commerce Commission, and not to the Comptroller General.

On page 2 of the bill, practically all of subsection (g), if I am correct in my statement, is new or radically changed language.

On page 3, section 6, subsection (a), second line, the words "after notice and hearing" possibly might be considered a limitation; but I desire to make clear to the Senate that the conference report goes far beyond any report in which I have ever joined. I think there have been many times when I wanted to do this; I know there have been many times when I wanted to deviate from the language used by one or the other House, or both; but this conference report actually does go beyond the rule laid down to govern conferees in preparing conference reports.

Mr. President, conferences are difficult anyhow.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Maine?

Mr. COPELAND. I yield.

Mr. WHITE. Has the Senator concluded the catalog of instances in which he thinks the conferees have exceeded their authority?

Mr. COPELAND. I simply touched upon those. If the Senator cares to add others, I shall be glad to have them for the sake of presenting the matter at length.

Mr. WHITE. Mr. President, I have only given the most cursory examination to the conference report with this thought in mind. I understood the Senator to refer to paragraph (g) on page 2. Am I right in that?

Mr. COPELAND. Yes.

Mr. WHITE. I concur in the Senator's suggestion that that is very largely new matter, not contained in either bill, and that there is involved in it much more than language. It is a substantive change, as I conceive it.

I call the Senator's attention also to section 6 (a), on page 3. There is a provision there for notice and hearing.

Mr. COPELAND. I have made reference to that.

Mr. WHITE. So far as my knowledge goes, that is new matter inserted by the conferees.

Mr. COPELAND. That is new; but I thought possibly that might be considered a limitation, and in the application of the rule we have not hesitated to limit or delimit; yet, after all, that is new language.

Mr. WHITE. I understand that; and I would not be dogmatic about anything I now suggest to the Senator, because, as I indicated when I rose to interrogate him, I have not had the opportunity to study out these matters carefully.

Take subparagraph (b) of section 6: It strikes me that that is new, not contained in either Senate or House bill.

I refer next to subparagraph (c) under section 6, appearing on page 3, the language being—

Any contract which may hereafter be let or extended pursuant to the provisions of this act, and which has been satisfactorily performed by the contractor during its initial or extended period, shall thereafter be continued in effect for an indefinite period—

And so forth. I have the impression that there is nothing in either Senate or House bill which authorized the conferees to give these contracts an indefinite period of life.

Mr. COPELAND. Certainly that could not be considered a limitation. That would be a broadening of power.

Mr. WHITE. That would be an extension, I think.

I come now to paragraph (d) under section 6, also on page 3. I think the first part of that section is covered in the Senate bill. Beginning about the middle of the paragraph there is this language:

For the purposes of this section—

And so forth, to the conclusion of the subparagraph. I think that is new, both in form and in substance.

Going on to paragraph (e) under section 6, it says:

In fixing and determining the fair and reasonable rates of compensation for air-mail transportation, the Commission shall give consideration to the amount of air mail so carried—

And so forth. There may be a similar provision in the Senate bill or in the House bill; but, if there is, it has escaped my notice.

Going on to section 7 (a), the very first words of the section are—

After December 31, 1934.

I think that is new matter, fixing a different date for the application of this section than was fixed in the Senate bill or in any corresponding House provision.

I do not desire to inject myself further into the Senator's speech.

Mr. COPELAND. I shall be glad if the Senator will give me any further references he has.

Mr. WHITE. Going on, then, near the bottom of page 4, I refer to the language in subparagraph (d) beginning about the middle of that paragraph:

That whenever required by the Postmaster General the bidder shall submit an affidavit executed by the bidder—

And so forth. So far as my knowledge of the Senate bill and the House bill goes, that is an entirely new provision.

Now we turn over to page 6, at the beginning of section 15. I think that section is very largely new matter, not comprehended within either the language or the purpose or the effect of any provision either in the Senate bill or in the House bill.

I repeat, Mr. President, that these comments of mine are based on a cursory examination. I think they are founded in fact, however, and that they clearly demonstrate the infirmity of the conference report.

Mr. COPELAND. Mr. President, I thank the Senator for his additions to the list I have made of what I regard to be deviations from the operation of the rule.

Mr. President, the matter may not be particularly serious as regards this bill. I am not prepared to argue that question at all.

Mr. FESS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Ohio?

Mr. COPELAND. I yield.

Mr. FESS. The Senator has pointed out the new matter which has been inserted. I do not think there is any doubt about new matter having been inserted. I am of opinion that everybody will have to concede that. The conferees virtually rewrote the proposed legislation, but the question arose whether the manner in which they did it did not make the report in order, whether the conferees could, by a blanket performance, strike out one thing and insert entirely new matter, provided it referred to the same thing that was stricken out. That seems to be the basis on which the defense will be made that the report is in order.

There is a very striking precedent in which the Senate passed on that very subject, if the Senator will permit me to interrupt him in order to state it.

Mr. COPELAND. I shall be glad to have the Senator do so.

Mr. FESS. On February 19, 1925, when the famous Muscle Shoals legislation was before us, in which the Senators who are interested in the adoption of the pending conference report were also very much interested, as the Senator will recall, under the leadership of Mr. Underwood, the Senate passed a Muscle Shoals bill of its own.

Mr. COPELAND. I recall that.

Mr. FESS. The House passed what was called the "Ford purchase Muscle Shoals bill." The subject went to conference, and the conference agreed and reported to the Senate. Let me read what occurred:

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 518) to authorize and direct the Secretary of War, for national defense in time of war and for the production of fertilizers and other useful products in time of peace, to sell to Henry Ford, or a corporation to be incorporated by him, nitrate plant no. 1, at Sheffield, Ala.; nitrate plant no. 2, at Muscle Shoals, Ala.; Waco quarry, near Russellville, Ala.; steam power plant to be located and constructed at or near Lock and Dam No. 17 on the Black Warrior River, Ala., with right-of-way and transmission line to nitrate plant no. 2, Muscle Shoals, Ala.; and to lease to Henry Ford, or a corporation to be incorporated by him, Dam No. 2 and Dam No. 3 (as designated in H.Doc. 1262, 64th Cong., 1st sess.), including power stations when constructed as provided herein, and for other purposes.

That is the report which was under consideration. When it came in, the Senator from Nebraska [Mr. NORRIS] made a point of order on the report, and made this statement:

I want, first, to call attention to this fact, that we have a condition presented to the Senate which probably has never before been presented, and if any claim is made that the point of order I urge against this conference report is technical, I call the attention of the Chair to the fact that it is only by the greatest of technicality that the conferees are allowed any latitude whatever in bringing in a conference report and making changes from the bill as it passed the Senate.

* * * * * * *

The House passed what is known as the "Ford bill", giving Muscle Shoals to a corporation to be organized by Henry Ford. Mr. Ford has withdrawn his offer, as everybody in the country knows, and the House is not trying to pass the Ford bill. So the conferees only by virtue of a technicality had any House bill whatever in considering this question.

* * * * * * *

Technically, the conferees have a right to bring in anything between the Ford bill and the bill as it passed the Senate, so it is by virtue only of a technicality that the conferees have any latitude whatever. I think it is proper for the Chair to take that into consideration in passing on the point of order, which necessarily must be more or less technical.

As a matter of parliamentary laws, the conferees have a right to bring in any provision of the bill as it passed the Senate or any provision of the Ford bill, or any provision between those two bills. They cannot, of course, go beyond that.

With those preliminary remarks, I want to call the attention of the Chair to what to me seems a very simple proposition. For the purpose of convenience, I am using the Senate print.

Then the Senator proceeded to read what was in the Senate bill, what was in the House bill, and what was in the conference report, to show that the conference report did not coincide with what was in the House bill or the Senate bill or between the two. He claimed they went beyond their authority in not dealing with what was in the House bill or what was in the Senate bill or what fell between them.

I do not think I care to take the time to read what was in the House bill and in the Senate bill and in the conference report. The Senator proceeded:

Mr. President, I take it that as between the Senate bill, which provided for the payment of a rental of 4 percent on the entire cost of the dam, including the locks, and the House bill, which provided for 4 percent on the entire cost of the dam in the same way with only an exception that it should not apply to expenditures made prior to a certain date, there is no place between those two provisions where we can put the provision of the bill as reported by the conference committee. In other words, the conference committee, for instance, it is conceded, would not have any right to bring in a bill that provided for a lease of 125 years, because that would be more than the Ford bill and more than the Senate bill. They could not bring in a bill that should provide for the payment of a rental that would be more than both the other bills or less than the other bills.

The length of time would have to fall between the two, and the amount of rental would have to fall between the two, not above both of them or below both of them.

Moreover, the conference report gives to the President the right, without stating the amount, to deduct a still further amount from the cost of the dam as he shall determine is a sufficient amount to pay for navigation on the Tennessee River.

He proceeded to elaborate on the argument that authority was given by the conferees to the President which was not included in either of the two bills or did not fall between the two bills. The argument proceeded. I think it is hardly justifiable for me to continue to read, except just to suggest the principles. I do not care to read the details.

It appears that the very principle involved in the conference report before us is as to whether, having before them a Senate bill and a House amendment in the nature of a substitute, the authority of the conferees is broad enough to cover the insertion of something not in either bill; and there seems to be no doubt that new matter was inserted.

The debate on the Muscle Shoals matter ran for days. A point of order was made on the 19th of February, it was dis-

cussed all day the 19th, and was discussed on the 20th. The debate is found on page 4126 of volume 66, part 4, Sixty-eighth Congress, second session. The second page to which I refer is page 4243.

Senator Underwood conceded that new matter was inserted. He stated:

Mr. President, on yesterday, just as the Senate took a recess, the Chair called to my attention an addition to section 2 of the pending bill and asked what authority the conferees had to insert that section. I desire to call to the attention of the Chair that in the original bill, in section 5, the following language is found:

"The lease shall also provide the terms and conditions under which the lessee may sell and dispose of the surplus electric power created at said plants."

That language was stricken out, but the paragraph was rewritten and the language reinserted. The Chair should consider that it was in conference that—

"The lease shall also provide the terms and conditions under which the lessee may sell and dispose of the surplus electric power created at said plant."

The original Ford bill, on page 15 of the printed bill, in section 16, had this language:

"For the facilities and services aforesaid the United States shall protect the company from losses occasioned by such use and shall return the said property in as good condition as when received and reasonably compensate the company for the use thereof."

I mention this to indicate that it was conceded that the matter was new, but it was contended it was covered by the broad authority given.

When the final decision was made as to the authority of the conferees to insert that matter under the practice under which they were operating, the decision sustained the point of order, namely, that they had no authority to do it even in that form. The vote came on the 23d of February on an appeal from the decision of the Chair. The point which had been made was based on what the Senator read just a moment ago, paragraph 2 of rule XXVII:

Conferees shall not insert in their report matter not committed to them by either House, nor shall they strike from the bill matter agreed to by both Houses. If new matter is inserted in the report, or if matter which was agreed to by both Houses is stricken from the bill, a point of order may be made against the report, and if the point of order is sustained, the report shall be recommitted to the committee of conference.

Upon that rule the Chair sustained the point of order, an appeal was taken from the decision of the Chair, and the Chair was sustained by a vote of 45 to 41, as is found on page 4402 of the CONGRESSIONAL RECORD, volume 66, part 5, Sixty-eighth Congress, second session.

This is a decisive precedent, precisely bearing on the subject now before the Senate.

Mr. COPELAND. Mr. President, I thank the Senator. I was in the Senate at the time of the debate to which reference is made, and I recall the discussion and the incidents mentioned by the Senator from Ohio.

Mr. President, it is perfectly clear to me that paragraph 2 of rule XXVII has been violated. The question is, What should be our attitude toward the rules of the Senate? These rules are the outgrowth of years of experience in the Senate, they have been carefully formulated, most of them have stood the test of time, and they have facilitated the operations of legislation.

I think it is a great mistake for us to accept a report which is so clearly in violation of the rule as is the one before us. It violates the rule not only in the specific case which I mentioned in the first place, by providing for six primary routes instead of four, but in the other instances which I suggested, and the many which were presented to the Senate by the Senator from Maine.

Mr. President, I should not feel true to my trust if I did not call the attention of the Chair and of the Senate to the situation. It is my judgment that rule XXVII has been violated, and I feel it my duty to raise the point of order against the submission of the conference report.

Mr. McKELLAR. Mr. President, does the Presiding Officer desire to have a statement made? I shall be very happy to make it.

The PRESIDING OFFICER. The Chair would be glad to hear from the Senator briefly.

Mr. McKELLAR. Mr. President, the first objection is that the following paragraph is new matter: On page 2 of the conference report, subsection (d) reads as follows:

(d) The Postmaster General may designate certain routes as primary and secondary routes and shall include at least four transcontinental routes—

Listen to that:

at least four transcontinental routes, and the eastern and western coastal routes among primary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

I now read from page 3 of the Senate bill, line 10:

Provided further, That the Postmaster General may designate certain routes as primary and secondary routes and may include at least four transcontinental routes, extending to termini, as nearly as practicable, on the Atlantic and Pacific coasts, as primary routes. All other routes shall be secondary routes. The character of the designation of such routes shall be published in the advertisements for bids, which bids may be asked for in whole or in part of such routes.

I digress long enough to say that the House struck out all except the enacting clause, and substituted therefor a new bill. Both bills provide for substantially the same thing; one provides for at least four transcontinental routes, and the other bill provides that there shall be six transcontinental routes.

The PRESIDING OFFICER. Will the Senator from Tennessee yield to the Chair at that point? Where is the language of the House bill which refers to primary and secondary routes?

Mr. McKELLAR. There is nothing in the House bill with reference to that. That language is in the Senate bill.

I now come to the next section, section (g), which was objected to. I ask the Chair to turn to page 15 of the bill. Here is the language of the conference report:

(g) Authority is hereby conferred upon the Postmaster General to provide and pay for the carriage of mail by air in conformity with the terms of any contract let by him prior to the passage of this act, or which may be let pursuant to a call for competitive bids therefor issued prior to the passage of this act, and to extend any such contract for an additional period or periods not exceeding 9 months in the aggregate at a rate of compensation not exceeding that established by this act nor that provided for in the original contract: *Provided*, That no such contract may be so extended unless the contractor shall agree in writing to comply with all the provisions of this act during the extended period of the contract.

On page 15 in the House bill it is provided:

SEC. 3. (a) The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for periods of not exceeding 1 year, to the lowest responsible bidders tendering sufficient guaranty for faithful performance in accordance with the terms of the advertisement at fixed rates per airplane-mile. The base rate—

And so forth. That is dealing with the same subject. The language is different, but the same subject is dealt with.

Mr. WHITE. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. WHITE. Is not the language which the Senator has just read the language which is found in section 3 (a) of the conference report?

Mr. McKELLAR. It is found there, yes, making the case that much stronger, because they are similar.

Mr. WHITE. In other words, the language which the Senator has just read from the House bill is the provision which is covered by paragraph 3 (a) of the conference report, and then paragraph (g) is something new.

Mr. McKELLAR. No; the Senator is mistaken about that.

I now come to page 3, section 6 (a):

SEC. 6. (a) The Interstate Commerce Commission is hereby empowered and directed, after notice and hearing, to fix and determine by order, as soon as practicable and from time to time, the fair and reasonable rates of compensation for the transportation of air mail by airplane and the service connected therewith over each air-mail route, but not in excess of the rates provided for in this act, prescribing the method or methods by weight or space, or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, which shall continue in force until changed by the said Commission after due notice and hearing.

I now read from section 6 of the Senate bill, on page 4——

The PRESIDING OFFICER. So far as that point is concerned, the Chair does not think the Senator needs to spend any time on it.

Mr. McKELLAR. I will pass on.

Section 6 (b) of the conference report provides:

(b) The Interstate Commerce Commission is hereby directed, at least once in every calendar year from the date of letting of any contract, to review the rates of compensation being paid to the holder of such contract, in order to be assured that no unreasonable profit is resulting or accruing therefrom.

The Interstate Commerce Commission in the Senate bill is—

Hereby empowered and directed to fix and determine, as soon as practicable, the public convenience and necessity for all air transportation routes and the fair and reasonable future rates of compensation for the transportation of such mail matter by airplane common carriers and the service connected therewith, but not in excess of the rates herein provided for, prescribing the method or methods by weight or space or both, or otherwise, for ascertaining such rates of compensation, and to publish the same, and orders so made and published shall continue in force until changed by the Commission after due notice and hearing and shall take effect on such route immediately after the expiration of any outstanding air-mail contracts then in force and effect under existing contracts made by the Post Office Department.

The two sections are substantially the same. The wording is virtually the same in every respect.

I now come to section 6 (c) in the conference report:

(c) Any contract which may hereafter be let or extended pursuant to the provisions of this act, and which has been satisfactorily performed by the contractor during its initial or extended period, shall thereafter be continued in effect for an indefinite period, subject to any reduction in the rate of payment therefor, and such additional conditions and terms, as the said Commission may prescribe, which shall be consistent with the requirements of this act; but any contract so continued in effect may be terminated by the said Commission upon 60 days' notice, upon such hearing and notice thereof to interested parties as the Commission may determine to be reasonable; and may also be terminated by the contractor at its option upon 60 days' notice.

I did not catch the force of the argument which was made on that point. Exactly the same power is contained in the Senate bill, but this language merely amplifies it.

Section (d), on page 3 of the report, is next objected to. The language is almost exactly like that on page 5 of the Senate bill. There is practically no difference.

Section (e) is also objected to. I read:

(e) In fixing and determining the fair and reasonable rates of compenstion for air-mail transportation, the Commission shall give consideration to the amount of air mail so carried, the facilities supplied by the carrier, and its revenue and profits from all sources, and from a consideration of these and other material elements, shall fix and establish rates for each route which, in connection with the rates fixed by it for all other routes, shall be designed to keep the aggregate cost of the transportation of air mail on and after July 1, 1938, within the limits of the anticipated postal revenue therefrom.

Let us now look at page 5 of the Senate bill, from which I read:

In fixing and determining the fair and reasonable rates of compensation for such transportation of mail matter by airplane, the Commission shall not include in such rates, or provide in addition thereto, any compensation by way of subsidy or other similar payment.

There is a slight modification of language, but no change at all in substance.

I now come to the authorities, Mr. President. The authorities are ample that where the House has struck out all except the enacting clause it opens up the matter to the extent of permitting anything which is germane to the provision, and the language can be changed or altered so as to carry out and make effective the result.

I read from several decisions in the Senate. On February 8, 1927——

The PRESIDING OFFICER. The Chair holds that that is the well-settled rule in the Senate.

Mr. McKELLAR. I agree entirely with the Chair. I desire to say that if the Chair does not wish to hear me I should like to insert in the RECORD at this place the five opinions which hold that where either body of Congress strikes out all of a bill except the enacting clause, the conference committee may put in the bill whatever is germane in either bill. There is not a word in the report that is not germane to some provision either in the Senate bill or in the House bill.

The PRESIDING OFFICER. Without objection, the rulings referred to by the Senator from Tennessee will be inserted in the RECORD.

The rulings referred to, taken from the Senate Journal, are as follows:

[69th Cong., 2d sess.]

On February 3, 1927, the Senate was considering the conference report on the radio bill (H.R. 9971) when Mr. Howell raised a question of order that the clause repealing the joint resolution approved December 8, 1926, limiting the time for which licenses for radio communication may be granted, was not in the bill as passed by the House of Representatives or the Senate and therefore it was new matter inserted contrary to rule XXVII.

The Presiding Officer (Mr. Oddie in the chair) overruled the point of order, as follows:

"The Chair is prepared to rule on the matter, and holds that where one House strikes out all after the enacting clause of a bill and inserts new language, as was done in this case, the conferees are given wider latitude in dealing with the subject; and matter that is germane to the matter in dispute may be dealt with by the conferees without subjecting the report to the point of order that the conferees have exceeded their authority in inserting new matter."

Mr. Howell appealed from the decision of the Chair, but later withdrew the same and raised a question of order that the joint resolution referred to in the point of order previously raised by him had been passed by Congress some weeks after the conferees had begun consideration of the differences between the two Houses; that the said joint resolution was not contemplated by either House at the time the radio bill was passed, and therefore was new matter inserted by the conferees and that any reference thereto in the report, even in the way of a repeal, rendered the conference report subject to a point of order.

The Vice President (Charles G. Dawes) overruled the point of order.

Mr. Howell appealed from the decision of the Chair, and the appeal was laid on the table by the vote of 48 yeas and 14 nays.

On February 8, 1927, while the Senate was further considering the conference report on the radio bill, Mr. Howell raised a question of order that the conferees had exceeded their authority in striking from the conference report certain matter agreed to by both Houses, as follows: "(with due consideration of the right of each State to have allocated to it, or to some person, firm, company, or corporation within it, the use of a wave length for at least one broadcasting station located or to be located in such State, whenever application may be made therefor)."

order, as follows:

"The Chair would remark that when the amendment of the Senate is a new bill in the nature of a substitute instead of various amendments to different parts of the bill, the whole status of conference is changed under the precedents. Under the line of argument which the Chair followed the other day in holding that new matter when germane could be put in as an amendment under those circumstances, he would seem to be justified now in overruling the point of order. The status of conference being changed where the Senate substitutes a bill as an amendment, the precedents in effect hold that the restrictions of rule XVII, paragraph 2, do not apply, and he so rules. The point of order is not well taken."

Mr. PITTMAN appealed from the decision of the Chair, and subsequently Mr. PITTMAN'S appeal was laid on the table by a vote of 41 yeas and 34 nays.

[68th Cong., 2d sess.]

February 19, 1925, the conference report on the Muscle Shoals bill (H.R. 518) was under consideration. Mr. NORRIS made a point of order that the conferees, in certain instances named, had exceeded their authority by inserting new matter.

The President pro tempore (Mr. Cummins, of Iowa), in a somewhat lengthy opinion, sustained the point of order. The Chair stated that he disregarded the House bill in the ruling on the ground that the two Houses had not agreed upon any point or upon anything. With reference to "new matter", the Chair said:

"What is 'new matter'? It is quite impossible to define this phrase with that accuracy and precision which will make any rule announced applicable to the infinite variety of cases that will arise. * * * It has seemed to the Chair that the words 'new matter', as found in rule XXVII, and 'new legislation', as found in rule XVI, must mean practically the same thing. The fact of the identity of these two phrases makes it all the more important that the ruling upon the points of order now before the Senate shall be correct. Without attempting to define 'new matter', the Chair is of the opinion that it was intended, when this paragraph of the rule (rule XXVII) was adopted, to restrict the general parliamentary law as frequently announced by the Speaker of the House of Representatives. * * * The Chair does not desire to be understood as holding that every change made in the Senate bill by the conference report constitutes 'new matter.' It is of the opinion that in order to bring the change within the spirit of rule XXVII 'new matter' must be of substantial import, that

is to say, a change affecting in a substantial way the plan proposed in the Senate bill * * *."

An appeal was sustained—45 yeas, 41 nays. (CONGRESSIONAL RECORD, 68th Cong., 2d sess., pp. 4124–4137, 4243–4250, 4310–4314, 4321–4326.)

[Feb. 24, 1927, 69th Cong., 2d sess.]

The Senate had under consideration the conference report on H.R. 16462, the general deficiency appropriation bill, when Mr. MCKELLAR made the point of order that the language inserted by the conferees as a substitute for Senate amendment no. 8 was new matter and violated rule XXVII.

Senate amendment no. 8 was an insertion as follows:

"*Provided*, That no part of this appropriation (for refunding taxes illegally collected) shall be used to pay any claim in excess of $50,000 until such claim shall be approved by the Comptroller General of the United States in accordance with existing law."

The matter inserted by the conferees as a substitute is as follows:

"*Provided*, That no part of this appropriation shall be available for paying any claim allowed in excess of $75,000 until after the expiration of 60 days from the date upon which a report giving the name of the person to whom the refund is to be made, the amount of the refund, and a summary of the facts and a decision of the Commissioner of Internal Revenue is submitted to the Joint Committee on Internal Revenue Taxation."

The Vice President (Charles G. Dawes) overruled the point of order.

Mr. MCKELLAR appealed from the decision, when his appeal was laid on the table by a vote of 39 yeas and 28 nays.

[June 6, 1932, 72d Cong., 1st sess.]

The Senate had under consideration the conference report on H.R. 10236, the Revenue Act of 1932.

Mr. Howell raised the following point of order:

"1. That, with respect to Senate amendment no. 180, imposing a tax upon energy sold by private electric-power companies, the conferees had exceeded their authority by including in their report a provision for a tax, not authorized by either the Senate or the House of Representatives, on domestic and commercial consumption of energy supplied by publicly owned power plants; and

"2. That the conferees had exceeded their authority by imposing the tax, provided for in the section, upon the person paying for such electrical energy instead of upon the vendor, as contemplated by the Senate."

After debate,

The Vice President (Charles Curtis) overruled the point of order in the following language:

"The Senate amendment is as follows:

"'There is hereby imposed upon energy sold by privately owned, operating electric-power companies a tax equivalent to 3 percent of the price for which so sold.'

"There is no provision in the Senate amendment relative to the payment of the tax by either the vendor or the purchaser, although it was doubtless the intent of the Senate that the tax should be paid by the power companies themselves. However, in a parliamentary sense, the conferees, in the absence of specific instructions by the Senate, undoubtedly have the right, in the interest of adjusting differences between the two Houses, to take the action they did in providing for payment by the purchaser.

"There is no provision in the House bill on the subject of power sold by electrical companies. Therefore, there are no restrictions upon the power of the conferees, subject, of course, to the limitations of the rule itself, in dealing with this matter. They have broader latitude and authority than would otherwise be the case. They are empowered to make any change or modification that is germane or relevant.

"The term 'new matter' contained in the rule embraces, as the Chair thinks, matter that is entirely irrelevant to the subject matter.

"The point of order is overruled."

Mr. Howell appealed from the decision of the Chair, which decision was sustained by the vote of 42 yeas, 33 nays.

Mr. WHITE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Maine?

Mr. MCKELLAR. I yield.

Mr. WHITE. The Senator has referred to some comments made by the Senator from New York and me, but he has not made reference to some other matters touched upon in our criticism of the report.

Mr. MCKELLAR. If the Senator will indicate to what he refers, I shall be glad to make response.

Mr. WHITE. The Senator from New York, as I recall, referred to the insertion of the word "initial" in section 3 (a) which reads:

The Postmaster General is authorized to award contracts for the transportation of air mail by airplane between such points as he may designate, and for initial periods—

And so forth. The language of the Senate bill was "and for periods."

Mr. MCKELLAR. Does not the Senator think that it is hairsplitting to make such a distinction between "periods" and "initial periods"? The word "initial" is a qualification of the word "periods", and it seems to me that it is splitting hairs to try to send back a conference report that has been worked over for weeks and months on a hair-splitting proposition of that kind.

Mr. WHITE. So far as sending the report back to conference goes, I am free to confess that I would not expect a much better report if it should go back than we now have. That is why I myself did not make a point of order.

Mr. MCKELLAR. I think the Senator acted wisely in the matter, and I commend him for it.

Mr. WHITE. I was interested in the Senator's explanation, rather than in my own, of the inclusion of the word "initial." But to pass on from that, in section 3 (a), the proviso reads:

Provided, That where the Postmaster General holds that a low bidder is not responsible or qualified under this act, such bidder shall have the right to appeal to the Comptroller General—

The Senate bill provided that an appeal should lie to the Interstate Commerce Commission. The Senator did not comment on that. It strikes me, for whatever my opinion may be worth, that that is a change not only in language, but in substance, from the provisions adopted either by the House or by the Senate.

Mr. MCKELLAR. The Senator would not say that that language does not provide for an appeal, would he? It provides for a quick method of appeal under the circumstances set out in the section.

Mr. WHITE. The Senate bill provided for an appeal to the Interstate Commerce Commission. It was the judgment of the Senate that that was the tribunal to which the appeal should be made. Now, apparently the conferees have determined that the Senate was wrong in that instance, and it is their conclusion that the appeal should be made to some other body or some other person. They may be right, but it is just a question as to whether they have the authority to override the Senate in that particular. That is why I am calling the attention of the Chair to it.

Mr. MCKELLAR. If the Senator will permit me, I will ask him to look at the bottom of page 15, line 19, of the House text.

Mr. WHITE. I have not the text of the House bill before me.

Mr. MCKELLAR. Listen to this; and the Senator will see how utterly mistaken he is in this point:

(b) In case of a determination by the Postmaster General that any bidder is not responsible or is otherwise disqualified under the terms of this act, such determination shall be subject to review in any manner authorized by law.

Surely, under those circumstances we had a right to make it specific.

Mr. WHITE. I do not know that there is authority of law at present for an appeal to the Comptroller General from the decision of the Postmaster General as to whether a bidder is or is not responsible. If that is the law, then I subside as to that particular point.

Mr. MCKELLAR. I do not think there is any doubt in the world about it.

Mr. WHITE. I do not want to trespass unduly on the Senator's patience——

Mr. MCKELLAR. I am glad to have the Senator make any objection he desires.

Mr. WHITE. The Senator has commented on paragraph (d) on page 2 of the conference report, and I freely confess that I am impressed with what he has said with respect to that particular paragraph. I am not going to quarrel with him about that, though I think it is a matter of doubt.

Mr. MCKELLAR. I think, if the Senator will examine them as I have, he will come to the same conclusion about the other objections.

Mr. WHITE. I think it is a matter of doubt, but I think in this particular and rare instance the Senator is right in his construction.

Mr. McKELLAR. I thank the Senator for thinking that for once I am right.

Mr. WHITE. The Senator did not comment on paragraph (e), which provides that—

> If on any route only one bid is received—

There shall be a certain procedure. I do not know whether the Senator overlooked that in his comment.

Mr. McKELLAR. I have not had that called to my attention previously, as I recall.

Mr. WHITE. There is in the Senate bill a provision that if the Postmaster General holds that the low bidder is not responsible, which is part of the matter in this paragraph, there shall be an appeal to the Interstate Commerce Commission, which shall speedily determine the issue, and its decision shall be final. A part of that is incorporated in paragraph (e).

Mr. McKELLAR. Yes; it is merely an elaboration of the provision in the Senate bill.

Mr. WHITE. An elaboration and an addition, Mr. President, in my view.

Mr. McKELLAR. I do not agree to that.

Mr. WHITE. The Senator has referred to paragraph (b) on page 3 and commented on the first part of it; I am not impressed with his comment, but he failed to mention the language at the end of that paragraph, which reads:

> In determining what may constitute an unreasonable profit the said Commission shall take into consideration all forms of gross income derived from the operation of airplanes over the route affected.

I know of no provision like that in either the House or Senate bill.

Mr. McKELLAR. That was an elaboration of the provisions of the House and Senate bills; that is all. It carries out the intent and purpose of the original Senate provision.

Mr. WHITE. It all hinges on the definition of "elaboration." I know that the word "elaboration" may be used to cover up the sins of the conference committee.

Mr. McKELLAR. I know the conference committee were guilty of a great many sins, but I do not believe that to be one of them.

Mr. WHITE. I will mention section 7 (a), at the top of page 4. As this proposed legislation passed the House and passed the Senate this section and all other sections became applicable when the bill became a law. Here is a departure from that provision and a determination by the conference committee of some other and some definite date on which this particular section shall become applicable.

Mr. McKELLAR. Yes; it is a different date.

Mr. WHITE. I do not know whether the Senator was saying that that was an elaboration or not. It might or it might not be an extension, or it might be called an "elaboration."

Mr. McKELLAR. No; that is not an elaboration, but it is fixing of the date of the effectiveness of the section. That is done in conference all the time. There is no reason in the world why that may not be done.

Mr. WHITE. The Congress does it very often, but here both the House and the Senate, in the form in which this proposed legislation was adopted by them, made the legislation as a whole and every section of it a law upon the enactment of the legislation and the approval thereof by the President. The conference committee have fixed some other date for this particular section, and they have fixed some other date for another section of the bill.

Mr. McKELLAR. The House had done the same thing. If the Senator will permit me, if he will look at page 14 of the House amendment, he will see that section 2 was made effective July 1, 1934.

Mr. WHITE. Then the conferees have extended it beyond that date.

Mr. LONG. Mr. President, a parliamentary inquiry. What is the question now under inquiry?

The PRESIDING OFFICER. The Chair is trying to determine the point of order raised by the Senator from New York [Mr. COPELAND], and therefore is desirous of listening to the argument.

Mr. BLACK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Alabama?

Mr. McKELLAR. I yield.

Mr. BLACK. May I suggest, in response to what the Senator from Maine has said, that the Senate bill provided that after July 1 it should become effective; the House bill did not make it effective at all. Therefore there was a difference between the House and the Senate. They said they would not agree to the Senate bill if we made it effective July 1, but since their provision was ad infinitum they would agree if we would postpone it until December. If that is not the adjustment of a difference between the two Houses, I fail to see how there could be one.

Mr. McKELLAR. It seems to me the objection is hypercritical, to say the least.

The PRESIDING OFFICER (Mr. BARKLEY in the chair). The Chair will say in that connection and on that point that last week the conferees on the stock-market bill fixed July 1 as the effective date of the act, when both the House and the Senate bill provided that it should be effective upon the date of its enactment. So, while no point of order was raised against it—and the present occupant of the chair does not know that it would have been sustained if it had been raised—it has been done.

The Chair is ready to rule. The Chair has been trying to compare the House and Senate bills while the argument has been in progress. It is not easy to do because the sections do not correspond. It is a well-recognized rule where either House strikes out the language of the bill sent to it by the other House and inserts language of its own, the conferees have a wider field for the adjustment of differences than they would ordinarily have where the bill passed by one House is amended by the other House section by section. In that case it is easy for the conferees to determine just what the specific differences are, where part of the language of a House bill or a Senate bill is stricken out and new language inserted; but where either House strikes out all the language of the bill coming to it from the other body and inserts its own language, necessarily, in order to reach an agreement and adjust the differences, there must be more flexibility and power existing in the conferees. That has been for a long time recognized in the rules of the Senate and of the House of Representatives.

Where the language in either bill which is stricken out is indefinite or where there is no reference at all to the subject matter as to which the other House inserts language, then the conferees have almost unlimited power, so long as their amendments are germane to the proposal of either the House or the Senate bill.

The Chair does not think the insertion of the word "initial", referred to by the Senator from Maine [Mr. WHITE], constitutes such a departure as would vitiate the conference report on that account. While the language in neither bill contained the word "initial", the bill as written by the conferees, using the word "initial", does not apparently or substantially change the effect of the language contained in both the House and the Senate bills.

With reference to the point of order made against subsection (d) of section 3, it seems that the Senate bill provided that the Postmaster General might designate certain routes as primary and secondary routes and might include at least four transcontinental routes, without further reference to eastern or western primary routes. The Chair does not think the use of the word "may" the second time has any effect whatever. The Postmaster General had full discretion, under the language of the Senate bill, to establish such primary and secondary routes as he might see fit.

In the absence of any language in the House bill on the subject either permitting or prohibiting the Postmaster General from establishing primary and secondary routes, the Chair is of the opinion that he could do that even under the language of the House bill by regulation, because there is nothing in the bill to prevent it.

There being no language in the House bill on the subject, and the insertion of the words "eastern and western coastal

routes" being germane to the four routes already provided for in the Senate bill, the Chair does not think that inserts new matter to such an extent as to vitiate the conference report.

For the same reasons stated with reference to the other point of order, the Chair overrules the point of order made by the Senator from New York [Mr. COPELAND].

Mr. VANDENBERG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. VANDENBERG. The Senator from New York [Mr. COPELAND] who made the point of order has been called from the Chamber. If he should desire to appeal from the decision of the Chair may he do so later when he returns to the Chamber?

The PRESIDING OFFICER. Provided no intervening business has been transacted.

Mr. VANDENBERG. Then I suggest the absence of a quorum in order to bring the Senator from New York back to the Chamber.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Pope
Ashurst	Cutting	Kean	Reynolds
Austin	Davis	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Connally	Hatch	O'Mahoney	Walsh
Coolidge	Hatfield	Overton	Wheeler
Copeland	Hayden	Patterson	White
Costigan	Hebert	Pittman	

The PRESIDING OFFICER. Ninety-one Senators having answered to their names, a quorum is present.

Mr. COPELAND. Mr. President, I regret exceedingly that I was called from the Chamber to a committee meeting which seemed to be an urgent one. I assume, from what I have been told, that the Chair overruled the point of order.

The PRESIDING OFFICER. Yes; that is correct.

Mr. COPELAND. I desire to ask the Chair a question, and I do this with all deference and respect. In making his decision I assume he took into consideration the rule as it is written, followed the language of the two bills and the conference report, and, in the light of that language, decided that the conference report was not subject to the point of order.

The PRESIDING OFFICER. The Chair will state to the Senator from New York that he undertook briefly to give his reasons for the decision rendered, on the ground that where either House strikes out all of the bill after the enacting clause and inserts new language, the conferees have a much wider field for the adjustment of differences than where sections of the bill passed by either House are amended without striking out the entire language.

There are many decisions which the Chair could have cited, but he did not take the time to do so. In view of the Senator's absence, however, the Chair feels that it is not inappropriate now to refer to the decision rendered by Vice President Curtis.

During the consideration in the Senate of the Revenue Act of 1932 an amendment was inserted levying a tax upon electrical energy without saying by whom it should be paid; but evidently the text indicated that it should be paid by the producer of the electrical energy. There was no such provision in the House bill. When the bill went to conference the conferees amended the Senate language so as to provide that the tax should be paid by the consumer of the electrical energy. A point of order was made against the conference report on that ground; and Vice President Curtis, in overruling the point of order, used this language, after reciting the facts:

> There is no provision in the Senate amendment relative to the payment of the tax by either the vendor or the purchaser, although it was doubtless the intent of the Senate that the tax should be paid by the power companies themselves. However, in a parliamentary sense the conferees, in the absence of specific instructions by the Senate, undoubtedly have the right, in the interest of adjusting differences between the two Houses, to take the action they did in providing for payment by the purchaser.
>
> There is no provision in the House bill on the subject of power sold by electrical companies. Therefore there are no restrictions upon the power of the conferees, subject, of course, to the limitations of the rule itself in dealing with this matter. They have broader latitude and authority than would otherwise be the case. They are empowered to make any change or modification that is germane or relevant.

The Chair held that no new matter had been inserted by the conferees within the real meaning of the rule, and that so long as the amendments which the conferees inserted in the Senate language were germane to that language they did not violate the rule with reference to the power of conferees, and, therefore, he overruled the point of order.

Mr. COPELAND. I appreciate the courtesy of the Chair. I must say, in all frankness——

Mr. CAREY. Mr. President, will the Senator yield for a moment?

Mr. COPELAND. I yield.

Mr. CAREY. I should like to call the Chair's attention to page 207 of the Senate Manual, where it says:

> Conferees may not include in their report matters not committed to them by either House.

And it says further:

> In the Senate, in case such matter is included, the custom is to submit the question of order to the Senate.

Then the manual cites a case where Vice President Hobart took that stand, and also where Mr. Lodge, as presiding officer at the time, ruled in that way.

The PRESIDING OFFICER. The Chair is familiar with the rule cited by the Senator. Of course, it is perfectly obvious that where neither House has a provision with reference to a matter, the conferees cannot insert anything with reference to it; but the House having struck out all the language of the Senate bill and included nothing upon the controverted points, the Senate conferees and the House conferees had the right to make such changes as might be germane to the language of the Senate bill that were not included in the House bill.

Mr. CAREY. I may misinterpret what I have read, but I believe it means that where there is a question as to whether there is new matter the question should be submitted to the Senate.

The PRESIDING OFFICER. The Chair has ruled on the subject.

Mr. COPELAND. Mr. President, if the Chair will bear with me for a moment, I could not concede that when a bill has been handled as this one has, when all after the enacting clause has been stricken from the bill and new material has been added as the act of the House, that material is any different from any other amendment which might be added; and, in my opinion, it ought to be treated in exactly the same way. I do not see how greater latitude is given by that particular act.

We had this question to deal with no later than yesterday in connection with the free zone bill. The Senate had passed a bill providing for free zones, and the House had passed a bill with a different number. They did not take our bill. Then, in order that we might get the matter in conference, on my motion in the Senate we took the House bill, struck out all after the enacting clause, and inserted as an amendment our own bill. So we had before us in the conference everything that the Senate had discussed, everything the committee of the Senate had considered and the Senate had considered and had amended upon the floor, together with the bill as it passed the House. In other words, we had before us exactly the same sort of composite bill that we have here.

I cannot concede that any more latitude is given to conferees by reason of this peculiar act than there would be if we amended the bill in the ordinary way. We have before us now, and the conferees had before them, the Senate bill exactly as we passed it, and the House bill as they chose to rewrite it; so the language of the two Houses is here for consideration. My contention is, and I suppose ever will be, Mr. President, that the conference report has gone entirely aside from what was done either by the House or by the Senate, and, in my judgment, is a clear violation of the second clause of rule XXVII.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. VANDENBERG. It seems to me, if I understand the ruling of the Chair, that the Senate is left in this amazing position with respect to conference reports:

The Chair rules that so long as the new matter is germane, it is eligible. It does not make any difference how revolutionary it may be, how far afield it may be from any consideration either in the House or in the Senate; so long as it is germane it is eligible.

Any legislation respecting air mail would be germane to an air mail bill. Therefore, it seems to me that the ruling of the Chair strikes down all boundaries in respect to conference reports, and in practical effect leaves the conferees absolutely unlimited in their dealings with legislation; and it seems to me that would be a most unfortunate precedent.

Mr. COPELAND. Mr. President, I know that the Chair has ruled in accordance with precedents; but I share the apprehension of the Senator from Michigan that this decision and this act of ours will come back to haunt us. There is always a temptation on the part of conferees to go into the entire subject, to take up some matters which no doubt are germane, but which, after all, change the spirit of the act.

In the Appropriations Committee of the Senate we are extremely careful to avoid placing in the appropriation bills anything which can be called legislation. While that may not be on all fours with what we have before us, yet, after all, the conference committee have undertaken to legislate for the Senate. They have written into the air mail bill matters which are not in either the House bill or the Senate bill. They have superseded the Senate—indeed, they have superseded the Congress—in the choice of language and in writing into the conference report matter which is entirely aside from anything that was agreed upon in the Senate and anything that was agreed upon in the House.

Mr. President, I have no disposition to appeal from the decision of the Chair. If some other Senator has, that is for him to decide. I think, however, that if we have not established today an unfortunate precedent, we have at least made indelible a precedent the beginning of which, perhaps, was found in the ruling of Vice President Curtis or of Vice President Hobart years ago.

I am sure that in the future we shall be embarrassed by what we do here today, and that in the future conferees will be free to act as they please in rewriting a bill and bringing here language which the House and the Senate never intended should be written into the bill. That is what we have done with this bill; but, so far as I am concerned, as I said in the beginning, as the temporary custodian of the rules of the Senate, I felt it my duty to call attention to the matter. I have done so. The Chair has ruled, and it is for the Senate to decide whether the ruling shall stand.

The PRESIDING OFFICER. The Chair appreciates the position of the Senator; but in order that the RECORD may be complete, not for the purpose of argument at all, it may not be inappropriate to insert in the RECORD at this point the remarks of the late Senator Cummins of Iowa, who was the President pro tempore of the Senate at the time the point of order was made against the Muscle Shoals conference report, as to what is new matter:

What is "new matter"? It is quite impossible to define this phrase with that accuracy and precision which will make any rule announced applicable to the infinite variety of cases that will arise. It has seemed to the Chair that the words "new matter" as found in rule XXVII and "new legislation" as found in rule XVI must mean practically the same thing. The fact of the identity of these two phrases makes it all the more important that the ruling upon the points of order now before the Senate shall be correct. Without attempting to define "new matter", the Chair is of the opinion that it was intended when this paragraph of the rule was adopted to restrict the general parliamentary law as frequently announced by the Speaker of the House of Representatives.

The Chair does not desire to be understood as holding that every change made in the Senate bill by the conference report constitutes "new matter." It is of the opinion that in order to bring the change within the spirit of rule XXVII new matter must be of substantial import; that is to say, a change affecting in a substantial way the plan proposed in the Senate bill.

The Chair does not think his decision in this case violates that definition.

Mr. COPELAND. Mr. President, I thank the Presiding Officer for his patience and consideration. I insist, however, that if we were to go no further than page 2, paragraph (d) of the report, it would be perfectly clear that new matter had been inserted in the bill.

The PRESIDING OFFICER. The Chair has ruled. If the Senator desires to appeal, of course, he has that right.

Mr. COPELAND. I understand that, and the reason why I do not press the matter further is because I do not wish to appear to be in the position of obstructing the passage of the proposed legislation. I said in the beginning that in general it has my sympathy, and I would not wish to appear to be doing anything to obstruct the final action upon the bill. I did feel, however, and I still feel, that it is a mistake; that we ought not to receive this report in its present form, and that by doing so we are establishing a precedent which will be very distressing to us in the future.

Mr. VANDENBERG. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. VANDENBERG. Without presuming to argue with the Chair, and seeking only to be sure that the ruling is clarified against any unintentional precedent, may I inquire of the Chair whether it is a literal reflection of his ruling that the only test binding conferees in the insertion of new matter in a conference report is that it shall be germane?

The PRESIDING OFFICER. The Chair is basing that suggestion in the decision he rendered upon the language of former Vice President Curtis, who laid down that rule when he stated that when the language of one bill is entirely stricken out and new language is inserted the conferees have full latitude within the bounds of germaneness.

If the present occupant of the chair is mistaken about that, then the former Vice President was probably responsible.

Mr. VANDENBERG. Mr. President, I speak with the greatest respect for the Chair, and the Chair undoubtedly considers that he is within the precedents; but let me say that I consider it a very unfortunate precedent. I am not in charge of the bill or in charge of the point of order, so certainly I would not feel entitled to take an appeal; but I think it would be exceedingly hazardous and a step in the direction of legislation by conference instead of by Congress—and heaven knows we have had too much legislation by conference, even within the limits of the rules as heretofore known—that it would be almost a final and conclusive delivery of the ultimate jurisdiction over legislation to conferees, if the only test of new matter is the test of germaneness, because any legislation dealing with the subject and the text of the bill obviously would be germane. Therefore we sweep away all boundaries in respect to new matter as measures may go to conference.

Mr. FESS. Mr. President, I have some concern over the breadth of the decision of the Presiding Officer as to the latitude of conferees in presenting reports. I would have very much more concern, however, if this branch of the Congress paid the same respect to the rules under which it operates that the other branch pays to its rules.

In this branch of the Congress we have gotten into the habit of making a decision today and reversing it tomorrow, until that has become so common that there is not a Senator in this body who does not recognize that a decision is made upon considerations of policy, and not based upon

parliamentary rules. That it is common indeed is admitted by those who give instructions on the matter of rules.

I cited a case in point, but the Chair ruled against me, and would have been sustained if I had appealed from the decision of the Chair. Therefore, the present occupant of the chair did wisely, I think, in paying no further attention to it.

The same thing precisely applies to the matter of relevancy of debate. Each Senator is his own judge as to whether what he is saying is relevant to the matter before the Senate. The same thing is true with reference to germaneness. A matter is held germane if it contributes to putting over the matter in issue. That is the way we regard the rules of the Senate. The rules are not so regarded in another branch of the Congress, as every Member of this body who has had any service in the other branch will readily recognize.

Mr. President, I have little talent for pleading before a jury which has already made up its mind. Most of the interest one has in the final determination of a question is lessened to the zero point when he recognizes, before he says what he has in mind, that what he is saying will have no effect whatever.

I have very little talent for talking on points which have been discussed by others. The Senator from Vermont went over the conference report item by item, and pointed out the objectionable features. I think he covered pretty nearly in toto all that is involved in the report, with probably the exception of determining what the ultimate results will be.

Anyone who is and has been interested in building up the art of flying will readily recognize the difference between the proposed legislation and the McNary-Watres Act. The two are as widely different as policies are different. The McNary-Watres Act was put on the statute books primarily to build up the aviation industry. That was the major purpose of the act. It was the authority which was granted by Congress to carry into effect the recommendations of the Aircraft Board, which had been appointed, had made its study, and submitted its recommendations which were ultimately translated into law. Anyone who will study the Aircraft Board's report will recognize the emphasis that was placed upon the necessity of the United States being in the forefront in building this new arm. Whether it be from the point of view of military position, of commercial use, as an agency for fuller life in America, or to be used in the transmission of mails—from whatever point the recommendations is viewed, one must be impressed with the desire on the part of our Government not to lag behind, but to take the leadership in building up aviation and the art of flying.

For that reason there was extended as much aid as under the law could be granted to those who were willing to take the risk, invest their capital, and produce such results as were feasible.

The one very outstanding unit in the building of aviation was that which was engaged in research work. For that purpose a large amount of money was expended, all of which was risked, and on none of which could there be assurance of return; but it was expended in the hope of making aviation, which was an American invention, stand out as an American achievement above that of every other country.

It is a well-known fact, admitted by all who know, that in the beginning we did lag behind France because of the assistance given aviation by the French Government. After the Wright brothers had made it possible for the heavier-than-air craft to stay in the air, the French Government saw the importance of aviation, and for quite a while the United States was trailing France. After the war, however, and during the period when the world recognized the importance of this new activity—not only its possibilities in war but in commerce—because of the sympathetic aid of the Government the United States took the lead in aviation and kept it up to February 19 of this year.

The McNary-Watres Act, as stated by the Senator from Vermont [Mr. AUSTIN], sought to give such Government aid to the development of the art of flying as not only to make aviation a method of transportation but also to make it a profitable industry, and one which would be of importance in the employment of labor. It was not long until, by this aid, the United States had the finest flying equipment of any country on the globe.

One of the foundations on which this industry was built was the promise to those who would take the risk in developing the industry that they might have some return on their investment. Consequently, when the Government suggested that those who carried the mail be requested also to enter into the passenger service, that was done primarily for the purpose of building an industry. It was justified. It was a new investment of American capital. It was a new opportunity for the employment of American labor. In addition, it was the building of equipment which would be a defense in time of great danger. It cannot be hoped to make an industry of this kind profitable unless some assurance can be given that there will be improvement in the art.

It was first suggested that a lone man could fly in a plane. That suggestion led to the discussion of increasing the sizes of planes. Now we see, by the aid of the Government which stood back of the aviator who was willing to take the risk, the development of aviation to the point where the modern plane has become a floating palace of the air. While we have not yet reached the point where safety is entirely assured, the cases of fatalities are rare in comparison with the number of miles flown every day.

What I have said, Mr. President, has been said to indicate the major purpose back of the McNary-Watres Act. I desire to emphasize as strongly as I can that when the Government entered into air-mail contracts, the service to the public in the delivery of mail was not the only purpose contemplated; but primarily it was an effort to insure the leadership of the world in aviation.

We finally reached that position. It was reached with difficulty. What was done under the direction of the Postmaster General to reach that position has come under criticism. He was criticized for what he did in the matter of the surrender of contracts let by competitive bidding and the issuance of route certificates in lieu of them, with complete power on the part of the Postmaster General to make the necessary regulations, so that not only would the mail be carried with facility and the public served but while that was being done the industry would also be built up. Consequently, when we had a crazy air map that linked almost every city with another city, a hodge-podge, with no system, with as many companies as there were distances between cities, no responsibility, no finances, no facilities for building up a unified industry, the Postmaster General took direction of this crazy air map, this hodge-podge, and by the authority written specifically as the result of recommendations made before the law was enacted, through bids, through route certificates, through extensions, in 4 years we developed the finest aviation map the world knows.

So far as the burden on the Government is concerned in paying for air-mail facilities, the rate which is the measure of that burden was cut from $1.29 to below 40 cents in 4 years; and with the progress which was being made under the authority of the existing law, beyond a doubt, with the increase of the revenue coming from a well-equipped industry, we would have reached the time in 3 or 4 years when there would not have been a dollar of subsidy paid to the service, when the industry would have been self-supporting, when the only thing for which the Government would have paid would have been actual service. All this could have been done without the change of an iota in the law which is now in existence.

It is a shameless boast that under the temporary contracts which have taken the place of the contracts which were canceled we are saving so many million dollars; it is pitiable that any responsible man would make such a statement as that, when, under the law now existing, as I have heretofore made plain, the Postmaster General has ample authority to reduce the rates for carrying the mail to any extent he may see fit.

Mr. President, there are 11 items upon which costs of the carrying of the mail are fixed. Those items make up the risks the carrier must undertake. They include night flying, terrain, fogs, the one-way radio and the two-way radio, and so on. They include the number of motors a plane shall have. For a load of 200 pounds the cost is so much; for a load of 2,000 pounds the cost is so much more; for a load of 200 pounds a plane with a single motor may be used, while for a load of 2,000 pounds a trimotored plane must be used. The cost of carrying the air mail being made up of these and other items, which are all under the control of the Postmaster General, by the authority of the law under which he is now operating, if today at the rate heretofore allowed such carriage is costing the Government $20,000,000, the Postmaster General may say, "We will cut the cost 50 percent and make it $10,000,000"; and the cost will be so much for night flying, so much taking the terrain and fogs into consideration, so much for one motor, so much for a trimotor, and so forth. There is no need of a single change of any existing law in order to authorize the Postmaster General to reduce the cost of carrying the air mail. And yet it was assumed that contracts must be canceled and that a new law must be passed in order to reduce the cost of the air mail to the Government.

Mark my words, Mr. President, there will be no reduced cost to the Government under this plan. The Government may cut the length of a route or the number of trips if that be desired to be done and in that way reduce the cost at the start, but the chairman of the committee knows, as every other Senator knows, that it will not be possible to deny the public the facilities of air mail which they once enjoyed if those facilities be justified. Where there has been the delivery of such mail twice or three times a day, if there shall be provided but one daily delivery, the very object for which the air mail is provided will be defeated. If but one trip is made in 24 hours, and the mail plane reaches its destination 5 minutes after the connecting plane which was to carry the mail forward has taken off, and there is not another mail plane leaving that point for 24 hours, every pound of mail that goes out of that point to any other city within a thousand miles is put on a train. If the city is only 600 miles away, the train will have covered the distance and be in the town of delivery before the plane would start the next day. Anybody who is fool enough to think that the American people are going to stand for any such service as that has no business in the United States Senate. The people will not stand for it. It may be inaugurated on the basis that money is going to be saved, but it is not going to be continued.

Mr. President, if the proposal, as is here intended, is to avoid altogether any interest being manifested in the development of aviation, if it be the purpose to take the support of the Government wholly away from the building up of aviation and to limit the activities of the Government only to interest in the delivery of mail, what will be the outcome of such a policy? The small plane will be used. Note the rates here—33 cents for the first 300 pounds. It makes no difference whether the plane starts off with 10 pounds, it is paid for 300 pounds; and then, if the 300-pound limit is exceeded, the rate is 3.3 cents for the next 100, and so on to a certain point until nothing is paid for the excess. So, under this plan, the greater the load the less will be paid, and it will be to the interest of the mail carrier not to increase the load, because the more he carries the less he will get. That is fine economy, is it not? Yet that is precisely what is written into this proposed law.

Mr. President, the main thing that I so much dislike is that the Government is entirely withdrawing from any interest whatever in aviation except for the carrying of the mail; there is to be no effort on the part of the Government to build up an industry which every other nation of the world is today developing by Government support.

We carried the mail up to February 19 of this year for one-half what it is carried for by any other country in the world, and if the procedure which was then being followed had been continued uninterruptedly, with the increase of passenger service, the revenue would have increased, the cost of carrying the mail would have correspondingly decreased, and we should have reached a point, in a very short time when there would have been no subsidy paid. All that, however, has gone out of this bill. It affords no impetus for increasing the size and the efficiency of airplanes. There is no such provision, except a discouraging one, that if the load is increased a point is reached above which the mail will be carried for nothing, which means that no company will reach the point where they will have to carry additional mail for nothing. It is such an unsound provision that there can be no doubt that in a year from now we will be paying more for carrying the air mail than we paid when the contracts were canceled. More than that, we will not build up an aviation industry in this country; and, more than that, the Government will never reach the point where we can get away from the payment of a subsidy.

My good friend from Tennessee [Mr. McKELLAR] is intense in his opposition to subsidies and always has been. I have not any quarrel with him on that score, though he and I differ on the particular subject. He is intensely opposed to subsidies, and yet he had to recognize that the element of subsidy could not be entirely eliminated here, and so the date is pushed forward to sometime in the future when the plan is to be discontinued. Of course it will not be discontinued because when we reach that date we will know more about it than we do at the present time.

Mr. President, I take the position that if we were alone and had nobody to be concerned about but our own people, then we could afford to do as we pleased about the question of power in the air. But with the world as it is, with nations as they are, with flying ability as it is being improved and extended in all the world, we cannot stand by with our Government wholly disinterested in the development of aviation. We must keep abreast; there must be no lagging. There is no item in the bill which would permit any appreciation of any new discovery or new invention. There is no inducement for the expenditure of any money to build or develop a better kind of airplane. In the last 4 years the most remarkable development has taken place, reaching its highest point in the famous Boeing plane and Douglas plane, which are now the wonder of all the world. That is only a suggestion of what we might do in the future if the Government itself does not break down the industry.

It is for that reason, Mr. President, that I very greatly deplore the vengeance written in the bill, which is aimed at certain practices—practices which are subject to condemnation—but which goes to the extent of not only not curing the practices but of denying to the industry the things which are essential to it. I refer to the provision which will not permit any company which has an air-mail contract to own anything in the way of aviation that is not directly connected with the carrying of mail. I have heretofore pointed out the danger of such a provision.

It may be that aviation has gone far enough today that sufficient capital can be put back of a single company to build up the art of flying with the support of the Government in air mail. It may be a company can be found which is strong enough financially not to have to depend upon any outside assistance for its finances. But I am desperately afraid that we have not reached that point.

Eighty percent of the operations of an airway are on the ground. The actual flying is but one-fifth of its activities. The groundwork that is regarded as essential in many cases includes not only the airports, but includes repair shops. It includes a unit for photographing and photography work, which has become very essential. It includes the ground school. In many cases it includes the development and building of airplanes. But here is a bill which inflicts a penalty upon any company if it owns anything except that which is identified with the carrying of the mail. I think it is unwise.

I believe I have never seen a better statement of the importance of giving a company which is flying a plane, even for the Government, the right to have these appointments on the ground, than was contained in a letter which the

chairman of the committee received from one of the leading companies of America on the 20th of March of this year. One of the units of this leading company is Eastern Airways, flying from New York down the coast to Miami. The bill forbids anything like a holding company. I make a distinction, of course, between the holding company which is purely speculative and which ought to be eliminated, and the holding company which might be actually the operating company. From the letter I quote:

There should be a clear differentiation made between:

(1) The financial interest of large corporations in air-transport companies made for the purpose of developing the industry through adding to the management and financial resources of the operating company, with the hope of realizing ultimate operating profits—

That sort of an organization could not be subject to criticism. It is a part of the operation—

and (2) the financial interests of investment corporations made in air transport companies for the purpose of stock speculation.

There is no real basis for such a company.

For example, North American Aviation's relation to its transport subsidiaries would be the same whether the transport subsidiaries were divisions of North American Aviation rather than separate corporations operating as subsidiaries of North American Aviation. For legal reasons which I feel need not be outlined to your committee, who for the major part have legal training, the advantages of a subsidiary company conducting its operations through many States are well known. It may be stated that these advantages are the same as those which cause many large corporations to incorporate separate operating subsidiaries in several States. For this reason I should like to differentiate between North American Aviation and a true holding company, which I feel falls within the second classification mentioned.

In other words, North American Aviation is the parent company of its transport subsidiaries and is not a holding company in the true sense.

Mr. President, there is the differentiation which I desire to emphasize. Any holding company which is organized merely for stock speculation ought to be eliminated; but if the holding company is operating a subsidiary, and becomes a part-operating company supplying the finances, it ought not to be penalized.

The writer of this letter says:

It is my firm opinion that companies created for the purpose of making investments for speculative purposes in numerous aviation companies, especially when companies in which the investments are made are fully competitive, are a drawback rather than a help to the aviation business. In many instances this latter type of true holding company insists on representation on the boards of directors of competitive companies.

That, of course, would also be subject to criticism.

In being associated with North American Aviation as the parent company, our transport companies have the comfortable feeling that there are ample financial resources back of them to carry them through lean periods of reasonable length, as witnessed by the fact that in spite of the losses of the transport subsidiaries during the past 2 years, the parent company is sufficiently financed to advance funds to purchase new equipment in order to keep up the standard of operations competitively. Furthermore, the relations of our parent company with its strong, ably financed stockholders of recognized business ability make available to our operating companies the results of the research and development work of such strong business associates.

Here is one of the strongest statements I have yet seen on behalf of the need of a successful company carrying the mail to have the opportunity of enlarging its facilities through the ownership or relationship of subsidiaries. This statement was made in a letter to the chairman of the committee:

During the past year there were three important developments of transport airplanes in this country.

The question is, Who brought about these developments? It strikes me that a prohibition written into the law which forbids any company to have any association with any other company which may be supplying some facilities which the company flying the mail must have is a very grave mistake when we are trying to build up the aviation industry.

I do not care to take the time of the Senate to read all of the letter to the chairman of the committee. Therefore, I ask unanimous consent to insert it in the RECORD without reading.

The PRESIDING OFFICER (Mr. NEELY in the chair). Without objection, it will be so ordered.

The letter is as follows:

NORTH AMERICAN AVIATION, INC.,
New York City, March 20, 1934.

Hon. KENNETH MCKELLAR,
Chairman Post Offices and Post Roads Committee,
Senate Office Building, Washington, D.C.

MY DEAR MR. MCKELLAR: The first paragraph of section 7 of Senate bill 3012 reads as follows:

"No person shall be eligible to bid on, or hold, any air-mail contract who owns, or, in turn, is owned, in whole or in part, by any other company engaged directly or indirectly in any phase of the aviation industry, whether the other company be a holding company or a company transporting mail or holding a mail contract or a company engaged in the manufacture or sale of airplanes, airplane parts, or other materials or accessories generally used in air transportation."

It is my opinion that your committee should be informed of the true conditions with respect to the relations of holding companies and manufacturing companies with transport companies, in order that an intelligent decision may be reached as to whether any legislation should be passed dealing with such relations.

There should be a clear differentiation made between:

First. The financial interest of large corporations in air transport companies made for the purpose of developing the industry through adding to the management and financial resources of the operating company, with the hope of realizing ultimate operating profits; and

Second. The financial interests of investment corporations made in air transport companies for the purpose of stock speculation.

For example, North American Aviation's relation to its transport subsidiaries would be the same whether the transport subsidiaries were divisions of North American Aviation rather than separate corporations operating as subsidiaries of North American Aviation, Inc.

For legal reasons which I feel need not be outlined to the members of your committee, who for the major part have legal training, the advantages of a subsidiary company conducting its operations through many States are well known. It may be stated that these advantages are the same as those which cause many large corporations to incorporate separate operating subsidiaries in several States. For this reason I should like to differentiate between North American Aviation, Inc., and a true holding company, which I feel falls within the second classification mentioned above.

In other words, North American Aviation is the parent company of its transport subsidiaries and is not a holding company in the true sense.

It is my firm opinion that companies created for the purpose of making investments for speculative purposes in numerous aviation companies, especially when companies in which the investments are made are fully competitive, are a drawback rather than a help to the aviation business. In many instances this latter type of true holding company insists on representation on the boards of directors of competitive companies. The progress of this industry, like all other businesses, depends upon competition to a great extent for its technical developments. With interlocking directorates of competitive companies brought about through this latter type of true holding company, the plans of the operating company are made known to competitors, thereby destroying initiative in the operating companies. This evil is not existent in the parent company set-up, such as the relations of North American Aviation and its transport subsidiaries today.

The Post Office administration has stressed the point that air transport companies operating transcontinentally must be competitive and that interlocking directorates and intercompany ownership of stocks in such competitive operations must be eliminated. I am heartily in accord with that principle. This does not mean, however, that a large corporation amply financed and well managed should not have an interest in more than one operating company when such companies are not competitive.

Dealing further with the parent company set-up, as distinguished from true holding companies, I should like to point out the following advantages of the operating company's being associated with such a parent company.

I. FINANCIAL STRENGTH

In being associated with North American Aviation as the parent company, our transport companies have the comfortable feeling that there are ample financial resources back of them to carry them through lean periods of reasonable length, as witnessed by the fact that in spite of the losses of the transport subsidiaries during the past 2 years the parent company is sufficiently financed to advance funds to purchase new equipment in order to keep up the standard of operations competitively. Furthermore, the relations of our parent company with its strong, ably financed stockholders of recognized business ability make available to our operating companies the results of the research and development work of such strong business associates. It is a well-known fact that the largest stockholder in our parent company spends tremendous sums in research and development with respect to aviation, despite the fact that tremendous development losses have been incurred by such stockholder in aviation projects. Were Eastern Air Transport, for example, solely on its own, it assuredly could not finance the vast research, engineering, and development work which this

industry must have in order to make progress and stay ahead of developments in foreign countries. Therefore, I should like to emphasize that it is a comfortable feeling to know that these subsidiaries may have at their disposal the financial resources of the parent company for the further development of flying equipment and instruments in the years to come.

Another point in connection with financial strength is the fact that it would be practically impossible for Eastern Air Transport to continue in business at the present moment were it not for funds which will be advanced by its parent company, North American Aviation, Inc. It is a well-known fact that industries which are admittedly more stable and which can show a greater possibility of earnings than the air-transport industry are unable to raise funds at this time to replace capital depleted through losses. To legislate at this time that each transport company must be set up on its own without having any parent company to call upon for its extraordinary financial requirements as emergencies may arise would certainly make this industry subject to all the evils of stock-market speculation.

II. DEVELOPMENT OF FLYING EQUIPMENT

During the past year there were three important developments of transport airplanes in this country. Who brought out these developments? The Curtiss Condor, the first development, was developed for Eastern Air Transport by the Curtiss-Wright Corporation, which at that time was indirectly affiliated with E.A.T. The Boeing 247, in general use over United Air Lines, was developed by United Aircraft & Transport Corporation. The T.W.A. luxury liner was built by the Douglas Co., which was indirectly affiliated with Transcontinental & Western Air.

What developments contributing to the advance of the aviation industry were brought out by the independent air lines which had no affiliation, direct or indirect, with manufacturing companies? Absolutely none. The outstanding developments in instruments contributing to the safety of air transport have been made by the Sperry Gyroscope Co. At the time these developments were made, the Sperry Gyroscope Co. was directly affiliated with Eastern Air Transport, both of these companies being owned by North American Aviation, Inc.

It is no accident that the above is true. These developments have been brought out by transport companies affiliated with manufacturing companies, and none brought out by air transport companies not affiliated with manufacturing companies for one reason, namely, it takes millions of dollars and complete cooperation in the exchange of technical knowledge and practical experience between the operator and the manufacturer to carry out the experimental and development work. It is a well-known fact that the first T.W.A.-Douglas luxury liner cost substantially in excess of $300,000, while T.W.A. paid less than one-half of this development cost. Unless the manufacturing company has a financial interest in the transport company, which the manufacturing company desires to enhance in value through its contributions to the transport company, certainly there will be no reason for the manufacturing company to incur losses in the development of planes and instruments for air transport companies, and the latter will have to pay the full cost of such developments.

III. CONTINUITY OF MANAGEMENT

It is a well-known fact that many companies, not only in the air-transport business but in other industries, changed hands after the 1929 stock-market crash. This is generally the case where a sufficient interest in an operating company is not held by a strong group. I know that in our own case, until a large interest in our parent company was secured by one of the strongest industrial groups in this country, it was difficult for the management and employees of Eastern Air Transport and other transport subsidiaries to know from day to day for whom they were working. Continuity of management cannot be insured in any operating company unless there is at least sufficient stock concentration for the purpose of developing the business as a permanently profitable operation rather than as a stock-market speculation; otherwise the management and employees are subject to the will of the speculating public from day to day.

IV. SAVINGS BY COMBINED PURCHASES

There is one great advantage to being associated with a parent company which also has other interests which are noncompetitive with the transport company's interests. Our transport subsidiaries have been given the advantages of purchase contracts of one of the largest corporations in the United States, due to the parent company association. In addition, there has been recently made available to all of our employees, including pilots, group insurance available to the parent company at the lowest rates in effect for any class of employees in any industry in this country. To be specific, our pilots at this time enjoy a $5,000 group-insurance policy for the very low rate of 60 cents per month per $1,000 of insurance. This is the same rate of insurance that is offered to a stenographer or a clerk.

Due to the interests of our parent company in Transcontinental & Western Air, Inc., which is noncompetitive with Eastern Air Transport, the development of the finest transport ship ever developed in this country or abroad to date, will be made available to Eastern Air Transport. Eastern Air Transport by itself could never afford to spend the money to bring about this development. Further, as stated above, Eastern Air Transport, like other small operators, could not finance the purchase of such equipment.

V. MANAGEMENT

Due to the association with a parent company which has as its principal stockholder one of the largest and most able management groups in this country, all of this managerial ability is available to the transport subsidiaries without cost. This far-seeing group has already contributed and is continuing to contribute management and research services to our companies which we could never hope to obtain if we had to pay for them.

There has never been one cent assessed against Eastern Air Transport or Transcontinental & Western Air for these services. Further, neither of these companies has ever paid 1 cent in cash dividends to the parent company.

VI. PUBLIC CONFIDENCE

The success of the air transport business depends upon public confidence in the operating company. The universal knowledge that a transport company is backed up by the financial and management resources of a recognized successful industrial organization is a tremendous asset.

VII. ECONOMIES OF ADMINISTRATION

I do not think that there need be detailed the advantages of being able to distribute fixed administrative costs over the combined operations of our transport subsidiaries, as against each transport subsidiary having its own complete administrative and supervisory expenses. In other words, through having Eastern Air Transport and Transcontinental & Western Air and Western Air Express affiliated, these airlines are able to coordinate their supervisory activities in such a manner as to materially reduce administrative expenses. Through the appointment of Mr. Eastman as Coordinator of Railroads, there has been the recognition of this principle, looking toward eliminating uneconomic set-ups by bringing about more practicable combinations. Why should the same mistake be made in the air transport business that was made by the railroads in the past, namely, breaking up the air transport companies into small uneconomic units?

RECOMMENDATIONS

It is recommended that a Federal regulatory board be set up to issue certificates of necessity and convenience to all airlines operating on February 19, 1934; and further, that this Federal regulatory board be empowered:

(1) To prevent interlocking directorates of competitive companies; and

(2) To prevent an air transport company purchasing airplanes, airplane parts, or other material, from affiliated companies or subsidiaries, at a price in excess of the lowest prices at which such equipment has been sold or offered for sale to nonaffiliated interests.

Respectfully yours,

E. R. BREECH,
Chairman of the Board.

(Same letter sent to Hon. JAMES M. MEAD, Chairman House Post Office and Post Roads Committee, with reference, H.R. 8578.)

Mr. FESS. Mr. President, there is another feature about the conference report which the Senator from Vermont [Mr. AUSTIN] overlooked.

I have spoken of the tendency of this bill to limit operation to the small plane. Naturally, it will be stated that it was not intended to do that; that all it was intended to do was to open the way for the small plane, the single-motor plane, not to shut it out. I recognize that that is feasible, provided when we open the way for the small plane to operate on a short route we do not make the law so rigid that the small plane never can become a large plane; that the route flown by this immature company which would like to have some work to do shall not be bound down by the rigidity of the law so that it will always remain short.

Another thing that I do not like is that it is not in keeping with our best interests to open the bidding to everybody, whether qualified or not. All of us know how, in former years, some speculators who saw an opportunity of cleaning up undertook to get money together and then asked for a Government contract even before they had purchased any planes and agreed upon an executory contract to be executed after a Government contract had been secured.

What is the meaning of section 5 of this conference report? It provides that—

> After the bids are opened, the Postmaster General may grant to a successful bidder a period of not more than 30 days from the date of award of the contract to take the steps necessary to qualify for mail services under the terms of this act.

Mr. President, here is a company which is not qualified. It may not have the necessary financial assets; it may not have a single plane; it may have no equipment whatever. A few men get together, however. They say, "We can buy some planes; we can float our stock"; and they can announce that they have a contract with the Government and offer their stock for sale, and if in 30 days they shall have purchased their planes and qualified, the contract will be permitted.

That is the sort of thing that was refused in the preceding administration, and it ought to be refused.

Mr. President, I am willing now to make the statement that before this year is over there will be a demand either for a repeal of this law or for a revision of it. The facts are that we shall not succeed, financially or otherwise, under this procedure. The mail routes will be open to everybody; and when the time comes that the people realize what they are in for, there will be, without doubt, a terrific revulsion demanding a change.

To me this is the most curious performance that the Senate has been called upon to undertake.

Section 20 of the conference report provides for the creation of a commission, and the duties of the commission are specified.

Section 21 provides for the organization and equipment of the commission.

The commission is directed in section 20 to study the aviation problem and to make its recommendations to Congress of such legislation as its findings justify.

If the bill had provided that a commission should be appointed to report by February 1, 1935, as this commission is required to do, leaving the present temporary contracts to be supplanted by the definite, permanent law to be recommended by the commission appointed for the purpose, it would be entirely logical. I have never before known a case, however, where permanent law was enacted, and in the same law a commission was appointed to recommend what the permanent law should be.

Look at our situation. All the contracts have been canceled, and it is proposed to substitute for them temporary contracts. The temporary contracts are for 3 months. There is a provision in the temporary law to permit them to continue for 9 months, making a year all told; or we could, if necessary, have extended them by joint resolution. These temporary contracts have been let. They should be continued until the commission shall have had time to study and report what should be the permanent law to take the place of the temporary law. Instead of that, we propose to appoint a commission at the same time that we displace the temporary contract, and enact permanent law as we appoint the commission.

There never has been, to my knowledge, anything which duplicates such a proposal as that.

I can understand why this temporary plan is desired to be put in the form of a permanent plan. That was made very clear by the Senator from Vermont [Mr. AUSTIN].

Under the temporary plan, contracts already have been let. Let me put in the RECORD some of these contracts:

American Airlines, Boston to New York, 33⅓ cents a mile.

American Airlines, Fort Worth to Los Angeles, 39½ cents.

American Airlines, New York to Buffalo, on to Chicago, 39½ cents.

American Airlines, New York to Fort Worth, 13 cents.

American Airlines, Chicago to Fort Worth, 8 cents.

American Airlines, Washington to Chicago, 29 cents.

American Airlines, Cleveland to Nashville, 48¾ cents.

American Airlines, Boston to Cleveland, 24 cents.

There are two or three very singular deductions to be made. The first is that the American Airlines has a contract for carrying the mail from Fort Worth to Los Angeles at 39½ cents a mile. It also has a contract for carrying the mails from New York to Fort Worth for 13 cents a mile. Is that a transcontinental line? One contract is to carry the mail from New York to Fort Worth, another to carry the mail from Fort Worth to Los Angeles.

If the two routes are parts of a whole, then there is a line from coast to coast, from New York to Los Angeles, by way of Fort Worth; but the singular fact is that the rate from New York to Fort Worth is 13 cents a mile, while the rate from Fort Worth to Los Angeles is 39½ cents a mile. If it is counted as a single transcontinental route, then there is another transcontinental route that is operated by the Transcontinental & Western, from New York to Los Angeles, drawing 24 cents a mile for carrying the mail.

Here are two routes, one direct from New York to Los Angeles, another somewhat indirect, from New York to Fort Worth on to Los Angeles. The Transcontinental & Western gets 24 cents a mile, while the American Airlines, from New York to Fort Worth, gets 13 cents, and from Fort Worth to Los Angeles, 39½ cents. What is the basis of letting that contract?

Here is another indication of difficulty. One line, the United Airways, has a contract for carrying the mail from New York to San Francisco for 38 cents a mile. That is a transcontinental line. The United also has a contract for carrying the mail from Seattle to San Diego for 39½ cents. It has another contract for carrying the mail from Salt Lake to Seattle. According to the proposed permanent law, a company can own only one transcontinental line. It can own three additional lines if they are short. But here are primary lines, and the proposed law provides that a company may own but one primary line. Yet the United has a contract for two primary lines, one a transcontinental and the other the Western Shore. Those contracts were let as temporary. They are now in existence. This proposed permanent law violates a contract that was let. If this measure should go into effect, necessarily that line would have to give up one or the other, and the American Air Lines, which already has three contracts, is the low bidder on eight. Yet this proposed law requires that the contract be given to the low bidder. Here is a company which is the low bidder on eight contracts.

Mr. President, I make this statement, that before the year is out and the operation of this new proposal becomes a reality, it will either be repealed or so radically changed that it will not be able to identify itself.

Mr. President, as I stated at the outset, there is no great interest in discussing problems when one knows that the mind of the voter is already made up. There is not a bit of doubt in my mind that the word has gone out that this bill must not be sent back to conference. Not only that, but there is no doubt that, in the face of all the unfortunate background of recent times, this bill will become the law.

I simply satisfy myself by stating that I think it is exceedingly unfortunate. Here is the drama of vengeance; there is tragedy in every line of it; I deplore it exceedingly.

Mr. President, in the North American Review for this month the subject of the air mail was discussed by William E. Berchtold, and in his article he suggests a sound and permanent air policy. I had intended to comment on this article, but I shall not take the time to do so. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

THE AIR-MAIL AFFAIR—A CRITICAL APPRAISAL OF THE ADMINISTRATION'S RECENT BLUNDER, WITH SUGGESTIONS FOR THE FORMULATION OF A SOUND AND PERMANENT AIR POLICY

By William E. Berchtold

Surgeons would hardly recommend decapitation for a patient afflicted with what appeared to be a rash on the neck. But things are done differently in political clinics. The new deal consequently finds itself faced with the rather serious task of reviving an infant industry which was summarily beheaded because an incompleted political diagnosis indicated that some kind of treatment was needed.

The Black air-mail fiasco, incidentally, dealt the Roosevelt administration the first serious blow to its prestige. The White House is quick to point out that the Postmaster General and not the President canceled all air-mail contracts and that directions for the Army Air Corps to carry the mails were issued only after assurances were given that the job could be done. The General Staff of the Army says that it gave no such assurances and was not consulted. The Postmaster General testifies that he did not prepare the letter which he signed presenting to Congress his reasons for canceling the contracts. The Attorney General only advised the President on the point of law giving the Government power to cancel if fraud and collusion could be proved. The age-old game of buck-passing is usually a sure sign that a bad administrative blunder has been made.

One-third of the Senate Members and all of the House of Representatives must seek reelection in November. Although it is doubtful that the Republicans can whip the Black fiasco into anything like a major campaign issue, the President's adversaries are not likely to let him forget the incident during their fall campaigns.

The row in Congress and the administrative buck-passing have made a political football out of a problem of public policy which should have its basis in economics. The makeshift legislation which has been hastily formulated threatens to stifle development in air transportation for at least 3 years, if it does not wipe

out much of the progress already made. The new bills, written under directions from the executive departments and not on the basis of experience gained by the congressional committees which consider them, have been labeled as "emergency" legislation. The emergency, resulting purely from an administrative blunder which could have been avoided, has been used to give consideration to provisions which would not be tolerated in a bill accorded customary deliberation. It is likely that if these provisions are permitted to stand, the Air Mail Service will face another investigation a few years hence which will make the so-called "Black scandals" look like a pink tea party.

Return of the old contracts to the operators would not be conducive to a fulfillment of the administration's apparent desire for a reshuffling of the contracts. It is this ardent desire for a redistribution of the air-mail routes, on the basis of a new set of rules, which has made observers apprehensive of the future of the Air Mail Service. It opens the way for political favoritism, stock-promotion schemes, and other shady acts on a scale which may wreck the efficiency of the Air Mail Service.

II

The administration's legislation would give successful bidders for new air-mail contracts 6 months in which to prepare to qualify for carrying the mail under terms of the contract. This might enable an alert promoter, without any experience in airline operation and without knowledge of operating costs, to bid against responsible companies which have spent millions of dollars in developing their routes. If such a bid were successful, the promoter could sell his stock to the public and, during the 6 months allowed him to prepare for operations, assemble the necessary personnel and equipment. It is more than likely that he would make an offer at junk prices for the fleet of airliners used by the company which failed to get the contracts, safe in the knowledge that the unsuccessful bidder must go out of business without revenue from air mail.

The emergency legislation provides for the awarding of contracts for a period of only 3 years, 6 months before the termination of which the Interstate Commerce Commission is to pass on the question of the public convenience and necessity of such routes. It is also authorized to fix fair rates for the carrying of air mail. Unless this provision is modified, it is safe to say that further development and research on new airliners which should provide faster and safer service at lower costs will be held in abeyance for 3 years.

Rapid obsolescence of equipment in new industries makes long-term contracts imperative. The 200 new high-speed airliners placed on the air lines of the United States during the last year to provide service at from 150 to 180 miles an hour were planned in 1931 and 1932. One company alone, among those whose contracts were canceled, had $3,500,000 worth of new equipment on order for delivery in the next 6 months. It is not possible to lay such plans on the basis of contracts running for such a short period as 3 years. It was this problem which Congress had in mind when Postmaster General Brown was authorized to grant route certificates for 10 years. Private companies carrying air mail in Europe have been granted exclusive contracts for from 10 to 25 years to insure the full benefits of long-term planning. This provision limiting contracts to 3 years is not consistent with the policies of the Roosevelt administration in other fields of legislation, where industrial planning has been given primary consideration. It is certain to play havoc in the air transport field, for there is no assurance that succeeding administrations which may choose to use the air mail as a political football will not call for another reshuffling of routes.

The aviation industry can hardly share President Roosevelt's enthusiasm for the Interstate Commerce Commission as the body which will regulate air transport and fix routes and rates at the end of the 3 years. Most leaders in the industry agree that the air transportation industry should be placed in the hands of a nonpolitical body whose members are appointed for long terms, but thoughts of the Interstate Commerce Commission leave them cold. It need only be recalled that that Commission's 15 years of effort, during which millions of dollars were spent to ascertain a fair value for the railroads, have been reduced to waste paper by the falling prices of the depression. It is not difficult to understand why a new industry, which has grown steadily during a depression, should not want to become enmeshed in regulations founded on outmoded railroad practice. The more logical suggestion would be the setting up of a new commission to handle air transport, thereby taking it out of political control without fastening the millstone of senile railroad philosophy around its neck.

It is likewise doubtful whether the elaborate provisions of the new legislation providing for the unscrambling of the present corporate structures of the major aviation companies will attain its ends without severely injuring the efficiency of the service. Not only would holders of air-mail contracts be forbidden to have associations with holding companies or manufacturers of aircraft and accessories, but any successful bidder on one of the three primary transcontinental routes would be prohibited from bidding on any secondary route. This would mean the operation of the air-mail system by a score or more of unrelated companies which could not possibly have the advantages of expert supervision, research, and traffic promotion which a few well-organized units could afford. The outcome of this provision is likely to make necessary the payment of subsidies to air lines for the next 10 years instead of the period of 3 to 5 years which seems the reasonable limit necessary on the basis of the experience of the present large operating units.

The tendency in American corporate structure has been toward a few large well-organized companies. The Interstate Commerce Commission has recognized the value of such organization in forcing the consolidation of the railroads into a few major systems, yet the provisions of the emergency air-mail legislation are in direct antithesis to that recognized trend. While certain evils are made possible through the interrelation of air lines with the aircraft and equipment companies which supply them, the importance of these evils has been emphasized out of all proportion to the facts. The air lines have not been loaded with inefficient equipment by their manufacturing affiliates. If such had been the case, the air transport system of the United States would not hold its position of world leadership. This subject of corporate structures is one which needs deeper study than the hasty consideration of emergency legislation can afford it.

The provisions prohibiting the sale or transfer of any air-mail contract to another company through a merger or consolidation are likewise apt to prove prejudicial to the public interest in maintaining the best service possible. Such a clause lacks the flexibility needed for administration of an efficient service, although it probably was included to keep to a minimum the promotion schemes of bidders whose only interest might be to sell their contracts.

Competitive bidding has been stressed as a primary requirement in the new deal for the air mail. It is an instrument of great value, but it can be used with disastrous results under certain conditions. Its importance has been overestimated in connection with the discussion of air-mail-contract awards, because the Postmaster General has power to lower rates when he may see fit to do so. Consequently, if the offer of the highest bidder were accepted, it might be lowered to a rate below that of the lowest bid within a year or two after the contract had been written. The new legislation would fix the maximum rate per airplane-mile at 40 cents, which is 2 cents higher than the average rate paid in 1933 and about 5 cents higher than the average rate being paid at the time the contracts were canceled.

Perhaps the most inconsistent feature of the emergency legislation is that it retains the old formula for purchasing space in air-mail planes and paying for it on a mileage basis, regardless of the amount of mail carried. This method of payment was one of the principal points in the McNary-Watres Act to draw the fire of the Black committee during its investigation. The proposal to place the payment on a basis of 2 mills per pound-mile, which is the amount actually collected by the Government from stamps, would be more consistent. Subsidy payments up to 25 cents a mile could be made in addition on routes which are not self-sustaining. This would place the much-discussed "subsidy" on the frank basis originally suggested by the President for ocean mail, instead of burying it in the contract payments. Representative JAMES M. MEAD and Representative CLYDE KELLY of the House Committee on the Post Office and Post Roads made elaborate studies on this subject long before the Black committee heard its first witness, but apparently economics have been overthrown for political expediency.

If the emergency legislation does nothing else, it will remove one important objection to the old air-mail economics when the rate is reduced from 8 cents per ounce to 5 cents and the absurd charge of 13 cents for additional ounces is eliminated. No merchant would require a customer to pay 8 cents for his first loaf of bread and 13 cents for any additional loaves he might require, yet that is exactly what the Government has been doing with its air-mail rates for years. The new 5-cent rate should double the usefulness of the air mail to the public within a year after the rate goes into effect. If postcards could be carried for 2 cents, as a possible later revision of this section, another important step would be taken in placing the Air Mail Service on a sound economic basis.

The former holders of air-mail contracts might justly inquire why they should be required to bid at all for the new contracts which the emergency legislation directs shall be offered. Thirty-one of the 34 contracts canceled were awarded in 1925 to 1927 under competitive bidding in which there were from 3 to 9 bidders for each contract. The other three contracts were awarded in 1930 by Postmaster General Brown to the lowest responsible bidder. Anyone who will take the time to check the facts presented under oath by former Postmaster General Brown and other witnesses of the Black committee concerning Mr. Farley's charges of fraud and collusion will agree with Representative CLYDE KELLY, the father of the air mail: "I am compelled to say that evidence of fraud and collusion is not given (in Mr. Farley's letter). There is no showing to warrant such a drastic and arbitrary act as the cancelation of all contracts without a hearing. There was no justification for destroying all contracts without regard for the obligations which those contracts involved, not only for the contractors but for the Post Office Department."

The Roosevelt-Farley emergency air-mail legislation takes care of this point in a way which is, to say the least, unique. No company can bid on the new contracts advertised if "it or its predecessor is asserting or has any claim against the United States because of a prior annulment of any contract by the Postmaster General." In other words, the harassed operator must pay the penalty of waiving any just claim to damages which he may have as a result of the hasty cancelation, in order to have an opportunity to bid against competitors for the very routes which he has pioneered at the expense of millions of dollars and years of effort.

This practically bars the only avenue open to obtain redress of grievances. The lines found that they could not halt the cancelation action through injunction and that their only possible recourse would be through suits for damages in the United States Court of Claims. It is safe to say that by the time it should be possible to test the Government's grounds of fraud and collusion and obtain an opinion all of the companies would be bankrupt and out of business. The usual provision in the emergency legislation would make this bankruptcy doubly certain.

III

The cost of operating the domestic air-transport system at the present time is about $25,000,000 annually. Revenues from passengers and express amount to $10,000,000. It is obvious, therefore, that the lines must obtain revenue from air mail if they are to continue in operation. This would amount to $14,000,000 for the current year, which would leave a deficit of about $1,000,000 for the operators to meet. The best estimates made by the House Committee on Post Office and Post Roads place the income to the Government from stamps on air mail at $9,000,000, which leaves a payment of $5,000,000 as a subsidy.

It is this subsidy which much of the shouting was about during the Black investigation. It looks like small change at a time when the Government is spending hundreds of millions of dollars in enterprises which are no more than subsidies to agriculture, to railroads, to steamship lines, and to industry. It is no wonder then that many who have taken the time to probe into the economics of our air-mail policy suspect that there must be a political rat at the bottom of the Black investigation to produce such unsavory odors.

Senator BLACK had long been a critic of the air mail under Republican administrations, but his criticism was generally appraised as nothing more than the tactics of an avowed adversary of anything not done by the Democrats. While his call for an investigation of the air-mail system seemed superfluous just after Representative JAMES M. MEAD (also a Democrat and one of the few real students of air-mail policy in Congress) had completed an extraordinarily elaborate study with full recommendations for new legislation, the Senator from Alabama was not to be denied his inning after 12 years of Republican domination of the National Government.

Whether Postmaster General Farley referred to the Senator as a "publicity hound", as former Postmaster General Brown testified under oath and Farley later denied, is a question best suited to press-club-dinner satire. At any rate the Senator did not have to search widely for persons willing to pour stories of real or fancied intrigue against the public interest into his receptive ear. Even if he had been lacking in the slightest signs of a publicity complex, the stories told him were, no doubt, sufficient to cause any ambitious statesman ugly nightmares which only a senatorial investigation could dissolve.

Postmaster General Brown, who was also Mr. Hoover's campaign manager, had worked up a wide reputation as an air-mail tsar. While the results which he attained furnished the United States with an air transport system second to none, his methods were sometimes arbitrary and autocratic. Autocrats may achieve remarkable results wholly within the public interest but they make a host of enemies. His enemies were not only among the unsuccessful applicants for air-mail contracts but among some of the lines now referred to as the "favored contractors." Because air transport is a new industry and the competitive spirit has been equal to that of the railroads in the early days of the Hills and Harrimans, some of the favored contractors have not been above sniping at some of the other favored contractors. By most people who had seen this competitive spirit in its most heated form the possibilities of collusion would be appraised as a physical impossibility. The industry can charge part of its troubles to the petty jealousies of its representatives in Washington.

Senator BLACK could not complain about the size of the headlines given his investigation in the press, for he built up a weird story of stock-market gambling, missing and destroyed public files, secret conferences, and other questionable acts involving officials of some air lines and the Hoover Postmaster General. The ill-advised antics of William P. MacCracken, former Assistant Secretary of Commerce for Aeronautics, in refusing permission to investigators seeking to examine his files (on point of attorney's privilege), and later condoning the withdrawal of some papers from his file, brought the Black investigation to a sensational climax long before it had been completed.

Postmaster General Farley, already the butt of criticism of Democratic Congressmen dissatisfied with his patronage policies, was in danger of attacks from disgruntled party politicians for negligence of his duties in failing to act on the air-mail revelations. Solicitor Karl A. Crowley, formerly Washington lobbyist for one of the unsuccessful air-mail-contract applicants, examined the Black evidence and reported grounds of fraud and collusion warranting the cancelation of all air-mail contracts. The Attorney General confirmed the authority of the Postmaster General to make such a wholesale cancelation if grounds of fraud and collusion could be proved. Postmaster General Farley moved quickly to cancel all contracts after a White House conference.

Postmaster General Brown had not yet been called, although he made repeated requests to be permitted to appear before the committee to defend the charges made against him. Neither had some of the air-line operators holding contracts been called to testify, although officers of certain companies had been singled out for questioning. Testimony which might have been considered necessary in an impartial investigation was far from completed.

Unfortunately, the events which followed cancelation of the contracts were dominated by bitter political partisanship and public hysteria, the latter aroused by the tragic deaths of young Army fliers who were ordered to carry the mails without adequate training and equipment.

From the character of debate on the floors of Congress and editorial comment in the press it was difficult, at times, to believe that so prosaic a subject as public policy on the transportation of the mails was at the root of discussion. A woman Representative's demand that the administration halt the legalized murder of young Army fliers was met by a Member from the opposite side of the House brandishing a newspaper with the announcement that eight persons had just met death in a commercial air liner. The whole affair evolved itself into a kind of game so that anyone, without any study of the facts behind the case, might ask: "Whom are you for, Lindbergh or Roosevelt?" and proceed to tell whom he was backing.

The testimony before the Black committee runs into thousands of pages. Printing of the testimony fell so hopelessly behind that not even Members of Congress, outside the members of the Black committee, could examine the evidence pertinent to the cancelation at the time of the Postmaster General's action. The Members of Congress, along with Will Rogers and the general public, knew only what they read in the newspapers. Interested citizens might subscribe to a transcript of the testimony from a court stenographer in Washington, but such a subscription ran into hundreds of dollars of expense to those sufficiently concerned to obtain the material in this way.

Although the Black investigation made sensational front-page headlines (some of the most flagrant charges later being disproved in less conspicuous stories printed inside), there was not a major line of evidence introduced which would contribute substantially to final development of public policy on air mail. The testimony did document elaborately the fact that fortunes had been made during the golden era and that salaries and bonuses of some executives were beyond all justification.

It was surely not news that men who were lucky enough to invest in the bull market of 1927 to 1929 made huge fortunes in stock speculation. The implication made by Senator BLACK was that these fortunes in the speculative bull market were the result of exploitation of the air-mail contracts awarded certain companies. Aviation stocks were popular in the speculative market boom out of all proportion to current or future earnings, but this was not common to aviation stocks alone. Few insurance companies or pension funds, upon which widows and orphans might be expected to depend, invested in aviation stock in 1929, but they did invest in railroad and public-utility stocks. While the value of common stock in United Aircraft & Transport Corporation, the biggest of the aviation groups, was depreciating $200,000,000 from its highest peak in 1929 to its price before the air-mail contract cancelation, New York Central (a favorite railroad issue) showed a market value depreciation of more than $1,000,000,000.

The air lines certainly did not earn huge profits on the air-mail contracts. Few of the lines were able to break even or show small profits last year during the best 12 months in their history, while most of the lines have shown heavy losses since their inception. The new high-speed equipment, developed at tremendous cost for research, shows the first signs of sufficiently low operating costs to insure profits. Passenger and express revenues have been increasing at a rate which should make all operations profitable, even without the aid of a mail subsidy, within 3 to 5 years.

The McNary-Watres Act, which drew the heaviest fire from the Black committee, was not passed with the idea of providing the Government air-mail service at the cheapest price possible. It was deliberately designed to build up an air transport system of financially sound and experienced companies which would within a reasonable length of time become self-supporting. The lines were to develop passenger and express business at large, multimotored, completely equipped airliners, which would in turn cut down the dependence on mail revenues.

The Postmaster General was given authority to cut down the rate of payment as he saw fit each year, and that authority was not left unused. The cost of flying the domestic air mail decreased from $1.09 a mile in 1929 to 38 cents a mile in 1933. The price paid by the United States Government for air mail has been consistently lower than that paid by any other government in the world. Eighty-eight cents per mile was the average cost paid in 1932 by the Governments of Great Britain, Belgium, Czechoslovakia, Denmark, France, Germany, Holland, Italy, Poland, Sweden, and Switzerland. This can be compared with the cost of 54 cents paid by the United States. The lower cost on American routes is particularly significant when it is considered that American pilots are paid from $6,000 to $11,000 a year, or more than twice as much as European pilots.

The most significant feature of the economics of our air-mail system is that it is wholly possible to evolve a sound public policy which will insure the Government a profit on its air-mail system within 3 to 5 years. This can never be achieved in the transportation of mails by steamship, and has been accomplished only by first-class mail on the railroads. The deficit on second- and third-class (railroad) mail alone in the fiscal year 1933 was more than $120,000,000. The deficit on steamship mail was $28,488,000. The latter is a subsidy to develop our merchant marine in competition with foreign shipping, and the former is considered a sub-

sidy to literacy, since most of the loss is caused by transportation of newspapers, although the railroads receive the money for carrying the mail.

There is little doubt that the Postmaster General's cancelation order and the President's emergency call to the Army Air Corps would have been extraordinarily popular if the administration had been able to present evidence of fraud and collusion against all operators to support its case. It would have been a truly Rooseveltian stroke! But what might have been a Rooseveltian success became the Black air-mail fiasco. Admirers of the President and all interested in the continued development of a sound air-transportation system hope that out of the confused record of L'Affaire BLACK will emerge a public policy on air mail worthy of America's first flying President.

Such a policy should have as its basis the lifting of the air mail out of politics into the hands of a nonpartisan commission appointed by the President, with such commissioners serving for long terms in office. It should be a newly created body outside the Interstate Commerce Commission or any other existing agency, but obtaining a desirable degree of coordination with other transportation media through the Federal Coordinator of Transportation. It should not include within its jurisdiction the military or naval air forces and should be limited solely to civil aviation.

The Commission, with assurance from Congress of appropriations for air-mail subsidies not to exceed $10,000,000 annually for 5 years, could proceed to develop a Nation-wide air transport system which would be wholly self-supporting at the end of the 5-year period. Such subsidies, awarded frankly to stimulate technological development of civil air transport and provide a necessary auxiliary for national defense, would be in addition to payments to the commercial contractors for actual mail carried. Payments might most logically be made on the basis of 2 mills per pound-mile, which is equal to the amount collected by the Government from the stamps affixed to the air mail. No subsidy should be given to those companies whose mail volume is sufficient to warrant payments of 50 cents per mile, which should be the maximum. Subsidy payments might well be limited to 25 cents per mile. All contracts or route certificates should run for a period of not less than 10 years. The equities of pioneer operators in the routes they have developed should be recognized.

The commission should have full authority to decide on the public convenience and necessity of all routes. It would most logically eliminate such political routes, extensions and stops which, after a reasonable length of time, give no promise of justifying their existence economically. The money saved from the elimination of such uneconomic routes could be used to develop others which commerce and traffic volume studies show to offer opportunities for greater public service on an economic basis.

The Commission should have rigid control over the accounting procedure of subsidized airlines with powers to obtain full periodic reports and necessary audits. No system of payments to contractors on a cost-plus basis should ever be countenanced, because such a system too easily places a penalty on efficiency and rewards the inefficiency, which results in high operating costs. The prices paid for equipment and the operating efficiency of such equipment as shown by relative operating costs should be subject to rigid scrutiny of the Commission to insure maximum technological development in return for subsidies granted. Salaries might well be limited to a maximum of $18,000 as long as an airline is receiving a Government subsidy.

It would be valuable to coordinate within the jurisdiction of the Commission all agencies of the Government, now scattered in several departments, concerned with civil aeronautics. Policy control of the development of airways would be most important to the effective administration of such a commission, as would the regulations for the design and construction of aircraft and of all civil operations. To place either Army or Navy aviation, or both, within the jurisdiction of the Commission would make its task unwieldy and place the major emphasis on the airplane as a weapon of war rather than a medium of commerce. Such a policy would hamstring promising commercial development of a transportation medium to enable the fullest realization of its military possibilities. Europe's present inferior position to the United States in air transport can be ascribed to its emphasis on the airplane as a military weapon. The desirability of some link between military and commercial aviation cannot be denied, but that can be obtained through the simple procedure of conferences between the two branches. While the facilities of an interdepartmental committee have been available to achieve this desired relationship between the military and civil aviation authorities of the Government in the past, they have not been utilized as effectively as possible.

Although aviation has been the subject of numerous special investigations by Congress, by boards especially appointed by the President and by committees of Congress holding hearings on proposed legislation, the United States is still without a well-defined aviation policy which would permit advance planning with assurance of necessary appropriations. The problem is again squarely up to the White House.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1077. An act for the relief of Lueco R. Gooch;

S. 1126. An act for the relief of M. M. Twichel;

S. 1191. An act for the relief of the Sultzbach Clothing Co.;

S. 1401. An act to pay a gratuity to Emma Ferguson Starrett;

S. 1516. An act for the relief of Michael Bello;

S. 2023. An act for the relief of Claudia L. Polski; and

S. 2636. An act for the relief of James Slevin.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Latta, one of his secretaries.

CONVEYANCE OF CERTAIN BUILDINGS, ETC., TO HAITI (H.DOC. NO. 396)

The PRESIDING OFFICER laid before the Senate a message from the President of the United States, which was read and referred to the Committee on Naval Affairs, as follows:

To the Congress of the United States:

Next October our marine and naval forces will be withdrawn from the Republic of Haiti. During a period of almost 20 years in which they have been stationed in Haiti they have rendered valuable assistance to the Haitian Government and people in training the Haitian constabulary. This constabulary, known as the "garde", has been using certain equipment and material loaned to them by our marine and naval forces, and the Haitian Government would welcome the opportunity of retaining this equipment and material. Also, there are various buildings, barracks, garages, and workshops which our marine and naval forces have constructed and which would be of practical use to the Haitian Government. It would seem to me a fitting climax to the close of the period of special relationship which has existed between Haiti and the United States if our Government were to make a gift of these buildings and of a portion of this material and equipment to the Haitian Government. In the joint statement which the President of Haiti and I issued on April 17 following our conversations during President Vincent's visit to Washington, I expressed my intention of seeking the necessary authorization from the Congress of the United States in order to make such a gift.

With the foregoing in mind, therefore, I recommend the enactment of legislation authorizing me in my discretion to convey to the Government of Haiti, without cost to that Government, such buildings, material, and equipment now in Haiti owned by our Government as may appear to me to be appropriate.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1934.*

PERSONNEL OF FEDERAL RADIO COMMISSION

Mr. DICKINSON. Mr. President, there is in conference a communications bill. It has already passed the House. It passed the Senate some few days ago. The proposed law will provide for a communications commission consisting of either five or seven members. There are certain phases of the legislation to which I wish to call the attention of the Senate.

A few days ago the Senate, without a roll call, passed a voluminous bill on the subject of electrical communications—radio, telegraph, telephone, and cable. In all likelihood very few of us were sufficiently familiar with the technical aspects of the subject and its many ramifications to have any very definite idea of what the bill did or did not purport to accomplish. There was virtually no debate on the merits of the bill, and such debate as there was, was largely confined to a particular amendment which was defeated.

The principal impression I have of the bill, and I suppose the same is true of most of the Senators, is that it creates a new commission, a commission on communications, and that the new commission is to exercise the powers heretofore exercised by the Federal Radio Commission over radio sta-



tions and by the Interstate Commerce Commission over communication common carriers—telegraph, telephone, cable, and radio—together with certain new and additional powers, particularly over communication common carriers. The combination seems plausible and logical enough, and I voted for it on that basis. Although I regret to have a part in creating any new commissions, this really did not add to the total number now in existence.

The bill has now passed the House. In any event, I am told, the bill is on the President's prescribed list of bills which he has instructed Congress to enact this session and, I suppose, will in all likelihood become law before we adjourn.

My greatest concern, however, is not with the merits or demerits of the bill. What I am concerned with, and what I am sure we all are concerned with, is the personnel of this new commission. The rumor is current that the White House has already prepared its slate of appointments, at least in part, and that conferences on this subject have taken place between the President, certain Senate Democratic leaders, and last but not least, Postmaster General Farley. I do not know what names, if any, have been agreed on, although the same rumor has it that the present Chairman of the Federal Radio Commission is certain of reappointment. I have even been told that to get this reappointment he has had to agree to provide more and better jobs to help assuage the appetite of the Democratic patronage machine, and that this involves the sacrifice of several important and competent members of the Radio Commission staff, including Dr. Jolliffe, the chief engineer, who are so unfortunate as to be suspected of Republican tendencies. I do not charge that this is so; I hope it is not; for it would be a calamity if the Radio Commission should lose the services of a man like Dr. Jolliffe.

It is also said that among those slated to be ousted is Commissioner H. A. Lafount, of the fifth zone, who, the broadcasters tell me, is head and shoulders above the rest of the Commissioners in ability, in industry, in common sense, and in all other qualifications which go toward making a good commissioner.

In view of the fact that I have mentioned the name of Mr. Lafount in order to show what has been heretofore contemplated, I ask unanimous consent that there be printed in the RECORD at this point, as a part of my remarks, a newspaper release by Mr. Lafount of August 14, 1933.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

FEDERAL RADIO COMMISSION,
Washington, D.C., August 14, 1933.

It is the patriotic, if not the bounden and legal duty, of all licensees of radio broadcasting stations to deny their facilities to advertisers who are disposed to defy, ignore, or modify the codes established by the N.R.A., Commissioner Harold A. Lafount declared today in a statement.

Mr. Lafount's observations were based on experiences gained on his recent inspection trip of 107 radio stations in 11 Western and Pacific Coast States. While he found a disposition on the part of practically all broadcasting stations to support enthusiastically the industrial recovery program of the Government, a few isolated cases of flagrant violations were brought to his attention which he feels should not go unnoticed. For instance, in a Pacific coast city, a delegation of business men called on him and protested vehemently against a licensee of a broadcasting station who permitted one of their associates to go on the air offering his service at greatly reduced prices.

The chairman of the delegation said, in effect:

"We have signed the N.R.A. code and we intend to support the Government to the limit in its recovery program. But we feel that we are the victims of a grave injustice when Government agencies, in the form of franchises for the use of radio facilities, are allowed to ruin our business. We should be afforded protection from such practices."

Protestants declared that one of their associates after signing the code had gone on the air with a price-cutting program and as a result he had a big boom in business at their expense.

Of course such trade practices and unfair competition should not be countenanced, Mr. Lafount declared, but there is little or nothing the Commission can do about it. He added:

"Under the Radio Act the Commission has no right of censorship. However, the Commission has the right to take into consideration the kind of programs broadcast when licensees apply for renewals.

"In the present crucial time, when the Government is making a determined effort to restore prosperity and to provide employment for vast groups, by establishing codes for industry, tending to provide more jobs, by reducing working hours and advancing wage scales, it is questionable, in my individual opinion, if the Commission should ignore such protests as the one filed by the delegation mentioned.

"Of course, when the people are fully informed concerning the N.R.A. drive, its purport, and the philosophy back of it, listeners will ignore appeals for business based on price-cutting. In fact, such appeals will be considered unfair, unpatriotic and un-American.

"During the World War those who refused to do their part were labeled 'slackers'—a term of contempt. Those who refuse to aid the Government in this critical time in its war against depression should be placed in the same category. So far they have been dubbed 'chiselers', but to my mind that is too mild a term.

"The success of the recovery drive, it is generally conceded, depends on teamwork on the part of the whole Nation—the buyers as well as the producers. Many are called upon to make sacrifices for the common good and those who refuse to play the game deserve, and undoubtedly will receive, the odium of all true Americans.

"It is to be hoped that radio stations, using valuable facilities loaned to them temporarily by the Government, will not unwittingly be placed in an embarrassing position because of the greed or lack of patriotism on the part of a few unscrupulous advertisers."

Mr. DICKINSON. Mr. Lafount has been the least subject to political pressure. I regret to say, however, that he is a Republican, one of the two Republicans on the present Commission. What is even more unfortunate, I am told, he failed to vote according to instructions from the White House in a case which the Commission had before it, the so-called "Shreveport-New Orleans case", in which one or more of the other Commissioners shifted their votes back and forth at least three times in an endeavor to accommodate the conflicting desires of Postmaster General Farley and the White House, the latter speaking through Col. Louis Howe, of messkit fame. This, let it be clearly understood, was in a case that had been extensively heard on the oral testimony of witnesses in open hearing, and was supposed to be decided on the merits as disclosed by that evidence.

I should like to inquire of whoever is administration spokesman on this subject, Is there any basis for these rumors?

I desire to suggest that I have introduced a resolution providing for an investigation. It is now pending before the Interstate Commerce Committee of the Senate. I think we ought to know whether or not many of these things are true.

I for one voted for the new Commission on the assumption, or rather with the hope, that it would be, as the statute purports to make it, a nonpolitical regulatory body. I suppose such a hope is rather a forlorn one in view of the performances of the Federal Radio Commission during the past year under its present chairman, to which subject I shall refer in a moment. In the words of Shelley, however, I—

> Hope till hope creates
> From its own wreck the thing it contemplates.

The point I desire to emphasize is this: Will the Senate of the United States have an opportunity to pass intelligent judgment on the fitness of the new appointees? Or will the appointments be thrust at us at the last moment, with no opportunity to study their merits, thus facing us with the unpleasant dilemma of either accepting the President's choice blindly and with misgiving, or leaving the new Commission completely up in the air by our failure to confirm, to be followed by recess appointment? I for one wish to know who the appointees are, and whether they are the right kind of men for the job. If any of the present members of the Federal Radio Commission are to be appointed, I think we are entitled to know it now.

Because of the rumors I have mentioned, and because of the alleged performances of the Federal Radio Commission during the past year or two, I have introduced a resolution calling for an immediate investigation of the present members of the Federal Radio Commission, with particular reference to their fitness for the new appointments in view of their past record. I do not know how else we can get at the facts in time to be of service to us.

After all, the members of the Federal Radio Commission are, and the members of the new Commission will be, judges

who sit to determine important issues vitally affecting citizens of this country on formal notice and hearing of evidence. True, they have other duties which are not judicial in character, such as certain routine administrative functions and certain legislative functions, namely, the making of rules and regulations, violation of which is a crime subject to substantial penalty. In fact, both the present Commission and the new Commission represent that unholy combination of executive, legislative, and judicial powers in one tribunal. The same body makes the rules, determines who shall be proceeded against for violation of the rules, and sits in judgment on the alleged violator. This is particularly true in proceedings involving revocation of a radio license or applications for renewal of license.

I realize that at this late date it is fruitless to declaim on the unsoundness—yes; the unconstitutionality—of this modern device called the administrative tribunal. All lawyers in this body know that the result is that, with minor exceptions, these tribunals are virtually free of any judicial review or control. This is because their decisions are final on issues of fact, and all they need is a scintilla of evidence to support a finding of fact. Give me power to dress up the findings of fact in such a proceeding, and 99 times out of 100 I defy any of you to overturn me on a question of law. Why I am told that at the Radio Commission the Commission first decides a case and afterward has its lawyers write the decision. Ridiculous as it may seem, these lawyers decide and state the Commission's reasons for a particular decision. These are the same lawyers who later must defend the decision from attack in court if an appeal is taken. In the Shreveport-New Orleans case, I am told, a young attorney in the Commission's legal division wrote and rewrote the Commission's decision and the Commission's reasons for the decision three times to keep time to the dance of the Commissioners' chameleonlike votes to the tune of White House music. Mind you, this was all on the basis of the same hearing, the same evidence.

What I am getting at is that if ever there is a time more important than another for exercising vigilance over appointments, it is with respect to appointments to these quasi-judicial administrative tribunals. The highest order of judicial integrity is imperatively necessary, because the temptation to depart from the standard of judicial ethics is great, and the opportunity to yield to that temptation without detection is also great. These men are not appointed for life and, unlike our Federal judges, are all too likely to yield to considerations which may have an effect on their reappointment, or even on the amount of their appropriation. They are legitimately accessible to parties, attorneys, Congressmen, and White House secretaries on matters having to do with the exercise of their purely routine administrative functions, and perhaps also their legislative functions. This makes it all too easy for them to be similarly accessible to persons who wish to talk to them in chambers about some pending case. Having made the very rules under which they decide cases, it is all too easy for them to wink at a violation in one case and to make it the vehicle for drastic discipline, such as closing down a radio station, in another, although in the latter case the real reason may be something entirely behind the scenes.

I can conceive of no administrative tribunal where judicial integrity great enough to resist these temptations is more important than the proposed commission on communications. Freedom of speech over the air is at stake when we give the power to license and to destroy. Uncontrolled power to regulate our avenues of communication, our telegraph and cable systems, is the power to throttle the transmission of intelligence, with its consequent effect on the press and the public platform. We must have men of the highest caliber on this new commission.

Mr. President, I am not satisfied that certain of the present members of the Federal Radio Commission possess the necessary qualifications. I do not say they do not, but I do say there is enough evidence of their being politically minded and not judicially minded to warrant our being very careful before we assent to their appointment to the new commission. I think it is fully as important that they be called before a committee which will study their qualifications as in the case of judges.

I have here a series of articles written by Arthur Sears Henning, printed in the Chicago Tribune, which I ask to have printed in the RECORD at this point as a part of my remarks. These articles are of date of May 4, May 6, May 8, May 9, May 10, May 11, May 12, and May 13. They give a history of the very matters I am now discussing.

The PRESIDING OFFICER. Without objection, it is so ordered.

The newspaper articles referred to are as follows:

SEE CENSORSHIP AS GOAL OF UNITED STATES WIRES CONTROL—CHARGES PROGRAM TO CURB PRESS

By Arthur Sears Henning

WASHINGTON, D.C., May 4.—Charges that the "new dealers" are reaching out for political domination and censorship of the telegraph and telephone services and of the transmission of news to newspapers will figure prominently in the consideration of the communications bill by Congress.

Although these accusations are vigorously denied by the Roosevelt administration, which has sponsored the proposed legislation to place all communications under control of a Federal commission, the opponents of the project see nothing more nor less than the extension to the wire services and the press of the present political control of radio.

A score or more of episodes, some of them highly ludicrous, are being cited as illuminative of the subserviency and numerous other Democratic powers that be.

RAMIFICATIONS REVEALED

These incidents disclose the ramifications of political influence in the Commission, making and unmaking decisions involving the rights and interests of radio-communications systems and the fate of radio broadcasting stations. They reveal those with investments in radio service at stake leading a precarious business existence at the mercy of political machinations.

They show that the efficacy of political influence in the Commission is generally recognized and that applicants for licenses and other rulings habitually invoke the most powerful of such influences at their command. Fortunate is he who is able to obtain the intervention of the White House, the slightest hint from which works wonders in the Commission.

According to the information obtained by Senators opposing the legislation, at least one officer of the Radio Commission has close relations with certain lawyers specializing in practice before the Commission. These lawyers are thus enabled to learn with celerity the decisions, rulings, and other actions of the Commission in supposedly secret session and to sell their services to clients seeking a reversal or modification of orders.

INTIMIDATION IS CHARGED

Much of the evidence assembled shows to what extent the broadcasting concerns have been intimidated by the Radio Commission and by the power of the Roosevelt administration to crack down on them through the Radio Commission for offending the White House or the Democratic high command. It also shows how the broadcasting systems seek to curry favor with the administration by giving time free of charge to administration officials and by denying the air to critics of the administration. By this means an effective censorship of radio broadcasting already has been established.

Senator WALLACE WHITE (Republican, Maine) and other leaders of the opposition to the communications bill declare the measure the opening wedge to political domination of all mediums of communication and to censorship and intimidation of the press. They contend that a commission empowered to regulate communications systems would be subject on a large scale to the political influences to which the Radio Commission has yielded.

The telephone and telegraph companies, as well as the commercial radio concerns, would be at the mercy of a politically constituted commission eager to translate into action the slightest whim of the Executive or of the "big shots" of the party in power. Just as the Radio Commission warned all broadcasters to beware of criticism of the N.R.A. on pain of losing their licenses, the communications commission, it is pointed out, might warn all telegraph, telephone, and wireless systems to transmit no news or comment unfavorable to the administration.

CALLED BEGINNING OF END

In this manner, without establishing an outright censorship or control of the press, the administration would be enabled to determine what telegraphic dispatches from Washington newspapers should or should not print. Such tampering with the stream of information flowing to the press would undermine public confidence in the press in the same manner that public confidence in the independence of radio broadcasters has already been shaken. It would be the beginning of the end of the freedom of the press.

The Radio Commission consists of the following members: Eugene O. Sykes (Democrat, Mississippi), chairman; Thad H. Brown (Republican, Ohio), vice chairman; Harold A. Lafount (Republican, Utah); James H. Hanley (Democrat, Nebraska).

Representative ANNING S. PRALL (Democrat, New York) has been appointed to fill the vacancy caused by the expiration of the term of William D. L. Starbuck, but will not assume office until Congress adjourns.

The Radio Commission, it transpires, is not the only quasi judicial body that is dominated by partisan political influence. By his removal of Republican members of the Power Commission and the Federal Trade Commission on the ground that they were not in sympathy with his policies, the President destroyed the independence of members unwilling to risk the loss of a lucrative job.

TARIFF COMMISSION CITED

Subserviency of the Tariff Commission to the White House was admitted a few days ago in testimony by its Republican holdover chairman, Robert Lincoln O'Brien, before the Senate Finance Committee.

"The President appoints the members of the Tariff Commission", said Mr. O'Brien. "He naturally holds certain views concerning the tariff. It is not hard for him to find men in either party who think as he does. The members of the Tariff Commission are human, you know, and want to keep their jobs. At all times the White House and the Tariff Commission are not—er—well, unrelated factors.

"I am estopped from saying most of the things I know from a sense of official propriety. If it weren't for official propriety I could tell of one President who became very angry with a former chairman because he wouldn't do what the President wanted done."

The Shipping Board was notoriously subservient to the White House and other political influences, not to mention representatives of various shipping interests who knew how to reach members of the Board with subtle forms of bribery, as revealed by a recent congressional investigation.

OTHER INCIDENTS RECALLED

Even the oldest and most securely established of our quasi judicial bodies, the Interstate Commerce Commission, has not been immune from political influences. In the depression of 1921 Mr. Hoover, then Secretary of Commerce, was vigorously advocating a reduction of freight rates on coal, iron, and other basic commodities. President Harding one day stalked over to the Commission in person, and in a secret session with the members sought to obtain such action. How the members reacted to this pressure by their appointing power was never revealed. Some months later the Commission ordered a 10-percent reduction of the rates on all commodities.

In the lake cargo coal case the Commission decided in favor of the southern coal fields and against Pennsylvania. This incensed the Pennsylvanians, and at the first opportunity Senator DAVID A. REED (Republican, Pennsylvania) took the warpath. When the nomination of Thomas F. Woodlock to the Commission was under consideration by the Senate in March 1926 Senator REED said that Pennsylvania deeply resented having been passed over in the matter of appointments to the Commission and "that has inspired us to protest against this and other appointments."

While the Woodlock nomination was being held up by Mr. REED in the Senate, the White House announced in a formal statement that President Coolidge in future appointments to the Commission would give special consideration to the "South, Southwest, and Pennsylvania." Senator REED promptly withdrew his opposition to Woodlock, and the nomination was confirmed. A few months later Mr. Coolidge appointed Cyrus E. Woods of Pennsylvania to the Commission, but the nomination failed of confirmation.

COMMISSIONER CHANGES VOTE

At that time the lake cargo coal case was before the Commission again for a rehearing, and the southerners were up in arms against the appointment of a Pennsylvanian whose vote would reverse the ruling of the Commission so as to favor Pennsylvania. They beat the nomination of Woods, but they had not reckoned with the Wisconsin member of the Commission, John J. Esch. In the first trial of the case Esch voted in favor of the southerners and against Pennsylvania. In the rehearing he voted for Pennsylvania, and his vote reversed the ruling and gave the decision to Pennsylvania.

This happened close to the end of the term of Mr. Esch, who was a candidate for reappointment. He was accused of switching his vote in order to win a reappointment from an administration that was visibly giving aid and comfort to the Pennsylvanians. Mr. Esch indignantly denied the charge, asserting that he had voted differently because of a different showing of facts on the rehearing. President Coolidge reappointed Mr. Esch, but the nomination failed of confirmation after another airing of the coal case in the Senate.

Senators have not hesitated to browbeat the quasi-judicial commissions, demanding favorable decisions on pain of refusal to confirm the renomination of commissioners. Congressmen as well as Senators have not hesitated to demand favors on pain of a curtailment of appropriations. So notorious at one time became such political interference that the Interstate Commerce Commission addressed a letter to the national legislators reminding them that it is obligated to decide cases on their merits without consideration of political influence.

TRY POLITICAL APPROACH

Persons seeking to influence these commissions invariably try to approach members through the political powers responsible for the selection of the commissioners. It may be the White House which is the appointing power, or Senators, who are the confirming power, or the national committee, which is the patronage-dispensing power. How to "reach" a commissioner and what commissioners cannot be "reached" is a part of the underground information possessed by the politicians, political lawyers, and lobbyists of Washington.

Some members of these quasi-judicial commissions habitually consult the White House on decisions and votes. One member of the Radio Commission told me that he had asked the White House on several occasions whether President Roosevelt had any preference in a pending decision of a controversy between rival radio interests. Invariably, he said, he had been told by a White House secretary that the President was not interested, and that the Commissioner was at liberty to vote his convictions.

WHITE HOUSE TAKES PART IN RADIO CONTROL—HOWE AIDS BOARD TO ALTER RULING

By Arthur Sears Henning

WASHINGTON, D.C., May 6.—Of all the instances of White House dictation to the Radio Commission, probably the most notorious is that of the Shreveport-New Orleans case. In this case the White House summoned the acting chairman of the Commission and procured his promise to reverse the Commission's decision.

If the White House does not hesitate to use its tremendous power to shape the decisions of the quasi-judicial Radio Commission, contend the opponents of the pending communications bill, it may be expected to dominate the quasi-judicial commission which this legislation proposes to set up to control the telegraph and telephone systems and radio.

In the manner in which the White House dictated the decision of the Shreveport-New Orleans case, the White House could cause the communications commission to prohibit transmission to newspapers by wire or wireless systems of dispatches critical of the administration. Thus would a censorship of the press be achieved.

TROUBLE AT SHREVEPORT

For years KWKH, at Shreveport, La., had been a notoriously bad actor, being operated by one Henderson under the name of Hello World Broadcasting Corporation. Henderson frequently broadcast when intoxicated, and his obscenity (in violation of a specific provision of the Radio Act) had shocked the radio audiences. The station was of fairly high power on a clear channel. It divided time with WWL, at New Orleans, owned and operated by Loyola University, a Roman Catholic institution.

Henderson had been before the Commission on several occasions on the score of his broadcasting misbehavior, but each time had escaped discipline through political pressure, although other stations have been put off the air for far less serious offenses.

Finally WWL at New Orleans applied for full time on the frequency, which would mean the deletion of KWKH. The application was heard by a Commission examiner who recommended that WWL be granted full time. Then the situation was complicated by an application for assignment of Henderson's license to a new corporation at Shreveport, to which Henderson desired to sell his station. The law requires the Commission's approval of an assignment of license. There were oral arguments before the Commission which were virtually between the proposed assignee (who really represented Henderson's interests) and the New Orleans station.

POLITICS, RELIGION, RADIO

Following the arguments the Commission in executive session decided in favor of granting full time to the New Orleans station. The decision was unanimous. Henderson and the proposed assignee immediately learned of it. They got busy at once pulling all the customary political wires leading into the Commission. But this wire pulling at first had no effect. The Commission could not be budged and everything was all set to take Henderson's station off the air and give full time to the Catholic institution.

At that juncture the Shreveport interests bethought themselves of Senator J. T. ROBINSON, of Arkansas, Democratic leader of the Senate. He seemed to them to be the logical man to champion their cause against the Loyola University's station and to go the limit in procuring a reversal of the Radio Commission's decision.

Shreveport is situated in northern Louisiana not far from the Arkansas border, and Arkansas constituted a large part of the Shreveport station's radio audience. Senator ROBINSON is a pillar in the Methodist church and resides at the Methodist Building opposite the Capitol. Moreover, he is on bad terms with Senator HUEY LONG, who was favoring the cause of the New Orleans station.

SENATOR ROBINSON EXPLAINS

Pressure was brought to bear on Senator ROBINSON to use his influence to save the Henderson station from being taken off the air. He says that he acted upon receipt of several hundred appeals of Shreveport citizens by wire and letter. He explains that he did so because of representations that Shreveport could not obtain justice through HUEY LONG, and had appealed as a last resort to a near neighbor, the Senator from Arkansas.

Senator ROBINSON says that he telephoned the White House, asking that something be done to save the Shreveport station. He does not remember whether he talked to the President himself or to one of his Secretaries. At any rate, the Arkansas Senator's appeal soon lodged in the hands of Col. [Kentucky] Louis M. Howe, the silent, elusive, mystery man of the White House Secretariat. Mr. Howe went into action without delay.

According to his version of the incident, Mr. Howe telephoned Herbert L. Pettey, secretary of the Commission, that the White House was interested in seeing that no injustice be done to Shreveport. He denies that he went any further than that. Of

course, he would not need to. The merest hint officially conveyed of what the White House wanted would be sufficient. Incidentally, young Mr. Pettey was appointed secretary of the Commission at the instance of Mr. Howe. Mr. Pettey handled radio arrangements for the Democratic National Committee in the 1932 campaign. When Mr. Howe got the Radio Commission job for Pettey he remarked that the White House thus would be able to keep track of what was going on in the Commission.

Mr. Pettey, who is a facile denier, denied that Mr. Howe or anyone else at the White House had communicated with him about the New Orleans-Shreveport case or about any other radio case.

CALLS VICE CHAIRMAN

It turns out, however, that Mr. Howe concealed from me the most effective thing he did to procure a reversal of the decision in the New Orleans-Shreveport case. He summoned Vice Chairman Thad H. Brown, of the Radio Commission, to the White House. Mr. Brown was then acting chairman of the Commission because of the absence of Chairman Eugene O. Sykes in Mexico.

Mr. Brown told his fellow Commissioners what happened when he was summoned to the presence of Mr. Howe. The White House secretary told Mr. Brown that the White House felt it most essential to bring home the bacon for Senator ROBINSON. The majority leader of the Senate, upon whom the President leaned most heavily in the hour of need, had earnestly requested that the Shreveport station be kept on the air and the White House was disposed to move heaven and earth to get what the Senator wanted.

Mr. Howe, it appears, waxed quite affecting in his efforts to persuade Acting Chairman Brown to procure a reversal of the decision. He painted a distressful picture of what would happen if Shreveport were taken off the air. The New Orleans station, which Mr. Howe said was under the thumb of HUEY LONG, would pour forth a stream of propaganda designed to injure JOE ROBINSON, whom LONG bitterly hates, and there JOE ROBINSON would be next door in Arkansas without a radio station to combat the abuse emanating from New Orleans. Mr. Howe is said to have got quite watery about the eyes at his own recital.

CITES UNANIMOUS DECISION

Vice Chairman Brown is said to have assured Mr. Howe that he, for one, would be willing to change his vote to accommodate the White House. But he pointed out that the decision in favor of New Orleans had been unanimous, and that it would be necessary to change 3 votes before the finding could be reversed.

Well, that was exactly what happened. Mr. Brown and two other members of the Commission changed their votes, the application of the New Orleans station for full time was denied, and the Shreveport station was left on the air. The decision was then made public. In the meantime Rosel Hyde, of the Legal Division of the Commission, had had to write and rewrite the decision to justify contrary findings on the same evidence.

When the decision was published the Catholics were greatly aroused, and when they learned that the White House had been instrumental in effecting the reversal they bore down on the Executive Office. They were particularly incensed by the representations that the New Orleans station was under the thumb of HUEY LONG. When the Catholic dignitaries finished with Mr. Howe, the White House Secretary felt that he had gone off on the wrong tack. Efforts were then initiated to extricate the White House from its embarrassing position by some concession to the New Orleans station, but nothing has come of them up to date. The New Orleans and Shreveport stations are still dividing time, and Henderson is out of the Shreveport set-up.

A CASE IN VIRGINIA

How the mere nod of a Congressman, with power of life and death over the meal ticket of these quasi-judicial commissions commands instant compliance is illustrated by the case of WDBJ at Roanoke, Va., which applied for an increase in power. Virginia already had stations the aggregate power of which exceeded the quota allotted to that State. To grant the application would mean that Virginia would be over quota to a greater extent than before.

The Commission was about to hold a hearing on the application when Representative CLIFTON A. WOODRUM, Democratic Member from the Roanoke district, intervened. Now, Mr. WOODRUM is the particular power in Congress of whom the quasi-judicial commissions stand in awe. He is the chairman of the subcommittee of the House Appropriations Committee which frames the appropriation bills for these commissions and other so-called "independent offices." It is within his power to treat a commission lavishly in allotment of Government funds or to starve it by tightening the purse strings.

In a meeting of the Commission, Chairman Sykes stated that Congressman WOODRUM had told him he would like to see the increased power allowed to WDBJ. Mr. Sykes explained that WDBJ is "one of Mr. WOODRUM'S pets." Enough said. The Commission thereupon granted the increased power to the Roanoke station without a hearing.

RADIO LAWYERS CREDITED WITH INSIDE TRACK—MULLEN'S FRIEND WINS CASES BEFORE BOARD

By Arthur Sears Henning

WASHINGTON, D.C., May 8.—A communications commission, as proposed in the pending communications bill, with its power of life and death over wire and wireless systems and the telegraphic news of the press, would be a bonanza for the political lawyers, if one may judge from their operations in and about the Radio Commission.

They have garnered rich pickings at the Radio Commission, pickings that are small change, however, compared with the fees which might logically be exacted if the infinitely greater investment in the telegraph and telephone systems and the press for protection of rights threatened by governmental regimentation, experimentation, censorship, and persecution were involved.

EVEN BENEFICIARY IS SUPERVISED

The influencing of decisions of the Radio Commission by the political lawyers is so notorious as to have caused wide-spread comment and loosed a flood of gossip. One of the political lawyers himself remarked to me that the state of affairs at the Commission in this particular is somewhat odoriferous.

Although the Radio Commission is supposedly a quasi-judicial body, many applicants for privileges, whether legitimate or illegitimate, have found themselves merely butting their heads against a stone wall until they hired one of the lawyers reputed to have the "inside track" at the Commission. Tips on the lawyers to be employed for the most favorable results are procurable at the Commission itself.

A leading specialist in business before the Radio Commission is Paul D. P. Spearman, close personal friend of Herbert L. Pettey, secretary of the Commission.

MULLEN, JACKSON ARE POPULAR

Arthur Mullen and Robert Jackson also have a large Radio Commission practice. Mr. Mullen was until recently Democratic national committeeman for Nebraska. He was floor manager of the Roosevelt forces in the Chicago convention. Mr. Jackson was secretary of the Democratic national committee and committeeman for New Hampshire. Both were forced off the committee by the President's declaration that he considered it improper for national committeemen to be accepting retainers from clients on the assumption that the committeemen had access to the back door of the administration.

Commissioner James H. Hanley owes his appointment to the Radio Commission solely to Mr. Mullen. He was closely associated with Mr. Mullen in the law business and in Democratic politics in Nebraska for many years.

JOB FOR MULLEN FRIEND

Mr. Mullen wanted to be Attorney General, but Mr. Roosevelt countered with the offer of an appointment to the Radio Commission. Mr. Mullen declined this for himself, but said he had a friend for the place. Mr. Roosevelt, about to be inaugurated, asked Mr. Mullen to send him the friend's name. Mr. Hanley was appointed forthwith.

Elmer W. Pratt was chief examiner of the Commission. He resigned a year ago and set up as a specialist in Radio Commission business. He became closely associated with Mr. Mullen, having an office adjoining Mr. Mullen's until recently, when he moved to the floor above. Mr. Pratt, from the start, has handled all the radio business for clients of Mr. Mullen.

QUINCY-PEORIA RADIO FIGHT

One of the most bitterly contested radio cases and one presenting a bewildering interplay of political influences was that of Peoria versus Quincy, Ill. WTAD at Quincy and WMBD at Peoria were sharing time on 1,440 kilocycles. Each applied for full time on the frequency which would have had the effect of putting the other station off the air. Emory H. Lancaster, owner of the Quincy station, also wanted to remove it to East St. Louis.

After a hearing last fall the Commission decided in favor of the application of the Quincy station. At that time the Peoria station was represented by Attorney Horace Lohnes. Having lost, the owners of the Peoria station sought a rehearing and hired an additional lawyer—Elmer Pratt. The appearance of Mr. Pratt in the case generally was supposed to indicate that the powerful Mr. Mullen had been retained.

PEORIA APPEAL EFFECTIVE

After the second hearing of the case, Mr. Mullen's appointee, Commissioner Hanley, changed his vote and swung the decision in favor of Peoria. Mr. Hanley denies he changed his vote because Mr. Mullen's radio specialist, Elmer Pratt, had appeared in the case. He says that he changed his vote because the chairman of the Commission, Eugene O. Sykes, changed his vote and produced a majority in favor of allowing the Quincy station to move to East St. Louis.

Mr. Hanley says he thought it most objectionable to locate another station in the St. Louis area, and by changing his vote produced a majority against the Quincy application. Mr. Mullen denies that he was retained by the Peoria station. This, he says, was Mr. Pratt's individual case.

WGES, which is operated by Guyon's Paradise Ballroom in Chicago, has an allotment of three-sevenths of the time on 1,360 kilocycles. The other four-sevenths of the time became available when WIND, at Gary, with which it was sharing time, obtained another frequency.

MR. MULLEN AND WGES

WGES applied for temporary authority to use the other four-sevenths of the time. It was repeatedly turned down by the Commission, but finally got a permit for 28 days. It was reported that the retention of Arthur Mullen brought about this concession. Mr. Mullen says he had represented WGES all along, but was unable to get the temporary permit, which the station obtained through other representatives.

"Arthur Mullen is my friend and the only person to whom I am indebted for appointment to the Commission", said Commissioner Hanley. "But we never discuss radio matters and I have voted against him and Pratt oftener than I have voted for them."

KSEI, at Pocatello, Idaho, asked for a change in frequency to 890 kilocycles. This was granted without a hearing. KFPY, Spokane, Wash., at the same time, had filed an application for the same frequency, but its application had not reached Washington, being in the hands of the local inspector. The Spokane station appealed and the court reversed the Commission for failing to give a hearing before granting the Pocatello application.

SENATOR GAINS HIS POINT

After the hearing had been accorded the Commission decided again in favor of Pocatello. Senator CLARENCE C. DILL (Democrat, Washington) received an underground report of the Commission's decision and protested with such effectiveness that the Commission held up the opinion. Eventually, Spokane won.

Senator DILL is the father of the present Radio Act and wields a powerful influence at the Commission. The gossip was that the Commission ruled after the hearing in favor of KSEI instead of KFPY because the confusing similarity of sound of the call letters caused a radio Commissioner to misunderstand Senator DILL's pleasure in their telephone conversation. This Senator DILL denies.

"DRAG" IN RADIO FORECASTS FATE WIRES MAY FACE—POLITICS SHOWN TO RULE BOARD'S DECISIONS

By Arthur Sears Henning

WASHINGTON, D.C., May 9.—White House dictation to the Radio Commission and other quasi-judicial Federal boards under the Roosevelt administration is not an innovation, it appears. It obtained also under the Hoover administration.

The only period free of such interference by the White House with the Radio Commission, at least, was the Coolidge administration. This is the testimony of a former member of the Commission, a Democrat. Mr. Coolidge, he said, would not tolerate the subjection of the Commission to White House influence and always backed up the Commission's rulings.

After the Coolidge regime, however, the Commission became the football of political influence, and its reputation for integrity and independence suffered accordingly.

WIRES HAVE REASON TO FEAR

"Of course, the wire systems and the newspapers have reason to fear the creation of a communications commission to control all communications", said a radio company official today. "They know they will be at the mercy of a new and powerful agency of a political bureaucracy. They know that they will have to reckon with White House domination of the Commission and with all sorts of political manipulations just as we have had to in the case of the Radio Commission."

In the latter part of the Hoover administration there arose a famous radio case in which political influence figured prominently. Through such political influence two Chicago broadcasting stations, representing an investment of $400,000, were wiped out and a reallocation of wave lengths was effected that has strengthened the Columbia Broadcasting System, one of the two chains (the other being the National Broadcasting Co.) which are rapidly absorbing the broadcasting facilities of the country.

DETAILS OF THE DEAL

WJKS (now known as WIND) was a station at Gary, Ind., operating four-sevenths of the time on 1,360 kilocycles. Ralph Atlass, brother of Leslie Atlass, who is president of the Columbia corporation in Chicago, bought for a song the controlling interest in the Gary station and set out to develop it into an important and valuable station. On its wave length the Gary station could cover Gary but not Chicago. To cover Chicago he needed a different wave length.

For his purposes Mr. Atlass coveted the frequency 560 kilocycles, on which two Chicago stations, WIBO and WPCC, were dividing time. The owners of the Gary station applied to the Commission for the frequency held by the Chicago stations with an aggregate investment of $400,000. This was tantamount to a proposal to put WIBO and WPCC off the air. The ground for the application was that Illinois had more than its quota and Indiana less than its quota of broadcasting facilities.

LONG HEARING ENSUES

There was a long hearing before the Commission's chief examiner, Ellis A. Yost, a man of unquestioned integrity, in which the Gary station owners made what was commonly regarded as a weak showing of justification for the favor they sought. They lost out completely before the examiner. Mr. Yost, in his report to the Commission, recommended that the application of the Gary station be denied, and that the two Chicago stations be permitted to retain their wave lengths.

At this point politics enters. The owners of the Gary station had retained as counsel Mrs. Mabel Walker Willebrandt, a political lawyer famed for her successful wire pulling in the Hoover administration. She was now reinforced by the political influence of the late Representative Will Wood, of the Gary district. Wood had a somewhat stormy meeting with the chairman of the Commission, but was able to bring such pressure to bear that the body rejected the examiner's recommendation and granted the Gary station the wave length held by the Chicago stations.

NO ORAL ARGUMENT

The Commission took this step without giving any opportunity for oral argument. The Chicago stations were put off the air in October 1931. WIBO and WPCC appealed to the courts. The Court of Appeals of the District of Columbia reversed the Commission, holding the decision arbitrary and capricious. The case then went to the Supreme Court, which declared it could not disturb the Commission's decision.

Having obtained the coveted wave length, the Gary station became virtually a second outlet for the Columbia System in the Chicago area, the other station being WBBM, headed by Leslie Atlass. The Gary station is managed by Ralph Atlass from offices adjoining his brother's. The Gary station moved its transmitter somewhat nearer Chicago and is now making technical changes to improve its reception on the extreme north side of Chicago.

The Gary station obtained the Chicago station's wave length upon representations that it would function as an Indiana and not a Chicago station and would give a peculiarly local service to the foreign population of Gary. Complaints were made to the Commission that this understanding was being violated and that the Gary station was in reality a Chicago station, but they were ignored. Were it not for the influence of the Columbia System, these complaints would have been given a hearing.

COLUMBIA ON THE INSIDE

The National Broadcasting Co. enjoyed special favor at the Radio Commission under the Hoover administration, but the Columbia System has the inside track under the Roosevelt administration, a circumstance that suggests that with a commission in control of all communications, the fortunes of the telegraph and telephone systems and the newspaper telegraph services would vary with the political complexion of the party in power.

The Commission granted the wave length to the Gary station on the ground that Illinois was over and Indiana under quota. But while it was engaged in destroying WIBO and WPPC the Commission granted additional facilities to other stations in Chicago, thus increasing Illinois' excess quota. One of those thus favored was Columbia's station WBBM.

The sequel is almost as interesting. After the Gary station had taken over the WIBO length several stations applied for the wave length vacated by the Gary station, among them a South Bend, Ind., station, which was dividing time with an Indianapolis station. Both are outlets of the Columbia System. Recently, after a hearing, one of the Commission's examiners, Ralph Walker, recommended that the Commission give the South Bend station the Gary station's former wave length and grant the Indianapolis station full time on its present wave length. The Commission has yet to act on this recommendation.

BROOKLYN RADIO TANGLE CREATES CRY OF "POLITICS"—SILENCING OF FOUR STATIONS CONSIDERED

By Arthur Sears Henning

WASHINGTON, D.C., May 10.—Charges and countercharges of improper influences operating in and about the Radio Commission have given a sensational setting to what is known as the "Brooklyn mess."

The Commission has under consideration a recommendation by its chief examiner to put four Brooklyn broadcasting stations off the air. In the background are a number of other radio interests scrambling to get the wave length that will become vacant if the four Brooklyn stations are deleted.

Representatives of the Brooklyn stations assert that powerful political influences are being brought to bear on the Commission in behalf of the interests that seek their wave length. On the other hand, according to members of the Commission, there has been a steady procession of Senators and Congressman to their Chambers to persuade or coerce the Commissioners to keep the Brooklyn stations on the air.

USE SAME WAVE LENGTH

The four stations in question are WARD, WBBC, WLTH, and WVFW, all located in Brooklyn and all dividing time with each other on the same wave length, 1,400 kilocycles. About a year ago, as frequently happens when so many stations are forced to divide time on the same wave length, these stations became involved in a dispute with each other and took their controversy before the Commission, each asking for more time at the expense of the others.

At the outset the case followed the Commission's normal procedure, and the matter was referred to an examiner, in this case Ralph L. Walker. For certain technical legal reasons the Commission's rules require that in such a dispute all the parties file applications for renewal license so that there will be no legal obstacles in the way of a Commission decision changing the allotment of time or even putting one or more of the stations off the air so as to give the time to the other stations.

NINE-DAY HEARING HELD

An extended hearing was held before Examiner Walker, lasting 9 days, during the latter part of August and the early part of September. At the time of the hearing and for a considerable period thereafter these four stations were the only parties to the dispute. The normal outcome in such a case would be a decision leaving the stations as they were, or rearranging their time, or, in case good cause were shown, deleting one or more of them and giving the time to the other stations.

On November 27, 1933, long before the examiner had made any report or recommendation in the matter, an entirely new factor appeared in the situation. A corporation known as the Brooklyn Daily Eagle Broadcasting Co., Inc., filed an application with the Commission to establish a new station in Brooklyn on the wave length now used by the four stations. The applicant is, in part at least, a subsidiary of the Brooklyn Eagle, but it is said that other persons are interested in it.

ENJOYS OFFICIAL FRIENDSHIPS

Its attorney is Paul D. P. Spearman, who is reputed to enjoy close relations with Herbert L. Pettey, politically minded secretary of the Commission. Mr. Spearman, who was formerly assistant general counsel of the Commission, was brought to Washington and placed on the legal staff in 1929 by his Mississippi friend, Eugene O. Sykes, present Chairman of the Commission.

Mr. Spearman denies that he has sought to influence either Chairman Sykes or Secretary Pettey in this or any other radio case; denies any close relationship with Mr. Pettey and denies that Mr. Pettey sends him radio clients, asserting that he has had no clients in this first year of the Roosevelt administration that he did not have under the preceding Republican administration.

Another who is seeking the wave length of the four Brooklyn stations is the watch manufacturer, Arte Bulova, proprietor of the WNEW broadcasting station. Mr. Bulova's principal political friend at court is Representative WILLIAM I. SIROVICH (Democrat, New York). Contingent upon the acquisition of the Brooklyn wave length an offer to manage the broadcasting has been made by both Mr. Bulova and the Brooklyn Eagle Broadcasting Co. to an official of the Columbia Broadcasting System. Congressman SIROVICH helped Mr. Bulova present this offer, but he denies financial interest in the Bulova station.

DINNER ATTRACTS ATTENTION

Much significance has been attached to a dinner Congressman SMOVICH gave on the eve of the oral arguments before the Radio Commission on the question of putting the Brooklyn stations off the air. Mr. Bulova and the members of the Radio Commission were among the guests. Mr. SIROVICH indignantly denies the significance. He says he had 110 guests, including members not only of the Radio but the Tariff, Trade, Power, and other Commissions.

Another concern seeking the Brooklyn wave length is the American Radio Production Institute, Inc., headed by Ralph Steinburg, who is in the foreign-language division of the N.R.A.

Up to date the case has proceeded satisfactorily to those coveting the wave lengths of the Brooklyn stations. Examiner Walker recommended that all four Brooklyn stations be put off the air. He does not claim that any of the four stations has violated the law or any of the Commission's regulations, or has been guilty of any misconduct in the usual meaning of the word.

HITS FOREIGN-LANGUAGE PROGRAM

Examiner Walker says, however, that "the denial of the applications here involved would result in decreasing the present overquota status of the State of New York", but omits to mention that within recent months the Commission has on several occasions added to the supposed overquota status of this same State. He criticizes three of the stations by saying that "an excessive amount of time has been devoted to commercial foreign-language programs", although it was this same feature of the programs of WIND at Gary, Ind., that the Federal Radio Commission found to be a great virtue and as in part justifying its destruction of the Chicago stations WIBO and WPCC. Examiner Walker also says that "a number of stations render a good service throughout the Brooklyn area and it does not appear that the present applicants add materially to the service so received."

In other words, these stations may be put off the air because they are not better than nor different from other stations in the same city.

RADIO BOARD'S RULING CREATES CAPITAL GOSSIP—DECISIONS ARE UNMADE BY MYSTERIOUS INFLUENCES

By Arthur Sears Henning

WASHINGTON, D.C., May 11, 1934.—The mysterious influences that make and unmake the decisions of the quasi-judicial Radio Commission are discernible in a multitude of cases coming before that tribunal.

One that created no end of gossip in official Washington was the case of the Los Angeles broadcasting stations. KTM and KELW, of Los Angeles, were dividing time on the same wave length. In the fall of 1932 they were involved in a long hearing before one of the Commission's examiners of their applications for renewal of license.

The examiner recommended that the applications be denied and the stations put off the air because of their unsavory broadcasting performances. After the examiner had made this report to the Commission the Hearst evening paper in Los Angeles purchased an option of both stations and an application for assignment of the licenses of KHM and KELW to the newspaper was filed with the Commission.

MUST BE O.K.'D BY COMMISSION

Under the law it is necessary that such assignments be approved by the Commission.

In the meantime other interests had filed application for the use of the frequency of KTM and KELW when the two stations should be put off the air. One such application was filed by Don Lee, Inc., which operates a chain of broadcasting stations on the Pacific coast and which proposed to establish a new station at Redlands, Calif., which has no station.

KTM and KELW were represented by Attorney Paul D. P. Spearman, political protégé of Eugene O. Sykes, chairman, and close personal friend of Herbert L. Pettey, secretary of the Commission. Mr. Pettey, it will be recalled, was placed in this position by Col. (Kentucky) Louis M. Howe, President Roosevelt's secretary, to constitute a liaison between the White House and the Commission.

Mr. Spearman didn't get to first base in the hearing before Chief Examiner Yost, but he fared better when the case came before the Commission. The Commission reversed the examiner and granted the application of the two stations for renewal of their licenses. It ordered a hearing on the assignment of the licenses to the Hearst paper and on the competing application. It also ordered rehearing on the license renewal applications of the two stations.

RECORD OF STATIONS IS AIRED

At these new hearings the unsavory record of the two stations was aired again and the financial responsibility of the Hearst paper inquired into. Another examiner, Ralph Walker, heard the case this time and he also filed a report recommending that KTM and KELW be put off the air. He also recommended that the application for assignment of the licenses to the Hearst paper be denied and that the Don Lee application be granted.

There were oral arguments before the full Commission. At first the Commission decided to deny all the applications, including those of KTM and KELW. This leaked out and the wire pulling began to get the Commission to change its decision. There were rumors that the White House intervened to cause the Commission to change its decision in this case, as it did in the case of the New Orleans and Shreveport stations. This is denied at the White House. Mr. Spearman, who by that time was representing the Hearst paper, denies that any political influence was exerted. The Commission eventually granted the Hearst application, and the KTM and KELW wave length was transferred to the Los Angeles paper.

CHURCHMEN MAKE COMPLAINT

The procedure of the Commission in all cases at the time lent itself to the invocation of political influences to procure a reversal of decisions. It was the custom of the Commission to take what it called a "tentative vote" on a case, but no public announcement of the decision would be made until the law branch had written it. This might take several weeks, in which time the action would leak out and the defeated parties would bring their political influence to bear to induce the Commission to reverse itself. This happened so frequently and the legal department was compelled to write and rewrite the decision so often that the situation became notorious.

Commissioner James H. Hanley says that he was instrumental in procuring a change of the procedure in the interest of reform. Now a decision is announced as soon as it is voted and written up afterward by the law office.

KFYO, a Lubbock, TEX., broadcasting station, became involved in some unpleasantness with its radio audience. There was complaint of the character of its programs, emanating chiefly from churchmen, it appears. An application for its facilities was made by interests desiring to establish a station at Abilene, Tex.

This application was about to be granted by the Commission when Congressman THOMAS L. BLANTON (Democrat), of Texas, intervened to save KFYO from being put off the air. BLANTON marshaled an array of Methodist and Baptist church pastors to repudiate the complaints against KFYO. Mr. BLANTON asserted that the whole complaint when boiled down was that T. E. Kirksey, owner of KFYO, had permitted a singer to broadcast the Volga Boatmen song.

MORTGAGED TO CONGRESSMAN'S SON

Congressman BLANTON won out, and KFYO still is on the air. The Texas Congressman stated that he was representing Mr. Kirksey merely in the relationship of Congressman and constituent and without pay. It is against the law for a Senator or Congressman to practice before the administrative departments and commissions for compensation. Later it transpired that a mortgage on KFYO had been recorded at Abilene in favor of Congressman BLANTON's son. The Congressman denied that this involved any indirect compensation for him.

"My two sons are lawyers", said the Congressman. "They have been Mr. Kirksey's attorneys for many years. They never have received any compensation for their work except this mortgage and they did not represent him in this radio matter."

CONDUCTS EXTENDED HEARINGS

In the summer of 1929 Commissioner Sykes held extended hearings in Florida on the possible rearrangement of two Clearwater stations on different wave lengths. In October the commission announced a series of decisions which involved putting certain stations on 620 kilocycles, a frequency also used by WTMJ, a station at Milwaukee, Wis., owned by the Milwaukee Journal, but the Florida stations put on the frequency were not such as to cause serious interference.

Immediately, however, Florida Congressmen put extreme pressure on Commissioners and a week later without any further hearing the Commission announced a new set of decisions, placing WFLA-WSUN, of Clearwater, on 620 kilocycles in spite of protests filed by the Milwaukee station. The latter appealed to the courts and the Court of Appeals reversed the Commission with

instructions to restore WTMJ to its former position so far as interference from Florida was concerned. This was done by providing a directional antenna at Clearwater to shut off interference to the northwest.

PULL AND HAUL ON RADIO BOARD; POLITICS WORKS—YOUNG ROOSEVELT TAKES A HAND IN FIGHT

By Arthur Sears Henning

WASHINGTON, D.C., May 12.—Pressure upon the United States Radio Commission in behalf of this and that broadcasting station is almost continuous, and the pressure is usually political. Provision for licensing of stations of course involves influence, and this is brought to bear on the Commission. The working of the system has been pointed to as an object lesson on what to expect if the Government takes control of all communications systems.

In the case of the application for a license for a broadcasting station at Portland, Maine, the system was exhibited. A multitude of political wires was pulled to control the decision of the Radio Commission. The application was filed on January 3, 1933, by Charles W. Phelan, representing the Shepard Stores, of Boston. The prospective station was to broadcast the programs of the Yankee chain.

PRESIDENT'S SON AIDS

Early in February James Roosevelt, son of the President, who was then broadcasting for the Yankee chain for a consideration, is alleged to have sent a telegram to the Radio Commission asking favorable action on Phelan's application. Apparently quick results followed. On February 10 the Commission granted a permit for the station without holding a hearing.

Young Mr. Roosevelt, who has been reported as quite active in New England politics, has just retired as one of three partners in the insurance business in Boston. Only last Thursday the firm dissolved. "It just did not work as we had hoped", said Douglas Lawson, a partner.

FAVORABLE VOTE AT ONCE

But as to the reported influence exerted by James Roosevelt on the Radio Commission in behalf of the Portland broadcasters: According to two members of the Commission the telegram from young Mr. Roosevelt was read in a meeting of the body and the favorable vote followed immediately. In the telegram, said these Commissioners, Mr. Roosevelt said Phelan was a friend of his and he would appreciate favorable consideration of the application. Two other members said they could not recall the telegram being read, one of them saying that he had never heard of it, the other stating that he understood James Roosevelt had sent such a communication either by letter or wire.

Questioned regarding a report that the telegram had been abstracted from the Commission files when its existence became known, Herbert L. Pettey, secretary of the Commission, said:

"No communication of any kind was ever received from James Roosevelt."

DIRECT REPLY EVADED

I telegraphed James Roosevelt at Boston, asking him whether, while he was broadcasting for the Yankee chain for a consideration, he requested the Radio Commission to act favorably on the application for a broadcasting station at Portland. He wired the following reply:

"In answer your wire proposed Portland, Maine, station had no financial or other connection with Yankee chain for which I broadcast. I understand application for Portland station turned down some time ago and matter closed."

I immediately telegraphed again to Mr. Roosevelt, calling his attention to his failure to say whether he did or did not request the radio station for favorable action on the application and inquiring whether he cared to answer that part of my inquiry.

To this telegram I have received no reply.

GANNETT PAPERS PROTEST

Six days after the Commission granted a license for the Portland station, the Portland Publishing Co., publisher of the Gannett papers in Maine, filed a protest against the action. Similar protests were received from four radio stations located in Portland and Augusta, Maine; Manchester, N.H.; and Toledo, Ohio. All wanted the wave length sought by Phelan. On February 21 the Commission rescinded its action licensing the Phelan station.

Then ensued a period of political wire pulling of several months' duration. Phelan retained as his attorney Paul D. P. Spearman, former assistant general counsel of the Commission, a close personal friend of Secretary Pettey. Gov. Louis J. Brann of Maine and United States Attorney John D. Clifford, both Democrats, went to bat for the Gannett papers. After reconnoitering the situation, Mr. Clifford recommended that the Portland Publishing Co. retain Robert Jackson, who was then Democratic national committeeman for New Hampshire and secretary of the national committee, with the reputation of being the most influential political lawyer in Washington. Mr. Jackson is one of the Democratic national committeemen who resigned from the party organization when President Roosevelt frowned upon the activities of Democratic leaders accepting retainers from clients upon the understanding they possessed access to the back door of the administration.

HEAVY "PULL" PUT AT WORK

Mr. Jackson got busy at once. He knew about the influence James Roosevelt had exerted to procure favorable action on Phelan's application and he was afraid that the pull possessed by a son of the President of the United States would prove a hurdle too difficult for him to surmount. Mr. Jackson finally went to young Mr. Roosevelt and asked him just how far he intended to go in behalf of Phelan. In this conversation Mr. Jackson is understood to have anticipated by several months President Roosevelt's moral stand, which eventually reacted so devastatingly upon himself. Mr. Jackson allowed young Mr. Roosevelt to gather that it was not exactly ethical for highly placed Democrats to be asking favors of Government officials. After this talk Mr. Jackson reported to his clients that young Mr. Roosevelt had telegraphed the Commission merely to oblige his friend Phelan and was not disposed to go further in holding the Commission in line for the Phelan application.

PHELAN FINALLY LOSES

In the summer of 1933 the Commission's engineer reported in favor of granting a license to the Portland Publishing Co. Then the Commission decided to hear the case en banc. All kinds of political pressure was brought to bear on the Commissioner, who eventually last December turned down the Phelan application and granted the facilities to Manchester, N.H. The decision was reached by a 3 to 2 vote, a minority holding out for Phelan, supposedly at the time because of the influence of James Roosevelt.

RADIO CHAINS SEEK STAND-IN AT WHITE HOUSE—THEY FACE PERIL OF BEING CRACKED DOWN ON

By Arthur Sears Henning

WASHINGTON, D.C., May 13.—The significant and often amusing scramble of the great radio broadcasting chains for the "inside track" at the White House and the Radio Commission prophetically illuminates the predicament in which the telegraph and telephone systems, the news agencies, and the newspapers will find themselves if Congress places them under the control of the proposed Government commission.

With the White House dictating decisions of the Radio Commission and "cracking down" on radio interests in disfavor it has become a matter of vital importance for them to "stand in" with the powers that be.

During the Hoover administration it was the National Broadcasting Co., with 15 broadcasting stations, itself a subsidiary of the Radio Corporation of America with several thousand licenses at stake, that enjoyed preferential favor at the White House.

ENCOUNTERS ROUGH GOING

For the last year, under the Roosevelt administration, the Columbia Broadcasting System, with eight broadcasting licenses at stake, has been closer to the throne than its rival has been. Columbia has had little difficulty in getting anything it wanted from the White House and the Commission, while N.B.C. has encountered a lot of rough going.

With all communications under control of a Government commission the wire services, the news-gathering agencies, and the newspapers undoubtedly would be scrambling in like manner for White House favor to promote their interests and avert official "cracking-down." The newspapers particularly would be at the mercy of the power of the White House to direct a censorship of telegraphic news dispatches.

The Columbia Broadcasting System, having been less fortunate than National Broadcasting Co. under the Hoover regime, set out to change its luck when the Roosevelt administration came into power. It placed in charge of its Washington headquarters Henry A. Bellows, vice president of the system, who previously had been in charge of the system's northwestern territory, with headquarters at Minneapolis. Mr. Bellows is a Democrat, a former member of the Radio Commission, and a friend of President Roosevelt, their friendship dating from their youth at Harvard, where Mr. Roosevelt was in the class of 1904 and Mr. Bellows in the class of 1906.

NEVER GOES BEYOND SECRETARY

Mr. Bellows, who is a man of great ability and of the highest character, says he never has presumed upon the friendship to get favors from the White House. He never has gone higher than a Secretary to the President to get what he wanted. As chairman of the legislative committee of the National Association of Broadcasters Mr. Bellows also comes into close contact with the legislative branch of the Government.

The Roosevelt administration was no sooner established in power than Mr. Bellows, on March 18, 1933, announced:

"Assurance of full and complete cooperation has been given directly to the President, to all the members of his Cabinet, and to the leaders of the Senate and House of Representatives. Furthermore, as a matter of public policy during the present emergency, we limit broadcasts of public events and discussions of public questions by ascertaining that such programs are not contrary to the policies of the United States Government."

COLUMBIA HAS INSIDE TRACK

The word soon went forth that Columbia had the inside track at the White House, and it later appeared that equally close relations had been established between the Washington staff of the broadcasting system and officers of the Radio Committee.

At this juncture the National Broadcasting Co. began to betray signs of anxiety. It was bruited about that National Broadcasting Co. was in disfavor because its president, Merlin Hall Aylesworth, not only was a dyed-in-the-wool Republican, but had asserted during the 1932 campaign that if Roosevelt were elected he would leave the country. Of course, this placed Mr. Aylesworth poles asunder from Mr. Bellows, who was an FRBC—For Roosevelt Before Chicago.

The Washington representative of NBC in a personal interview sought to convince the President that Mr. Aylesworth never ut-

tered the damning statement attributed to him. Mr. Roosevelt told the emissary he was sure Mr. Aylesworth never said it, but the President gave the assurance to the accompaniment of a hilarity that did not altogether allay anxiety. Presently, however, NBC made a move calculated to curry favor at the White House. It replaced its Washington news commentator, William Hard, close friend of former President Hoover, with the brother-in-law of one of the President's Secretaries.

HIGH SALARY, LONG-TERM CONTRACT

Columbia has a long record of unusual favors from the Radio Commission, going back several years, but becoming more pronounced since the advent of the Roosevelt administration. Another of its vice presidents is Sam Pickard, a former member of the Commission, who resigned February 1, 1929, and went directly to Columbia at a high salary on a long-term contract.

While Mr. Pickard was a member of the Commission WKRC, a Cincinnati (Ohio) broadcasting station, was able to procure from the Commission an exceedingly favorable wave length, which was transferred from an inferior assignment. It was charged that this was done in violation of all sound engineering considerations, for it immediately caused destructive interference with other stations on the same wave length at St. Louis and Buffalo.

On June 15, 1929, the Commission, without a hearing or a notice to anyone, increased WKRC's hours of operation to unlimited time, and on December 16 increased the power of the station from 500 to 1,000 watts on an experimental basis. The power has never been reduced, although at a subsequent hearing interference was conclusively shown by the stations affected. Mr. Bellows says that since the installation of a directional antenna by WKRC there has been no interference and the protests have been withdrawn. This is disputed by representatives of the complaining stations.

TRANSFER OF OWNERSHIP

In the summer of 1929 there was a formal transfer of the ownership of WKRC to Mr. Pickard and J. S. Boyd, a lawyer who frequently had handled radio cases before the Radio Commission and had been in particularly close contact with Mr. Pickard while the latter was a member of the Commission. It is not known when Messrs. Pickard and Boyd purchased the station or how much they paid for it.

It is known, however, that soon after the Commission granted WKRC the 100-percent increase in power they sold the station to WKRC, Inc., which is virtually a 100-percent subsidiary of the Columbia Broadcasting System. Columbia is said to have paid approximately $300,000 for the interest in the station to Messrs. Pickard and Boyd.

LINKS POLITICS TO DEMOCRATS IN RADIO FIGHT—EVANGELIST DECLARES BOSS GUFFEY INTERPRETED

By Arthur Sears Henning

WASHINGTON, D.C., May 14.—Charges of trafficing in political influence of the Radio Commission cropped out of a hearing last week on an application by Tri-State Radio, Inc., of Washington, Pa., to obtain the wave length of WNBO.

John Brownlee Spriggs, evangelist owner of WNBO, located at Washington, Pa., made formal charges before the Commission that Joseph F. Guffey, Democratic boss of Pennsylvania, had declared himself "in a position to dictate to the Radio Commission." This was in connection with a deal Mr. Spriggs said he made with Guffey to get the Commission's approval of increased power and a change of location for WNBO.

FALLS OUT WITH GUFFEY

Mr. Spriggs said he later fell out with Mr. Guffey whereupon the latter and Special Assistant Attorney General Robert L. Vann sought to get WNBO put off the air and its wave length assigned to Tri-State Radio. Mr. Guffey was subpenaed by the Commission but did not appear. Mr. Spriggs demanded the issuance of a warrant for the Democratic boss. The next day Tri-State withdrew its application for the WNBO wave length and the demand for the presence of Mr. Guffey was waived.

Mr. Spriggs in his formal charge said that at a testimonial dinner for Mr. Vann in Pittsburgh in the summer of 1933 Mr. Guffey and Mr. Vann proposed a deal to get the transfer of site for WNBO in consideration of time on WNBO for political broadcasting.

"Pursuant to the said discussion", said the Spriggs affidavit, "an arrangement was entered into between this affiant and said Robert L. Vann and the said Joseph F. Guffey. The said Joseph F. Guffey then and there represented to your affiant that he was in a position to dictate to the Radio Commission and that he was the distributor of all Federal patronage in the State of Pennsylvania, and that he maintained headquarters permanently in Washington, D.C., and that by reason of his connection with the administration, could accomplish overnight the transfer sought by WNBO. This representation on the part of Mr. Guffey was substantiated, corroborated, and elaborated upon by the Special Assistant Attorney General of the United States, aforementioned.

HANDLE CHANGE OF SITES

"The said Joseph F. Guffey and the said Robert L. Vann stipulated and agreed that 'they would handle' the change of sites for WNBO and increase the power of station WNBO from 100 watts to 1,000 wattage, pay all legal expenses, and all costs of the moving of the apparatus, equipment, etc., which estimate approximated $2,000.

"In consideration of the promises and agreements, representations and considerations of the said Joseph F. Guffey and the said Robert L. Vann as aforementioned, your affiant covenanted and agreed that he would furnish sufficient time of his broadcasting station of a value equivalent to at least $2,000 at the option of the said Joseph F. Guffey and the said Robert L. Vann."

The license of WNBO expired last December and has operated since then on a temporary permit. After Mr. Spriggs and the politicians fell out, Tri-State came into the picture as an applicant for the wave length of WNBO.

DENIES ANY INTEREST IN TRI-STATE

"An investigation disclosed that the attorney of record for Tri-State Radio, Inc., was affiant's lawyer, the aforementioned R. F. Lohnes, and the incorporator and majority stockholder of said Tri-State Radio, Inc., were the very persons named to the affiant by Joseph F. Guffey and Robert L. Vann as the individuals who would accomplish his renewal of license with increased wattage", Mr. Spriggs' affidavit continues.

"Affiant is advised and believes and therefore avers that it is common rumor in Democratic political circles that affiant's license is to be revoked and that the facilities heretofore enjoyed by him are and will be at the disposal of Joseph F. Guffey, Democratic leader of Pennsylvania."

Neither Mr. Guffey nor Mr. Vann is in Washington, but Mr. Guffey's secretary denied that Mr. Guffey is interested in any way in the Tri-State concern.

ELIMINATE POLITICAL ELEMENT

The withdrawal by Tri-State of its application for WNBO's wave length operated to eliminate the political element in the case, but the hearing was continued on Mr. Spriggs' application for a renewal of license for WNBO.

Charges of political influence are involved in numerous other cases coming before the Commission. They were heard in connection with the grant of additional power and unlimited time to WCAH at Columbus, Ohio, although Ohio already exceeds its quota of radio facilities. Also in connection with approval of an application for a new station, WMAS, at Springfield, Mass., which was given without a hearing. Also in connection with a special authorization to WPRO, Providence, R.I., to operate on a better frequency with increased power, although it is far under the recommended mileage separation from other stations on the same wave length. Also in connection with a new station, WLEO, at Erie, Pa., after another station of the same classification, WERE, had been put off the air at Erie.

TEXAS IS OVER STATE'S QUOTA

KTRH operates on 1,120 kilocycles at Houston, Tex., with 500 watts power, sharing time with WTAW at College Station, Tex. KTRH filed an application for 630 kilocycles, full-time operation and power increased to 1 kilowatt in the daytime. Although Texas is over quota, the application was granted on an experimental basis. KTRH is operated by the newspaper owned by Jesse Jones, Chairman of the Reconstruction Finance Corporation.

WFI, Philadelphia, was denied an increase of power twice, went through several hearings and appeals and finally resorted to political influence and got the increase without further trouble.

Mr. DICKINSON. If one-half of what Mr. Henning states is true, impeachment would be a mild reward for the conduct of some of the Commissioners. We have impeached judges for far less. What our friends on the other side of the aisle are pleased to call the "air-mail scandals" pale into virtuous dealing beside these charges. We cannot abide that such men should be entrusted with the regulation of the transmission of all intelligence in this country, including broadcasting and the communication of news by telegraph and cable.

I do not know whether or not Mr. Henning has the facts straight. I hope, for the sake of the individuals involved, that he is mistaken. We are certainly put on notice, however, with such charges appearing in the public press. In fact, his are not the only such charges. From time to time intimations of the same sort have appeared in other newspapers, among them the Washington Post.

I am sure we all are interested in seeing to it that the new Commission is nonpartisan, nonpolitical, not merely in form but also in fact. Consequently, I hope some attention can be given to this matter, and that in the end we can have a real investigation of the personnel of this Commission along the line I have heretofore suggested.

I desire to refer, Mr. President, to the question of propaganda. I have before me the Democratic Digest, dated June 1934, no. 6; and on page 13 I see the following:

REPORTER PLAN EXPLAINS THE NEW DEAL—WOMEN IN EVERY PART OF THE COUNTRY STUDY RECOVERY ADMINISTRATION

Any woman who studies the new deal is helping her country. The country will be benefited only by giving the new-deal agencies a chance to succeed. Such a chance can best be got by keeping in power the administration that began the great recovery

plan. Thousands of women realize this. They are sending to their party headquarters in precinct and county for information about the recovery plan. When they themselves know accurately the meaning of the different agencies they are ready at once to become missionaries among the uninformed.

New-deal reporters who have studied their present Government say that when Republicans and independents understand the objectives of the recovery administration they respond immediately. They feel that the country for its own good must consider issues, not personalities. Moreover, they are pleased that the reporters take pains to explain to them the administration program.

The people learn from the reporters about the new deal—what it is trying to do, what its activities are, how the country needs it.

Then I turn to pages 10 and 11. Here are the pictures of 15 fine looking women, and I find the following statement:

The new-deal study group of the Federal emergency agencies. Senior reporters—Cuyahoga County, Ohio.

The senior reporters are a group of women from the public affairs committee who have volunteered their services to act as instructors on the Federal emergency agencies.

Each senior reporter is in charge of 22 junior reporters, selected from the wards and suburbs.

They are all excellent speakers and are available for club meetings and social gatherings.

Who are these women? The first one is Mrs. Sam Fitzsimmons, Federal Coordinator of Transportation. I take it she is drawing a Federal salary, and yet she is advertised as one of the ladies who want to go out and give their time and services, when drawing a Federal salary, to spread propaganda in support of the new deal. I do not know how much of her salary she earns here in her position as Federal Coordinator of Transportation.

The next lady is Mrs. Edgar Bowerfind, Federal Alcohol Control Administration. I know nothing about her services and her duties, but I do know, according to this advertisement, that while she is occupying that position she is also available to go out and explain the new deal to the good people who want to listen to her and who want to be sold on the new deal.

The next woman is Mrs. Mary P. Warner, Public Works Administration. Next is Mrs. Edward Carran, National Recovery Administration, National Labor Board. Next is Miss Marie Wing, Consumers' Advisory Board. I had been of the opinion that if the consumers were a little better protected under the N.R.A. the general public would be much better off. I presume Miss Wing is fulfilling her position and doing her work there, but, nevertheless, she is available as a spokesman to go out and spread the gospel of the new deal.

Next is Mrs. Marguerite Reilley, Agricultural Adjustment Administration, Commodity Credit Corporation. It seems she has time, in view of the fact that she is in control of commodity credits, to go out and spread the gospel of the new deal.

Next is Judge Lillian Westropp, Federal Surplus Relief Corporation. Next is Mrs. George Kerr, National Emergency Council. Next is Miss Susan Rebhan, Federal Subsistence Homestead Corporation. She is engaged in the business of finding subsistence homesteads so that people may be taken from the place where they want to be and put at some place where they do not want to be, and may be given a piece of land in order to try to make them contented. It will work out like the old homestead system. When the prairies were being taken up by the homesteaders, there was about 1 family out of 10 that ever stayed and weathered the storm. I suppose that will be true with reference to the Federal Subsistence Homestead Corporation plan.

Next is Mrs. Roy T. Longley, Federal Deposit Insurance Corporation. I suggest to the junior Senator from Michigan [Mr. VANDENBERG] that this lady belongs to the organization which he helped to create. I presume she is carrying out the functions of her office and performing her duties to earn her Federal salary, and yet she is one of the excellent speakers and is available for club meetings and social gatherings.

Next is Mrs. David Ralph Hertz, Federal Emergency Relief Administration, Civil Works Administration. Next is Mrs. N. B. Harris, Civilian Conservation Corps. She is helping to take care of the boys in the conservation camps.

Next is Mrs. Cora C. Cooley, Public Works Emergency Housing Corporation; and last is Mrs. John Gorman, Home Owners' Loan Corporation.

This is a Democratic club document.

Mr. DAVIS. Mr. President, may I ask if these are appointees of the several Government organizations throughout the United States?

Mr. DICKINSON. Not all of them. They are from various Government bureaus and commissions created under the new deal; some 60 or 70 of them, we believe, but we do not even know how many there are.

Mr. DAVIS. Is the jurisdiction of these women confined to the United States or only to the city of Cleveland?

Mr. DICKINSON. Oh, the United States. These women are practically all located in Washington, but they are being sent out as this advertisement states. It simply indicates the agencies which are created in the various organizations covering the United States.

Mr. FESS. Mr. President, will the Senator yield?

Mr. DICKINSON. Certainly.

Mr. FESS. The Senator read something about Cuyahoga County. That is Cleveland. What does that mean?

Mr. DICKINSON. I presume that means an organization of these reporters in the city of Cleveland. These advertisements are being put out stating "if you want to know about the new deal, the Democratic Party, through its personnel in the various bureaus, will send someone to spread the gospel of the new deal and preach it to you, and either convert you or try to close your lips so you will not criticize."

Mr. FESS. That is not a Cleveland publication, is it?

Mr. DICKINSON. Oh, no. This is a Washington publication, published by the Women's National Democratic Club, 1526 New Hampshire Avenue NW., Washington, D.C.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Texas?

Mr. DICKINSON. I yield.

Mr. CONNALLY. If the Senator from Iowa read the report this morning from the primaries out in Iowa, his State, it would seem he would realize there is no necessity for advertising the new deal out there any more.

Mr. DICKINSON. Let me suggest to the Senator from Texas that the Democratic vote in Iowa was below the usual percentage; that we had a greater percentage of votes for Republicans than in the usual primary.

Mr. CONNALLY. I suppose that is because the Senator from Iowa has been doing all the criticizing, then, spending most of his time in spreading political propaganda.

Mr. DICKINSON. If somebody did not help to keep the Democrats straight they would be stealing the gold off the dome of the Capitol. [Laughter.]

Mr. CONNALLY. The Senator's party did not leave any gold on the dome when it went out of office! [Laughter.]

Mr. DICKINSON. Oh, yes! There is a little of it still left there.

Mr. President, let me proceed just a little bit further. This splendid program of economy on the part of the Democrats, the way they were going to abolish bureaus and do away with useless commissions, is interesting in the light of some information contained in the last report of the Civil Service Commission. Of course the Commission has had to report to us those who are employed in the various bureaus and agencies where a civil-service status is not required.

I find that in the month of April they are still proceeding to add employees. I believe not quite all the Democrats are on the Federal pay roll as yet. Why? I find that the net gain during the month of April was as follows:

Permanent in the District of Columbia, 1,026.
Temporary in the District of Columbia, 1,202.
Permanent outside the District of Columbia, 5,402.
Temporary outside the District of Columbia, 9,073.
Not previously reported, 3,846.

Total net gain for the month of April on the Federal pay roll, 20,549 new personnel!

I find that on March 31 the number was 623,559 while on the 30th day of April it was 644,108. There will be no question about what will happen in the next election if the Democratic Party can get 51 percent of the voters on the Federal pay roll.

Mr. McKELLAR subsequently said: A few moments ago the Senator from Iowa, in making a political speech, spoke of results in Iowa. I desire to read a short excerpt from the Washington Daily News of today:

NEW DEAL VICTORIOUS IN IOWA PRIMARIES—DEMOCRATS RETURNED—REPUBLICANS FAIL TO UPSET OPPONENTS' HOLD ON STATE THAT THE G.O.P. USED TO CONTROL

DES MOINES, IOWA.—Iowa Democrats saw today in results of the primary yesterday a strong approval of the new deal as mounting returns showed the Democrats had exceeded their strength of 2 years ago by at least 25,000 votes.

Staking their political futures solely on the national recovery issue, only three met opposition in the primary, and all, it appeared, had won renomination. Three were unopposed.

Observers who watched the results of the balloting for political straws in the winds which until 1932 had blown Republicans into office for 48 years, noted that the Democratic Party, despite an almost lethargic campaign and little opposition to State office incumbents, polled an active primary vote, and Gov. Clyde L. Herring received his party's reendorsement for Governor by a 5 to 1 count.

Mr. DICKINSON. I desire to suggest that no comment is made in the newspaper article with reference to the size of the Republican vote in comparison with the Democratic vote. When the percentages are taken they show that the Republican vote is more than normal. I desire to suggest further that there was no contest—that is, no serious contest—so far as the renomination of Governor Herring is concerned.

Mr. McKELLAR. No; there was no serious contest, but the Republicans lost out all along the line.

REVISION OF AIR-MAIL LAWS

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3170) to revise the air-mail laws.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. COUZENS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Couzens	Johnson	Pope
Ashurst	Cutting	Kean	Reynolds
Austin	Davis	Keyes	Robinson, Ark.
Bachman	Dickinson	King	Russell
Bailey	Dieterich	La Follette	Schall
Bankhead	Dill	Lewis	Sheppard
Barbour	Duffy	Logan	Shipstead
Barkley	Erickson	Lonergan	Smith
Black	Fess	Long	Steiwer
Bone	Fletcher	McCarran	Stephens
Borah	Frazier	McGill	Thomas, Okla.
Brown	George	McKellar	Thomas, Utah
Bulkley	Gibson	McNary	Thompson
Bulow	Glass	Metcalf	Townsend
Byrd	Goldsborough	Murphy	Tydings
Byrnes	Gore	Neely	Vandenberg
Capper	Hale	Norbeck	Van Nuys
Caraway	Harrison	Norris	Wagner
Carey	Hastings	Nye	Walcott
Connally	Hatch	O'Mahoney	Walsh
Coolidge	Hatfield	Overton	Wheeler
Copeland	Hayden	Patterson	White
Costigan	Hebert	Pittman	

Mr. LEWIS. I reannounce the absences of Senators as previously announced on former roll calls, and for the reasons given, and ask that the announcement stand for the day.

The PRESIDING OFFICER. Ninety-one Senators have answered to their names. A quorum is present.

Mr. PITTMAN. Mr. President, I simply desire to make an announcement at this time.

The unfinished business was temporarily laid aside earlier in the day in order that the conference report on the air-mail bill might be considered. That report has been disposed of. Tomorrow, by agreement, the calendar will come before the Senate, so that the unfinished business, which is the silver bill, will not come up until 2 o'clock. I desire to give notice that at that time, with the consent of the Senate I shall explain the bill and the difference between the House bill and the Senate bill introduced by me.

That is all the notice I desire to give.

The Senator from Arizona [Mr. HAYDEN] wishes to have the unfinished business temporarily laid aside in order that he may have a bill considered. If it does not require any debate or time I am sure it will be satisfactory to the Senate to take that course.

EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS

Mr. HAYDEN. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside, and that the Senate proceed to the consideration of House bill 8781, to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Arizona?

Mr. McNARY. Mr. President, I desire to ask a question of the Senator from Arizona. There are not many Senators present. It is nearly half past 5. If I were sure the bill would not lead to debate, I should not object; but if there is to be a general debate, I shall object.

Mr. HAYDEN. So far as I am concerned, I expect to make a very brief explanation of the bill. I think I can state its terms to the Senate in a very few words. The bill has been on the calendar for some days. I think it is quite generally understood. If it should lead to any long debate, of course, I should have to withdraw the bill tonight. I should not attempt to hold the Senate in session to pass the bill tonight.

Mr. PITTMAN. In the event the bill should lead to debate, I would have to call for the regular order, the unfinished business.

Mr. McNARY. Mr. President, the calendar is to be considered tomorrow. Does the Senator think we can pass the bill during the calendar hour?

Mr. HAYDEN. It is quite far down on the calendar.

Mr. McNARY. Would the Senator be willing to have his bill follow the call of the calendar? That is, would he be willing to bring up the bill upon the conclusion of the call of the calendar at 2 o'clock?

Mr. HAYDEN. I could not well do that without the consent of the Senator from Nevada, who has given notice that he expects to speak on the silver bill. That is why I should like to have this measure disposed of this evening.

Mr. McKELLAR. Mr. President, let me make a suggestion. I think there was a unanimous report on the bill from the Committee on Post Offices and Post Roads, and that it is a measure in which practically every Senator is interested and which most of them favor. I am wondering whether the Senator from Arizona may not explain the bill in just a moment or two.

Mr. McNARY. I am willing to have the Senator from Arizona explain his bill, and then, if there shall be considerable debate, or an indication that there will be, I shall call for the regular order.

Mr. HAYDEN. That is entirely agreeable to me.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. HAYDEN. Mr. President, the bill as passed by the House of Representatives authorized an appropriation of $400,000,000 as a grant to the States for highway construction, not to be matched in any manner. When the Senate Committee on Post Offices and Post Roads came to study the bill and ascertain the facts, it was found that of the previous $400,000,000, appropriated by Congress last year for highways, only $170,000,000 would be expended by the 30th of next June, which would mean a carry-over into the next fiscal year of $230,000,000.

That being the case, the committee decided that it was not necessary at this time to appropriate an additional $400,000,000, which would unbalance the Federal road-building program. Therefore the committee, instead of adopting the proposal of the House of Representatives, recommends the authorization of an appropriation of $200,000,000 as a Federal grant, $100,000,000 of which will be added to the $230,000,000, which will be carried over, making a road program for the next fiscal year of $330,000,000. In the following fiscal year the committee proposes to make an unmatched grant of the second hundred million dollars and authorize Federal aid to the extent of a hundred million dollars, which would mean the appropriation in all of $200,000,000 from the Federal Treasury, to be matched by a hundred million dollars from the States. By so doing there will be a total of $300,000,000 for highway construction for the fiscal year ending June 30, 1936.

Then, for the fiscal year ending June 30, 1937, we would be back to the old Federal-aid basis of $100,000,000 appropriated by Congress to be matched by $100,000,000 from the States.

Mr. COPELAND. Mr. President, is provision to be made for the roads in the Virgin Islands and Puerto Rico?

Mr. HAYDEN. Yes; an amendment provides that part of the money authorized to be appropriated may be used in Alaska, Puerto Rico, and the Virgin Islands.

Mr. VANDENBERG. Mr. President, what is the basis of allocation?

Mr. HAYDEN. The basis of allocation in the grant of money amounting to $200,000,000 is exactly as was provided in the $400,000,000 allocation made last year. Future allocations are to be on the basis provided in the Federal Aid Act of 1916. It will be remembered that there was a slight accentuation, on the population factor in the grant of $400,000,000, because it was a relief measure. When Congress returns to the old basis of matching Federal aid by the States, then the old and well-established formula of apportionment will be used.

Mr. VANDENBERG. We will still have the accentuation, as I understand it?

Mr. HAYDEN. As to $200,000,000.

Mr. HALE. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HALE. Is the Senator familiar with the action which has been taken in the House of Representatives on the deficiency bill in regard to this matter?

Mr. HAYDEN. I am. The difficulty is that, in order to carry out all the purposes of this bill, legislation is required. Certainly it is preferable for a legislative committee in the House of Representatives and a legislative committee in the Senate to consider and recommend future Federal-aid authorizations than for Congress to attempt to legislate on an appropriation bill, which will have to be done if the pending bill shall not pass.

Mr. HALE. However, as long as the House has legislated in this way, the matter is not subject to a point of order, and we have a right to adopt their legislation.

Mr. HAYDEN. The Senator has made a correct statement. If the pending bill shall fail of enactment, then the next thing to do is to take the entire text of the bill and insert it as an amendment in the deficiency bill. The Senate has a perfect right to do it either way.

Mr. HALE. Is the Senator not satisfied with what the House has inserted in the deficiency bill?

Mr. HAYDEN. The Senator from Arizona is not satisfied, because the deficiency bill provides for only $100,000,000 for the year 1936, one-half of which is to be matched by the States. In my opinion, that is withdrawing Federal support, in a period of depression, too rapidly. The program arranged by the Committee on Post Offices and Post Roads is that there will be paid out of the Federal Treasury in the next fiscal year $230,000,000; in 1936, $200,000,000; in 1937, $100,000,000. The committee recommends that Congress gradually go back to the old Federal-aid basis, on the theory that the Nation is slowly getting out of the existing economic depression. But to suddenly drop off unmatched grants of money from the Federal Treasury, as the deficiency bill proposes to do, would involve difficulty among many States.

Mr. BYRNES. Mr. President, will not the Senator explain the difference between the legislative provision in the deficiency bill now before the Senate Committee on Appropriations, and the bill on which he is seeking action? As I read the legislative provision annexed to the deficiency bill, it provides $100,000,000 for the fiscal year 1935. Is that correct?

Mr. HAYDEN. That is correct.

Mr. BYRNES. It also provides $100,000,000 for the fiscal year ending June 30, 1936, and $100,000,000 for the fiscal year ending June 30, 1937.

Mr. HAYDEN. Or a total program of $300,000,000 spread over 3 years.

Mr. BYRNES. Yes.

Mr. HAYDEN. The Committee on Post Offices and Post Roads recommends a road program of $400,000,000 spread over 3 years. Otherwise, there will be a $330,000,000 Federal expenditure for highway construction in 1935, then there will be a drop to $100,000,000 in 1936. I am convinced that going off on that rapid basis would lead to demands which Congress would have to meet later.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. DICKINSON. On page 10417 of yesterday's CONGRESSIONAL RECORD I find that Chairman BUCHANAN, of the Committee on Appropriations of the House of Representatives, has inserted a statement with reference to the funds available for highway purposes, as follows:

Funds available for highway program, fiscal years 1934 and 1935:	
Obligated or allocated as of July 1, 1933 (roundly)	$110,000,000
Unobligated, July 1, 1933	15,190,331
Section 204, National Industrial Recovery Act	400,000,000
State contributions to section 204 program	16,162,865
This bill for 1935	100,000,000
Total	641,353,196
Estimated expenditures or Treasury withdrawals:	
1934	$275,055,000
1935	300,000,000

It would seem to me that that definitely shows that they think they are arranging for a program of $300,000,000 for next year.

Mr. HAYDEN. The deficiency bill does arrange for a very substantial road-construction program for the next fiscal year; there is no question about it. There is no difference at all between this bill and the deficiency bill as passed by the House of Representatives, so far as the fiscal year 1935 is concerned. The two measures are exactly the same in that particular. But from there on, in order to carry out the idea of the Senate Committee on Post Offices and Post Roads, Congress should not drop down, as the deficiency bill proposes to do, to but $100,000,000 for 1936, of which that bill provides that one-half shall be matched by the States. Under the terms of the deficiency bill there would be a total highway construction program of $330,000,000 for 1935, and only $150,000,000 for 1936.

Mr. VANDENBERG. Mr. President, is the House program recommended by the President and his relief administration?

Mr. HAYDEN. The President submitted a Budget estimate for an unmatched grant of an additional hundred million dollars for highway construction for the next fiscal year, and that is all the recommendation there is. Both bills conform to that recommendation.

Mr. VANDENBERG. The Senator is asking the Senate to do more than the President and his relief administrators have asked Congress to do.

Mr. HAYDEN. No; no more and no less; but to do exactly what the President has estimated in his Budget for 1935. However, it is proposed to carry on an adequate road-building program for 1936 and 1937. The legislatures of 44 of the States will meet early in the next year. Congress should let the States know exactly what the Federal Government is going to do in the way of Federal aid in order

that they may know what they must do to match the Federal contributions. As I have stated, it is proposed to get back as best we can and as quickly as we can to the old system of matching road money with States.

Mr. VANDENBERG. Does the Senator mean that the President's relief program is silent in respect to subsequent years?

Mr. HAYDEN. Yes. No Budget estimates for Federal aid beyond 1935 were submitted, but the deficiency bill contains authorizations for 1936 and 1937.

Mr. VANDENBERG. Why is it not all right to remain silent until we reach those years?

Mr. HAYDEN. If we do that, what is the situation we will have to face? Congress will say nothing, and 44 State legislatures will meet next January and February. The legislatures will have no Federal-aid program before them. They will take it for granted that the States can depend upon the Federal Government to provide continuing grants of road money, and they will make no provision to match it. The committee believes it is entirely proper, if we are to go back to the old Federal-aid system, that Congress now give the States due and ample notice by the enactment of this legislation.

Mr. President, I ask that the Senate proceed to the consideration of the bill.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Offices and Post Roads with amendments.

Mr. HAYDEN. I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment, the committee amendments to be first considered.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will state the first amendment of the committee.

The first amendment of the committee was, on page 1, line 7, after the word "of", to strike out "$400,000,000 for allocation" and to insert in lieu thereof "$200,000,000, which shall be apportioned by the Secretary of Agriculture immediately upon the passage of this act"; on page 2, line 2, after the parenthesis, to strike out the words "in making grants under such section to the highway departments of" and to insert in lieu thereof the word "to"; on line 4, after the word "by", to strike out the word "such" and to insert the words "their highway"; on line 6, to strike out "*Provided*, That not to exceed 1½ percent of the allotment of this appropriation to any State may be used for surveys and plans of projects for future construction on the Federal-aid system in such State: *Provided*, That not less than 25 percent of the allotment of this appropriation shall be applied to secondary or feeder roads including farm to market roads and rural free delivery mail roads and public school bus routes" and to insert in lieu thereof "*Provided*, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of this authorization, and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto: *Provided further*, That not less than 25 percent of the apportionment to any State shall be applied to secondary or feeder roads, including farm to market roads, rural free delivery mail roads, and public-school bus routes, except that the Secretary of Agriculture, upon request and satisfactory showing from the highway department of any State, may fix a less percentage of the apportionment of such State for expenditure on secondary or feeder roads: *And provided further*"; and on page 3, line 6, after the word "traffic", to insert the following proviso: "*And provided further*, That the President may also, from the funds made available under this section, make allotments for the construction, repair, and improvement of public highways not to exceed the following sums: In the Virgin Islands $250,000, in Alaska $1,500,000, in Puerto Rico $1,000,000", so as to make the section read:

Be it enacted, etc., That for the purpose of increasing employment by providing for emergency construction of public highways and other related projects there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $200,000,000, which shall be apportioned by the Secretary of Agriculture immediately upon the passage of this act under the provisions of section 204 of the National Industrial Recovery Act, approved June 16, 1933 (in addition to any sums heretofore allocated under such section), to the several States to be expended by their highway departments pursuant to the provisions of such section, and to remain available until expended: *Provided*, That the Secretary of Agriculture shall act upon projects submitted to him under his apportionment of this authorization, and his approval of any such project shall be deemed a contractual obligation of the Federal Government for the payment of its proportional contribution thereto: *Provided further*, That not less than 25 percent of the apportionment to any State shall be applied to secondary or feeder roads, including farm-to-market roads, rural-free-delivery mail roads, and public-school bus routes, except that the Secretary of Agriculture, upon request and satisfactory showing from the highway department of any State, may fix a less percentage of the apportionment of such State for expenditure on secondary or feeder roads: *And provided further*, That any funds allocated under the provisions of section 204 (a) (2) of such act shall also be available for the cost of any construction that will provide safer traffic facilities or definitely eliminate existing hazards to pedestrian or vehicular traffic: *And provided further*, That the President may also, from the funds made available under this section, make allotments for the construction, repair, and improvement of public highways not to exceed the following sums: In the Virgin Islands $250,000, in Alaska $1,500,000, in Puerto Rico, $1,000,000.

The amendment was agreed to.

The next amendment of the committee was, in section 2, on page 3, line 20, after the word "for", to insert the words "the survey, construction, reconstruction, and maintenance of"; and in line 22, after the word "and", to insert the words "monuments (including areas transferred to the National Park Service for administration by Executive order dated June 10, 1933), national", so as to make the section read:

SEC. 2. To further increase employment by providing for emergency construction of public highways and other related projects, there is hereby also authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $50,000,000 for allotment under the provisions of section 205 (a) of the National Industrial Recovery Act, approved June 16, 1933 (in addition to any sums heretofore allotted under such section), to be expended for the survey, construction, reconstruction, and maintenance of highways, roads, trails, bridges, and related projects in national parks and monuments (including areas transferred to the National Park Service for administration by Executive order dated June 10, 1933), national forests, Indian reservations, and public lands, pursuant to the provisions of such section, and to remain available until expended.

The amendment was agreed to.

The next amendment of the committee was to strike out section 3, as follows:

SEC. 3. There is hereby also authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000,000 for an emergency relief fund, which shall be available for expenditure by the Secretary of Agriculture, in accordance with the provisions of the Federal Highway Act, after receipt from a State or States of application therefor, in the repair or reconstruction of highways and bridges on the system of Federal aid highways damaged or destroyed by floods, hurricanes, earthquakes, or landslides when he shall find, after investigation, that the damage to or the destruction of such highways or bridges has resulted from such unusual or extraordinary condition.

The amendment was agreed to.

The next amendment was, on page 4, after line 15, to insert the following new section:

SEC. 3. Not to exceed $10,000,000 of any money heretofore, herein, or hereafter appropriated for expenditure in accordance with the provisions of the Federal Highway Act shall be available for expenditure by the Secretary of Agriculture, in accordance with the provisions of the Federal Highway Act, as an emergency relief fund, after receipt of an application therefor from the highway department of any State, in the repair or reconstruction of highways and bridges on the system of Federal-aid highways, which he finds, after investigation, have been damaged or destroyed by floods, hurricanes, earthquakes, or landslides, and there is hereby authorized to be appropriated any sum or sums necessary to reimburse the funds so expended from time to time under the authority of this section.

The amendment was agreed to.

The next amendment was, on page 5, after line 4, to insert the following section:

SEC. 4. For the purpose of carrying out the provisions of the act entitled "An act to provide that the United States shall aid

the States in the construction of rural post roads, and for other purposes", approved July 11, 1916, and all acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the following sums, to be expended according to the provisions of such act as amended: The sum of $100,000,000 for the fiscal year ending June 30, 1936; and the sum of $100,000,000 for the fiscal year ending June 30, 1937.

All sums authorized in this section and apportioned to the States shall be available for expenditure for 1 year after the close of the fiscal year for which said sums, respectively, are authorized, and any sum remaining unexpended at the end of the period during which it is available for expenditure shall be reapportioned among the States as provided in section 21 of the Federal Highway Act.

The amendment was agreed to.

The next amendment was, on page 5, after line 22, to insert the following new section:

SEC. 5. For the purpose of carrying out the provisions of section 23 of the Federal Highway Act, approved November 9, 1921, there is hereby authorized to be appropriated for forest highways, roads, and trails, the following sums, to be available until expended in accordance with the provisions of said section 23: The sum of $10,000,000 for the fiscal year ending June 30, 1936; the sum of $10,000,000 for the fiscal year ending June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 6, after line 5, to insert the following new section:

SEC. 6. For the purpose of carrying out the provisions of section 3 of the Federal Highway Act, approved November 9, 1921, as amended June 24, 1930 (46 Stat. 805), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations other than the forest reservations, the sum of $2,500,000 for the fiscal year ending June 30, 1936, and the sum of $2,500,000 for the fiscal year ending June 30, 1937, to remain available until expended.

The amendment was agreed to.

The next amendment was, on page 6, after line 16, to insert the following new section:

SEC. 7. For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in the national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of $10,000,000 for the fiscal year ending June 30, 1936, and the sum of $10,000,000 for the fiscal year ending June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 7, after line 2, to insert the following new section:

SEC. 8. For construction and improvement of Indian reservation roads under the provisions of the act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of $4,000,000 for the fiscal year ending June 30, 1936, and the sum of $4,000,000 for the fiscal year ending June 30, 1937.

The amendment was agreed to.

The next amendment was, on page 7, after line 8, to insert the following new section:

SEC. 9. The term "highway" as defined in the Federal Highway Act, approved November 9, 1921, as amended and supplemented, shall for the period covered by this act be deemed to include such main parkways as may be designated by the State and approved by the Secretary of Agriculture as part of the Federal-aid highway system.

The amendment was agreed to.

The next amendment was, on page 7, after line 14, to insert the following new section:

SEC. 10. Section 19 of the Federal Highway Act, approved November 9, 1921, is hereby amended to read as follows:

"That on or before the 3d day of January of each year the Secretary of Agriculture shall make a report to Congress, which shall include a detailed statement of the work done, the status of each project undertaken, the allocation of appropriations, and an itemized statement of the expenditures under this act during the preceding fiscal year."

The amendment was agreed to.

The next amendment was, at the top of page 8, to insert the following new section:

SEC. 11. With the approval of the Secretary of Agriculture, not to exceed 1½ percent of the amount apportioned for any year to any State under sections 1 and 4 of this act may be used for surveys, plans, and engineering investigations of projects for future construction in such State, either on the Federal-aid highway system and extensions thereof or on secondary or feeder roads.

The amendment was agreed to.

The next amendment was, on page 8, after line 7, to insert the following new section:

SEC. 12. Since it is unfair and unjust to tax motor-vehicle transportation unless the proceeds of such taxation are applied to the construction, improvement, or maintenance of highways, after June 30, 1935, Federal aid for highway construction shall be extended only to those States that use at least 60 percent of the revenue derived for State purposes from State motor vehicle registration fees, licenses, gasoline taxes, and other special taxes on motor-vehicle owners and operators of all kinds for the construction, improvement, and maintenance of highways and administrative expenses in connection therewith, including the retirement of outstanding bonds for the payment of which such revenues heretofore have been pledged, and for no other purposes, under such regulations as the Secretary of Agriculture shall promulgate from time to time: *Provided*, That in no case shall the provisions of this section operate to deprive any State of more than one-third of the amount to which that State would be entitled under any apportionment hereafter made, for the fiscal year for which the apportionment is made.

The amendment was agreed to.

The next amendment was, on page 9, line 12, after the word "act", to insert the words "or on account of amounts paid under the provisions of title I of the Emergency Relief and Construction Act of 1932 for furnishing relief and work relief to needy and distressed people", so as to make the section read:

SEC. 14. No deductions shall hereafter be made on account of prior advances and/or loans to the States for the construction of roads under the requirements of the Federal Highway Act or on account of amounts paid under the provisions of title I of the Emergency Relief and Construction Act of 1932 for furnishing relief and work relief to needy and distressed people.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I move to strike out on page 3, line 16, the sum "$50,000,000" and to insert in lieu thereof the sum "$30,000,000."

The amendment was agreed to.

Mr. McNARY. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, after line 15, it is proposed to insert the following as a new section 15:

SEC. 15. To provide for the continuation of the cooperative reconnaissance surveys for a proposed inter-American Highway as provided in Public Resolution No. 104, approved March 4, 1929 (45 Stat. 1697), and for making location surveys, plans, and estimates for such highway, the Secretary of Agriculture is hereby authorized to pay all costs hereafter incurred for such work from any moneys available from the administrative funds provided under the act of July 11, 1916 (U.S.C., title 23, sec. 21), as amended, or as otherwise provided.

Mr. HAYDEN. Mr. President, I shall be very glad to accept the amendment proposed by the Senator from Oregon.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, that, I believe, concludes the amendments.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act approved July 11, 1916, as amended and supplemented, and for other purposes."

MARION VON BRUNING

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1731) for the relief of Marion Von Bruning (nee Marion

Hubbard Treat), which was, on page 1, line 12, after "1920", to insert:

: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. TYDINGS. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

A. E. SHELLEY

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2377) for the relief of A. E. Shelley, which was, on page 1, line 11, after "Service", to insert:

: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ASHURST. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

RECORD OF REGISTRY OF CERTAIN ALIENS

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2692) relating to the record of registry of certain aliens, which were, on page 1, line 7, after "Commissioner", to insert "General"; on page 1, line 8, to strike out "and Naturalization"; on page 1, line 11, to strike out "January" and insert "July"; on page 2, line 2, to strike out "or" and insert "and"; and on page 2, line 12, to strike out "January" and insert "July."

Mr. COPELAND. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

MONEYS OF PHILIPPINE ISLANDS DEPOSITED IN UNITED STATES

Mr. TYDINGS. Mr. President, a short while ago the Senate passed Senate bill 3439 and the House passed House bill 9280. Both bills are identical. I ask that the House bill be read twice, considered, and acted upon at this time.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 9280) relating to deposits in the United States of public moneys of the government of the Philippine Islands, which was read twice by its title.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

ADJOURNMENT

Mr. PITTMAN. I move that the Senate adjourn in accordance with the unanimous-consent agreement entered into this morning.

The motion was agreed to; and (at 5 o'clock and 40 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, June 6, 1934, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 5, 1934

(Legislative day of Monday, June 4, 1934)

The recess having expired, the House was called to order by the Speaker at 11 o'clock a.m.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8687. An act to amend the Tariff Act of 1930.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1077. An act for the relief of Lueco R. Gooch;

S. 1126. An act for the relief of M. M. Twichel;

S. 1191. An act for the relief of Sultzbach Clothing Co.;

S. 1401. An act to pay a gratuity to Emma Ferguson Starrett;

S. 1516. An act for the relief of Michael Bello;

S. 2023. An act for the relief of Claudia L. Polski; and

S. 2636. An act for the relief of James Slevin.

MONEY, STOCK AND BONDS, DEBTS, AND DEPRESSION

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. DICKINSON. Mr. Speaker, money, the medium of exchange, mainly consists of gold, silver, and currency. Gold is no longer circulated as money. It has been withdrawn from private holding and ownership and is locked up in the vaults of the United States Treasury and held as a basis of currency and for settlement of balances abroad. The Gold Act of 1934 vested in the United States Government the custody and control of our stocks of gold as a reserve for our paper currency and as a medium of settling international balances. Likewise, gold certificates have been retired from circulation. Silver long discredited as primary money is sought to be restored in a measure by the pending Dies bill, which authorizes the Secretary of the Treasury to purchase silver, issue silver certificates, which shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and redeemable in standard silver dollars, and known as the "Silver Purchase Act of 1934."

This bill after a full hearing was favorably reported from the Ways and Means Committee. The passage of this act in the House brought back memories of 1895, when I attended as a delegate the great silver convention at Memphis, Tenn. An outstanding, dominant figure in that great convention was William Jennings Bryan, of Nebraska, who 12 months thereafter, at Chicago, Ill., was nominated for President of the United States as candidate of the Democratic Party. A part of the Democratic platform of 1896 and its main issue was a declaration for bimetallism and to restore silver to free coinage, which reads as follows:

We demand the free and unlimited coinage of both silver and gold at the present legal ratio of 16 to 1 without waiting for the aid or consent of any other nation. We demand that the standard silver dollar shall be a full legal tender equally with gold for all debts, public and private, and we favor such legislation as will prevent for the future the demonetization of any kind of legal-tender money for private contract. We are opposed to the policy and practice of surrendering to the holders of the legal obligations of the United States the option reserved by law to the Government of redeeming such obligations in either silver or gold coin.

The Constitution of the United States gave to Congress the power "to coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measure." The pending bill is in the right direction, and its passage will be in the public interest and may lead to the full restoration of silver to its rights under the Constitution. It now circulates as small change, along with copper pennies.

The principal money in circulation is paper currency, needed by all in the transfer of properties and pay for labor, as well as other necessities. A large part of business is transacted through checks, drawn on accounts of deposits in banks.

The vaults of the great banks and trust companies are filled with money hoarded in a large measure for the purchase of untaxed bonds and other securities and such moneys held from other investments. The untaxed securities of all kinds now amount to forty billions—too large a percent of the aggregate wealth of the country freed from taxation. The time has come, in my judgment, to stop the further issue of tax-exempt securities, so that all property of every kind shall pay its fair share of the burdens of Government. The estimated real-estate debt of the United States is put at $43,000,000,000, three times greater than the total railroad debt, four times greater than the total public-utilities debt, four times greater than the industrial long-term debt, and nearly as large as the combined totals of national, State, county, and municipal debt.

Frank C. Walker, Director of the National Emergency Council, has estimated that approximately half of the forty-three billions represented mortgages on homes. So astounding are these figures that Congress has enacted farm loan acts and home loan acts to help in a measure to relieve this condition by Federal loans. In order to relieve the distressed condition of the country, the United States Government has borrowed billions of dollars by the sale of nontaxable bonds and securities to those who have hoarded the money of the United States and who largely own and control the wealth of the country, and these creditors of the Government have accumulated in a large degree their great wealth by the sale and speculation in stocks and bonds, sold to the credulous public at exhorbitant figures, boosted to high levels to fall later to low values. The country was flooded with such stocks and bonds, domestic and foreign, with enormous losses to the purchasers, while those who manipulated these sales fattened with increased wealth, gotten, in a measure, from the purchasers of worthless stocks and bonds, who relied upon the false representations of oft-times irresponsible agents selling these stocks and bonds to innocent and credulous purchasers.

The present depressed condition of the country is largely due to the boosting and sale of worthless stocks and bonds that ended in the crash of October 1929. The Doherty interests reaped millions by the sale of City Service stocks and bonds to the trusting public. The Mellon family are said to have cashed in three hundred millions of profit in May 1929 by the sale of two lines of stocks—Aluminum and Gulf Oil—owned exclusively by the Mellon family.

This condition of an unparalled depression was inherited from 12 years of Republican control of the Government. An awakened public opinion drove the Republican administration from power and gave to the country a new deal and a new responsibility. President Roosevelt and a Democratic Congress have tried to respond by the enactment of helpful legislation in an effort to restore prosperity to our common country. An impressive record has been made. The 1934 revenue bill, reported from the Ways and Means Committee has been enacted into law, seeking to prevent the avoidance of the payment of income taxes by men of great wealth, and remedying other defects in the revenue laws. The same Ways and Means Committee reported the reciprocal tariff bill, seeking to increase foreign trade and the sale abroad of our surplus products of farm and factory, which should increase the price of products of the farm, increase farm values, and thereby farm credits. A further impressive record—Congress passed the Glass-Steagall law, reforming the Federal Reserve and requiring banks to divest investment affiliates and to confine their actions to legitimate banking. It enacted the law guaranteeing bank deposits up to $2,500, restoring in a large degree confidence in banks, lost in a large measure by their failure to discharge their full duty to the confiding public. It passed the Truth in Securities Act and a stock-market control law—the Fletcher-Rayburn Act—by 200 majority in the House and 50 majority in the Senate, a notable response to the unwarranted attack by selfish interests on this measure, enacted to protect the public from the further sale of worthless securities to the credulous public, by which the general public had been robbed and money of the United States taken from circulation to invest in untaxed securities and foreign investment and to escape taxation, making necessary the further sale of bonds to furnish the masses with money to meet their necessities and to employ labor, to feed the hungry and rebuild waste places, so that production could start afresh.

A more definite and highly organized drive and pressure, more widely distributed propaganda, fathered by the hidden hand of Wall Street, was made against effective legislation for Federal supervision of stock exchanges than against any other legislation recommended and desired by President Roosevelt and the country. The stock exchanges on Wall Street and elsewhere did not want their gambling operations to be curbed, through which they unloaded on the public their stocks and bonds and through which they fleeced the many of their hard earnings. What an answer Congress gave to Wall Street and stock gamblers! Wall Street needed a house cleaning. Investment bankers needed a legislative rebuke. The public was entitled to protection from the sale of worthless stocks and bonds through high-powered agencies. It was the answer of the people through their representatives in Congress.

We have needed more money in circulation to take the place of hoarded money held to buy Government bonds and other nontaxable securities. To put additional money in circulation and to pay off Government obligations I favored and voted for the so-called "soldier bonus bill", which passed the House twice with my vote. It was especially needed by those who had borrowed on their certificates at high rates of interest and which compounded would eat up the balance of the certificates at the maturity date. The same influence that induced the sale of billions of United States bonds to those who held hoarded money should have caused payment of the soldier bonus, relieved a distressed condition of the ex-service men, and furnished money to meet the obligations due, pay their debts, help their creditors, and put money in all banks. It is an obligation of the Government that must be paid.

The curse of war still hangs over us. The fear of war still adds to the burdens of all nations in the preparation for possible or probable war. The law of self-preservation is ever present against the greed for more power. Hence nations arm to protect themselves from the aggressions of other nations. Permanent peace will not come unless the peace-loving nations combine to end wars.

The most notable one legacy of the Hoover administration is the proposed cancellation of foreign debts. In 1931 Mr. Hoover suspended the payment of foreign debts, granting a moratorium for a year, prepared the way to abolish reparations due by Germany to France, England, and other countries, which France and other nations agreed to, with the belief or understanding that the United States would consent to a cancellation of the foreign debts or a reduction to mere nominal payments, now called "tokens." Foreign governments are insisting on cancellation or further reduction of said debts, but no such agreement can be carried out without consent of Congress. Congress passed the Johnson resolution demanding payment of all foreign debts, according to the liberal compromise made years ago and forbidding further loans to any nation in default of payment of its debts to the United States. Germany was relieved of payment of reparations, foreign-debt payments to the United States ceased in the main, and the final act is halted by action of Congress. The moving power behind any agreement for cancellation was the billions of foreign obligations for loans by private and corporate capital, mainly from Wall Street, sent abroad for foreign investments. These loans could not apparently be paid unless the United States would consent to cancellation of the foreign debts due her, forgiving, as it were, the first claims due the United States, so as to make possible the payment of the second claims due for private loans abroad. Such

apparently was the power behind the throne. United States bonds had been sold to procure the money to lend to foreign countries. The bonds will have to be paid, for they are obligations of the Government of the United States.

If the eleven billions due this country by foreign countries are canceled or not paid, the burden will fall upon the taxpayers of the United States. This $11,000,000,000 debt was to be applied as collected to the reduction of our bonded Government debt. If payments were made, it would help end depression and lessen the need of increased burden of billions to meet an intolerable condition in our country. What a legacy left by the Hoover administration after 12 years of Republican rule. The moratorium and suggested cancellation of foreign debts followed shortly after the visit of a representative of the French Government to the United States, and the agitation for cancellation continued until aroused public sentiment spoke its mind through its Representatives in Congress and the public utterance of the President of the United States. President Roosevelt, speaking the will of Congress and the people, has declared that foreign debts must be paid and our enormous burden of debt thereby relieved. Note his words in his recent message to Congress on June 1, 1934, relating to the foreign debts, when he said:

> The money loaned by the United States Government was in turn borrowed by the United States Government from the people of the United States, and our Government in the absence of payment from foreign governments is compelled to raise the shortage by general taxation of its own people in order to pay off the original Liberty bonds and the later refinancing bonds.

The ever-present power of Wall Street that seeks to control the affairs of our Government is felt in every line of endeavor. With hoarded money it buys the untaxed bonds and securities of the United States and seeks to direct the expenditures of said moneys. It gathers from all sections of the country the moneys earned by the productive energies of the people, and hoards the money to buy the obligations of the Government to meet its urgent needs. What of the future? Let the revelations yet to be made evidence to the country the logical results of agreements made by reason of entangling alliances with foreign countries under the guiding hand of Wall Street and its allied financial interests.

Wide-spread crime, a child of bad conditions, reared its ugly head, which must end. Law enforcement is a cardinal principle of government. Obedience to law should be the desire of every citizen. Violence and crime should end. Protection of life, of liberty, and property should be safeguarded by every agency of government, backed by an assured citizenship everywhere, to the end that law and order shall prevail and that home and country shall be preserved, speedy punishment for the violators of law, so as to increase confidence in our courts and the administration of justice.

A busy Congress is nearing its end. Much needed legislation has been enacted. Congress, in the main, has followed the will of the President and tried to sustain him in his effort to lessen depression and to restore prosperity to our beloved country. The heartbeat of President Roosevelt is for the welfare and contentment of all the people. He is entitled to their confidence and support.

CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that business on tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

COMMITTEE ON MILITARY AFFAIRS

Mr. BYRNS. Mr. Speaker, I have been requested to ask that the Committee on Military Affairs may have permission to sit during the session of the House today. Therefore I ask unanimous consent that the Committee on Military Affairs may be permitted to sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOEPPEL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOEPPEL. Mr. Speaker and Members of the House, as I have noted editorial criticism of the President's Gettysburg speech delivered on May 30, I wish to call attention to his speech and especially to that passage of it in which he classes as among the chief hindrances to progress—

> Those who, by declining to follow the rules of the game, seek to gain an unfair advantage over those who live up to the rules, and those few who still, because they never have been willing to take an interest in their fellow Americans, dwell inside of their own narrow spheres.

In its revelation of perspicacity and genuine human sympathy and understanding, I believe that that indictment of selfishness and greed ranks with the immortal pronouncements of Lincoln on that same battlefield at Gettysburg.

I was in Gettysburg on the occasion of President Roosevelt's address, and traveling over the battlefield there came to my mind a comparison between the Gettysburg battle of 1863 and the economic battle of 1934. On the battlefield I noticed various types of artillery and munitions of the period of 1863, and by analogy with the historic conflict of that day, I wish to call attention to the conflict in which we are today engaged.

Thus far we Democrats in power have been using old-deal ammunition to win the battle in which we are engaged. The position assumed by the Republican Party when the depression broke, wherein under Hoover it entrenched itself and waited for prosperity to come around the corner, might be compared to the tactics employed by General Meade. Few victories are won by tactics of defense. The Southern army at Gettysburg with its heroic leader, Gen. Robert E. Lee, might be compared to the Democratic Party under the leadership of our courageous President in the battle of the new deal. Thus far President Roosevelt has demonstrated a fearless, sincere endeavor which is most commendable. However, he is employing old-deal tactics in his efforts to dislodge the enemy and win the victory over depression. Unlike Lee, the peerless general, whom many historians justly acclaim as the greatest military leader of modern times, our President, as yet, has failed to attack the entire line. Lee, with determination and a knowledge of military art and strategy, finding the enemy entrenched on Cemetery Ridge and Little Roundtop, on the third day struck at the most vulnerable point, recognizing as he did that victory on the Federal center would spell dismal defeat for the army of Meade.

The new-deal assaults on the flanks of the depression have been partial and, at the most, can only be temporarily effective. Fifty percent of the ammunition used by the new deal in combat is composed of the milk of human understanding and sympathy in the heroic efforts which are being made to extend relief to the unemployed. The other half of the new-deal ammunition is impregnated with the saltpeter of tax-exempt securities, with the result that every shell which is thrown into the enemy lines in the new-deal assault only adds to the difficulty and burdens of taxation which the people must ultimately confront. Every dollar we are spending through this medium to grant merited aid and succor to the unemployed, to the youth and aged of our land, under the coupon clipper's doctrine must be returned two for one within a period of 16 to 17 years, thus making a mockery of relief to the people through this method.

Our leader, President Roosevelt, apparently does not have enough strategists representing the common people on his general staff. Never in history has any individual in time





of peace so completely held the loyalty and support of his people as does our President, and for that reason he could and should proceed to attack the enemy at its most vulnerable point—that is, the center or heart of the line, which is nothing other than the international and Wall Street banking ring and the Federal Reserve System.

It is reported that General Longstreet in discussing the impending charge by the brave men of the Confederacy under General Pickett actually shed tears as the order was given to move forward, conscious as he was that the movement was fraught with every possibility of defeat. Members of Congress, while not shedding tears, find their hearts bleeding in sympathy with our distressed citizens as they also recognize that the efforts thus far expended are only of a partial or temporary nature, and that nothing can conquer the depression permanently except the use of modern artillery which is available to our President through the nationalization of banking and the extension of credit direct to the citizen at cost, or at the very lowest rate of interest.

The combat of Lee was conducted in enemy territory, with reinforcements virtually impossible, which compelled him and his brave followers to fight with a determination seldom if ever witnessed in battle. Unlike Lee, our President has the support of the people of the entire United States. They are following him devotedly, and are hoping that he will call up the reserves and that he will not diminish in his efforts until the rights guaranteed to the people under the Constitution are restored to them and the power of Congress to coin money and control the credit of our Nation is effectively exercised and forever taken from the small, selfish group of financiers who, as indicated in the President's Gettysburg address, may be considered as—

> Those who, by declining to follow the rules of the game, seek to gain an unfair advantage over those who live up to the rules, and those few who still, because they never have been willing to take an interest in their fellow Americans, dwell inside of their own narrow spheres.

The memory of General Lee has been signally honored recently by the Government's acceptance of a statue of him presented by the State of Virginia in recognition of his heroic efforts and accomplishments in both military and civil pursuits.

Thus far President Roosevelt has shown qualities of the Lee standard, and I have taken the floor this afternoon to impress upon my colleagues, if I can, the danger of adjourning Congress until we have accomplished something of a really constructive nature, such as would be gained by what I have described as a frontal attack on the entrenched banking and financial hierarchy. We were called upon yesterday to vote, under a gag rule, on a bill which appropriates billions through the medium of tax-exempt securities, and the Members of the House were not given an opportunity of amending or even discussing the measure. The President is given the widest latitude in expending these funds, which would indicate the impotence of Congress to determine how public moneys should be expended in the interest of our distressed unfortunate unemployed in whom I know that most of my colleagues are, like myself, especially interested.

Individuals in my district who worked devotedly and who are yet 100 percent loyal to the new deal have not been reemployed, although some of them perhaps have received partial C.W.A. relief, a relief deplored by honest men as they plead for legislation which will grant them an opportunity to obtain employment and earn their livelihood in the fullest respect and honor.

The Congress, in a sense, is the general staff in the army of President Roosevelt, and as such, should exercise every facility and power at its command to advise and guide the President in attacking the center of our depression by annihilating the corrupt power of entrenched wealth which I believe he visualized in his Gettysburg speech. The President and our party will never destroy this insidious power until we reclaim our constitutional rights and coin money and regulate the value thereof.

It is noted that Raymond Moley, the first apostle in the new deal, speaking editorially in the May issue of Today, states:

> With the passage of the stock exchange bill, the new deal is practically complete.

I cannot believe that the President subscribes to this theory of the prince of theorists, for in his recent book he expresses his conviction that we are on our way, indicating that he is looking forward to substantial benefits yet to be obtained for the people, rather than to an arrest of activities, as is indicated by Moley.

The American people have been on short rations for many years, and they are to be commended for their admirable qualities of loyalty and patriotism during this period. Increasing reports, however, from every section of the country indicate that patience is not far from the breaking point, and it is in the interest of our country and its people, rather than in the interest of the political future of any of my colleagues or myself, that I reiterate my hope that Congress will not adjourn until we have enacted legislation which will bring permanent relief to our distressed citizens and effectively remove the menace of Communism, disorder, and distress which is overshadowing our entire Nation.

CALL OF THE HOUSE

Mr. TRUAX. Mr. Speaker, I make the point of no quorum.

The SPEAKER. Evidently there is not a quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 171]

Abernethy	Dickstein	Kennedy, Md.	Pierce
Allen	Dies	Knutson	Ransley
Allgood	Dingell	Kramer	Reed, N.Y.
Auf der Heide	Dockweiler	Kvale	Reid, Ill.
Ayers, Mont.	Doutrich	Lambertson	Richards
Bacharach	Farley	Lanzetta	Robinson, Utah
Bacon	Fernandez	Lea, Calif.	Rogers, Okla.
Beam	Fish	Lee, Mo.	Sadowski
Blanchard	Ford	Lehlbach	Schaefer
Bolton	Foss	Lemke	Scrugham
Brennan	Foulkes	Lesinski	Shallenberger
Britten	Frey	Lewis, Md.	Shannon
Brooks	Fulmer	Lloyd	Shoemaker
Browning	Gambrill	McCarthy	Simpson
Burke, Calif.	Gasque	McClintic	Sinclair
Busby	Gifford	McCormack	Smith, W.Va.
Cannon, Mo.	Gillette	McLean	Stalker
Cannon, Wis.	Green	McLeod	Sweeney
Carley, N.Y.	Greenway	McMillan	Taylor, S.C.
Carpenter, Kans.	Gregory	McSwain	Taylor, Tenn.
Carpenter, Nebr.	Hancock, N.C.	Maloney, Conn.	Thomason
Carter, Wyo.	Hastings	Marland	Thurston
Chapman	Healey	Martin, Colo.	Tinkham
Chase	Henney	Martin, Oreg.	Utterbach
Chavez	Higgins	Mead	Waldron
Church	Hildebrandt	Milligan	Wearin
Claiborne	Holdale	Muldowney	Weideman
Connery	Huddleston	Murdock	Werner
Connolly	Hughes	Norton	White
Cooper, Ohio	Imhoff	O'Brien	Whitley
Corning	Jeffers	O'Connell	Wilcox
Crump	Jenckes	O'Malley	Withrow
Cummings	Johnson, Okla.	Oliver, Ala.	Zioncheck
Darrow	Kee	Parks	
DeRouen	Keller	Peterson	

The SPEAKER. Two hundred and ninety-one Members have answered to their names. A quorum is present.

On motion by Mr. BYRNS, further proceedings under the call were dispensed with.

Mr. BYRNS. Mr. Speaker, the special committee on the subject of un-American activities is holding hearings today, and probably none of them are on the floor for this reason. They are engaged officially in hearings. The committee consists of the gentleman from Massachusetts, Mr. McCORMACK; the gentleman from Ohio, Mr. JENKINS; the gentleman from Tennessee, Mr. TAYLOR; the gentleman from New York, Mr. DICKSTEIN; the gentleman from Kansas, Mr. GUYER; the gentleman from California, Mr. KRAMER; and the gentleman from Michigan, Mr. WEIDEMAN. If any of these gentlemen have not answered to their names, the

RECORD should show it is due to the fact they are engaged in these hearings.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. BYRNS. Mr. Speaker, the Committee on Interstate and Foreign Commerce is engaged in a hearing, the gentleman from Texas, Mr. RAYBURN, being chairman. The members of this committee who have not answered to their names should be excused from answering the roll call.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, will the majority leader tell us what the program is going to be and what bills it is expected to call up?

Mr. BYRNS. I cannot answer the gentleman specifically. The Speaker has certain suspensions which he has agreed to recognize.

Mr. SNELL. Would it be fair for the Speaker to tell us what the suspensions are?

The SPEAKER. I will submit a list of them.

Mr. BYRNS. May I say to the gentleman that it is very important that the House take action on the bill authorizing the District Commissioners to apply for a loan from the P.W.A., and I think this bill will be called up under a rule at the earliest possible moment.

Mr. SNELL. May I ask that the list of suspensions be read, because everyone on this side is making inquiry as to what bills are coming up?

The SPEAKER. The Clerk will read the list of suspensions. There will be others.

Mr. FULLER. Mr. Speaker, the Speaker is not hog-tied to that list in any way?

The SPEAKER. Not at all. There will be others.

Mr. SNELL. The Speaker said there would be others. This is just a tentative list, so we will know something about the matter.

The Clerk read as follows:

SPEAKER'S SUSPENSION LIST CORRECTED TO JUNE 5, 1934

H.R. 7290 (Private, 818). A bill authorizing the President to present a gold medal to George M. Cohan.—Mr. KELLER (Mr. PEYSER).

S. 2601 (House, 195). An act to amend section 31 of the Banking Act of 1933 with respect to stock ownership by directors of member banks of the Federal Reserve System.—Mr. STEAGALL.

H.R. 7667. (Union, 314). A bill to provide for the measurement of vessels using the Panama Canal, and for other purposes.—Mr. LEA of California.

H.R. 9275 (Union, 427). A bill to provide for the protection and preservation of domestic sources of tin.—Mr. FADDIS.

H.J.Res. 202 (Union, 66). Joint resolution providing for extension of cooperative work of the Geological Survey to Puerto Rico.—Mr. MCDUFFIE.

S. 2660 (Union, 196). An act to amend the Radio Act of 1927, approved February 23, 1927, as amended (44 Stat. 1162).—Mr. BLAND.

H.R. 9233 (Union, 344). A bill authorizing associations of producers of aquatic products.—Mr. BLAND.

H.R. 8173 (Union, 304). A bill authorizing the President to make rules and regulations in respect to alcoholic beverages in the Canal Zone, and for other purposes.—Mr. LEA of California.

S. 3272 (Union, 328). An act for the relief of the city of Baltimore.—Mr. KENNEDY of Maryland.

S. 2674 (Union, 455). An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933.—Mr. UTTERBACK.

H.J.Res. 322 (Union, 422). Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.—Mr. McCORMACK.

S. 1358 (Military Affairs). An act to provide for the improvement of the approach to the Confederate Cemetery, Fayetteville, Ark.—Mr. Fuller.

H.R. 5592 (Union, 276) (S. 1735—table). A bill to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims.—Mr. Christianson.

H.R. 7085 (Union, 169) (S. 3147—table). A bill to amend the act approved June 28, 1932 (47 Stat.L. 337).—Mr. Knutson.

H.R. 8662 (Union, 402). A bill to modify the operation of the Indian liquor laws on lands which were formerly Indian lands.—Mr. Werner.

H.R. 9619 (Union, 441). A bill to authorize the disposal of surplus personal property including buildings of the Emergency Conservation Work.—Mr. Tarver.

The SPEAKER. The Chair will state that there are other suspensions, and the Chair is not limited to this list.

COMMITTEE ON BANKING AND CURRENCY

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit during sessions of the House for the remainder of the session.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BYRNS. In order that there may be no misunderstanding on the part of anyone, was it the intention of the Chair to state that he was going to recognize motions to suspend the rules in respect of these bills in the order listed?

The SPEAKER. They will not be called up in that order.

Mr. BYRNS. I wanted that understood.

GEORGE A. FOX

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3586) for the relief of George A. Fox.

The Clerk read the bill, as follows:

Be it enacted, etc., That the President of the United States is hereby authorized to appoint George A. Fox, chief pharmacist's mate, United States Navy, a chief pharmacist in the Navy, subject to qualification on physical examination, with the pay and allowances provided by law for chief warrant officers after 20 years' commissioned service and with creditable record: *Provided*, That no back pay, allowances, or emoluments shall become due prior to the date of this act.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. BLANTON. Mr. Speaker, reserving the right to object, what is there about this bill, which is a private bill, that makes it so important that it should be taken up before all the other measures on the calendar?

Mr. VINSON of Georgia. Mr. Speaker, I may state to the gentleman from Texas that this enlisted man since 1920 has been serving at the White House. He waited on President Wilson, President Harding, President——

Mr. BLANTON. Objection withdrawn; that is reason sufficient.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BILLS REPORTED BY COMMITTEE ON THE JUDICIARY

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent that I may have 1 minute to make a preliminary statement.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, the Committee on the Judiciary desires to submit to the judgment of the House a number of bills, hoping that many, or possibly all, may go through by unanimous consent. This would save the necessity of asking for a suspension of the rules.

COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 9437) to amend an act of Congress approved February 9, 1893, entitled "An act to establish a Court of Appeals for the District of Columbia, and for other purposes."

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I notice this bill is on the Consent Calendar.

Mr. SUMNERS of Texas. Yes.

Mr. WOLCOTT. Is it the gentleman's purpose to take up now the bills from the Judiciary Committee that are on the Consent Calendar?

Mr. SUMNERS of Texas. Yes. That is, the more important ones. This bill is important, in a sense, and was submitted to the House once before on the call of the Consent Calendar. May I make this explanation about it?

Mr. WOLCOTT. I wanted to ask the gentleman to explain the bill, and I may say to the gentleman that we who work on the Consent Calendar have the bills in some order and it puts us to a great deal of inconvenience to try to catch these bills as they are called up if they are not called up in the regular order on the Consent Calendar. I just happened to recall that this bill is on the Consent Calendar.

Mr. SUMNERS of Texas. May I say to the gentleman that this particular bill has been on the Consent Calendar and the gentleman has worked this bill over.

Mr. SNELL. Mr. Speaker, reserving the right to object, I supposed we were going to take this up in order when we got to the Consent Calendar. Of course, the Speaker has the right to recognize anyone he wants.

Mr. SUMNERS of Texas. Let this go by unanimous consent.

Mr. SNELL. It seems to me rather peculiar that you are going to take up a lot of Private Calendar bills when we met here at 11 o'clock to consider the Consent Calendar. I have no objection to the bill, but it seems to me we ought to have some plan as to how we are going to proceed with this calendar; otherwise, we might just as well say we are going to put the entire calendar through and not pay any attention to it. I am not going to object to this bill.

Mr. SUMNERS of Texas. You have had this bill before you before.

Mr. BLANTON. Mr. Speaker, before the objection stage is passed, I want to ask some questions about it.

Mr. SUMNERS of Texas. Yes.

Mr. BLANTON. When the Court of Appeals for Washington was first created it was called the Court of Appeals for the District of Columbia.

Mr. SUMNERS of Texas. That is right.

Mr. BLANTON. And this, in a way, limited its scope both as to appointment of judges and otherwise. Now, it is attempted by this measure to enlarge the scope of the court by making it a court of appeals of the United States comparable with the other courts of appeal. Is not that right?

Mr. SUMNERS of Texas. May I say to my friend——

Mr. BLANTON. Is not that right?

Mr. SUMNERS of Texas. Not exactly; but almost.

Mr. BLANTON. It is almost right. Tell us wherein it is not all right.

Mr. SUMNERS of Texas. Let me make a statement. The fact is that Congress by an accumulation of national jurisdiction that has been given to this court has, in fact, created it a court of appeals. Very much more than a majority of its business is national business.

Mr. BLANTON. This is to put it on a comparable basis and scope with the other courts of appeal of the United States.

Mr. SUMNERS of Texas. That is right.

Mr. BLANTON. Does it enlarge in any way the salaries of the judges?

Mr. SUMNERS of Texas. No.

Mr. BLANTON. Nor the salary of any subsequent judge?

Mr. SUMNERS of Texas. It does not.

Mr. BLANTON. It has developed within the last few days, in the deficiency bill that we passed, that because the judges in the District refused to accept the 15 percent cut, which everybody else has accepted except the judges, there was a deficiency in their appropriation, and it was necessary to carry a large appropriation to cover that deficiency. Is my colleague in favor of the judges' being the only employees of the United States who have not accepted the cut, is the gentleman in favor of the attitude of these judges in refusing to accept their cut?

Mr. SUMNERS of Texas. I am not.

Mr. BLANTON. I am in favor of taking the step requiring them to step up like men and take their cut with other people.

Mr. SUMNERS of Texas. You will have to amend the Constitution to do it.

Mr. BLANTON. Let them be men enough to do it without amending the Constitution, like the President of the United States does. If they want to retain the respect of the people let them take the same cut in salary all other officials have sustained.

Mr. ELTSE of California. Will the gentleman yield?

Mr. SUMNERS of Texas. I yield.

Mr. ELTSE of California. Has the gentleman given any thought to the difficulty that might arise by changing the name of the court—difficulties in pending litigation?

Mr. SUMNERS of Texas. Not at all. I do not think there would be difficulties.

Mr. ELTSE of California. Is there liable to be any question about procedure?

Mr. SUMNERS of Texas. No. This would make possible the decisions of the court to rank with the decisions of other courts of appeals.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the court established by the act of February 9, 1893 (27 Stat. 434), entitled "An act to establish a Court of Appeals for the District of Columbia, and for other purposes", shall hereafter be known as the "United States Court of Appeals for the District of Columbia."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. SUMNERS of Texas. Mr. Speaker, I call up the bill S. 3041.

Mr. MARTIN of Massachusetts. Mr. Speaker, I object to any other bills coming up out of the regular order.

Mr. SUMNERS of Texas. May I suggest to gentlemen on both sides of the House that we are going to attempt to call up on the first opportunity S. 3041, which is known as the "kick-back" bill, preventing contractors from compelling workmen to return a part of their salaries. I would like to have gentlemen who are interested make an examination of that bill.

Mr. WOLCOTT. That bill is on the Consent Calendar.

Mr. SUMNERS of Texas. We are going to try to get it up the first opportunity, any way we can. I know everybody wants to get these bills through.

Mr. BYRNS. How many bills has the gentleman that he expects to call up? We are going to have the Unanimous Consent Calendar here tomorrow, and I am doing everything I can to bring about a call of the Private Calendar. The gentleman, with his committee, is undertaking to get in ahead of the other committees.

Mr. SUMNERS of Texas. All the boss has to say to me is, "We don't like to have it done", and he does not have to make a speech about it—I will quit.

Mr. BYRNS. I am not going to object to a single one of the bills, but I think it is rather out of order.

Mr. SNELL. We do not want to have any more private bills come up out of order.

Mr. SUMNERS of Texas. I do not want to encourage a filibuster by the leaders here, Mr. Speaker, and so I am just quitting.

CENSUS OF UNEMPLOYMENT

Mr. LOZIER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9391) to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes, which I send to the desk and ask to have read.

The SPEAKER. The gentleman from Missouri moves to suspend the rules and pass the bill H.R. 9391, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That to provide information concerning the numbers, classes, and geographical distributions of unemployed

persons and their dependents, and concerning employment and occupations, necessary to aid in the formulation of a program of unemployment relief, the Director of the Census shall take as of November 12, 1934, a census of unemployment, employment, and occupations in the 48 States and the District of Columbia: *Provided*, That such census may include such enumeration of population as the Director of the Census may deem appropriate and necessary for the purpose of this section.

SEC. 2. The provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929 (46 Stat. 21; U.S.C., supp. VII, title 13, ch. 4), shall, so far as not inapplicable, apply to the taking of the census provided for in section 1 of this act. In applying such provisions the period from the date of enactment of this act until the completion of such census, and all reports and publications relating thereto, shall be deemed to be a decennial census period. Temporary personnel in the District of Columbia, employed to carry out the provisions of this act, may be allowed leave of absence with pay at the rate of 1¼ days per month.

SEC. 3. The census of agriculture and livestock, authorized to be taken as of January 1, 1935, by section 16 of the said act of June 18, 1929, and appropriated for in the Department of Commerce Appropriation Act, 1935, shall be taken as of November 12, 1934, conjointly with, and covering the same geographical limits as, the census provided for in section 1 of this act.

SEC. 4. To meet the expenses of section 1 of this act the President is authorized to make available not to exceed $7,540,000 from the fund appropriated by the act entitled "An act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes", approved February 15, 1934. Amounts so made available shall remain available until expended.

SEC. 5. The President is authorized, from the fund appropriated by such act of February 15, 1934, to make available to the Secretary of Commerce not to exceed $368,465 for the printing of reports collected and now being compiled, on the census of American business, census record preservation, urban tax delinquency, and real property inventory. Amounts so made available shall remain available until expended.

The SPEAKER. Is a second demanded?

Mr. KINZER. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman on the committee?

Mr. KINZER. Yes.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. KINZER. I am.

Mr. LOZIER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Missouri is entitled to 20 minutes and the gentleman from Pennsylvania is entitled to 20 minutes.

Mr. LOZIER. Mr. Speaker, H.R. 9391 comes from the Committee on the Census with the unanimous recommendation, with the exception of 1 vote, the minority members reserving the right, in reporting the bill, to oppose the measure if they saw fit and proper so to do. The existing law provides for an agricultural census to be taken as of January 1, 1935, the cost of which has been provided for by the Department of Commerce Appropriation Act for the year 1935. The estimated cost of the agricultural census is $2,700,000, and the last Department of Commerce appropriation bill carried an appropriation of that sum to cover the taking of the agricultural census. This bill advances the date of taking the agricultural census from January 1 to November 12, but carries no additional appropriation for the taking of the agricultural census.

The pending bill provides for the taking of an unemployment, employment, occupations, and a limited population census. By "limited population census" I do not mean that all the people in continental United States will not be enumerated, because under this act there will be a complete enumeration of the population, but the schedules incident to the taking of a population census will be materially reduced. So, as a matter of fact, the pending bill provides for a complete population census, an agricultural census, an unemployment census, an employment census, and an occupations census.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. LOZIER. Not now. May I say that the necessity for taking this census has been established by very complete and comprehensive hearings. The American people are not yet out of the woods. Emergency conditions continue. The pall of depression which was the result of 12 years of maladministration of our national affairs has not yet been lifted, and the unemployment problem has not yet been solved. Unless we can solve the unemployment problem, unless these idle millions can be put to work, there can be no return of prosperity. There has been such a tremendous shift in population from the industrial and commercial centers to the agricultural areas that no one can form an accurate impression or judgment as to the number and whereabouts of the unemployed in the United States. According to the Alexander Hamilton Institute, there are at the present time 13,000,000 people in the United States who are unemployed. The National Industrial Conference Board estimates the number of unemployed at 8,000,000, a difference of 5,000,000, or 40 percent between the estimates of unemployment by these two reliable organizations. The American Federation of Labor estimates the unemployment at 11,000,000. So we find that the statistical organizations, the Department of Commerce, the Bureau of the Census, the Department of Labor, and other departments and organizations whose statistics are considered reliable by the industrial and commercial interests of the Nation, are completely at sea and widely differ as to the extent of our unemployment. No one will claim that there can be a successful consummation of our recovery program unless we first take an inventory of our natural resources, of our man power, of the number of unemployed, the number of employed, and the number in the various occupations in the United States. We are today as a nation dangerously close, as we have been for years, to a pit so deep that if we fall into it we will have to look up to see the bottom. The United States Steel Corporation, the Standard Oil Co.—any great business corporation or organization finding itself involved in financial difficulty, facing economic chaos, would hasten to take an inventory of its assets, liabilities, and resources in order that it might plan a recovery program. The Census Bureau makes no guesses as to population, it makes no guesses as to employment or unemployment, it makes no guesses as to the whereabouts of these men who have drifted from the industrial districts and from the great centers of wealth and population and in what occupations, if any, they are now employed.

There is not a single vocational group, whether it be labor, industry, agriculture, transportation, or big business, that is not vitally interested in having a correct census of unemployment, employment, occupations, and population, to the end that the recovery program may be prosecuted intelligently. I say to my colleagues that we have here a proposition that in my opinion and in the opinion of those who have studied the situation from an industrial and commercial standpoint, which in the prosecution of the administration's recovery program will save two or three times the amount of money this census will cost.

In the expenditure of the billions of dollars that this Congress and other Congresses have appropriated, this census is of vital importance, and in fact necessary. The emergency agencies of the Government cannot proceed intelligently with their recovery programs unless they have the information this census will supply. This census is favored by Secretaries Ickes, Roper, Wallace, and Perkins; by Mr. Hopkins, Federal Emergency Relief Administrator; and Hugh S. Johnson, National Recovery Administrator. All these officials say this census is needed and necessary. All say it will tremendously aid the recovery program; that without this census they are striking in the dark.

If there ever were a time in which the taking of a census was justified, that time is now.

All standard statistical organizations approve this measure, as does every officer of the Government dealing with problems evaluating our economic life.

The $2,700,000 cost of the agricultural census has already been appropriated. It is estimated that the cost of taking the occupation, employment, unemployment, and population census will be $7,540,000. This bill does not call for the appropriation of any additional funds. It makes available $7,540,000 out of the fund Congress has heretofore appropriated for the Civil Works Administration under the

supervision of Mr. Hopkins. So the total new cost of this project will be $7,540,000, the cost of which will be paid out of funds heretofore allocated to the President and made available to Mr. Hopkins in consummation of the C.W.A. program.

Mr. Speaker, I reserve the balance of my time.

Mr. KINZER. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. HESS].

Mr. HESS. Mr. Speaker, in 1930 the Congress authorized the Census Bureau to take the Fifteenth Decennial Census. It was the most complete census ever taken by this country or any other country, at a cost of $40,000,000. It covered unemployment, employment, occupation, population, and various other items. That census was completed about 6 months ago, and the final reports were issued at that time. We are now asked, within a period of less than 4 years from the taking of that census, to expend the sum of $7,540,000 additional to take a census of unemployment, which was taken in 1930, a census of employment which was taken at that time, a census of occupation which was taken at that time, and we are asked to take this census on the 12th day of November, just a few days after the coming elections. I wonder what the reason for that is?

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. HESS. I yield.

Mr. MARTIN of Massachusetts. Is it not true they have just completed a census of population taken by the C.W.A.?

Mr. HESS. The C.W.A. has been taking a census of population of all the large centers of the country. Just recently it was completed in the city of Chicago, showing that the population has decreased about 100,000. It is being carried on in all of the large centers of the country today. There is absolutely no necessity for the taking of a census of unemployment at this time. It is simply the expenditure of $7,500,000 to give jobs to 110,000 deserving Democrats. [Applause.]

Mr. RICH. Will the gentleman yield?

Mr. HESS. I yield.

Mr. RICH. Under the departments of labor of the various States, we have now been trying to take a census of unemployed, and have that data at hand, the same as this census would give, without the expenditure of the $7,000,000.

Mr. HESS. The Department of Labor is taking a census of the unemployed continuously. The C.W.A. is taking a census throughout the country. The American Federation of Labor keeps a census of unemployment up to date, from month to month. There is absolutely no need for this census.

Mr. CULKIN. Will the gentleman yield?

Mr. HESS. I yield.

Mr. CULKIN. This administration started out to reduce Federal service, and there are now on the Federal pay roll 40,000 more people than there were when this administration began.

Mr. HESS. That is correct. There are 60,000 more. Let us see where the demand came from for the taking of this census. There was not one witness appeared before the committee representing either labor or the employers of the United States. They are not asking for this census. They know there is unemployment existing in this country, and they are trying to correct it. That is what we should be doing, instead of spending this money foolishly; but the demand has come from the Census Bureau, the Department of Labor, a lot of social scientists, the American Statistical Association, the American Sociological Society, and insurance actuaries. We had about 97 letters presented to the committee by one of the witnesses.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. HESS. No; not at this time.

Those letters were from college professors at Cornell, Michigan, South Dakota, Columbia Universities, University of Minnesota, University of Cincinnati, Miami University, and others. Dr. Rice, who is Assistant Administrator of the Census Bureau, testified in answer to a question by Mr. KINZER:

I should say it is a rather spontaneous recognition by social scientists of the types I have mentioned that the population data of 1930 were no longer adequate to give us the information that is required. I think I can assure the committee that they were not inspired by the Department or the Bureau.

Then he goes on further to say that at his suggestion these 97 letters were written to the Department suggesting the taking of this census. We are told that the Census Bureau had asked for a census; that the Department of Labor had asked for a census; that the Federal Administrator of Emergency Relief had asked for a census; also that the Public Health Service had asked for the taking of a census, so as to show the birth rate and the death rate throughout the country since the taking of the 1930 census.

Mr. Speaker, the various boards of health throughout the State furnish annually to the Public Health Service the death and birth rates of the various municipalities, counties, and States. The C.W.A. and the employment agencies of the Department of Labor furnish data as to employment to the P.W.A., the Department of Labor and other Government agencies.

We know too well that there is an unemployment problem existent today and that between eight and ten millions of our citizens are out of work. How are we going to put them back to work? Not by the passage of bills such as this one. All this bill will do is give 2 to 6 weeks' employment to 100,000 deserving Democrats, at an expenditure of about $10,000,000 under the guise of a census bill.

The SPEAKER pro tempore (Mr. BEAM). The time of the gentleman from Ohio [Mr. HESS] has expired.

Mr. LOZIER. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Speaker, before there can be lasting recovery from the depression, we must find a solution for certain fundamental problems. One of these problems with which we must deal in a fundamental way, and which we must solve, is that of unemployment.

NO ACCURATE INFORMATION REGARDING UNEMPLOYMENT AVAILABLE IN THE UNITED STATES

It may sound strange, but it is true, that we have no accurate or even fairly accurate information regarding the number of unemployed in the United States. We do have fairly accurate figures of the actual employment in the various manufacturing and other industries in the United States, but we do not have any dependable figures on unemployment.

Accurate information regarding unemployment is necessary, because without it we cannot intelligently and economically solve the problem of unemployment.

The United States Department of Labor receives every month accurate figures showing the number of persons employed in the manufacturing industries of the United States. On the basis of these figures the Department of Labor then makes its monthly estimate of the number of persons employed, but there is no way open to the Department of Labor or to any other Government department which would permit an estimate of the number of unemployed.

Various private estimates of the number of unemployed have been made. For instance, in a recent statement the National Industrial Conference Board estimates the number of unemployed to be in excess of 8,000,000; the American Federation of Labor has placed that number as somewhere around 11,000,000; and the Alexander Hamilton Institute has estimated that the unemployed are in excess of 13,000,000.

Here you have three recent estimates varying from 8,000,000 unemployed to 13,000,000, a variation of about 40 percent.

All of these estimates, however, are hardly more than guesses. Not one of them can lay claim to accuracy. These figures regarding the extent of unemployment are not based upon reliable information, and therefore they cannot be the basis of careful planning and a prudent solution of the unemployment problem.

THE NUMBER, OCCUPATION, AND DISTRIBUTION OF THE UNEMPLOYED IS UNKNOWN

We know, of course, that we have millions of unemployed in the United States. We know that from our daily experi-

ence. We know it from the fact that about 18,000,000 people, including adults, children, and aged are receiving public relief. But we do not know their exact number. We do not know the ages and occupation of the unemployed. We do not know where they are.

We should know how many unemployed we have, and how many of those who are unemployed are employable. We should know the occupations of the unemployed—whether they are carpenters, bricklayers, steel workers, shipbuilders, clerks, office workers, shop workers, and so forth. We should know if they recently graduated from high school or college, whether they are young people or of middle age. We should know where the unemployed are located, in what State, in what county, or in what cities.

THE CENSUS IS ABSOLUTELY NECESSARY FOR THE INTELLIGENT AND ECONOMIC EXPENDITURE OF RELIEF FUNDS

I say without hesitation that without a census on unemployment, employment, and occupation, as is proposed here, we cannot intelligently deal with the problem of unemployment. Without such a census we cannot adequately and prudently judge the extent to which direct unemployment relief is necessary. Without such a census we cannot have an intelligent administration of the relief laws, nor can we properly distribute and allocate Public Works funds. Without such a census vocation guidance is a farce.

Let me repeat, that without the proposed census we cannot adequately take care of the present, nor can we intelligently or prudently plan for the future.

The census is at the bottom of the problem of unemployment and of relief. There is no use appropriating millions and indeed billions of dollars for unemployment relief whether by direct relief or by public works unless we have the data to use that money intelligently for the benefit of the unemployed. Such data can be provided only by the proposed census.

THE CENSUS IS NECESSARY TO DETERMINE THE MANNER OF EXPENDING PUBLIC WORKS FUNDS

The Congress last year appropriated $3,300,000,000 for public works—Federal, State, and municipal. The applications filed with the Public Works Administration in Washington far exceed that amount. It therefore was necessary for the Public Works Administration to choose between the various applications.

The question presented was, What projects should be approved in preference to others? An intelligent decision could not be made by the Public Works Administrator without accurate information as to the number of unemployed, as to their location, and as to their occupation.

For instance, if among the unemployed, steel workers predominate, quite evidently projects should be approved which consume a great deal of steel. But if building-trades craftsmen predominate among the unemployed, such projects should be preferred which employ the largest number of building-trades people. Further, if Pennsylvania has a larger number of unemployed in proportion to its population, than, for instance, the State of California, then projects submitted by Pennsylvania should be acted upon in preference to those submitted by California.

These are only instances to show that the public-works funds cannot intelligently be expended without accurate information on unemployment.

The House of Representatives yesterday voted an additional fund of $500,000,000 for public works. These additional public-works funds cannot be wisely and most effectively expended unless the proposed census will tell us the occupation and the location of the unemployed, so that the Public Works Administration can determine which projects, which industries, and which localities should be preferred.

THE N.R.A. NEEDS THE CENSUS DATA IN FIXING HOURS OF LABOR IN THE CODES

The N.R.A. has approved about 450 codes. It is considering several hundred more. Each code involves a solution of the question of how many hours the persons employed in that industry shall work each day and how many days each week. In order to determine this intelligently, the code administrator in Washington should have for each industry the number of employed and the number of unemployed. He could then say to the industry: You are responsible for so many hundreds of thousands of people. Therefore you arrange the hours of labor so that your industry will reemploy a larger number of its people.

But this information is not available, and it will not be available until a census on unemployment and occupation is held.

Another question which is raised by the N.R.A. is, How many people have been employed through the codes? That again cannot be answered unless we have a census on unemployment.

THE CENSUS DATA FURNISH A NECESSARY GUIDE FOR VOCATIONAL TRAINING

A very important employment problem is that of vocational training. Every year hundreds of thousands of our young people graduate from high schools and colleges. They are faced with the question of what occupations and trades they should prepare for.

The question cannot be answered unless a census of unemployment and occupation is taken. That census will show what industries and trades have the largest number of unemployed. With these data available these young people could be told not to prepare themselves for such an occupation, because there would be very little chance for employment.

For instance, they could be told not to become coal miners because there are too many coal miners and their chances for employment would be small.

The data on unemployment and occupation are essential for guiding our young people in questions of vocational training.

THE ELLENBOGEN BILLS FOR A CENSUS ON UNEMPLOYMENT, EMPLOYMENT, AND OCCUPATION

For these and various other reasons I have steadily urged the Congress to authorize a census on unemployment, on employment, and occupation, to be held in November 1934 by the United States Bureau of the Census.

On January 17, 1934, 2 weeks after the convening of this session of Congress, I introduced House Joint Resolution No. 234 providing for an unemployment survey. On February 7, 1934, I introduced a bill (H.R. 7765) to provide for a population, unemployment, and agricultural census to be taken as of November 12, 1934, and on March 2, 1934, I reintroduced the same bill in simplified and modified form. This last bill, H.R. 8436, provides for a census of unemployment, employment, and occupation.

During all this time I was in constant communication with the Department of Labor, the Department of Agriculture, the Department of Commerce, and the Bureau of the Census, and with other Federal officials who were concerned or interested in the proposed census. Several conferences were held in my office. Finally I was able to obtain the united endorsement of my census plan by the entire administration in Washington.

Beginning Monday, April 30, the Census Committee of the House of Representatives, of which I am a member, began its hearings. It considered my plan for the holding of a census on unemployment, employment, and occupation on November 12, 1934.

After hearings the Committee on the Census reported the bill now before the House of Representatives. This bill, in all important and fundamental respects, is the same as that which I introduced.

A CENSUS ON POPULATION WILL BE TAKEN AT THE SAME TIME

A census on unemployment would not be very useful unless at the same time a population census was taken so that we may know the number of unemployed in proportion to to the number of employed, and in proportion to the whole population.

The last population census was held in 1930. Since then there have been great shifts in our population. People have left the cities and have returned to the country. So great has been the drift of our own population, as between city and country that the statistics of the 1930 census are no longer dependable as a basis for compiling mortality and

birth rates. They are no longer dependable as a basis for statistical information which is required for various activities of the Government.

It is estimated that several million people have left the cities and have returned to the farms. This population movement has had important consequences.

First. It has still further disturbed the balance between agricultural and industrial production.

Second. The fact that many persons have left the cities has contributed to the decline of the value of real estate in the cities.

Third. This in turn has affected the ability of the owners of real estate in the cities to pay taxes and has greatly reduced the proportion of taxes collected.

Fourth. The reduction of the amount of taxes collected has affected the operation of local units of government, which in turn has placed the responsibility of caring for the unemployed upon the Federal Government.

Now, I should like to answer the gentleman from Ohio [Mr. HESS], who has spoken before me. In one breath the gentleman says that this bill is merely politics. In the next he says that this bill has been brought before the Congress at the demand of college professors.

Now, I ask, does the gentleman charge college professors from universities all over the country—from Pennsylvania, Johns Hopkins, Yale, Cornell, Columbia, California, Chicago, Michigan, Wisconsin, and from many other colleges—does he charge them with playing politics?

Mr. HESS. Yes.

Mr. ELLENBOGEN. Just a moment. The gentleman did not yield to me; I cannot yield to him.

Mr. HESS. But the gentleman asked me a question.

Mr. ELLENBOGEN. And I shall be glad to have him answer it.

Mr. HESS. Permit me to say that the college professors asking for these statistics are all theorists and want these statistics for no purpose whatsoever than to give them new material to present to their classes.

Mr. ELLENBOGEN. But it must be clear to everyone that these eminent university professors have no political motive in mind in asking for this census.

The gentleman also stated that industry did not ask for this census. The gentleman is mistaken. The National Industrial Conference Board and the American Federation of Labor both asked for it.

Mr. HESS. Did the American Federation of Labor send a representative to appear before the committee?

Mr. ELLENBOGEN. It sent a communication to the committee, approving the census.

Mr. HESS. I have seen no communications from them with respect to this bill.

Mr. ELLENBOGEN. Mr. Lozier, the chairman of the committee has the communication from the American Federation of Labor.

THE DATE OF THE CENSUS

The gentleman wants to know how the date of the census was fixed. I shall be glad to tell the gentleman.

By the Fifteenth Decennial Census Act, dated June 18, 1929, it was provided that an agricultural census should be held every 5 years. Under the terms of that act of 1929 the next agricultural census would be held on January 1, 1935.

It is the opinion of the Department of Agriculture and of the Bureau of the Census that the date of the agricultural census should be changed to November 15, 1934, so that reports may be received at the end of the crop year, before the removal of large parts of tenants to new farms.

Now, instead of taking November 15, 1934, as the census date, we took November 12, because that happens to be on a Monday and the census should start at the beginning of the week.

Another reason why November 12, 1934, was set as the date for the taking of the census is, because the information to be derived from the census is absolutely required for the solution of the unemployment problem. It is required, so that we may adequately provide for unemployment relief at the time when unemployment is at its peak—which is generally in December and January.

We must have the unemployment figures available next December and January. We cannot have them at that time unless the census is held in November. These figures will be of inestimable value in guiding the President and the Federal Relief Administration in taking care of the army of unemployed, which will probably be much larger at that time than any other time during the year.

Another reason for fixing November as the time for the taking of the census is that a census on unemployment should not be taken at the peak of employment, nor should it be taken at the height of unemployment; it should be taken at a period of average unemployment. Therefore, November is the best time to take it.

Mr. RANDOLPH. Mr. Speaker, will the gentleman yield?

Mr. ELLENBOGEN. I yield gladly to my worthy colleague.

Mr. RANDOLPH. Will the gentleman state why the specific date of November 12 was fixed as the date for the taking of this census?

Mr. ELLENBOGEN. The Department of Agriculture wanted November 15, but inasmuch as November 12 falls on a Monday that date was chosen so the work could start at the beginning of a week.

The proposed census will provide temporary employment to over 100,000 jobless and in that way it will aid a considerable part of the people.

The census will cost $7,540,000, which will be taken from the money heretofore appropriated for Civil Works. This is indeed proper, because the census will give employment to about 100,000 white-collar workers and therefore is quite suitable as a Civil Works project.

THIS CENSUS WILL SERVE AS THE FOUNDATION FOR UP-TO-DATE UNEMPLOYMENT STATISTICS

Dr. Lubin, the Commissioner of Labor Statistics, informed the committee that after this census gives us the number of unemployed as of November 12, 1934, the Department of Labor expects to be able to keep this data up to date so that it will be able to make fairly accurate estimates of the number of unemployed. This is highly desirable and, indeed, necessary.

The census bill is one of the most important measures that we can pass. A census of unemployment, employment, occupation, and population is vital. It will provide the basic and fundamental information which is absolutely essential before there can be an intelligent solution of the unemployment problem. Without a proper solution of this problem there can be no lasting recovery.

The welfare of the unemployed, the welfare of the country demands the passage of this bill.

Mr. KINZER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, I appreciate how futile it is to oppose a bill of this character, providing such a lot of juicy political plums for distribution by the Democratic majority.

Stripped of all camouflage, this is probably the boldest attempt that has ever been made by any political party in the history of this country to pay 105,000 Democratic political election-day workers out of the Federal Treasury, and that is practically everything there is in this bill, and every man on each side of this House knows it. In the 150 years' history of this country we have never taken an off-year census of this kind for purely political reasons, and no majority but the present one has ever had the temerity to bring forward such an indefensible expenditure of the people's money.

I listened very carefully to the statement of the chairman of the committee in an effort to learn the reasons for the taking of this census. The gentleman told us very plainly what the bill will do, but he assigned very few reasons why it should be done at this time, and, of course, the reason was there is no real argument to be presented for it but a political one. It certainly is very peculiar that it should happen, out of the whole 12 months of the year, to decide upon November of this year as the time for the taking of

this census. What do you suppose was the reason? I leave it to you to answer. The report of the committee states that the purpose of the census is to assist in forming plans for unemployment relief this winter. The same report also states that it will take probably 4 weeks to complete the census. If you start taking it in November and it takes 4 weeks to complete it, it will probably be 6 weeks or 8 weeks before it is taken and you will get the report next July, a fine time to have information to use in employment relief during the winter following the taking of the census. Therefore it cannot be of any use for the avowed purpose of its proponents, but it will accomplish the hidden object of helping to pay Democratic election-day expenses.

There is not a single reason for taking this unemployment census at this time, because it is being taken and has been taken by three separate and distinct agencies. I shall read an excerpt from the report of the C.W.A. As a matter of fact, they have just completed a census similar to this and a short time ago laid off about 400 employees engaged in that work practically all the time for the last year.

The report of the C.W.A. says:

> The Federal Emergency Relief Administration is planning a census of unemployment relief necessary to obtain certain elementary information concerning all families and nonresident families of persons receiving funds from public funds for the purpose of forming a comprehensive plan.

That is practically the same language that is used in the bill that is pending before us. In addition to this, the bill that was passed in the early part of the Seventy-third Congress establishing a national employment system provides for exactly the same thing provided for in this bill.

> This employment bureau also assists in coordinating the public employment offices throughout the country and increasing their usefulness by developing and prescribing minimum standards, etc., and providing administrative and statistical procedure, furnishing information as to opportunities for employment, and much other information of value in the operation of this system.

That is another law which provides for doing practically the same thing that you are doing under the provisions of this bill. In the third place, Miss Perkins, Secretary of Labor, announced that she was going to reorganize the entire Department and put specific people to doing exactly the same work that you propose to do under this special census at this time.

[Here the gavel fell.]

Mr. KINZER. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. SNELL. There are three distinct Federal agencies doing this work now, all filled with Democratic employees, and still you have the nerve to ask for a fourth one. If there is any need for a fourth one, except to get these 105,000 Democratic jobs, I should like to have some gentleman tell me what it is.

Mr. YOUNG. Will the gentleman yield?

Mr. SNELL. No; I decline to yield at this time. You gentlemen on that side know I would yield if I could secure time. I would stay here an hour; but under your new liberal system you will not allow us any time to discuss a bill, so I cannot yield in my limited time.

May I call attention to the record of the administration and their job propensities? Here is a report of the Democratic Civil Service Commission, published in the papers of last night or this morning. The report says that there are 644,108 now in executive units under the Civil Service. This number, according to the report, is within 47,000 of the top notch that we had at the time of the war. It also says it is about 81,000 more people than were employed by the Government when the Democratic Party went into power on March 4, 1933, and this does not include either the judicial or legislative branch, or the million and a quarter extra employees outside the regular establishment.

That is a report of your own Commission; and you are the party that went before this country and said you were going to do away with the extra employees of the Government in Washington. You were going to have an economy administration. You were going to save the people's money. You were going to do away with all the extra bureaus and commissions. You have a fine record on these lines.

Why, you have established more bureaus and commissions than anyone else ever heard of in the history of the American Government. In addition to that, you have 80,000 extra employees today over what you had in Washington and on the civil-service rolls at the time you took over the Government. That is your economy administration.

Even in the face of that, you have the nerve to come in here and say, "We want these 105,000 extra employees to use during the month of November to make sure of carrying the congressional elections." Perhaps you may fool part of the people part of the time, but it is my judgment that you cannot fool all the people all the time. There has not been brought forward one single excuse for wasting this money in this way; and I hope the House will refuse to pass this bill. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. KINZER. Mr. Speaker, I yield 5 minutes to the gentleman from Kansas [Mr. McGUGIN].

Mr. McGUGIN. Mr. Speaker, may I say to you on the Democratic side that it is indeed fitting that you should now cheer, because with the coming of this bill you have whipped the so-called "Republican filibuster" of last week. You did not whip the Republican filibuster when you passed the gag rule. All that you whipped with the unprecedented gag rule was the Frazier-Lemke bill, the McLeod bill, the Connery bill, and the Withrow railroad bill. This is the bill, along with other worthless and extravagant legislation, which we tried to stop. You may say we were doing it by filibuster. Very well. It is the only power at our command. We have only 114 Members.

This bill is iniquitous and should not pass any House of Representatives. We cannot stop it by our votes, because we do not have a sufficient number.

Let us analyze this bill and see how iniquitous it is. May I take the words of your own chairman, the gentleman from Missouri [Mr. LOZIER], when he said a few moments ago that this bill would not cost the taxpayers anything.

Mr. LOZIER. Will the gentleman yield? I made no such statement, and the RECORD will disprove the gentleman's statement.

Mr. McGUGIN. Did the gentleman not say that the money had already been appropriated and was going to be taken out of the Public Works fund?

Mr. LOZIER. Yes. I said there would be no additional appropriation. The gentleman will please quote me right and quote me properly, if he quotes me at all. [Applause.]

Mr. McGUGIN. The gentleman's statement now is that it will cost the taxpayers no additional money, but that you are going to take it out of the money already appropriated for relief. All right, you are going to take money that should be spent to feed hungry people. You are going to take the milk and bread from the hungry and use it to pay your political debts. [Applause.]

When you pass this bill you are not running over the Republicans. You are running over the poor and distressed of this country. That is the statement of your own chairman because you are asking for this money from an appropriation which has been made to feed the distressed of the country.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. McGUGIN. No. I do not yield to the gentleman.

No party ever went before the people of this country with a better platform than your party did 2 years ago, and today I beg of you to keep some faith with your platform. If you keep faith with the first paragraph of your platforms, you cannot pass this bill. I quote from the first paragraph of the last Democratic platform:

> We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance, to accomplish a saving of not less than 25 percent in the cost of Federal Government.

This new deal in legislation does some great things. It is great at the art of division and multiplication. We

have found that under the gag rule you are able to make Monday include Tuesday, or, in other words, make Monday do for both Monday and Tuesday. We are experiencing that situation today. Today is the calendar day of Tuesday but is still the legislative day of Monday. You are able to declare 148 Members present to be a quorum of 218, and you are able to spend under this bill $7,000,000,000 the week after election, under the guise of doing something for the unemployed in this country; when the truth is you are taking it from money which has been appropriated heretofore to buy clothing and food for the hungry and the distressed of this country. I appeal to the Democratic side of this House to respect its own party platform, uphold it for once, and if you will not do that, then I appeal to your humanitarianism, reach not your hands into the funds of charity and use that money for political loot. [Applause.]

[Here the gavel fell.]

Mr. LOZIER. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Hoover and the Republican Party starved the people and refused to feed them, and humanity and conscience dictate that the Democratic Party feed those who are or were hungry—yes, starving—and furnish employment for those who lost their work by reason of Republican stupidity and misrule. [Applause.]

The gentleman from Kansas [Mr. MCGUGIN] stated that the filibuster was to prevent the passage of this bill. The bills advocated were, the gentleman from Kansas states, supported by them merely to gain publicity. A majority of the Republicans did not want to vote for them because the bills were contrary to the principles of the Republican Party.

The gentleman stated that we are responsible for defeating some of the bills. All those measures, or nearly all of them he mentioned, were camouflage and pure bunk with which you were fourflushing to the country. He knows that the Steagall bill we passed will aid depositors of Federal Reserve member banks as well as depositors of State banks. The McLeod bill would have helped only depositors in Federal Reserve banks. The Democratic Party has passed legislation that is honest, that is in the interest of the whole country. I feel that these repeated and unjustifiable charges on your part will not avail.

The gentleman from Kansas [Mr. MCGUGIN], the gentleman from New York [Mr. SNELL], and the gentleman from Ohio [Mr. HESS] charge that this proposed measure would create and give the Democrats a hundred thousand jobs. Personally, I wish that were true, because, up to now at least, most of the departments, the A.A.A., the P.W.A., and the C.C.C., are, unfortunately, manned by a majority of Republicans, which accounts for some of the inefficiency in these departments and independent agencies.

If the gentlemen would read the bill they would learn that the provisions of the act of 1929, which is legislation of a Republican Congress, must be followed in the making of these appointments. The gentlemen should know that November 12, when this work would begin, will be a week after the election, so that this bill is not for political purposes, but is to provide a proper method of securing data as to unemployment and movements of the masses since 1930, due to the Hoover crash of 1929. This work is requested not only by the Secretary of Commerce, the Secretary of Labor, and the Secretary of Agriculture, but also by colleges and universities, labor organizations, agricultural organizations, and commercial associations throughout the whole United States. If it will give employment, as I hope it will, to 100,000 for from 2 to 4 weeks, something at least will have been done for the white-collar men who have suffered most and complained least.

The Republicans complain of the cost of this proposed census. The last census, which was taken under a Republican administration, cost about $45,000,000. This census, which is partially provided for in the act of 1929, will not cost more than $4,000,000 additional; in fact, all in all, about $7,540,000, or one-sixth of what it cost during the Republican administration of 1930.

The gentleman from Kansas also charges that this sum will be taken from the appropriation to feed the people, and again he is wrong, as not a cent will be taken from the relief fund, but the money will be taken from the Public Works allotment and will reduce the cost of relief by the amount that will be expended in this work, as this work will no doubt be done by the unemployed who are now on the relief rolls. There will in fact not be any additional expenditure.

In view of false reports in 1930, 1931, and 1932 as to the number of unemployed, when the Republican Secretary of Commerce and his assistants gave misinformation on this subject to the country in often-repeated statements saying there were only 4,000,000 or 4,500,000 out of employment, when in fact there were almost 15,000,000 or 16,000,000, this census should be taken. Notwithstanding the fact that we have placed 5,000,000 or 6,000,000 back to work, the country is entitled to know the number still unemployed, which is estimated by some at 8,000,000 and by others at 10,000,000. Moreover, the country wants to know where the unemployment is greatest and in what industries.

No, Mr. Speaker and ladies and gentlemen of the House, this legislation is not needed by the Democrats to win the forthcoming November election, as the people are wholeheartedly with President Roosevelt; they trust him; they believe in him; and they have, also, complete confidence in the Democratic Congress, which has loyally upheld and aided him in carrying out the Democratic pledges and promises. [Applause.]

In conclusion let me say that the amount of squawking done by a few of you Republicans on the floor of this House day in and day out when you jump up and make rash statements and ridiculous charges will not help you nor your party. I feel that you Republicans would gain much more if you would join with us in helping to pass the balance of legislation recommended by the President and enable the Congress to adjourn soon than you will gain by the tactics you are pursuing. It is not to your credit but your eternal discredit to try to delay and even kill labor and other remedial legislation the President has recommended. [Applause.]

Mr. KINZER. Mr. Speaker, I yield the balance of the time to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Speaker, on last Saturday Senators and Representatives from the drought areas throughout the country were in conference to discuss the matter of emergency drought relief. Today a conference was held with the President, and immediately following that conference with the President of the United States you come into the House of Representatives and seek to vote out of the Treasury anywhere from seven to ten million dollars needed for food in these drought areas—yes, needed throughout the entire United States.

In the record of the hearings on this bill you will find the statement that it was not proposed to hire the unemployed as census enumerators because the Census Bureau did not think they were qualified to do this type of work, and yet all over this land there are men who are now without work and who are well qualified to do a job of this kind. To my mind it is a shameful procedure, and justifiable only on the grounds of political expediency.

[Here the gavel fell.]

Mr. LOZIER. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, what are the facts about this matter? We have appropriated and turned over to Mr. Hopkins for relief hundreds of millions of dollars. He gave to the District of Columbia for relief for the month of April, first $800,000, then $200,000 more, making $1,000,000 for April, and he gave the District $800,000 for May, and he has allotted to the District $710,052 for June. Yet, Major Gotwals tells us that right here in Washington there are 8,000 families that have been getting relief who are not entitled to it, and Major Gotwals is causing a survey to be made, for he says that one-third of the 25,000 families in

Washington who have been getting relief are not entitled to it. We will soon save enough money by cutting out the frauds to pay for this bill.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. No; I regret I have not the time to yield to my friend. Instead of wasting that money on people who are not entitled to it, we are going to take seven and a half million dollars of this great sum of money that Mr. Hopkins has on hand and do some real good for the people with it. There will be deserving, helpless widows employed with this money, widows with little children to support, widows who have not been able to get a job for a year and who have no means of support and who must get bread and meat for their little children. They will be employed, and we will see that they get the jobs. There will be deserving heads of families who have not been able to get relief and who have not been able to get jobs for 2 or 3 years under the Hoover administration who will be given positions where they can earn an honest dollar.

Oh, the gentleman from Kansas let the cat out of the bag when he told us why the minority leader the other day, to try to kill this bill, caused the entire Journal to be read and spent 2½ hours of the time of this House reading all the names on eight roll calls from the Journal, something the Speaker of the House in his 35 years here never heard of being done before. They had us sit here for 2½ hours to read the Journal, when ordinarily it is read in 5 minutes. That is the kind of monkey business that the minority party, through their minority leader, is trying to put over on the country. If there is anything on God's earth that could cause this bill to pass by a solid Democratic vote, it ought to be that very ridiculous, partisan action of the minority leader, aided and abetted by the gentleman from Kansas [Mr. McGUGIN]. [Laughter and applause.]

I want to say this, Mr. Speaker. I honestly believe that the American people, the needy people, will get more real, "honest-to-God" good out of this little $7,000,000 bill than they will get out of all the measures you Republicans have passed for the last 12 years. What have you done for the country? Nothing! You "busted" and starved the American people. I do not like the dole system—it is against everything I have been taught since childhood—I would rather give a man an honest job and let him earn a dollar than to give him a $100 dole when he has not earned it. [Applause.]

[Here the gavel fell.]

Mr. LOZIER. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, the gentleman from Kansas [Mr. McGUGIN] stated that this money was coming out of the relief fund given to feed the hungry.

That is not the fact. Nothing could be further from the truth. All the money necessary will come out of the Civil Works funds—money allotted for building and other projects, and not out of any money appropriated for relief—for either the feeding of the hungry or the clothing of the naked.

Now, I want to say this: If there is any one man in this House who ought not to have the audacity to talk about "feeding the hungry and clothing the naked" it is none other than the gentleman from Kansas [Mr. McGUGIN]. It is a late date when the gentleman pretends to concern himself with feeding the hungry. [Applause.] In June, 2 years ago, when a resolution was offered proposing that the Government sell its millions of bushels of surplus wheat to the Red Cross, so that it might be made into bread to feed the hungry, the gentleman from Kansas stood on the floor as "the champion" in leading the fight against feeding the hungry of this Nation in our States and cities. So we are justly entitled today to doubt the sincerity of the gentleman's elaborate gesticulations about the poor and the hungry. Heretofore he has shown no interest in our poor or our hungry or our unemployed. In fact, he has been the leading filibusterer against relief legislation. [Applause.]

Mr. LOZIER. Mr. Speaker, I reiterate the statement that this $7,540,000 comes out of what is called the "Hopkins C.W.A. fund", but no part of it comes out of the Hopkins relief funds. It comes out of the civil-works portion of the appropriation and not out of the relief portion of the funds.

The SPEAKER. The question is on suspending the rules and passing the bill.

Mr. SNELL. And on that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 227, nays 129, not voting 75, as follows:

[Roll No. 172]

YEAS—227

Adair	Dockweiler	Jones	Reilly
Adams	Doughton	Kee	Richards
Ayers, Mont.	Doxey	Kennedy, Md.	Richardson
Bailey	Drewry	Kenney	Robinson
Bankhead	Driver	Kerr	Rogers, Okla.
Beam	Duffey	Kleberg	Romjue
Beiter	Duncan, Mo.	Kocialkowski	Rudd
Berlin	Dunn	Kopplemann	Sabath
Biermann	Durgan, Ind.	Lamneck	Sadowski
Black	Eagle	Lanham	Sanders, La.
Bland	Edmiston	Lanzetta	Sandlin
Blanton	Eicher	Larrabee	Schaefer
Bloom	Ellenbogen	Lesinski	Schuetz
Boehne	Elizey, Miss.	Lewis, Colo.	Schulte
Boland	Faddis	Lindsay	Scrugham
Boylan	Fernandez	Lloyd	Sears
Brown, Ga.	Fiesinger	Lozier	Secrest
Brown, Ky.	Fitzgibbons	Lundeen	Shallenberger
Brown, Mich.	Fitzpatrick	McClintic	Sisson
Brunner	Flannagan	McCormack	Smith, Va.
Buck	Fletcher	McDuffie	Smith, Wash.
Byrns	Ford	McFarlane	Snyder
Cady	Foulkes	McGrath	Somers, N.Y.
Caldwell	Fuller	McKeown	Spence
Cannon, Wis.	Fulmer	McMillan	Strong, Tex.
Carden, Ky.	Gasque	McReynolds	Studley
Carmichael	Gavagan	Maloney, Conn.	Sullivan
Carpenter, Nebr.	Gillette	Maloney, La.	Sutphin
Cartwright	Glover	Mansfield	Swank
Cary	Goldsborough	Martin, Colo.	Sweeney
Castellow	Granfield	May	Tarver
Celler	Gray	Mead	Taylor, Colo.
Chapman	Greenway	Miller	Terrell, Tex.
Chavez	Greenwood	Milligan	Terry, Ark.
Claiborne	Gregory	Monaghan, Mont.	Thom
Clark, N.C.	Griffin	Montet	Thomason
Cochran, Mo.	Griswold	Murdock	Truax
Coffin	Haines	Musselwhite	Turner
Colden	Hamilton	O'Brien	Underwood
Cole	Harlan	O'Connor	Vinson, Ga.
Colmer	Hart	Oliver, Ala.	Vinson, Ky.
Condon	Hastings	Oliver, N.Y.	Wallgren
Cooper, Tenn.	Healey	Owen	Walter
Cox	Henney	Palmisano	Warren
Cravens	Hildebrandt	Parker	Wearin
Crosby	Hill, Ala.	Parks	Weideman
Cross, Tex.	Hill, Samuel B.	Parsons	Werner
Crump	Hoeppel	Patman	West, Ohio
Cullen	Hoidale	Pettengill	West, Tex.
Cummings	Howard	Peyser	Whittington
Dear	Hughes	Pierce	Williford
Deen	Imhoff	Prall	Williams
Delaney	Jacobsen	Ramsay	Wilson
Dickinson	Jenckes, Ind.	Ramspeck	Wood, Ga.
Dickstein	Johnson, Okla.	Randolph	Zioncheck
Dingell	Johnson, Tex.	Rankin	The Speaker
Dobbins	Johnson, W. Va.	Rayburn	

NAYS—129

Allen	Crowther	Kahn	Morehead
Andrew, Mass.	Culkin	Kelly, Pa.	Mott
Andrews, N.Y.	Darden	Kennedy, N.Y.	Moynihan, Ill.
Arens	Darrow	Kinzer	Nesbit
Arnold	De Priest	Kloeb	Peavey
Ayres, Kans.	Dirksen	Kniffin	Perkins
Bacon	Ditter	Knutson	Plumley
Bakewell	Dondero	Kurtz	Polk
Beck	Dowell	Lambertson	Powers
Beedy	Eaton	Lambeth	Reed, N.Y.
Blanchard	Edmonds	Lea, Calif.	Rich
Boileau	Eltse, Calif.	Lehlbach	Robertson
Britten	Englebright	Lehr	Rogers, Mass.
Buchanan	Evans	Lemke	Ruffin
Buckbee	Focht	Luce	Seger
Burch	Foss	Ludlow	Sinclair
Burke, Calif.	Frear	McCarthy	Snell
Burke, Nebr.	Gifford	McFadden	Stalker
Burnham	Gilchrist	McGugin	Stokes
Carpenter, Kans.	Gillespie	Mapes	Strong, Pa.
Carter, Calif.	Goodwin	Marshall	Sumners, Tex.
Carter, Wyo.	Hancock, N.Y.	Martin, Mass.	Swick
Cavicchia	Hess	Martin, Oreg.	Taber
Christianson	Hill, Knute	Meeks	Taylor, Tenn.
Clarke, N.Y.	Hollister	Merritt	Thomas
Cochran, Pa.	Holmes	Millard	Thompson, Ill.
Collins, Calif.	Hope	Mitchell	Tinkham
Connolly	Jenkins, Ohio	Montague	Tobey
Crosser, Ohio	Johnson, Minn.	Moran	Traeger

Treadway	Whitley	Wolcott	Woodruff
Turpin	Wigglesworth	Wolfenden	Woodrum
Umstead	Withrow	Wolverton	Young
Wadsworth			

NOT VOTING—75

Abernethy	DeRouen	Keller	Sanders, Tex.
Allgood	Dies	Kelly, Ill.	Shannon
Auf der Heide	Disney	Kramer	Shoemaker
Bacharach	Douglass	Kvale	Simpson
Bolton	Doutrich	Lee, Mo.	Sirovich
Brennan	Farley	Lewis, Md.	Smith, W.Va.
Brooks	Fish	McLean	Steagall
Browning	Frey	McLeod	Stubbs
Bulwinkle	Gambrill	McSwain	Taylor, S.C.
Busby	Goss	Marland	Thompson, Tex.
Cannon, Mo.	Green	Muldowney	Thurston
Carley, N.Y.	Guyer	Norton	Utterback
Chase	Hancock, N.C.	O'Connell	Waldron
Church	Harter	O'Malley	Weaver
Collins, Miss.	Hartley	Peterson	Welch
Connery	Higgins	Ransley	White
Cooper, Ohio	Huddleston	Reece	Wilcox
Corning	James	Reid, Ill.	Wood, Mo.
Crowe	Jeffers	Rogers, N.H.	

The SPEAKER. The Clerk will call my name.

The Clerk called the name of Mr. RAINEY, and he voted "aye" as above recorded.

So (two-thirds not having voted in favor thereof) the House refused to suspend the rules and pass the bill.

The following pairs were announced:

On this vote:

Mr. Corning and Mrs. Norton (for) with Mr. Fish (against).
Mr. DeRouen and Mr. Carley of New York (for) with Mr. Bacharach (against).
Mr. Sanders of Texas and Mr. Hancock of North Carolina (for) with Mr. Bolton (against).
Mr. Lee of Missouri and Mr. Sirovich (for) with Mr. Ransley (against).
Mr. Douglass and Mr. Brooks (for) with Mr. Kvale (against).
Mr. Gambrill and Mr. Auf der Heide (for) with Mr. Reece (against).
Mr. Rogers of New Hampshire and Mr. Smith of West Virginia (for) with Mr. McLean (against).

General pairs:

Mr. McSwain with Mr. Muldowney.
Mr. Bulwinkle with Mr. McLeod.
Mr. Busby with Mr. Hartley.
Mr. Crowe with Mr. Cooper of Ohio.
Mr. Taylor of South Carolina with Mr. Higgins.
Mr. Allgood with Mr. Waldron.
Mr. Darden with Mr. Chase.
Mr. Weaver with Mr. Simpson.
Mr. Lewis of Maryland with Mr. Goss.
Mr. Kelly of Illinois with Mr. Welch.
Mr. Browning with Mr. Guyer.
Mr. Collins of Mississippi with Mr. Thurston.
Mr. Connery with Mr. Doutrich.
Mr. Disney with Mr. James.
Mr. Green with Mr. Shoemaker.
Mr. Huddleston with Mr. White.
Mr. Cannon of Missouri with Mr. Stubbs.
Mr. Utterback with Mr. Church.
Mr. Dies with Mr. Wood of Missouri.
Mr. Shannon with Mr. O'Connell.
Mr. Peterson with Mr. Harter.
Mr. Farley with Mr. Marland.
Mr. Brennan with Mr. Kramer.
Mr. Keller with Mr. Wilcox.
Mr. O'Malley with Mr. Frey.
Mr. Thompson of Texas with Mr. Jeffers.

Mr. CROSSER of Ohio. Mr. Speaker, I desire to change my vote from "aye" to "nay."

Mr. STEAGALL. Mr. Speaker, I desire to vote "aye", but I cannot qualify.

The result of the vote was announced as above recorded.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLANTON. There were over 100 majority in favor of this bill. Is not there a rule that could be called up to make the bill in order, so that it could pass with only a majority vote? We ought to pass this bill tomorrow.

The SPEAKER. That is not a parliamentary inquiry.

Mr. BYRNS. Mr. Speaker, I desire to make an announcement. The gentleman from New Hampshire, Mr. ROGERS, the gentleman from Ohio, Mr. HARTER, the gentleman from Michigan, Mr. JAMES, and the gentleman from Connecticut, Mr. Goss, are on a special committee from the Committee on Military Affairs investigating purchases of property by the War Department, and I ask that they be excused for the day.

There was no objection.

TOBACCO INDUSTRY

Mr. CLARK of North Carolina, from the Committee on Rules, presented the following privileged report (H.Res. 420, Rept. No. 1886), for printing in the RECORD:

House Resolution 420

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9690, a bill to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

AUTHORIZING DISTRICT OF COLUMBIA TO BORROW FROM PUBLIC WORKS ADMINISTRATION

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 368 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 3404, a bill authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BLANTON. Will the gentleman yield?

Mr. SMITH of Virginia. For what purpose?

Mr. BLANTON. For a question.

Mr. SMITH of Virginia. I yield.

Mr. BLANTON. This rule provides that all the time shall be controlled by Members who are in favor of the resolution. That is not a fair arrangement under the House rules. There should always be heard opposition to a measure. Now, can we not agree to let the rule be passed without argument, and let 1 hour's time that was to be devoted to the rule be added to the time for general debate, and then have a fair division of the time?

Mr. SMITH of Virginia. It would be satisfactory to me. I do not know whether it would be to the other side or not.

Mr. O'CONNOR. Well, Mr. Speaker, there are some who want to be heard on the rule.

Mr. MARTIN of Massachusetts. Mr. Speaker, regular order.

Mr. BLANTON. How much time will the gentleman give us on the rule?

Mr. SMITH of Virginia. If the gentleman will permit me to proceed, he will find out in just a moment.

Mr. Speaker, I yield 30 minutes to the gentleman from Michigan [Mr. MAPES] to be yielded by him to gentlemen on that side of the aisle. I yield 15 minutes to the gentleman from Georgia [Mr. COX], to be yielded by him, in turn, as he sees fit to opponents of the bill. I reserve 15 minutes on this side for the proponents of the bill.

Mr. BLANTON. Is the gentleman from Michigan for or against the rule?

Mr. SMITH of Virginia. I now yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, this measure has given the Rules Committee much concern. I do not believe that that committee at this session has given more consideration to

any measure than it has to this particular one. When it first came before us it was a request to permit the District of Columbia to borrow $20,000,000 from the Public Works Administration for the purpose of building or completing certain projects in the District. Under the law of 1878 the District of Columbia cannot borrow, while every other city is borrowing and getting the benefit of the 30-percent grant. There was strong opposition to the granting of the rule, believing it would break down the principle that the District of Columbia should never incur any debt, but the arguments that were presented to the Rules Committee as to the necessity for these projects were so potent that after several hearings the Rules Committee evidenced its willingness to report out a modified bill, which provided for the borrowing of $10,750,000, as I recall the figures, for four very necessary projects. The District of Columbia has not the money to build those projects and can only get it either by appropriation by Congress or by borrowing it from the Public Works Administration. Those projects, as I remember them, are a sewage disposal system for the District of Columbia. It was presented to us that the condition of the Potomac River into which sewage empties was deplorable; that it endangered the health and lives of all the people living in the District, and the countless visitors who visit the District. That project would require about $8,000,000. There was also presented to us the necessity for a tuberculosis hospital in the District of Columbia. It was shown that the death rate from tuberculosis in the District of Columbia was third or fourth throughout the country. That, as I understand, required about $1,500,000.

Another project which we felt was necessary was the building of some kind of a wall or enclosure around Lorton Prison, Virginia. It was stated to us that that prison was originally intended for minor offenses, but it is now used for all kinds of criminals, including the most dangerous. There was a situation there of immediate necessity that should be taken care of. As I recall the four projects, there was the sewage disposal, the tuberculosis hospital, the Lorton Penitentiary, and an addition to Gallinger Hospital, which is very much overcrowded and has needed attention for years. Every city and State in the United States, as well as every possession, Puerto Rico, Hawaii, Virgin Islands, and Philippines, can, and most of them have, borrowed money from the Public Works Administration. Why should the Capital City stand in a less favorable position than Hawaii, for instance?

The District of Columbia cannot proceed without this legislation, and it should be granted to them. The District of Columbia must pay this money back, and pay it back out of taxes, because there is a provision in the bill, or there will be through an amendment, putting an additional levy of 10 cents per hundred on the tax bill to take care of the amortization of this fund, and the Rules Committee felt the situation was such that no discrimination should be made against the District of Columbia and that it should have this necessary authority to borrow this money.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to incorporate some excerpts.

The SPEAKER. Without objection it is so ordered.

Mr. MAPES. Mr. Speaker, in the first place, I think it should be understood that the Committee on Rules declined to report a rule making in order Senate 3404, which provides that the District of Columbia may borrow $20,000,000 from the P.W.A. fund for certain improvements within the District of Columbia until a tacit agreement was reached with the Committee on the District of Columbia to eliminate certain items from the Senate bill, reducing the amount of the loan to be requested to $10,750,000 and eliminating from consideration the items relating to parks, the community center, and the schools. The House should understand that amendments are to be offered to the bill on which will reduce the amount to be asked for to $10,750,000 and eliminate those three subjects to which I have referred. With that understanding, a majority of the Committee on Rules voted to report the rule.

I can state my position in regard to the matter in a word. It seems to me that if there is any community in the United States that is able to take care of itself and to pay its way at the present time, without borrowing from P.W.A. funds, it is the District of Columbia. Everybody knows that the District of Columbia is in a class by itself, as far as economic and business conditions are concerned. Everybody knows that the tax rate in the District of Columbia is less burdensome than in any other place in the United States. There is no reason why the District of Columbia should not take care of these improvements if they are needed. It would be a very simple matter to provide for them in the regular District appropriation bill, and to raise the additional funds to take care of them in the regular way which, for any one year, would be very small. Furthermore, the items provided for in this legislation are all matters which have been before the Committee on Appropriations from time to time and are considered by that committee every year during the consideration of the annual appropriation bill for the District of Columbia. This legislation is not necessary as an authorization, because every project provided for in the bill is now authorized by law, and the only thing that is necessary to have the improvements made is to get the Committee on Appropriations to put items in the appropriation bill to take care of them. The Committee on Rules is simply going over ground which has been covered by the Committee on Appropriations. In reporting this rule it is usurping the functions of that committee. It is substituting its judgment for the judgment of the Committee on Appropriations when it says that appropriations should be made to take care of these particular items.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. BANKHEAD. Of course the gentleman from Michigan knows that the purpose of this rule is not in any wise to attempt to influence the judgment of the House with reference to the merits of the bill. The gentleman knows the very great insistence and pressure put on our committee to give the House an opportunity to consider the bill upon its merits, and in the orderly course of things, although I think the Committee on Rules did wisely, perhaps improperly, insist on the deletion of some of these items in the original bill, it merely reported the bill to give the House an opportunity to consider it on its merits. I do not know that the gentleman is opposing the adoption of the rule—he may be, but that is all we felt we ought to do—give this House an opportunity to consider the bill, because it is a matter of very great importance as represented to us, to the citizens of the District of Columbia and adjacent Virginia.

Mr. MAPES. Mr. Speaker, everything that the gentleman from Alabama [Mr. BANKHEAD] says is, of course, true, but it is one of the functions of Members of Congress to resist pressure, and the same pressure is brought to bear every year upon the Committee on Appropriations. If the Committee on Rules is going to act as an appellate court to consider all the legislation brought before the regular legislative committees, then it will usurp the functions of those committees and will load itself up with a lot of extra and unnecessary work.

Mr. CULKIN. Mr. Speaker, will the gentleman yield?

Mr. MAPES. Yes.

Mr. CULKIN. The gentleman speaks of the Appropriations Committee and the District of Columbia Committee and the Rules Committee. Of course, the taxpaying residents of Washington are more or less inarticulate, but is there any way by which their wishes in the premises can be ascertained? Is there any public body that can tell the committee or the House what the sentiment of the people is?

Mr. MAPES. I do not know of any community that is more articulate in pressing for legislation affecting it than is the District of Columbia. If the gentleman had ever served on the Committee on the District of Columbia, or if he had served on the subcommittee of the Committee on Appropriations having in charge appropriations for the District of Columbia, he would realize that no community in the United States is so articulate as is the District of Columbia

in pressing constantly for appropriations and for legislation affecting the District.

I do not care to take any more time, but I repeat that this legislation is entirely unnecessary. The District of Columbia does not need to borrow from the P.W.A. Your community and mine, which are suffering much more severely by tax burdens, are not getting money from the P.W.A. funds, and if the improvements contemplated by this bill are necessary, the Committee on Appropriations can provide for them whenever it sees fit to do so.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I do not like to take any more time.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, I listened with some interest to what my distinguished colleague from Michigan has had to say; and I listened with some degree of interest to what the distinguished gentleman from Texas had to say the other day in an incidental way upon the bill that is now pending. I am rather afraid we confuse the issue on this bill, because to me it is a case of determining what the needs and the requirements of the District of Columbia are. People in this town do not differ any from the people out in my district in Illinois; they have the same needs and requirements for police protection and for fire protection; they have the same cultural requirements; they have the same requirements for sanitation and sewage disposal, and all that sort of thing.

In the very nature of things, as the District is constituted, coming under the jurisdiction of Congress, it has to come here as a supplicant and ask for the necessary appropriations with which to carry out those things which have been regarded by the Commissioners of the District and by the experts who have been hired as necessary.

The P.W.A. has allowed $40,000 with which to make a survey of the sewage-disposal needs of the District of Columbia. You know as well as I how difficult it is to get money out of the P.W.A.; and I am satisfied that Mr. Ickes, had he not regarded it necessary, would not have approved the preliminary expenditure of $40,000, bringing about the employment of three very competent sanitation engineers to determine upon the sewage-disposal needs and requirements of the District and upon the cleaning up of the Potomac River. If we do not follow this up, we simply have thrown $40,000 to the birds. I think it has been amply established by these engineers that improvement in the matter of sewage disposal is necessary. They point to pollution of the Potomac River; and I, having been interested in conservation and the prevention of stream pollution, would be heartily ashamed of myself to oppose the improvement of the sewage disposal in the District of Columbia which at the present time is contaminating one of the finest rivers in the United States of America.

The gentleman from Texas the other day stated that when George Washington lived in these parts the Potomac River was all right as a bathing place for him and others who lived in this area, and ought to be now, but I would remind the gentleman from Texas that Washington was not then a town of 487,000 inhabitants; the effluent and the offal of such a large number of people were not being pumped into that stream, contaminating it with virus to such an extent that it will kill the fish life. That is what is happening in the Potomac River right now. When competent engineers state that improvement is necessary, who am I, a Member of Congress from Illinois, to come here and give indifferent attention to the business of the District of Columbia, like most of the members of the committee do—and I say this with no sense of shame because we can give only as much attention to District affairs as time will permit—who am I to challenge the judgment of the engineers, to challenge the judgment of the Commissioners who have been appointed to look after the affairs of the District, to say that they do not need it, and, therefore, they cannot have the money? I say to you it is eminently unfair. An anomalous situation exists in the relationship between the people of the District and the Congress. They came to our committee the other day with a proposal to change the name of Four-and-a-half Street to Fourth Street; and in order that they might do it the Congress of the United States had to pass a bill to that effect. They came before our committee the other day to ask a waiving of the requirement for fire escapes on two-story buildings occupied by three families; and to effectuate this a bill to that effect must be passed by the Congress of the United States. The calendar of the District of Columbia is piled 2 feet high with bills of all kinds for things that are needed. The people of the District are articulate, as the gentleman from Michigan said; they have to be; they have no city council, they have no way by which they can provide and appropriate; every need of the District of Columbia has to be registered in the Committee on the District of Columbia, and if it involves an appropriation it must further be passed upon by the subcommittee of the Appropriations Committee.

Under circumstances such as I have outlined, they have come to us and asked for $10,750,000 with which to build a sewage-disposal plant which the engineers say is necessary; to add to the protection of Lorton where are confined some of the hardened criminals; to provide funds with which to build a tuberculosis hospital.

It was stated the other day that they did not need a tuberculosis hospital in the District of Columbia, and photographs were exhibited in the well of the House to show the recent completion of a tuberculosis hospital; but let me remind the Members of the House that that hospital is strictly a children's hospital. In the District of Columbia they seek to segregate adult sufferers of tuberculosis from child sufferers. That is why they want the additional funds with which to build a tuberculosis hospital in the Capital City of the Nation, a city which has one of the highest death rates from tuberculosis in the United States.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I shall address myself for just a few minutes to the merits of the bill. I do not want to take the position of opposing my colleagues on the Rules Committee in presenting this rule and asking that permission be given for the consideration of the measure. So far as I am concerned, I have no objection to the adoption of the rule. My opposition is to the bill.

I have never been able to find justification, moral or otherwise, for the Congress placing upon the General Government any part of the cost of the government of the District of Columbia. It has always seemed strange to me that Members yield to the pressure that is brought to bear by the people of the District.

The argument just made was a plea for equal treatment of the District. May I say that the most-favored people in all this world are the people of the District of Columbia. The people who get the most out of the General Government are the people of the District of Columbia; and this is another effort to get something for nothing. They speak of the need for these projects that are outlined in the bill. If the District wants them, then the people of the District ought to pay for them; but this bill is to enable them to get what they want at the cost of the people in the outlying sections of the country.

It is said that we should permit the District to borrow, just as we permit the States to borrow. Let me remind you in this connection that in the administration of the relief funds the District has been dealt with upon the basis of its inability to borrow; and, as a result of this condition, the city of Washington, with a population of something over 480,000, has in many instances obtained more than three times as much money as the people of any one State in a group comprising half the States of the Union. When the people of a State want something they dig down in their pockets and pay for it; but the people of the District of Columbia want the people of the other sections to provide their needs for them free of cost.

If you want to test the sincerity of the District in its insistence upon the adoption of this resolution, write into

the bill a provision to the effect that the 30-percent grant shall not apply. If you do that, you will find the people of the District fleeing from the proposal.

[Here the gavel fell.]

Mr. COX. Mr. Speaker, I yield myself 5 additional minutes.

Mr. Speaker, let me again call attention to the fact that the District enjoys every advantage over other cities of the country of comparable size, or, in fact, of any size. The city of Washington owes no public debt. The entire revenue derived from taxation is applied to the cost of government and to the extension of improvements; whereas when your city or my city levies a tax, something approaching 25 percent of the full amount of the tax revenues goes to the extinguishment of carrying charges on bonded indebtedness. This situation does not apply to the District. This is a grab on the part of the District of Columbia.

Just how you can justify yourselves, coming from distant States, in taxing your people to set up favorable conditions for the people of Washington I am unable to understand. When you gentlemen come to deal with the District you ought not to forget the needs of the people back home. Your people have been suffering for 4 years conditions the like of which was never experienced before. The people of the District have never realized that a terrible calamity has befallen this country and that the people in outlying sections have been suffering the agonies of Hades.

They come here today and ask you to further penalize the people in the mines and in the fields by taxing them to make improvements here in the District. The tax rate in the District of Columbia is lower than in any city in the entire world. If the people want these improvements, let them tax themselves to pay for them, and not Congress tax the people in the States to meet costs.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, the Congress of the United States is a town council for the District of Columbia. They have no privileges and no right to legislate upon any matter until they come to us. Every other municipality in the United States that desires money for a project in order to help the unemployment situation could pass an ordinance through its town council, present its bond securities to the Public Works Administration, and borrow money for the emergency. If the District of Columbia is allowed the same privilege as every other municipality, it will have to be upon the granting of that authority by the Congress.

There is unemployment here the same as there is unemployment in every other city of the United States. It is true a great many tourists come here, which increases the business of the District, but the District of Columbia is also the sojourn of many of the tramps, wanderers, and unemployed, that come in for various reasons.

Contrary to the views of the gentleman from Georgia, that this penalizes the entire United States, it merely brings the District of Columbia upon an equality with every other municipality and section of the United States. It is true that the Federal Treasury contributes a certain part, but under this proposal the District of Columbia is proposing to borrow money like every other municipality, and is willing to pledge the property of the District to pay back this money. It is true a gratuity of 30 percent will be given here just as is given to every other municipality; but is there any reason why any different treatment should be given to the District of Columbia and the city of Washington as a municipality than is given to your home city or my home city back in the States? If the District of Columbia, through its government, is willing to pledge its property to pay back in the future the money that is needed for necessary projects in this emergency to help the unemployment situation, we ought to divert from the usual custom of appropriating money, in which the Federal Government makes its full contribution, and allow them this privilege, upon their pledge, of borrowing money to put over these projects during this emergency, and help unemployment.

[Here the gavel fell.]

Mr. SMITH of Virginia. I yield the gentleman 1 additional minute.

Mr. GREENWOOD. These projects include a TB hospital to cost $2,000,000. The death rate from tuberculosis in the District is higher than in 50 other cities near its size in the United States. Six hundred beds are needed; 300 beds are provided.

There is provision for the construction of a wall around the penitentiary at Lorton. Lorton was designed for 800 prisoners and there are now 1,200 confined there. Some of the worst prisoners in the District have been sent to Federal penitentiaries on account of the overcrowded condition at Lorton. We should permit the District of Columbia to take care of their own prisoners if it wants to borrow for this purpose.

For Gallinger Hospital there is allowed $750,000. This hospital was planned for 500 patients and there are now 700, many of whom are sleeping in the halls, corridors, and elsewhere.

The District of Columbia proposes to borrow this money, just like every other community, in order to increase its hospital facilities, among other things, and they should be allowed to do this.

There is $8,000,000 for a sewage-disposal plant in order to purify the Potomac River. The District should be allowed to borrow money to preserve the health of the people residing here.

[Here the gavel fell.]

Mr. MAPES. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. COX. Mr. Speaker, I yield to the gentleman from Texas [Mr. BLANTON] the remainder of my time.

Mr. MAPES. May I also yield to the gentleman from Virginia [Mr. SMITH] 5 minutes to dispose of as he sees fit?

Mr. BLANTON. Mr. Speaker, if there are any such, the most obscure, unknown, inactive Member of this House, by speaking for this bill today, could get his picture on the front pages of the Washington papers with a big write-up about his great ability. Those of us who have to speak against it in the interest of our constituents back home must withstand the vicious attacks made upon us by all of these Washington newspapers, who in every way possible misrepresent us, and we must also face the darts of every Member here who is trying to put this bill through.

Here are the facts: Back in 1878 the District government, which had been allowed to run loose by the Congress, had gotten hopelessly into debt. Its affairs had been mismanaged. There was waste, extravagance, graft, and corruption in the management of the business affairs of the District of Columbia.

The Congress took charge of things and passed a law in 1878 making it a serious offense afterwards for the Commissioners to ever borrow another dollar. The act provides a punishment of 10 years in the penitentiary and a $10,000 fine if they ever put this District in debt again. It has not been in debt since that time. It has been running on a cash basis ever since 1878. It does not owe one dollar now.

This is merely an attempt to start that bunkum all over again. That is the reason your Rules Committee hesitated, and that is the reason that notwithstanding the pressure behind this bill there was a closely divided vote of 6 to 5 when they finally voted this rule out, providing they would agree to reduce the Senate bill from $20,000,000 to $10,750,000.

I want you to remember that this $20,000,000 bill was passed by the Senate wholly without consideration. So that this will not be controverted, I now quote from the Washington Times of April 27, 1934, the following, printed in box-car headlines:

SENATE PASSES D.C. LOAN BILL IN 5 MINUTES—PROCEDURE, ENGINEERED BY SENATOR KING, RARELY PERMITTED

In less than 5 minutes the Senate today unanimously passed the bill authorizing the District to borrow $20,000,000 from the P.W.A. for local construction work. The bill now goes to the House.

As the Senate reconvened, Senator KING called the bill up despite the fact that the committee report on the proposal was not

entered until today. Usually at least one Senator will object to consideration of a bill unless the committee report has been filed at least 24 hours earlier.

Was not that a remarkable procedure, Mr. Speaker, for a $20,000,000 bill to be passed in the twinkling of an eye, without it being considered sanely? But it did not get through this House so easily. Ever since it was hurriedly pushed through the Senate in 5 minutes on April 27, 1934, they have been trying to get it through this House. But it has not been easy.

I appeared before the Rules Committee, and urged that this bad precedent be not set. Our able colleague, Mr. CANNON of Missouri, chairman of the committee that handles the District appropriation bill, appeared before the Rules Committee and urged that it be not passed. We did succeed in forcing $9,250,000 out of the bill.

After this bill is passed here in the House with only $10,750,000 allowed, do you think that is going to change this $20,000,000 Senate bill? No; you put that amendment on the Senate bill, eliminating this $9,250,000, and send it back there in the dying hours of the Congress, and what will they do? They will disagree to your amendment, and you will have a $20,000,000 bill sent up here in the dying hours of this Congress, allowing the District government to borrow $20,000,000 more from the taxpayers of this country out of their Public Treasury, with 30 percent of it a pure gift.

Is it necessary, is it right, is it just, is it proper? This is for you to determine. Now, let us see whether or not it is.

Ben Johnson, as I told you the other day, who was one of the ablest chairmen the District of Columbia Committee ever had, stated here that from 1878 up to the last time he had checked it up, this District government, if you made it pay back the gifts the Federal Government had made to it, would owe the Federal Government $581,000,000. This is what he said—$581,000,000 that the Washington people would owe the Federal Government, or the taxpayers that you and I represent back home, and since then they have had a regular bonanza in Washington for the commercial interests here, by getting huge additional hand-outs.

This is the Nation's Capital. It is the seat of this Government. It is set aside for us to manage the Government's business in, and I am tired of seeing these commercial interests here in Washington dictate to the Congress every year about what should be done; and I repeat, if they do not like the way Congress runs the seat of government, let them get up and move out of Washington, because we are going to keep this as the seat of this Government and the Congress is going to run it to suit itself and the American people and not to suit all of these commercial interests in Washington that have been growing richer every year.

In the last 20 years do you know what you have done for Washington? You have spent $200,000,000 of the people's money in permanent improvements. In the last 4 years you have spent $100,000,000 of the people's money in public improvements, paying carpenters and bricklayers and lathers and painters $10 and $12 and $14 a day here in Washington, when back home they have been glad to get $5 or $6 or $7 or $8. Usually when a person dies here you find they leave an estate of $80,000 on up to $1,000,000 and more. Go down here and look at the returns of the estates of people who have died here in Washington.

We have done more for Washington by spending all this money here and by creating these great public institutions than for any other city. The people everywhere want to come here and see Washington. There is hardly a day passes that there are not 100,000 sight-seeing tourists here from the different States, and think of the tremendous amount of money they spend.

Mr. BRITTEN. Will the gentleman yield for just a short question?

Mr. BLANTON. I am sorry, I cannot yield. Maybe not as many as go into the gentleman's fair at Chicago, which is also Federally subsidized, but almost as many, and they spend a big sum of money before they get out. They spend from $25 to $50, every one of them who comes here, and this is a bonanza for the commercial interests.

Now, what is the situation as to benefits the people who live here enjoy? They have a tax rate of $1.50, not on a 100-percent valuation. Get these hearings and you will see that Commissioner Hazen swore in these hearings that this present year they reduced the assessed valuation of property in Washington $80,000,000 in the interests of the taxpayer, and with this reduction the tax rate is $1.50. He also states that they intend next year to reduce the assessed valuation $50,000,000 more. This is a reduction in assessed valuation of $130,000,000 this year and next, with a tax rate of only $1.50.

What is the tax rate out at Indianapolis, Ind., or down in Oklahoma? I wish you would check that up. I wish you would go to the largest city in the district of my friend, Mr. GREENWOOD, and see what their tax rate is; go to St. Louis and see what your tax rate is there, comparable with a tax rate of $1.50 here, with a reduction in assessed valuation of $130,000,000 this year and next.

Let me tell you another thing. After you once connect your house with a sewer you never pay another dollar. Suppose you own a house that is 30 years old, during the last 30 years you have not paid a cent for sewer service and you can own it for the next 150 years and never pay another cent for sewer service. How about your water rate? Your water rates are reduced so that the ordinary family, for 10,000 cubic feet minimum of water, pays $7 a year or about 50 cents a month, and down in our home cities we never get it for one month for much less than that. Most of us pay around $5 a month ordinarily, and during the summer months some pay as high as $25 or $30 per month.

How about the other benefits here? Two cents a gallon is the tax on gasoline. In Tennessee they pay 7 cents. What do you pay over in Virginia? Five cents, although the people here pay 2 cents. Over in Maryland they pay twice as much as they pay here.

How about an income tax? In most every other place you pay a State income tax. There is no local income tax in the District. They tax the intangibles an insignificant, low amount. You will find lockboxes in the banks here with millions of dollars of securities upon which there is not a dollar of tax paid. You will find tax dodgers come into Washington from all over the United States, and it ought to be stopped.

They have no local inheritance tax here. You have in Chicago, you have it in my State, you have it everywhere else, but there is none in Washington. These people here are the special pets—"the inarticulate class", as some Member once said. Why, they have a lobby here the like of which I have never seen in my life before. They come in the back door and in the front door and surround you and ring you up at night.

Let me tell you another thing. For the present fiscal year your Congress passed an appropriation bill allowing the District of Columbia $30,375,000 for expenses—for a city of less than 500,000 people. If that is not enough money, I should like to know why. The Budget said that was enough. The President said that was enough.

As soon as Congress adjourned they went to the C.W.A. and the P.W.A., and if you will look at the committee's report, on page 15, you will find where they got an additional fund of $11,365,760 after Congress adjourned.

Now, in this bill they want $20,000,000 more. Talk about a tuberculosis hospital. They want you to think that little children are suffering and do not have anything done for them by Congress. There is a $625,000 plant we have just completed with fittings, bringing the cost up to $640,000, which will be opened July 1.

Mr. KENNEY. Will the gentleman yield?

Mr. BLANTON. I am sorry I cannot yield now.

Mr. KENNEY. I want to help the gentleman.

Mr. BLANTON. I have not time to discuss lotteries. They will put your picture in the paper without it, just for interrupting me. I cannot yield. I want to use my time. Now, every tree that is planted around your residence has not cost you anything directly. That is taken out of the $1.50 tax rate. They spray the trees, they prune the trees

every year, and it is all taken out of the $1.50 rate. They collect the ashes, they collect the garbage, they collect the refuse, they collect the trash, all gathered free, and paid for out of the $1.50 tax rate. We pay for it back home. But this is all paid out of the $1.50 tax rate here in Washington.

The paving is all paid out of this $1.50 tax rate. Back yonder, until we stopped it, the Government paid one-half of every dollar of expense for the city of Washington. The million-dollar bridge on Connecticut Avenue your people and mine helped to pay for. Why, you have some bridges, like the $14,000,000 Arlington Bridge, where not a dollar of it was paid by the people of the District, but it was paid for by the Federal Government in toto. The district of my friend Mr. SMITH of Virginia did not pay anything. The people of the District did not pay anything for it. His people ride over it every day, but they did not pay anything toward it. The Government gave it to you Virginians. There are some other bridges that have been paid for by the Government.

Why, this Government has spent hundreds of millions of dollars here. It furnishes every dollar of the total expense of the big Howard University plant here; the District does not pay a cent; and one-third of the population of the District of Columbia is made up of colored people; and they are mostly the ones who attend that plant. There are a few scattered ones from the various States, but it is mostly full of Washington people—all paid for by the Government. St. Elizabeths Hospital up here, with 3,000 patients, is all paid for by the Government. The District uses it and pays a little stipend for service. There are several other hospitals here that I could mention upon which large sums are paid by the Government.

I tell you right now, if you can go back home and square yourselves with your people, all right. I have done my duty when I have called your attention to these facts, and when I vote against it I have done my duty. I am now trying to keep the camel from getting its nose under the tent, for that is what this District is trying to do, and that will cause trouble in the future, because you will have to pay it back.

Every one of these items has been considered by the Committee on Appropriations of both House and Senate. And they were turned down as unnecessary. Yesterday your President signed a bill that gives the city of Washington for next fiscal year, with a dollar and a half on the $100 tax rate and assessable values reduced $130,000,000, the huge sum of $35,400,000 for expenses for the coming fiscal year, $5,700,000 of which is a pure gift from the United States.

Mr. COX. How much of that do the people of the States pay?

Mr. BLANTON. There is a pure gift of $5,700,000 paid by the people of the United States.

Mr. KENNEY. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Is the gentleman for this bill or against it?

Mr. KENNEY. I would like to help the gentleman.

Mr. BLANTON. The gentleman cannot help me if he votes for the bill.

Mr. KENNEY. Will the gentleman yield?

Mr. BLANTON. I cannot yield to the gentleman unless he is going to vote against this iniquitous measure and not for it.

Mr. KENNEY. Why, the gentleman does not want me to commit myself in advance.

Mr. BLANTON. I am not yielding to one who does not know now how he is going to vote.

Mr. KENNEY. I am listening to the gentleman's argument with an open mind. Will the gentleman yield?

Mr. BLANTON. I cannot yield. I am not going to waste my time with anybody who has not yet made up his mind how he is going to vote on this question.

Mr. HAINES. Mr. Speaker, will the gentleman yield for a question?

Mr. BLANTON. I cannot yield now, Mr. Speaker, and I ask that this be not taken out of my time.

The SPEAKER pro tempore. The gentleman refuses to yield.

Mr. BLANTON. Get these hearings. After a dollar-and-a-half rate, with assessable values reduced $80,000,000 this year, you will see that Mr. Hazen, the chairman of the Board, testified before the committee that he has a surplus on hand now of $5,000,000, unexpended, as of July 1. He can take that surplus and add 15 cents per $100 to the tax rate here, and instead of its being $1.50 he can make it $1.65 per $100, and, adding that to the surplus, he would have enough money to do every single thing that this $10,750,000 borrowing bill proposes. Why do they not raise that tax rate if they want this $10,750,000? They want you to give them the right to borrow, and then they expect some day through your Government and your taxpayers to have you pay the bill. I am not going to do it. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, I am going to vote for the bill, and no pressure has been brought to bear upon me. Nor am I looking to get my picture in the Washington newspapers. The Federal Government, by reason of an act of Congress, is permitting the States and subdivisions of the States to borrow money from the Public Works Administration for needed public projects to relieve unemployment. Who is going to pay back that money? The people of the country are going to pay back the money. There are close to 500,000 people in the District of Columbia. The people of the District of Columbia pay into the United States Treasury in Federal taxes more money than any 1 of 25 States of this Union. Those 25 States are permitted to borrow money from the P.W.A. funds, yet the District, which pays more money into the Treasury than any 1 of those 25 States, is not permitted to borrow any money from the P.W.A. fund. This bill is to grant that permission. The Virgin Islands, Puerto Rico, the Canal Zone, and Alaska can borrow from the P.W.A. Why should the citizens of the District of Columbia that must pay its share of the public debt not have the same right when provisions are made to repay the loan?

I cannot say I am well informed on any proposal except one, and that is the one that provides for the sewage-disposal plant. I do know something about that because I have studied it. The Public Health Service, acting under a Senate resolution, reported, after a thorough investigation, upon the question of a sewage-disposal plant. That report showed the necessity for the construction of one. Based on that report, the administrator of the Public Works Administration granted $40,000 for the purpose of having three of the outstanding sanitary engineers in the United States investigate the matter. Forty thousand dollars has already been spent to investigate and determine whether a sewage-disposal plant is necessary. Those three engineers, in a unanimous, voluminous report, said that the health of every person in the District of Columbia is jeopardized by reason of the manner in which the District disposes of the sewage. This means the health of all, from the President of the United States down, is jeopardized.

The District Commissioners went before the Committee on Rules and told that committee that they did not expect the Congress to appropriate money to pay this back. The Congress will not be called upon to pay a cent back, but the District taxpayers, according to the terms of the bill, must pay it back. It is our duty to grant this permission to the District government. I hope the bill will be passed. I have spoken on this question at length, introduced a bill providing for the construction of the sewage plant, and appeared before the Rules Committee in support of the rule. This only after a thorough investigation that convinced me this legislation is absolutely necessary from the standpoint of protecting the health of 500,000 people.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.





Mr. SMITH of Virginia. Mr. Speaker, I yield myself the balance of the time.

I should like to discuss the merits of the situation dispassionately and for the purpose of giving the Members of the House some information on this project, that perhaps has not been disclosed to them, in the rather passionate and, I might say, in some cases, prejudiced debate which has taken place with respect to the rule. The purpose of this bill is merely to put the District of Columbia upon the same basis with every other city and hamlet in the United States, to permit them to go before the Public Works Administration and make their case for a loan, if they can.

Mr. O'CONNOR. Will the gentleman yield right there?

Mr. SMITH of Virginia. I yield.

Mr. O'CONNOR. And in addition to being placed on the same basis as every other city and hamlet in the United States, the same basis as Hawaii and the Virgin Islands?

Mr. SMITH of Virginia. Yes. So that this bill does not appropriate any money, and perhaps will never result in the appropriation of any money. It simply gives this city the right to go before the Public Works Administration and make out its case for these projects, just as any other city would. The Public Works original bill contains this provision, which I want to read to you:

> That this act shall extend to public works in the several States, Hawaii, Alaska, the District of Columbia, Puerto Rico, the Canal Zone, and the Virgin Islands.

All that the District Committee and all that I am asking you to do is to give to the Capital of the greatest nation on earth the same privilege you are giving to the Virgin Islands under this act.

Now, why is it not given as you intended to give it? You intended by this act that the District of Columbia should have the benefit of this bill, and it would have the benefit of this bill, except for this fact; that the District of Columbia is not like any other municipality, and it has not any power to borrow any money unless we, its city council, say it shall borrow money. We are the city council of the District of Columbia. That is all there is to this bill. It simply puts the city where you intended to put it when you passed the Public Works Act last year. We, sitting as a city council of the District of Columbia, are simply saying, "You may go to the Public Works Administration and make out a case if you can", just as the Panama Canal Zone, the Virgin Islands, the Hawaiian Islands, and various other dependencies of the United States may do now under this very act. That is all there is to this bill.

However, there was a great deal of objection expressed to this bill in the Rules Committee by the gentleman from Texas, and it was concluded in the Rules Committee that we would ask the District of Columbia to cut down the authorization from $20,000,000 to $10,750,000, and we cut out several items from the bill. That which we left in the bill and which we are asking the District of Columbia be authorized to use is for the Tuberculosis Hospital. That is one item. The gentleman from Texas has shown you some very pretty pictures. Those pictures pertain to one unit of the Tuberculosis Hospital of the District of Columbia. What we want to do is to build a proper tuberculosis hospital, not only for children, but for adults in the District of Columbia, so that the National Capital may not rate in the future as it does now, as the third highest in the country in death rate from tuberculosis.

One other item is for building a wall or enclosure at the Lorton Reformatory. There is a place where you have 2,000 prison population. It is the penitentiary for the District of Columbia. Persons convicted of robbery, murder, or any other crime are sent down there. There is no wall or enclosure for them. There is no place where they can be confined in cells, and by reason of the fact that we have what is known as the "indeterminate sentence law" in the District of Columbia, the Federal penitentiaries will not accept those prisoners. Therefore there is a condition down there that everybody concedes should be remedied.

Then there is the project of purifying the Potomac River. The Potomac River is now receiving raw sewage from this city of 500,000 population. It is disclosed beyond question of doubt and undisputed that that river is contaminated from north of the District line to a distance of 20 miles below the District of Columbia. We are left here in the middle of it and we are compelling 500,000 citizens of America to live under those conditions. All they ask for is an opportunity to borrow money and pay for it out of their own revenues.

The other project is the Gallinger Municipal Hospital. That is very badly needed. It is much overcrowded. That is the only general hospital in the District.

Those items are all meritorious. The Rules Committee spent three mornings selecting what they regarded as the most meritorious items in that bill, in order that it might be presented to the House and that these people might be permitted to make out their case if they had a case.

Now, I want to say something about this tax rate, because the gentleman from Texas said, "Why do not these Commissioners increase the tax rate for the District of Columbia and raise more money to put on these improvements?" For the simple reason, as I said before, that the men sitting on the floor of this House are the town council of the District of Columbia, and they cannot put on any assessments other than what you tell them to put on. Now, the law is that the District Commissioners shall annually fix the tax rate of the District of Columbia and shall fix it at such rate as will raise a sufficient amount of money to pay the appropriation bill that this Congress has made.

So if you appropriate $30,000,000, as you did this year and the tax rate of $1.50 will pay the $30,000,000, that is what we, the town council of the District of Columbia, have said that the District Commissioners must do. They have no power except what you give them. But if the gentleman from Texas really thought that we ought to be permitted to spend more of the money of the taxpayers of the District of Columbia, all that would be necessary would be to appropriate $40,000,000 instead of $30,000,000; and then, automatically under the law, it becomes the duty of the District Commissioners to raise the tax rate from $1.50 to such sum as may be necessary to pay what the Congress, acting as its city council, has appropriated.

[Here the gavel fell.]

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the passage of the resolution.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 86, noes 15.

Mr. BLANTON. Mr. Speaker, I object to the vote on the ground there is not a quorum present; and I make the point of order there is not a quorum present.

Mr. SNELL. Mr. Speaker, this is not a Republican filibuster, is it?

Mr. BLANTON. No; but on all these big gifts to Washington we are going to pin down the responsibility on the proper shoulders and let the people of the United States know who, by their votes, are responsible.

The SPEAKER. Evidently there is not a quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—years 247, nays 84, not voting 99, as follows:

[Roll No. 173]

YEAS—247

Adams	Beiter	Brown, Ky.	Cannon, Wis.
Allen	Biermann	Brown, Mich.	Carden, Ky.
Andrew, Mass.	Black	Brunner	Carmichael
Arens	Bland	Buck	Carpenter, Kans.
Ayres, Kans.	Bloom	Bulwinkle	Carter, Calif.
Bacon	Boileau	Burke, Nebr.	Carter, Wyo.
Bailey	Boland	Burnham	Cary
Bakewell	Boylan	Byrns	Castellow
Bankhead	Britten	Cady	Cavicchia
Beam	Brown, Ga.	Caldwell	Claiborne

Clarke, N.Y.	Gillespie	Lindsay	Scrugham
Cochran, Mo.	Gillette	Lloyd	Sears
Cochran, Pa.	Goldsborough	Lozier	Secrest
Coffin	Goodwin	Lundeen	Seger
Cole	Granfield	McCarthy	Sinclair
Condon	Gray	McCormack	Sirovich
Connery	Greenway	McGrath	Sisson
Connolly	Greenwood	McKeown	Smith, Va.
Cox	Gregory	McLean	Smith, Wash.
Cravens	Haines	McReynolds	Snell
Crosby	Hancock, N.Y.	Maloney, Conn.	Somers, N.Y.
Crosser, Ohio	Harlan	Maloney, La.	Steagall
Crowe	Hart	Martin, Colo.	Strong, Pa.
Crump	Hastings	Martin, Mass.	Strong, Tex.
Culkin	Healey	Mead	Stubbs
Cullen	Hildebrandt	Millard	Studley
Cummings	Hill, Knute	Milligan	Sullivan
Darden	Hill, Samuel B.	Montague	Sutphin
Dear	Hoeppel	Moran	Swank
Deen	Hollister	Moynihan, Ill.	Swick
Delaney	Holmes	Musselwhite	Terry, Ark.
De Priest	Hope	O'Brien	Thom
Dirksen	Hughes	O'Connell	Thomas
Ditter	Imhoff	O'Connor	Tobey
Dondero	Jacobsen	Oliver, N.Y.	Traeger
Dowell	Jenckes, Ind.	Owen	Treadway
Doxey	Jenkins, Ohio	Palmisano	Truax
Drewry	Johnson, Minn.	Peavey	Turpin
Driver	Johnson, Okla.	Perkins	Underwood
Duffey	Johnson, W.Va.	Pettengill	Utterback
Dunn	Kahn	Peyser	Vinson, Ga.
Eagle	Kee	Polk	Vinson, Ky.
Eaton	Keller	Powers	Wadsworth
Edmiston	Kelly, Ill.	Prall	Wearin
Edmons	Kelly, Pa.	Ramsay	Weaver
Eicher	Kennedy, Md.	Ramspeck	Weideman
Ellenbogen	Kennedy, N.Y.	Randolph	Welch
Ellzey, Miss.	Kenney	Rankin	Werner
Evans	Kerr	Reece	West, Ohio
Farley	Kleberg	Reed, N.Y.	West, Tex.
Fiesinger	Knutson	Reilly	White
Fitzpatrick	Kocialkowski	Richards	Whitley
Fletcher	Kopplemann	Robertson	Wigglesworth
Focht	Lambeth	Robinson	Williford
Ford	Lamneck	Rogers, Mass.	Withrow
Foss	Lanzetta	Rogers, Okla.	Wolcott
Frear	Larrabee	Rudd	Wolverton
Fuller	Lea, Calif.	Sabath	Wood, Mo.
Gasque	Lehlbach	Sadowski	Woodruff
Gavagan	Lemke	Sanders, La.	Young
Gifford	Lewis, Colo.	Sanders, Tex.	Zioncheck
Gilchrist	Lewis, Md.	Schuetz	

NAYS—84

Adair	Dobbins	Luce	Romjue
Andrews, N.Y.	Dockweiler	Ludlow	Ruffin
Arnold	Doughton	McClintic	Sandlin
Ayers, Mont.	Eltse, Calif.	McDuffie	Schaefer
Beedy	Faddis	McFadden	Shallenberger
Blanchard	Foulkes	McFarlane	Taber
Blanton	Fulmer	McGugin	Tarver
Boehne	Glover	Mansfield	Taylor, Colo.
Buchanan	Guyer	Mapes	Terrell, Tex.
Buckbee	Henney	Marshall	Thomason
Burke, Calif.	Hess	May	Thompson, Ill.
Cannon, Mo.	Hill, Ala.	Meeks	Tinkham
Carpenter, Nebr.	Howard	Miller	Turner
Christianson	Johnson, Tex.	Mitchell	Umstead
Colden	Jones	Morehead	Wallgren
Collins, Calif.	Kinzer	Murdock	Warren
Colmer	Kloeb	Parker	Whittington
Cooper, Tenn.	Kniffin	Parks	Williams
Cross, Tex.	Kurtz	Parsons	Wilson
Crowther	Lanham	Rich	Wolfenden
Dickinson	Lehr	Richardson	Wood, Ga.

NOT VOTING—99

Abernethy	Dickstein	Huddleston	Plumley
Allgood	Dies	James	Ransley
Auf der Heide	Dingell	Jeffers	Rayburn
Bacharach	Disney	Kramer	Reid, Ill.
Beck	Douglass	Kvale	Rogers, N.H.
Berlin	Doutrich	Lambertson	Schulte
Bolton	Duncan, Mo.	Lee, Mo.	Shannon
Brennan	Durgan, Ind.	Lesinski	Shoemaker
Brooks	Englebright	McLeod	Simpson
Browning	Fernandez	McMillan	Smith, W.Va.
Burch	Fish	McSwain	Snyder
Busby	Fitzgibbons	Marland	Spence
Carley, N.Y.	Flannagan	Martin, Oreg.	Stalker
Cartwright	Frey	Merritt	Stokes
Celler	Gambrill	Monaghan, Mont.	Sumners, Tex.
Chapman	Goss	Montet	Sweeney
Chase	Green	Mott	Taylor, S.C.
Chaves	Griffin	Muldowney	Taylor, Tenn.
Church	Griswold	Nesbit	Thompson, Tex.
Clark, N.C.	Hamilton	Norton	Thurston
Collins, Miss.	Hancock, N.C.	O'Malley	Waldron
Cooper, Ohio	Harter	Oliver, Ala.	Walter
Corning	Hartley	Patman	Wilcox
Darrow	Higgins	Peterson	Woodrum
DeRouen	Holdale	Pierce	

So the resolution was agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Patman with Mr. Bacharach.
Mr. Fernandez with Mr. Muldowney.
Mr. Burch with Mr. Taylor of Tennessee.
Mr. Griffin with Mrs. Rogers of Massachusetts.
Mr. Griswold with Mr. Darrow.
Mr. Hancock of North Carolina with Mr. Bolton.
Mr. Celler with Mr. Cooper of Ohio.
Mr. Taylor of South Carolina with Mr. Merritt.
Mr. Huddleston with Mr. Ransley.
Mr. Woodrum with Mr. Hartley.
Mr. Collins of Mississippi with Mr. Fish.
Mr. Sumners of Texas with Mr. Thurston.
Mr. Cartwright with Mr. James.
Mr. Rayburn with Mr. Mott.
Mr. Douglass with Mr. Beck.
Mrs. Norton with Mr. Englebright.
Mr. Oliver of Alabama with Mr. Lambertson.
Mr. Lee of Missouri with Mr. Chase.
Mr. Clark of North Carolina with Mr. Plumley.
Mr. Rogers of New Hampshire with Mr. Stokes.
Mr. Gambrill with Mr. Goss.
Mr. Green with Mr. McLeod.
Mr. Chapman with Mr. Simpson.
Mr. McSwain with Mr. Waldron.
Mr. McMillan with Mr. Higgins.
Mr. Corning with Mr. Reid of Illinois.
Mr. Allgood with Mr. Kvale.
Mr. Berlin with Mr. Shoemaker.
Mr. Pierce with Mr. Hamilton.
Mr. Flannagan with Mr. Fitzgibbons.
Mr. Brennan with Mr. Holdale.
Mr. Spence with Mr. Thompson of Texas.
Mr. Chaves with Mr. Kramer.
Mr. De Rouen with Mr. Marland.
Mr. Dickstein with Mr. Monaghan of Montana.
Mr. Montet with Mr. Dies.
Mr. Smith of West Virginia with Mr. Carley of New York.
Mr. Bushy with Mr. Dingell.
Mr. Disney with Mr. Walter.
Mr. Wilcox with Mr. Duncan of Missouri.
Mr. Church with Mr. Peterson.
Mr. Snyder with Mr. Durgan of Indiana.
Mr. Lesinski with Mr. Brooks.
Mr. Shannon with Mr. Schulte.
Mr. O'Malley with Mr. Sweeney.
Mr. Harter with Mr. Browning.
Mr. Frey with Mr. Abernethy.
Mr. Jeffers with Mr. Auf der Heide.

Mr. LANHAM and Mr. FULMER changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

On motion of Mr. SMITH of Virginia a motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a brief announcement.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, the gentleman from South Carolina [Mr. McSWAIN], the gentleman from New Jersey [Mr. HARTLEY], and the gentleman from Missouri [Mr. DUNCAN] are absent attending hearings of a Subcommittee of the Committee on Military Affairs, and for this reason were unable to respond to the roll call.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA

Mr. SUMNERS of Texas. Mr. Speaker, at today's session the House passed the bill (H.R. 9437) to amend an act of Congress approved February 9, 1893, entitled "An act to establish a Court of Appeals for the District of Columbia, and for other purposes." At that time I understood I had asked unanimous consent to substitute a similar Senate bill for the House bill and understood the substitution had been made. I have since learned I was in error with reference to the matter.

Mr. Speaker, I now ask unanimous consent that the proceedings whereby the bill (H.R. 9437) was passed be vacated.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3524) to amend an act of Congress approved February 9, 1893, entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate bill is as follows:

Be it enacted, etc., That the court established by the act of February 9, 1893 (27 Stat. 434), entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes", shall hereafter be known as the United States Court of Appeals for the District of Columbia.

The bill was ordered to be read the third time, was read the third time, and passed, and a motion to reconsider and a similar House bill (H.R. 9437) were laid on the table.

AUTHORIZING DISTRICT OF COLUMBIA TO BORROW FROM PUBLIC WORKS ADMINISTRATION

Mr. PALMISANO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 3404) authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 3404, with Mr. RANKIN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HARLAN].

Mr. HARLAN. Mr. Chairman, a few moments ago we heard what I thought was a very interesting discussion by the gentleman from Texas [Mr. BLANTON]. I always like to hear his discussions, because they are so full of energy and mental activity. It seemed to me today, however, that the gentleman's discussion was a little bit off the issue that we have to decide.

We are sitting here as governors of the District of Columbia. The people of the District have no way of letting us know their wishes and desires except through their appointed Commissioners. Their appointed Commissioners and officers have at different times expressed a desire for certain improvements in the District. Many of these improvements are embraced in this contemplated program. The Committee on Appropriations at different times have rejected similar requests in whole or in part. So now the citizens of the District, through the only agency they have, are coming here asking to borrow money with which to carry out these improvements which they feel they need.

It may be said that the citizens do not want these improvements; I have heard these statements made; but there is no proof to this effect upon which we can rely; their officials have asked for them. They have said to our Committee on Appropriations that their municipal court is a disgrace to the city; that the health situation of the city demands a tuberculosis hospital; that the present conditions at the Lorton Reformatory are such they cannot retain their prisoners; that the pollution of the Potomac River is a menace to the entire community.

The Appropriations Committee has said that they cannot spend money raised by taxation for these things; so they have come and asked, as has every other subdivision of the country, to borrow money; and have said they would pay it back by taxation. What can be more fair than this? It is not a question, Mr. Chairman, of whether there is an inheritance tax in the District of Columbia.

It is not a question of what will they pay for their water; it is not a question of what they pay for their sewer or their bridges. They have paid for everything that we directed them to pay for, and they have not paid for anything we have not permitted them to pay for. The only question that is before this body this afternoon is, Does the District of Columbia need these improvements? And that is all there is to the matter.

Mr. MURDOCK. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Utah.

Mr. MURDOCK. Is the gentleman forgetting entirely the purpose for which the Public Works money was appropriated? It was appropriated not to municipal needs in the way of improvements but in order to put men back to work. They have spent more money in the District of Columbia than in any other part of the country.

Mr. HARLAN. The same amount spent in the District of Columbia for the same kind of improvements will put the same number of men to work in the District of Columbia as in Utah, Ohio, or anywhere else.

These great monumental buildings that have been referred to, which the Federal Government has put into the District of Columbia have not been requested by the people of the District. They have not asked for these buildings. We have not put them here as a gift to the people of the District. We have put them here because we wanted them here, and because we wanted to make this the most beautiful Capital in the world. May I say that if you will just go into the Municipal Building down here where the juvenile court is situated, where the municipal court is situated, and where the police court is situated, you will hang your heads in shame. We, in Congress, have put buildings here for monumental purposes. It is like putting a red coat of paint on the front of the store because it will bring credit to us. The people of the District want these things provided in this bill for their health. They want to educate their children in schools and are willing to pay for them. Incidentally, may I say that the schools are tremendously overcrowded, too.

[Here the gavel fell.]

Mr. DIRKSEN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. PALMISANO. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I knew when I took the floor against the rule that makes this bill in order that I would thereby make myself the target of every person who is trying to put this bill over. I am able to stand their darts. I am able to withstand all of their thrusts beneath the belt, because I know what I am talking about and am armed with the facts, and some who will try to get rid of the facts by an ignorant wave of the hand will be those who know as little about the business affairs of this District as they do about most of the legislation that comes on this floor.

There may be some who will attack because some neighbor has made to them this complaint about some school, or about some playground, or about some hospital, or about water pollution in the great Potomac, which is now just what it has been for the past 50 years, and they will accuse me of being prejudiced, and they will say that my statements are not accurate, when they do not have any personal knowledge whatever about the subject.

Regardless of what the newspapers may say, and regardless of what critics on this floor may say, I do know what I am talking about, and every statement I have already made here today about this bill, and this District, is 100 percent true and correct, and every posted man in this House—men like TABER, CANNON of Missouri, BUCHANAN, of Texas, COX, of Georgia—know that I have given you all a true picture of the facts here in Washington.

The investigation and report of Ben Johnson, the investigation and report of the Mapes committee, and every other honest investigation, will show that I have given you the facts as they exist, and these facts cannot be wiped away by the wave of the hand.

The following, quoted from the official committee report, shows that for the present fiscal year there was appropriated for the District of Columbia's expenses $30,375,834, and that

the President's estimates for 1935, the next fiscal year beginning July 1, 1934, as sent to us by the President's Budget, was $33,454,843.94, to wit:

	Appropriations, 1934	Budget estimates, 1935
Payable from gasoline-tax fund	[1] $1,237,400	$2,296,550.00
Payable from water revenues	[2] 1,027,000	1,511,347.00
Payable from District revenues derived from taxes on real estate, tangible and intangible property, public utilities, banks, etc., and from miscellaneous sources	22,411,434	23,946,946.94
Payable from U.S. Treasury	5,700,000	5,700,000.00
Total, regular annual	[3] 30,375,834	33,454,843.94

[1] And indefinite appropriation not exceeding $1,500,000.
[2] And indefinite appropriation not exceeding $635,000.
[3] And indefinite appropriation not exceeding $2,135,000.

And to show, Mr. Chairman, what the District of Columbia received from the P.W.A. and the C.W.A., after Congress had given it $30,375,834 for this fiscal year, I quote the following from the official committee report from page 15, to wit:

The following tabulation shows the amounts authorized to be expended for relief work from all sources since the first appropriation was made available in the fiscal year 1933, including Public Works and Civil Works allocations:

[Statement prepared Apr. 5, 1934]

	Fiscal year 1933	Fiscal year 1934
District of Columbia appropriations	$1,150,000	$1,300,000
Community chest appropriation	100,000	
F.E.R.A.	140,767	1,864,914
F.E.R.A. (value of surplus commodities, foodstuffs, and coal)		375,960
		3,540,874
Transient relief		185,500
C.W.A. projects		4,176,000
Virginia C.W.A., construction of buildings, District of Columbia Reformatory, Lorton, Va.		136,000
	1,390,767	8,038,374
Total, 1933 and 1934, as above		9,429,141
Section 202, N.I.R.A., sewers		1,759,500
Section 204, N.I.R.A., streets and bridges		1,918,469
Section 202, N.I.R.A., National Capital parks		748,650
Total for all purposes through Apr. 5, 1934		13,855,760

Surely, Mr. Chairman, no youngster here, and no humorist, will claim that any of the Washington newspapers will misrepresent any facts against their own interest. I quote from them to show just what relief Washington has gotten from Hon. Harry Hopkins, Relief Administrator, as a pure gift from the United States Government, for the months of April, May, and June 1934. The following is from the Washington News of April 27, 1934:

The original April allotment for District relief was $800,000 but this fund was exhausted last week and yesterday Commissioner George E. Allen asked for and received an additional $200,000 for the balance of the month, making a $1,000,000 total for relief activities.

The above shows that the city of Washington got for the month of April 1934, first the sum of $800,000, then an additional $200,000, or the total of $1,000,000 for relief during April 1934.

I quote the following from the Washington Post for April 29, 1934:

District officials have asked approximately $900,000 for May. This is $100,000 less than granted for April. In addition to the $400,000 allotted yesterday for the first half of May, other grants were $71,432 for transient and $5,780 for student aid.

After the above, Harry Hopkins gave Washington another $400,000 for May, which made over $800,000 relief money this Government gave to Washington for May 1934.

In the said Washington Post for April 29, 1934, I quote the following:

The statement of Gotwals came as Relief Administrator Harry L. Hopkins, who has ordered an investigation of heavy relief expenditures here, issued a grant of $400,000 to pay for direct and work relief during the first 2 weeks of May.

Gotwals is of the opinion that there are 8,000 families receiving aid who are not entitled to it. The average budgetary allowance is $30 a month, which totals $240,000.

4,000 JOBS OPEN

In spite of the heavy demands for direct relief, the E.W.A. is 4,000 men short of the number necessary to carry on the approved projects. Unofficially, those in administrative positions on the E.W.A. have expressed the opinion that many persons prefer to receive direct aid rather than work for their allowance.

From the Washington Herald of June 5, 1934, I quote the following:

DISTRICT GIVEN $710,052 FOR RELIEF—SUM ALLOTTED BY HOPKINS IS $15,000 LESS THAN BUDGET REQUEST

A total of $710,052 was granted the District for relief today by Harry L. Hopkins, P.W.A. Administrator, the figure representing about $15,000 less than was asked by the District Commissioners.

Mr. Chairman, the gentleman from Missouri [Mr. COCHRAN], one of our most delightful companions, and he is one of my chums, made the best argument against this bill that has been made on this floor when he was speaking in behalf of the bill. He told you unequivocally, and it therefore must be so, that the people of the District of Columbia pay to the Government in income tax more than the people of 24 States. Is that not a terrible indictment to place against this Congress? It is just such bills as this that have made the people of the District of Columbia as a whole the richest people in the United States. I know a man located here who 30 years ago paid $100 apiece for two lots. This was $200 for the two lots. By reason of what the Federal Government has done here his lots today are worth $250,000. That is an example of what the Government has done for the people of Washington.

Take this $17,000,000 Commerce Building down here. They tore down fine buildings that were worth millions of dollars in cash in order to get the ground on which to put this $17,000,000 building. Take this magnificant Post Office Building down here about which we read so much in reference to the elegance of some of the offices. It has just been built. Take all these other fine buildings down here along Constitution Avenue. Take the $15,000,000 Memorial Bridge across to Arlington. Take this splendid, almost $10,000,000, Supreme Court Building and grounds that it will take an army of people to man every day when they occupy it. All this has been for the Nation's Capital, and has been helpful financially to every person who lives in the city of Washington.

May I tell you something that I mentioned before? There was a bill here once to appropriate over $600,000 to buy some park ends. I thought I would go down and look those park ends over. I secured the services of a photographer and took him in my car and went down there. They were some little cut-over corners from which the timber had been removed. I had a picture taken of them. They were worth about $5,000. I looked up on the hill and I saw a magnificent white dwelling up there. I called a policeman and I said, "Officer, who owns that dwelling up yonder." He said, "Why, that belongs to the multimillionaire Senator from ———", who was then here in the Senate. I said, "Why, he is the man who introduced this bill." The officer says, "He is putting an addition up there around his residence."

That is what was the matter. There were too many fine residences owned by people at this end and the other end of the Capitol. Some of these days the people back home are going to stop, pause, reflect, and hold us accountable for what we do here.

Of course, the people of Washington pay more income taxes, as the gentleman from Missouri said, than the people of 24 States. How much did your city of 500,000 people get in April for relief? Washington, for April, a month in which you could sleep in the parks if necessary, received from Harry Hopkins and his relief agency $1,000,000. That was for April for relief in Washington. What did they get for May? This was also a month of warm weather. They received $800,000 for May from the relief fund. What are they getting in this month, June? They are getting $700,000 for June. Your people back home are furnishing the money.

We have in this body a former great labor commissioner from Missouri, a splendid man, one who has rendered a great, splendid service to his people back in the State of

Missouri for 20 years [Mr. WOOD]. I take my hat off to him because he is a worthy labor leader.

But because I have voted against certain bad bills here, a dirty little sneak here in Washington, a Judas Iscariot in the Democratic Party, Edward Keating, in his labor paper here today, issue of June 5, 1934, made an attack upon me, wholly unjustified. I remember the time when Edward Keating served in this House. I served with him. This was in the Woodrow Wilson war Congress and I want my friend here, the gentleman from Missouri, to know that Edward Keating was a renegade to his Democratic Party. He was a thorn in the side of the great Woodrow Wilson. He was wholly without any influence in this Congress. He did not do one thing here that was worth one penny to the people of the country. He was a worthless parasite on the body politic of America. He was a lazy, indifferent, worthless cuss.

Everything that the President of the United States during that crucial war period wanted done, Edward Keating was against. He would not support his Commander in Chief on anything. Democrats in Colorado were ashamed of him. And what the people of Colorado did to him when election time came was a plenty. They kicked him out of office, lock, stock, and barrel. They repudiated him completely. And they were so ashamed of him that it took us a dozen years to get a good Democrat elected from his District in Colorado.

Edward Keating had a 100-percent record of voting against Woodrow Wilson and his war policies, and he was a dirty renegade and traitor to his Democratic Party. His constituents banished him from the State of Colorado, and he cannot even go back to Colorado. He is worse than Napoleon on St. Helena—a dirty, little scamp, jumping on me. [Laughter and applause.] Tell him about it, boys—a dirty, cowardly, little scamp. What has he done for the people of the country? Nothing. For two-thirds of his natural life he has been a parasite on the splendid men who labor. He has never done a thing that has been worth mentioning in his whole natural life. After reading his vicious, baseless attack, I had to get it off my system.

Mr. WITHROW. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. No; I am going to get back to this bill.

How much more are we going to do for the people of Washington? Have we not done enough? Are we not still doing everything for them? I will tell you what Chicago or St. Louis or the great metropolis of New York or Philadelphia would gladly do. If you could move the splendid Government plant of the United States from Washington to any of those cities, they would sign a bond to free us from paying any tax for all time until eternity.

Yet, Mr. Chairman, there are some people in Washington, who, if we would let them, would tax this Government for all of its property holdings here in its own seat of government, its own District of Columbia, at the same rate that private property here is taxed. I quote the following from the Washington Herald of April 27, 1934:

The estimated value of the land and buildings used for Federal purposes, exclusive of parks, in the District is $500,000,000. The present tax rate is $1.50 on each $100 of valuation.

On this basis, Uncle Sam, figuratively, should pay an annual tax of $7,500,000 to the District government.

And the Washington News for Thursday, April 26, 1934, had the following:

SENATOR THOMAS ADVISES CUT IN ASSESSMENTS AND TAX RATE BOOST—DISTRICT RESIDENTS WOULD PAY NO MORE AND RATE WOULD BE COMPARABLE, SENATOR SAYS

By Ray Moulden

Larger annual Federal contributions to District expenses are contemplated in a plan outlined to the Commissioners yesterday by Chairman THOMAS (Democrat, Oklahoma) of the Senate District Appropriations Committee.

Thomas' plan would provide for a reassessment of property for tax purposes on a lower scale.

BILL NO HIGHER

This would mean that in the case of property now valued at $100, on which $1.50 in taxes is paid, the property might be assessed at $50 and the tax rate increased to $3.

Thus, District residents would pay the same sum in taxes, but would pay a larger tax rate on a smaller assessment.

Thomas' idea is to end the criticism of those unfriendly to the District who contend that the National Capital has the lowest tax rate in the country and therefore needs no Federal contribution.

In other words, Mr. Chairman, notwithstanding the assessed valuations have been decreased $80,000,000 for this fiscal year, and will be decreased another $50,000,000 after July 1, it is to be proposed that the values as then remaining be cut in half, and the rate doubled, so it won't appear to outsiders that the taxes are low here in Washington.

I wonder if the people of Oklahoma are going to obtain that kind of a system, as they need it, for the tax rate in some cities in Oklahoma is about five times what it is in Washington.

These newspapers in Washington have the audacity and the effrontery and the gall to come here to Congress and say that one of these days they are going to tax the United States for every bit of property the Government has in its own District of Columbia—going to tax us for Government property when they are here on sufferance. They are here because we permit them to live here. This is not theirs, this is the Government's—the Nation's Capital, and if Mr. Theodore Noyes, and when I say this I am talking about one of the greatest editors of one of the greatest newspapers in the United States, the Washington Star; it is one of the most reliable ones in the Nation; it is about the only absolutely reliable paper that I know of in the East, the Washington Star—Theodore Noyes thinks that this Congress is not going to hold control of Washington, he has another guess coming. Just because he controls the Associated Press is no reason why we are going to let him bunco us. We represent the people back home, and it is their interests we speak for here.

When we give the District $30,375,000 for its expenses during the present fiscal year and it has gone to the C.W.A. and P.W.A. and gotten $11,000,000 as a pure gift and $2,000,000 more as a loan, is not that enough for this fiscal year?

We are going to open next month, on July 1, a $640,000 tuberculosis hospital here, and when we have given the District every bit of money it has justified before the Budget, why should we pass this bill and let them put their nose under the tent like a camel, and pretty soon get in debt to the various institutions in the country, so that this Government will be forced to come in afterward and pay it off.

I am glad to see there were eighty-odd Members of Congress who voted against the rule. We will gain votes against this bill. By these votes you are going to place the responsibility. You cannot get away from it. This CONGRESSIONAL RECORD goes into the 48 States of this Nation. It goes into every congressional district. The people back home are going to find out by your votes who is standing behind Washington and who gets up and speaks for these things and votes for these things, and who has the courage to vote against them. That is what you are going to show by your votes. I am not criticizing you for your votes. You have a right to vote just as you please, the same as I vote as I please. I do not take any directions from back-seat drivers when I drive my automobile. I drive it just like you do, but I want to appeal to you in the interest of the people of the United States back home who are hard up, who did not get $1,000,000 for April, and $800,000 for May, and who have not received $700,000 from the Government for relief during June, like Washington—I am asking you to hold them down to what the Congress has given them and not let them borrow this $10,375,000 more, and start a system that is going to cause us trouble in the future.

Oh, I know we all like our colleague [Mr. SMITH]. He is a darned good fellow and a good scout. He is our esteemed colleague. He lives over in Virginia and every time he gets a hand-out it helps him. We all like our good friend [Mr. PALMISANO] over here in Baltimore. We would like to help him. Maryland and Virginia are for everything in the world to spend money anywhere close to Maryland and Virginia. Every time you spend money in Washington it helps them. They get a little trickling from it. Every time you give a

hand-out over at Lorton you help Virginia, and every time you give a hand-out over in Maryland you help Baltimore and PALMISANO; but because we like them, are we going to vote for this kind of a $10,375,000 proposition? Is it right, is it proper, is it just?

When I shall have concluded these few remarks, and when I vote against the bill, and when I voted against the rule, as I did, I have done my duty—my conscientious duty in doing what I think is right, and then it is up to you. You will outvote me, probably, but I shall not complain. I have done all one man could do to stop it.

Let me tell you, I have found out in my service here some things. Way back yonder only about seven of us voted against the Muscle Shoals bill 10 or 12 years ago, and while we lost here in the House that fight eventually stopped the bill and we saved Muscle Shoals for the people of the United States. [Applause.]

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman and gentlemen of the Committee, the gentleman from Texas [Mr. BLANTON] has again demonstrated that he is the pastmaster of the incompetent, immaterial, and irrelevant.

We are not concerned at all about the benefits that the people of Washington have received. We are concerned about the Public Works program. His speech against the bill is probably the best argument in its favor. He says that Washington has no debt, that Washington has a $5,000,000 surplus, and by a slight tax increase can pay its debt to the Nation. Are there any cities in the Nation so well able to pay the Government as Washington is? That is what we should be concerned about, except that we should be concerned to give work to the people, and this bill gives $20,000,000 worth of work. That is the important thing, and that is the reason for the Public Works program. Why should not we be willing to give it to a community able to pay it back?

There is nothing else in the bill except the public-works feature. All the other stuff that he mentioned is inconsequential.

All we are doing is to say that they can borrow this money if they can get it. We say go ahead and borrow it, and you can pay it back. It is simply a loan proposition. We are not concerned about the District finances, except, as the gentleman says, it is in a good financial condition and can repay the loan. What other community is in such a situation?

Mr. Chairman, I yield back the balance of my time. [Applause.]

Mr. DIRKSEN. Mr. Chairman, I yield myself 10 minutes. If your town were going to buy a piece of fire apparatus, the only thing necessary would be for the city council to determine upon the necessity for such a piece of equipment, then to make proper provision in the levy and appropriation ordinance for the municipality, and then proceed with the purchase. If your town wants to install a sewerage system or a sewage-disposal plant, all it needs to do is to go before a meeting of the board of local improvements, determine upon the necessity for the plant, hold hearings, prepare plans, and then upon referendum authorize the issuance of bonds in order to carry on that project. If your town wants to install a piece of paving, it goes through the same procedure, but that sort of thing cannot be done in Washington in the District of Columbia. They have no rights in that respect. Under the law, as pointed out by the gentleman from Texas [Mr. BLANTON], passed in 1878, they can authorize no bond issue, they can do nothing that involves the expenditure of money until they first come before the Congress of the United States and receive not only authority from the District of Columbia Committee, but also approval of the Committee on Appropriations. They are virtually helpless, so they come before the Congress and ask for what? Not $20,000,000, not $10,750,000, but they come for authority to borrow $10,750,000 from the P.W.A. and for the privilege of paying back 70 percent, and of enjoying the same rights that all other municipalities and counties and States and political subdivisions in the country at the present time enjoy under the P.W.A.—a 30-percent grant.

Getting away from the misinformation that has been distilled here this afternoon on this bill, let us strip it of all nonessentials and get down to brass tacks. They want, first of all, to build a sewage-disposal system; and why? Because the raw sewage at the present time goes into the Potomac River. I would invite those gentlemen who think the District does not need such a plant or should not have such a plant to walk along the corridor to the office of the clerk of the Supreme Court and there procure a copy of the decree that was rendered within the last year against the Sanitary District of Chicago. What does that provide? That suit instituted at the instance of riparian States along the Great Lakes asked that the Sanitary District of Chicago, a quasi-municipal corporation, be compelled, by 1938, to stop putting raw sewage into the Illinois River. The Sanitary District, in a dilatory plea, said, "Our bonding power is exhausted, we cannot finish those plants", but the Supreme Court issues a decree, in so much language virtually saying, "We demand that the Legislature and the Governor of the State of Illinois take such steps as will provide the funds with which to complete those treatments and stop contaminating the Illinois River." How strange, then, when that is the attitude of the Supreme Court, the attitude of the people in the riparian States along the Great Lakes area, that somebody here says that we must refuse $8,000,000 or thereabouts to build a sewage disposal plant to prevent the contamination of one of the finest rivers in the United States. It is rather singular, and there is a total inconsistency between the two attitudes. I pointed out in the discussion under the rule that it is not a question of whether they want $2,000,000 or $7,000,000 or $8,000,000. It is a question of the necessity for that project.

Here is a town of 487,000, where the raw effluent from stores and shops and dwellings is poured into that river producing an unsanitary condition that must be cured. The P.W.A. advanced $40,000 to hire three of the most competent sanitation engineers in the country to pass on the matter. Those engineers recommended the building of a plant. I am not going to put myself in the position of refusing to go along with that recommendation simply because I am afraid of prejudice on the part of my people back home. If I were the gentleman from Texas [Mr. BLANTON] I would have been ashamed to come into the well of this House and confess that because we are going to spend some money in the District of Columbia he is afraid of what his people might say if he votes for it. I know the temper of my people at home, and I am not afraid of their judgment on this matter. If I should go back to them and make a report on a vote for this bill and say to them, "Folks, they have a hospital in Washington built for 500 beds and they have 700 people in that hospital right now, but I was one of those who by vote refused to make it possible to expand the hospital facilities." What would my people say to that? I might go to them and say, "Folks, they need a sewage-disposal plant to stop contaminating the Potomac River, one of the finest rivers in the Nation. You live here along the Illinois River in this lush and beautiful valley, and you staged a fight for the last 20 years to stop contamination of that river, yet I voted against the proposal to stop contaminating a river down there along the Atlantic seaboard." And what would they have to say to that? Suppose I said to them, "Folks, they have a jail down there in Lorton which was built for 800 prisoners and they have 1,200 prisoners there now. They mix up the hardened along with the first offenders. It is a great jumble.

"There has been prison trouble down there before, and they need to build additional facilities with which to segregate the hardened offenders from the first offenders and to properly look after the penal care of the people who are committed to that institution, built for 800; and all I can say is that by my vote I helped to stop an appropriation that

would correct that kind of evil. By my vote I made future prison outbreaks possible." What would they say to that?

Mr. O'CONNOR. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. O'CONNOR. As to Lorton, they have to build a wall around it so that the prisoners will not be coming up here paying us a visit some day.

Mr. DIRKSEN. I presume that is right. So I am not particularly concerned about an unpopular reaction back home, because I am satisfied that when they are properly and adequately informed as to all the facts in connection with this bill they will give whole-hearted approval.

Mr. TERRELL of Texas. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. TERRELL of Texas. If these conditions are so bad, why have not the Commissioners of the District come here and asked Congress to let them tax themselves to correct them before this time?

Mr. DIRKSEN. I can say to the gentleman from Texas that in spite of the fact that I am a first-term Member of Congress, I believe they probably have had the same difficulty with other Congresses that is apparent here at the present time.

Mr. O'CONNOR. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. O'CONNOR. It was presented to the Rules Committee that they have for years asked the Committee on Appropriations to appropriate money to meet these projects. They have been unsuccessful with the Appropriations Committee, and this is the only method they have to raise the money.

Mr. DIRKSEN. That is precisely correct.

Mr. TERRELL of Texas. Well, why would not Congress let them tax themselves? The trouble is they wanted to get the money out of the Federal Treasury.

Mr. BLANTON. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BLANTON. Why did they not present these projects to the President's Budget? Congress gave this District every single thing that the President's Budget recommended. The Budget did not recommend any of these projects. The Budget did not recommend this sewer-pollution business. It did not recommend these other things. The gentleman from Missouri [Mr. CANNON] and his committee gave them everything the President's Budget said ought to be given.

Mr. DIRKSEN. And yet in all the discussion which the gentleman from Texas carried on, 17 minutes under the rule and 15 minutes under general debate, the gentleman never once referred to the fact that these projects might be necessary and are necessary. The gentleman never once in all of his discussion pointed out that these things were necessary. He merely begged the whole question.

Mr. BLANTON. I did not beg the question. They are not necessary now because the Budget did not say so. We go by the President's Budget. These projects go beyond the President's Budget.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. DIRKSEN. I yield myself 5 additional minutes.

Mr. MAY. Will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. MAY. I should like to get some information so I will know how to vote. It has been said by the gentleman from Texas [Mr. BLANTON] that there was given for the month of April, $800,000; for the month of May, $800,000; and for the month of June, there would be $700,000. If that condition of unemployment exists in the District of Columbia, can the gentleman state why it is that two and a half million which has been given as a dole should not have been used in employing these people and putting them to work on these projects instead of giving the money away?

Mr. DIRKSEN. I will say to the gentleman that I do not know anything about it, but I will say also that references have been made to people getting relief who were not entitled to it. It was not stated why they were not entitled to relief, whether they were wealthy and had means or whether they were floaters who came into Washington, or what. If they were floaters, I am going to say this: The fact that they may have floated in from Maryland or Virginia or Pennsylvania to find work here is all beside the point, because they are citizens of the United States, and I do not care whether they are in Washington or Peoria or Baltimore, they have to have something to eat and be provided for. It does not make any difference whether they are provided for here or elsewhere, assuming that their needs are bona fide.

Mr. O'CONNOR. In the city of New York in every bread line and every soup kitchen—and it has been checked up—from 70 to 80 percent of the people in those lines are from outside the city of New York, and we take care of them without any reluctance.

Mr. DIRKSEN. That is undobutedly true.

Mr. MAY. Will the gentleman yield further for a question?

Mr. DIRKSEN. I yield.

Mr. MAY. I do not believe the gentleman has answered my question; that is, why it is that $2,300,000 has been given away for relief, instead of using it to pay for work on these projects?

Mr. DIRKSEN. I will say that I do not know whether that is true, and I do not know why it is true, if it is true.

Mr. MAY. The gentleman from Texas [Mr. BLANTON] just made that statement.

Mr. DIRKSEN. That may be true.

Mr. BLANTON. Oh, there is no doubt about it. They got $800,000 in April, $800,000 in May, and they will get $700,000 in June.

Mr. DIRKSEN. I will say that I do not know anything about it, but I want to complete my remarks by saying that they are asking to borrow $10,700,000. They want to build a tuberculosis hospital, because they have one of the highest death rates of any city in the United States from that cause.

They want to improve conditions at Lorton Penitentiary, and these improvements are urgently needed. They want to build an addition to Gallinger Hospital to take care of people who are now on cots in the corridors, and then they want to build this sewage-disposal plant. They are asking altogether $10,750,000. They will raise the tax rate and repay all except 30 percent.

It has been said a time or two that the District of Columbia is not entitled to a grant of 30 percent. Why are not the people of Washington entitled to the same privileges as the people of the other municipalities of the country? Here, for instance, is the report of the Public Works Administration, rendered to the United States Senate. I commend it to the study of the gentleman from Texas, for in it the gentleman will find applications from Texas for all kinds of projects that exceed in number those from Illinois, Pennsylvania, and New York put together, projects running as high as $5,500,000 and as low as $5,000. They want to build hospitals and schools down there; install sewers and water; build parks and colleges, dormitories, and city buildings. Every kind of project is included. They are asking for loans, they are asking for grants, and they want 30 percent as an outright gift. The people of Washington subscribe to the same laws and to the same Constitution as do the people of Texas and the rest of the country. Why are not the people of the District of Columbia entitled to precisely the same benefits as the people from Texas? I should like to know why there is this discrimination.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mr. BLANTON. Washington has gotten three times as much as my district, with 400,000 people in it.

Mr. DIRKSEN. I doubt it very much.

Mr. BLANTON. I have the figures to prove it.

Mr. DIRKSEN. The gentleman from Texas possibly complains about the millions that are expended here. Permit me to say to the gentleman from Texas, Mr. Chairman, that every time Uncle Sam expends $1,000,000 for a building in the District of Columbia the erection of that building takes out of circulation a certain amount of assessable property and deprives the District of Columbia of that much tax

revenue. Does the gentleman think that is of particular benefit to the District?

Mr. BLANTON. Yes; because it stands as an additional attraction to bring hundreds of thousands of people to Washington to spend their money, which is a bonanza for the Washington people.

Mr. DIRKSEN. Finally, Mr. Chairman, I am interested in seeing that we maintain a modern, beautiful Capital even if it does cost a little bit more, that the people from all over the country may not be disappointed when they come here for the purpose of inspecting the beauties of the city.

Mrs. ROGERS of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield.

Mrs. ROGERS of Massachusetts. Is there a provision in this bill for an enlargement of the physiotherapy facilities at the Children's Hospital? They are inadequate and overcrowded at the present time.

Mr. DIRKSEN. I doubt it very much. I think the gentleman from Texas can answer that. There was a provision in the legislative bill for the Children's Hospital.

Mr. BLANTON. We gave them everything they asked for when we had the recent conference with the Senate.

Mrs. ROGERS of Massachusetts. So these facilities will be supplied, that the children may have adequate care?

Mr. BLANTON. The President of the Tuberculosis Association of Washington got everything she asked for; we gave Mrs. Grant everything she asked for, and she was satisfied, and I have her letter thanking me.

Mrs. ROGERS of Massachusetts. I am speaking of the facilities at the Children's Hospital.

Mr. BLANTON. For the tuberculosis problem here we gave everything Mrs. Grant, the president in charge here, asked for, and she is satisfied.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I yield 3 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Chairman, this bill provides for a loan involving a 30-percent grant. This, however, resolves itself into a net grant of 25 percent, because the 30-percent grant is based upon the cost of material and labor only. So the outright grant is only 25 percent.

I notice that this money is asked for worthy purposes. The first item on the bill is for a tuberculosis hospital. I am wondering why in a Nation like this when an amount is asked for charitable and worthy, humane purposes that must be paid by the taxpayers of the country, and particularly by those taxpayers in the section where I live, why it has never occurred to those asking for funds for such purpose and why it was not brought home to the Commissioners of the District of Columbia to do what the enlightened people of Puerto Rico did only a few weeks ago to provide needed improvements in that island caring for the tubercular? What did Puerto Rico do? The people of the island had the government enact a law authorizing a government lottery to provide the funds. The bill was passed and finally signed by the Governor of Puerto Rico, Governor Winship, a former United States Army Officer, who approved the lottery for the purposes mentioned, and thereby established under the American flag and under the jurisdiction of the United States a governmentally operated and conducted lottery which will go into effect July 1 next to raise money for public charitable purposes. The Philippines, too, has a lottery. We have been contributing our moneys by this medium to the Philippines and our lottery money flows abroad generously to foreign countries in startling amounts and we are probably the greatest contributors to the hospitals of other countries.

Mr. Chairman, the President has just sent to Congress a message relating to the war debts—obligations owing to us by other governments. We are insisting upon payment. It is our desire to bring back to this country moneys which have gone out of it. Is it not problematical whether we shall ever be paid a substantial part of the war debts? There will be defaulting nations. It is expected because the political features of Europe are not conducive to payment whether or not the ability to pay exists. Our wise Congress, to meet the situation, has passed a law banning further loans to defaulting nations. We do not want other moneys of ours to go out of the country never to return.

Nevertheless, we yearly are permitting a regular flow of tremendous amounts of lottery money to go abroad into foreign channels. It is peculiarly fitting that I speak of the matter at this time, for at this very moment in another country officials are meeting to check the receipts and to draw the prizes of the great Irish sweepstakes of the English Derby to take place at Epsom Downs on Wednesday. Perhaps the greater part of the moneys collected will have been contributed by the United States through countless of her people—citizens who are anticipating with enthusiasm and with thrilled emotion the results of the drawing made possible by their contributions. New York City alone has been known to send abroad for such occasions between $15,000,000 and $20,000,000. The country will be the poorer by millions; and, according to reliable estimates, the yearly contribution of the United States to foreign lotteries is upward of $200,000,000. Are we really keeping our money from going abroad? We will not loan it, yet we will give it away by the hundreds of millions.

Why will Congress not consider speedily the bill now pending in the House authorizing the raising of funds by lottery to defray in part the expenses of the Government, including expenditures for veterans and their dependents, and for other purposes?

Is the answer, "It is gambling"? There is a distinction in lotteries. The Encyclopedia Britannica is authority for this:

The word "lottery"—

It reads—

has no very definite significance. It may be applied to any process of determining prizes by lot, whether the object be amusement or gambling or public profit.

I am advocating a lottery for public profit as provided by my bill. We will eventually have to go to the country for the maintenance of our financial stability, and the most available and effective means is by way of the lottery. Through this medium every patriotic citizen of the country will respond with a small contribution as a gift to the Government. We do need the money.

There is an authorized lottery in the Philippines, and Puerto Rico has just passed a bill, signed by the Governor, for aid in the drive against tuberculosis. The lottery is legally conducted again under the American flag as it was in the days of Washington. A Federally operated and conducted lottery would not only provide a vast amount of needed revenue, but would tend to wipe out dishonest and illegally conducted rackets. What the country needs, and needs now, is an honest lottery.

The cost of Government is steadily mounting; we are preaching thrift, we passed an Economy Act, but we keep on spending. If we cannot trim expenditures, then certainly we ought to consider increasing our income. We sometimes seem to forget there are two sides to the ledger; 1934 will supply a new high record of expenditures. The total of Government costs—local, State, and National—will be upward of $21,000,000,000. That means over five billions more than the previous year. Of the latter amount, four and one-half billions represent Federal appropriations to speed national recovery. The national income, not of the Government, but the whole Nation's income for 1934, is estimated at slightly over $46,000,000,000. As pointed out just now, the Government costs to be raised by taxation will be twenty-one billions. Therefore, over 45 cents of every dollar of income from every source to our people will be paid over to our governments in taxation. And yet we forget to remember the good old-fashioned collection by lottery as a means of great efficacy in exigencies. The lottery is the aristocrat of emergency measures. It is employed by more than 30 countries as a method of raising revenue. We have kept the liquor dollar from going out of our borders, we are bent on preventing dollar loans to defaulting debtor nations, but we are so short-sighted that the lottery dollars are running

away from us by the hundreds of millions. The rate at which our money is going out will drain us before we know it, if other countries insist upon separating us from our money, once they have received it.

When shall we stop this leak?

Mr. PALMISANO. Mr. Chairman, I yield myself 9½ minutes.

Mr. Chairman, it is very amusing at times to listen to the gentleman from Texas, always in the position of taking away something from the people of the District. When someone happens to take the floor to seek justice for the District, the charge is made that they want to get their names or their pictures in the newspaper. I do not believe there is a man in this House who has his name on the front page more than does the gentleman from Texas. Why, the only way to get your picture in the paper is by criticism. Whenever anything of that kind arises, we see the face of the gentleman from Texas right on the front page.

He stated awhile ago that the gentleman from Maryland likes to give the District everything it seeks; but he does not recall the inconsistency of his remarks in reference to the District. In the first place, he criticized the District Commissioners and the people of the District because they paid no taxes. In other words, they paid no income tax. Then when his attention was called to the error by the gentleman from Missouri [Mr. COCHRAN] the gentleman from Texas stated, "Yes; the District pays more taxes than 24 States of the Union. That is the reason you ought not to give them anything. Why, they are in position to pay." Then he says, "Why do they not raise the tax rate to $1.55?" Why, the gentleman from Texas was the very man that took the floor here when we were considering an appropriation bill sometime ago and tried to reduce the tax rate to $1.20. Why the inconsistency? He says, "$1.50 is too high. Cut it down to $1.20." When we ask the Members of the House to permit the people of the District to make improvements, the gentleman from Texas says, "Why do they not raise the tax rate to $1.55?"

What does this bill provide? Under what conditions has the Rules Committee reported this bill? They have reported this bill under the condition that 10 cents of every dollar will be set aside for the purpose of paying anything that the District Commissioners may borrow from the Government.

Mrs. KAHN. Will the gentleman yield?

Mr. PALMISANO. I yield to the gentlewoman from California.

Mrs. KAHN. Will the gentleman kindly explain why there is no money put aside for schools? Some of the school buildings here in Washington are a disgrace to any city. Why is it that no money is to be provided to be set aside for the schools of the District?

Mr. PALMISANO. I wish I could answer the gentlewoman from California, but I really do not know.

Mrs. KAHN. Does not the gentleman think there ought to be something provided for school buildings?

Mr. PALMISANO. I think so. But that is a question to be taken up with the Commissioners.

Mr. GREENWOOD. If the gentleman will yield, I might be able to answer the gentlewoman's question. The sum of $20,000,000 was in the original bill but was marked out in the Rules Committee. It is now brought in on the theory that the schools will be taken care of in the regular appropriation. Personally I favored the whole $20,000,000, so that the District would be able to build such school buildings as they needed. The committee, however, thought that was too large a loan, and that under the circumstances probably all the projects would be defeated. It is in the Senate bill, but it was cut out of the House bill.

Mr. BLANTON. Will the gentleman yield?

Mr. PALMISANO. I yield to the gentleman from Texas just for a question, not a speech.

Mr. BLANTON. I may state to the gentleman from Maryland that the District does not pay a local income or inheritance tax like Maryland and other States do. The District pays one to the Government and so does Maryland and other States, but they also pay a State tax. The reason I wanted to reduce the tax rate to $1.20 was in order to utilize this surplus of $5,000,000 on hand in cash, in the interest of the taxpayers here, and not let it be wasted, frittered away. And it will be wasted, while, with it used to lower taxes, it would have benefited the people.

Mr. PALMISANO. That is not an answer. The gentleman demanded that they raise the tax rate to $1.55. Last week the gentleman demanded that they cut it down to $1.20. If the gentleman's argument was right then he ought to ask for a reduction now or else ask for the extra 30 cents to go toward payment of this loan.

The gentleman from Texas was a member of the District Committee in the Seventieth Congress. I am not trying to give the people of the District anything to which they are not entitled, and, as I stated before, the first time that a bill came up permitting the Commissioners or any agency of this District government to buy or to condemn property, I placed a limitation that they were unable to buy or condemn any property for the cleaning up of the District at more than 30 percent over its assessed value.

I remember the late Speaker, Nicholas Longworth, took the floor and condemned some of the methods employed in the District. I tried to correct it, and I did correct the situation. There was the alley bill, which provides that they are unable to condemn property at more than 30 percent of its assessed value. When they attempt to sell to the city under this provision or the city attempts to condemn property under its provisions, they will not be able to sell to the District Commissioners at more than 30 percent above the assessed value, and they could not lose by that.

Mr. Chairman, I say that this is a fair proposition. The District is going to pay for it in the final analysis. They are going to set aside 10 cents of every $1 of taxes collected on District property in order to pay off whatever money the Public Works Administrator may lend in order to make these improvements. I hope at the proper time, when the amendment will be offered to correct or reduce the sum from $20,000,000 to $10,750,000, that there will be no objection, and that this bill will be passed, in order that the District may make proper and necessary improvements.

Mr. Chairman, I yield back the balance of my time.

Mr. DIRKSEN. Mr. Chairman, I yield 2 minutes to the gentleman from West Virginia, Mr. RANDOLPH.

Mr. RANDOLPH. Mr. Chairman, I believe that this afternoon there is in the minds of some Members on the floor the feeling that this will be an outright grant to the District of Columbia. It will be only a 30 percent grant in order that the District may be under the same jurisdiction as any subdivision of the United States. Seventy percent will simply be a loan, which will be repaid to the Federal Government under the provisions of the Recovery Act. I believe that the gentleman from Texas should join with the gentleman from the other States in giving to the District of Columbia its share of the public works money of this country, and I believe also that he wants to take a rightful pride, as do the other Members of this Congress, in the National Capital. They are asking nothing more or less than is given to the other subdivisions of the United States by passing this measure.

Mr. BLANTON. Will the gentleman yield?

Mr. RANDOLPH. I yield to the gentleman from Texas.

Mr. BLANTON. Has the gentleman's district received $11,000,000 from the P.W.A. or the C.W.A.? Check it up. The city of Washington has already received $11,000,000 from the Federal Government during the past year as a gift, and that is additional to the $5,700,000 contribution made for this fiscal year's expenses, and besides, Washington has received a $2,000,000 loan. That is enough.

Mr. RANDOLPH. I would simply say in reply to the gentleman from Texas that whether my district has got it or not will not influence my vote on this bill today.

Mr. BLANTON. Does not the gentleman think that his district in West Virginia and the other West Virginia districts are entitled to as much as a city of 500,000 people here? The people of Washington get the cream of everything. I know that my friend believes in giving a square

deal to the people in the 48 States. He surely does not want Washington to receive more than our districts back home.

Mr. RANDOLPH. I am glad to say that I believe in that principle to a certain degree. I am pleased to say also that my district has been receiving a great amount of help.

Mr. O'CONNOR. Will the gentleman yield?

Mr. RANDOLPH. Yes; I yield to the gentleman from New York.

Mr. O'CONNOR. Of course, Hawaii and the Virgin Islands and Puerto Rico can get this.

Mr. RANDOLPH. Yes, absolutely; and we are simply acting as a council here today in giving this right to the Commissioners.

Mr. GREENWOOD. And any municipality in the gentleman's district that can put up good security can get the same consideration?

Mr. RANDOLPH. Yes; that is true, and I thank the gentleman from Indiana for his observation.

Mr. GREENWOOD. And that is all the people of the District of Columbia are asking.

Mr. RANDOLPH. Yes; and when I speak here I speak not alone for my district back home, because there are also some two or three thousand men and women whose legal residence is in my district, but who live here in the District of Columbia.

Mr. BLANTON. That is a good reason. The gentleman will certainly get those two or three thousand votes to start with when election time comes.

[Here the gavel fell.]

Mr. PALMISANO. Mr. Chairman, I yield the balance of my time to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Chairman, it may perhaps be necessary to repeat something I said on the rule, because I know there are a good many Members here now who were not present when we discussed the matter during the consideration of the resolution.

I want to talk just briefly upon the merits of the bill and the facts about the bill itself, because I am sure there are many Members of the House who do not understand just what this bill does.

Under the original Public Works Act, from which this money will come, if it comes at all, it was provided that the provisions of the law should apply not only to the States of the Union but to Hawaii, the Canal Zone, the Philippine Islands, and the District of Columbia.

Mr. McDUFFIE. Is the gentleman sure it applied to the Philippine Islands?

Mr. SMITH of Virginia. Yes.

Mr. VINSON of Kentucky. It applied to Alaska and Puerto Rico, and the Virgin Islands.

Mr. SMITH of Virginia. I am reading from the Public Works Act, which says that the provisions of this section and section 202, which is the section authorizing bonds, shall extend to public works in the several States—I beg the gentleman's pardon; the gentleman is right. It refers to Hawaii, Alaska, the District of Columbia, Puerto Rico, the Canal Zone, and the Virgin Islands. The Philippine Islands are not in the same category as Puerto Rico and the Virgin Islands.

All this bill seeks to do is to give your Capital, the Capital of the Nation, the same right you give to the Virgin Islands and Hawaii and the Canal Zone, to go to the Public Works Administrator and say, "We should like to borrow some money and here is the reason."

Mr. SHALLENBERGER. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. SHALLENBERGER. I understood the gentleman to read that the District of Columbia is included in this act. Why cannot they borrow the money under the provisions of that act?

Mr. SMITH of Virginia. I may explain that it is because the District of Columbia differs from any other municipality in that Congress is its town council and they cannot go and ask Mr. Ickes to lend them any money until the Congress of the United States gives the District Commissioners the authority to go there and ask them to make such a loan, and that is all this bill does.

Mr. BANKHEAD. Mr. Chairman, will the gentleman from Virginia yield for a question?

Mr. SMITH of Virginia. I yield.

Mr. BANKHEAD. There is another unusual provision, I understand, that will be offered as an amendment, which provides that a separate assessment of taxes shall be set aside for the purpose of paying off this obligation. That is not in the general law, as I understand it.

Mr. SMITH of Virginia. Such an amendment will be offered, and I may say that in the Rules Committee the chairman of the committee wondered how this money was going to be paid back and whether it was going to be paid, and thereupon the District Committee prepared this amendment, which is a wise and a proper amendment, an amendment that should go into the bill, and it provides that 10 cents of every $100 levied upon the property of private persons in the District of Columbia shall be paid into the United States Treasury until this loan is amortized. This will amount to about $1,300,000 a year, and this will be over and above any other taxes levied by the Commissioners upon the people of the District.

Mr. SHALLENBERGER. Will the gentleman tell the Congress what is going to be done with this $20,000,000?

Mr. SMITH of Virginia. The amount has been cut down to $10,750,000 and I have already explained that, and I do not know whether I shall have time to do it again or not.

Eight million dollars goes for a sewage-disposal plant to clean up the Potomac River, which, as I said before, is contaminated from the north end of the District line to 20 miles below Washington, and is a menace to your health and to the health of the 500,000 citizens of the United States who live here in the Capital.

Five hundred thousand dollars goes to build a wall around the prisoners at Lorton and to build the necessary cells for them.

Seven hundred and fifty thousand dollars goes to Gallinger Municipal Hospital—I have not time to discuss the merits of each of these proposals—and $1,500,000 goes to complete the tuberculosis hospital, the condition of which is such that it is now disclosed that Washington is about the third city in the United States in its death rate from tuberculosis.

[Here the gavel fell.]

The Clerk read as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia are hereby authorized to borrow for the District of Columbia from the Federal Emergency Administration of Public Works, created by the National Industrial Recovery Act, and said Administration is authorized to lend to said Commissioners, the sum of $20,000,000, or any part thereof, out of funds heretofore authorized by law for said Administration, for the acquisition, purchase, construction, establishment, and development of a tuberculosis hospital, a sewage-disposal plant, a municipal center or any unit thereof (under and in accordance with the provisions of the act entitled "An act to provide for the establishment of a municipal center in the District of Columbia", approved Feb. 26, 1929 (45 Stat. 1408)), an extension of or addition to Gallinger Municipal Hospital, a jail or other enclosure for prisoners at Lorton, Va., parks, parkways, and playgrounds (to be acquired and improved in accordance with existing law, said improvement to be on lands acquired by the National Capital Park and Planning Commission), and public schools, or any one or more of said projects as the said Commissioners may determine.

Mr. PALMISANO. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 1, line 8, strike out the figures "$20,000,000" and insert "$10,750,000."

On page 1, line 9, strike out the word "heretofore."

Mr. BACON. Mr. Chairman, I rise in opposition to the amendment. I believe that we should pass this bill as it came from the Senate. If we do pass it as it came from the Senate we will be able to take care of the school buildings in the District of Columbia. By adopting the amendment offered by the gentleman from Maryland in trying to amend the Senate bill, you are simply cutting out the school-building program. If you believe that the District of Columbia needs the school buildings, as I think it does, you should

vote down the amendment and adopt the bill as it came from the Senate.

Mr. PALMISANO. Mr. Chairman, personally I am in favor of the school provision, but the District Committee said to the Rules Committee that it would recommend this very amendment. I ask that the Members support the amendment as agreed upon by the District Committee and the Rules Committee.

Mr. BACON. The gentleman from Maryland is keeping faith with the Rules Committee, as I expected he would, but his action is not binding on the rest of the Members.

Mr. BLANTON. Mr. Chairman, I move to strike out the last word. This speech of the gentleman from New York clearly demonstrates how things are manipulated. The Rules Committee refused to grant a rule on the $20,000,000 bill. Only by an agreement to amend the bill by the District Committee, reducing it from $20,000,000 to $10,750,000, was the rule reported out.

I told you at the beginning of this argument that before the bill gets through it would be a $20,000,000 bill. There is this sentiment here just expressed to ignore that agreement. What is an agreement worth that is solemnly entered into between the District Committee and the Rules Committee? That sentiment just expressed means, "We will get it out on the floor by such an agreement, and then we can change it." Is that what the gentleman from New York wants done. If they do not keep faith with the committee, what is the use of having agreements in the House of Representatives? [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The question was taken, and the amendment was agreed to.

Mr. PALMISANO. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, lines 6 to 12, both inclusive, strike out the following: "parks, parkways, and playgrounds (to be acquired and improved in accordance with existing law, said improvement to be on lands acquired by the National Capital Park and Planning Commission), and public schools."

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. PALMISANO. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 2, lines 2 to 6 inclusive, strike out the following: "A municipal center or any unit thereof (under and in accordance with the provisions of the act entitled "An act to provide for the establishment of a municipal center in the District of Columbia", approved February 28, 1929 (45 Stat. 1408).

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. That from the sum authorized to be borrowed by section 1 of this act the Commissioners of the District of Columbia shall transfer to the National Capital Park and Planning Commission the sum of $2,000,000, to be available to said Commission for the acquisition of land for parks, parkways, and playgrounds in the District of Columbia in accordance with the terms of section 4 of Public Act No. 284, Seventy-first Congress, entitled "An act for the acquisition, establishment, and development of the George Washington Memorial Parkway, and so forth", approved May 29, 1930: *Provided*, That said sum of $2,000,000 shall be deemed to be in lieu of the appropriation of an equal amount of the sums authorized to be appropriated by the aforesaid section of the aforesaid act.

Mr. PALMISANO. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 2, lines 14 to 25, inclusive, and page 3, lines 1 and 2, strike out all of section 2.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BLANTON. Mr. Chairman, I rise in favor of the amendment. I am glad to be in accord with the committee on one proposition. I am heartily in accord with this amendment. The National Capital Park and Planning Commission thought itself awfully shrewd. It had an agreement with Secretary Ickes and with the District Commissioners that they were going to get this $2,000,000, and I shall show you how they were going to spend part of it. I called your attention the other day to the fact that back in 1925 in Colorado a young fellow named Finnan was drawing $90 a month in the Park Service. He was promoted on up. For some time he got $1,800 per year, and then he was promoted on up to $3,200, and finally he got $3,800 on up to last fall.

Last November they brought him here from Colorado and overnight raised his salary from $3,800 to $5,600, and with part of this $2,000,000 they were going to take over this Klingle Valley house out here in the park, which has been occupied for 15 years by a good Democratic family from Ohio, in charge of the park, and they were going to renovate it and put in a lot of new bathrooms, and they put this fellow Finnan's furniture in the basement, and they have had architects and artisans out there estimating for the renovation of it to put in some new fixtures, furnishings, and bathrooms, and fixing it up generally, and they have an estimate of $11,000 to spend on that Klingle Valley house, to be occupied by this Mr. Finnan, who happens to be a Republican, but a good friend of Mr. Secretary Ickes. That is the way they were going to waste some of this $2,000,000.

Let me quote a little from the testimony of this Mr. Finnan from the hearings before our committee:

Mr. FINNAN. I started to work for Mesa Verde as a ranger in the national park in 1925, at a salary as I recall it of $95 a month; I am not sure whether it was $90 or $95.

Mr. BLANTON. Just give us the mutations.

Mr. FINNAN. Then I was promoted to a ranger at a salary of $125 per month; later I was made chief ranger at a salary of approximately $150 a month.

Mr. BLANTON. Until when?

Mr. FINNAN. 1929; I was made acting superintendent without any increase.

Mr. BLANTON. How long did it remain $1,800?

Mr. FINNAN. I remained as acting superintendent about a year and then my salary was increased to $3,200. Then there was a reclassification, I was put into a $3,800 grade.

Mr. BLANTON. That was done when?

Mr. FINNAN. That was done, as I recall, in May of 1931.

Mr. BLANTON. Your salary now is $5,600?

Mr. FINNAN. It has been $5,600 since last November, when I took office here.

Mr. BLANTON. Is there any movement on foot for you to take charge of what is known as the old Klingle House out here in Rock Creek Park?

Mr. FINNAN. Yes, sir; there is. We are submitting an estimate now, Mr. BLANTON, to the Public Works Administration, to give us enough money to restore the house.

Mr. BLANTON. When you first came here, you paid $100 rent out in Chevy Chase, did you not?

Mr. FINNAN. Yes, sir; that is correct.

Mr. BLANTON. Now, you are living at the Ontario, are you not?

Mr. FINNAN. Yes, sir.

Mr. BLANTON. And you are paying what?

Mr. FINNAN. $62.50.

Mr. BLANTON. You never paid that before since you first came into the Service, did you?

Mr. FINNAN. No, sir.

Mr. BLANTON. Well, you have had architects and other people to go out there and look this house over and measure it for purposes of renovation?

Mr. FINNAN. For restoration.

Mr. BLANTON. And to arrange about putting in more bathrooms and things of that kind?

Mr. FINNAN. Yes, sir.

Mr. BLANTON. And you are going to spend $8,000 on it, are you not?

Mr. FINNAN. If the present plans, Mr. BLANTON, are carried out, it would be $11,000.

Mr. BLANTON. You know that there has been an arrangement made between the Parks Service and the District Commissioners to the effect that if they get the $20,000,000 they are going to turn $2,000,000 of it over to the Parks Service? You know that, do you not?

Mr. FINNAN. Yes, sir; for the purchase of land. Mr. BLANTON, I have read about you in the CONGRESSIONAL RECORD out in the wilds of Colorado for the last 10 years. I know that when you investigate something——

Mr. BLANTON. I go to the bottom of it, do I not?

Mr. FINNAN. You investigate it.

Mr. BLANTON. What is the man's name who lives in that house now?

Mr. FINNAN. Quinn.

Mr. BLANTON. You told him you were going to move in?

Mr. FINNAN. I wanted to be perfectly fair with Quinn. When I first came here—as I recall, it was in December—I told him of the plans, so that he would have ample time.

Mr. BLANTON. Mr. Finnan, you have some of your things stored away in the basement of that house right now, have you not?

Mr. FINNAN. We have some surplus furniture, because we are in a small apartment.

Mr. BLANTON. You have some furniture stored in the basement of that house right now, have you not?

Mr. FINNAN. In an unoccupied room; yes.

Then, Mr. Chairman, on that same day, May 5, 1934, in this hearing before our committee, we interrogated Mr. Joseph J. Quinn, who for years has been maintenance man for the Parks Service here, from which I quote:

Mr. BLANTON. How long have you and your family lived in that house?

Mr. QUINN. Since March 15, 1926.

Mr. BLANTON. You and your wife are Ohio Democrats, are you not?

Mr. QUINN. Yes, sir.

Mr. BLANTON. There is a move on foot to have that house renovated, is there not?

Mr. QUINN. That is my understanding; yes, sir.

Mr. BLANTON. It is understood that Mr. Finnan is to move into it after it is fixed up, and you are going to give it up?

Mr. QUINN. Yes, sir.

Mr. BLANTON. And he has some of his family furniture stored in the basement of that house now, in a room in the house; is that right?

Mr. QUINN. Yes, sir.

Mr. BLANTON. Have you made any demand on Mr. Cammerer or on Secretary Ickes that they spend $11,000 on that house to put in new bathrooms and renovate it?

Mr. QUINN. No, sir.

But, Mr. Chairman, the plans did not materialize. By passing this amendment and striking out this $2,000,000 this Park Service will not be able to spend this money wastefully, here and there, with $11,000 to put in a lot of new bathrooms and renovate this Klingle house, and take it away from this good Ohio family of Democrats, the Quinns, who were paying the Government $15 per month for it as it is, and turn it over free to this Republican friend of ours, Mr. Finnan, of Colorado, who in 1925 was getting $90 per month in a park out there, but since last November has been brought here to Washington, and now receives $5,600 per year, and must have a special mansion prepared for him to live in, all at Government expense. We have accomplished some good anyway.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland.

The amendment was agreed to.

The Clerk read as follows:

SEC. 3. The sum authorized by section 1 hereof, or any part thereof (except such sums as may be transferred by them as provided in sec. 2), shall, when borrowed, be available to the Commissioners of the District of Columbia for the acquisition by dedication, purchase, or condemnation of the fee simple title to land, or rights or easements in land, for the public uses authorized by this act, and for the preparation of plans, designs, estimates, models, and contracts, for architectural and other necessary professional services, without reference to the Classification Act of 1923, as amended, and section 3709 of the Revised Statutes, for the construction of buildings, including materials and labor, heating, lighting, elevators, plumbing, landscaping, and all other appurtenances, and the purchase and installation of machinery, apparatus, and any and all other expenditures necessary for or incident to the complete construction of the aforesaid buildings and plants. All contracts, agreements, and proceedings in court for condemnation or otherwise, pursuant to this act shall be had and made in accordance with existing provisions of law, except as otherwise herein provided.

Mr. PALMISANO. Mr. Chairman, I offer the following amendments, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. PALMISANO: Page 3, line 3, strike out the figure "3", following the abbreviation "Sec.", and insert in lieu thereof the figure "2."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 3, lines 4 and 5, strike out the following: "(except such sums as may be transferred by them as provided in sec. 2)."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The Clerk read as follows:

SEC. 4. That 70 percent of so much of said sum authorized by section 1 of this act as may be expended as therein provided shall be reimbursed to the Federal Emergency Administration of Public Works from any funds in the Treasury to the credit of the District of Columbia, as follows, to wit: Not less than $1,000,000 on the 30th day of June each year after such sum shall have been advanced to said District until the full amount expended hereunder is reimbursed, without interest for the first 3 years after any such advances and with interest at not exceeding 4 percent per year thereafter on annual balances as of each June 30: *Provided*, That whenever the District of Columbia is under obligation by virtue of the provisions of section 4 of Public Act No. 284, Seventy-first Congress, entitled "An act for the acquisition, establishment, and development of the George Washington Memorial Parkway, etc.", approved May 29, 1930, to reimburse the United States for sums appropriated by the Congress under that act, the total reimbursement required under both that act and this act shall be not less nor more than $1,300,000 in any one fiscal year: *Provided*, That the Commissioners may, in their discretion, repay more than said amount: *And provided further*, That the Commissioners may, in their discretion, allocate any reimbursement as between the sums due by them to the United States under the aforesaid act and the sums due by them to the Federal Emergency Administration of Public Works under this act: *Provided*, That such sums as may be necessary for the reimbursement herein required of or permitted by the District of Columbia, and for the payment of interest, shall be included in the annual estimates of the Commissioners of the District of Columbia, the first reimbursement to be made on June 30, 1936.

Mr. PALMISANO. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 3, line 24, strike out the figure "4" following the abbreviation "Sec." and insert "3."

The amendment was agreed to.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: Page 5, line 5, at the end of the sentence add the following: "Until 70 percent or so much of said sum authorized by section 1 of this act as may be expended as therein provided shall be reimbursed to the Federal Emergency Administration of Public Works, with interest as provided in this section, 10 cents of the tax levied and collected upon each $100 of the assessed valuation of all real and tangible personal property subject to taxation in the District of Columbia shall be deposited in the Treasury of the United States to the credit of a special account for such reimbursement to the Federal Emergency Administration of Public Works and shall not be available for any other purpose. The Commissioners may, in their discretion, anticipate from said special account the payments required by this act."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. TABER. Mr. Chairman, I rise in opposition to the amendment. It seems to me that this bill is getting us into a situation where we are getting the District of Columbia back into debt, where it was before the Congress took over the management of the District. At that time, as I understand it, the Federal Government had to absorb some of the debts. I hate to see that situation arise again, and I think we ought not to pass this bill to get somebody else into debt. I think they ought to raise the money they need, with the lowest tax rate in the United States, right out of their tax levy and take care of their relief propositions. The mayor of the city of New York has started an agitation in his own home town to raise all the money they are going to use for relief out of their current tax budget, and until we in Congress for the Federal relief and for District relief take care of it currently, we are not going to see the light of day.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. TABER. Yes.

Mr. BLANTON. The gentleman noticed the last section that was passed. Out of this $10,750,000, 30 percent is to be a pure gift to Washington people by the United States Government. The other 70 percent of it is to be loaned to the District of Columbia by the Government for the first 3 years without any interest at all. No such loans without interest are made to any of the States. No such loans without interest are made to any other cities. No such loans of $10,750,000 are made to any other municipalities for 3 years without interest.

And in such connection, keep in mind the fact that for the present fiscal year Congress appropriated for the District $30,375,000, of which $5,700,000 was a pure gift, and then in addition the District of Columbia got from P.W.A. and C.W.A. $11,000,000 more, it being a pure gift, and then P.W.A. loaned the District $2,000,000 more with the understanding that 70 percent was to be paid back, and when this House asked it to pay the 70 percent back the District got the Senate to strike out this provision, and the House of Representatives had to engage in a fight to make the District pay back the 70 percent of said $2,000,000 loan, but we stood pat and made them pay it back out of the last $5,700,000 the District got from this Government. And now it is proposed to loan the District $10,750,000 more, only 70 percent to be paid back, and no interest is to be charged for 3 years. Why? Why?

Mr. TABER. Just another bit of discrimination in favor of the District and against the taxpayers of the country.

Mr. O'CONNOR. Will the gentleman yield?

Mr. TABER. I yield.

Mr. O'CONNOR. The gentleman mentioned this was money for relief. It is not for relief. It is for public-building projects. The gentleman also mentioned the city of New York. The city of New York is going to borrow $100,000,000 for public-works projects, and is going to receive $30,000,000 as a grant from the Federal Government.

Mr. TABER. The 30-percent grant is a different proposition from a loan of 70 percent without any interest.

Mr. O'CONNOR. Oh, it is on the same terms. They only get a $3,000,000 grant here. We ourselves will get $30,000,000.

Mr. BLANTON. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BLANTON. But the city of New York has 7,000,000 people, and New York does not get $70,000,000 for 3 years without any interest, like the District will get its $10,750,000 for 3 years without interest.

Mr. O'CONNOR. Well, I do not know and I do not know that the gentleman knows that detail.

Mr. TABER. I do not think we ought to pass this bill.

Mr. BLANTON. The gentleman from New York does know that the District will get its $10,750,000 for 3 years without any interest, because he helped to report out the rule for this bill.

Mr. O'CONNOR. And I understand that is similar to the other grants.

The CHAIRMAN. The time of the gentleman from New York has expired.

The question is on the amendment offered by the gentleman from Maryland [Mr. PALMISANO].

The amendment was agreed to.

The Clerk read as follows:

SEC. 5. That the Commissioners of the District of Columbia shall submit with their annual estimates to the Senate and the House of Representatives a report of their activities and expenditures under section 1 of this act.

Mr. PALMISANO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PALMISANO: On page 5, line 6, strike out the figure "5" after the abbreviation "Sec." and insert the figure "4."

The committee amendment was agreed to.

The CHAIRMAN. Under the resolution the Committee will rise.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RANKIN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (S. 3404) authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, and pursuant to House Resolution No. 368, he reported the bill back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read the third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 73, noes 36.

Mr. BLANTON. Mr. Speaker, I object to the vote because it shows there is no quorum present, and I make the point of order that there is no quorum present.

The SPEAKER. There is evidently no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 198, nays 139, not voting 93, as follows:

[Roll No. 174]

YEAS—198

Adams	Doughton	Kenney	Robinson
Andrew, Mass.	Dowell	Kerr	Rogers, Mass.
Andrews, N.Y.	Drewry	Knutson	Rudd
Arens	Driver	Kocialkowski	Sabath
Ayres, Kans.	Duffey	Lanzetta	Schuetz
Bacon	Dunn	Larrabee	Sears
Bakewell	Durgan, Ind.	Lea, Calif.	Secrest
Bankhead	Eaton	Lehlbach	Seger
Beam	Edmiston	Lemke	Sinclair
Beiter	Edmonds	Lewis, Colo.	Sirovich
Black	Ellenbogen	Lewis, Md.	Sisson
Bland	Englebright	Lindsay	Smith, Va.
Bloom	Farley	Lozier	Smith, Wash.
Bolleau	Fitzgibbons	Lundeen	Snell
Boland	Fitzpatrick	McCarthy	Somers, N.Y.
Boylan	Focht	McGrath	Spence
Britten	Ford	McKeown	Steagall
Brown, Ky.	Foss	McLean	Stokes
Brown, Mich.	Frear	McReynolds	Strong, Pa.
Brunner	Gasque	Maloney, Conn.	Strong, Tex.
Buck	Gavagan	Martin, Colo.	Stubbs
Bulwinkle	Gilchrist	Martin, Mass.	Studley
Burke, Nebr.	Goldsborough	Mead	Sullivan
Burnham	Goodwin	Merritt	Sutphin
Byrns	Granfield	Millard	Taylor, Tenn.
Cady	Greenway	Milligan	Terry, Ark.
Carden, Ky.	Greenwood	Monaghan, Mont.	Thom
Carmichael	Gregory	Montague	Thomas
Carpenter, Kans.	Griffin	Moran	Traeger
Carter, Calif.	Griswold	Mott	Utterback
Carter, Wyo.	Haines	O'Brien	Vinson, Ga.
Cavicchia	Hancock, N.Y.	O'Connell	Vinson, Ky.
Claiborne	Harlan	O'Connor	Wadsworth
Clarke, N.Y.	Healey	Oliver, Ala.	Weaver
Cochran, Mo.	Hildebrandt	Oliver, N.Y.	Welch
Cochran, Pa.	Hill, Knute	Palmisano	Werner
Cole	Hill, Samuel B.	Parks	West, Ohio
Collins, Calif.	Hoeppel	Peavey	West, Tex.
Condon	Hollister	Perkins	White
Connery	Holmes	Pettengill	Whitley
Crosby	Hope	Peyser	Wigglesworth
Crosser, Ohio	Jenckes, Ind.	Powers	Williford
Cullen	Johnson, Minn.	Prall	Withrow
Darden	Kahn	Ramsay	Wolcott
Delaney	Kee	Ramspeck	Wolfenden
De Priest	Keller	Randolph	Wolverton
Dingell	Kelly, Ill.	Reece	Wood, Mo.
Dirksen	Kelly, Pa.	Reed, N.Y.	Woodruff
Ditter	Kennedy, Md.	Reilly	
Dockweiler	Kennedy, N.Y.	Robertson	

NAYS—139

Adair	Cross, Tex.	Hancock, N.C.	Luce
Allen	Crowe	Hart	Ludlow
Arnold	Crowther	Hastings	McClintic
Ayers, Mont.	Crump	Henney	McDuffie
Bailey	Cummings	Hess	McFadden
Biermann	Dear	Howard	McFarlane
Blanchard	Deen	Hughes	McGugin
Blanton	Dickinson	Imhoff	Maloney, La.
Brown, Ga.	Dobbins	Jacobsen	Mapes
Buchanan	Dondero	Jenkins, Ohio	Marshall
Buckbee	Doxey	Johnson, Okla.	Martin, Oreg.
Busby	Eicher	Johnson, Tex.	May
Caldwell	Elizey, Miss.	Johnson, W.Va.	Meeks
Cannon, Wis.	Eltse, Calif.	Jones	Miller
Cartwright	Faddis	Kinzer	Mitchell
Castellow	Fiesinger	Kloeb	Morehead
Chavez	Fletcher	Kniffin	Murdock
Christianson	Foulkes	Kurtz	Musselwhite
Coffin	Fuller	Lambertson	Nesbit
Colden	Gillespie	Lambeth	Owen
Colmer	Gillette	Lamneck	Parker
Cooper, Tenn.	Glover	Lanham	Parsons
Cox.	Gray	Lehr	Patman
Cravens	Guyer	Lesinski	Pierce

Folk	Sandlin	Tarver	Umstead
Rankin	Schaefer	Taylor, Colo.	Underwood
Rayburn	Schulte	Terrell, Tex.	Wallgren
Rich	Scrugham	Thomason	Warren
Richards	Shallenberger	Thompson, Ill.	Wearin
Richardson	Snyder	Thompson, Tex.	Whittington
Rogers, Okla.	Sumners, Tex.	Tinkham	Williams
Romjue	Swank	Treadway	Wilson
Ruffin	Sweeney	Truax	Young
Sanders, La.	Swick	Turner	Zioncheck
Sanders, Tex.	Taber	Turpin	

NOT VOTING—93

Abernethy	Connolly	Harter	O'Malley
Allgood	Cooper, Ohio	Hartley	Peterson
Auf der Heide	Corning	Higgins	Plumley
Bacharach	Culkin	Hill, Ala.	Ransley
Beck	Darrow	Hoidale	Reid, Ill.
Beedy	DeRouen	Huddleston	Rogers, N.H.
Berlin	Dickstein	James	Sadowski
Boehne	Dies	Jeffers	Shannon
Bolton	Disney	Kleberg	Shoemaker
Brennan	Douglass	Kopplemann	Simpson
Brooks	Doutrich	Kramer	Smith, W.Va.
Browning	Duncan, Mo.	Kvale	Stalker
Burch	Eagle	Lee, Mo.	Taylor, S.C.
Burke, Calif.	Evans	Lloyd	Thurston
Cannon, Mo.	Fernandez	McCormack	Tobey
Carley, N.Y.	Fish	McLeod	Waldron
Carpenter, Nebr.	Flannagan	McMillan	Walter
Cary	Frey	McSwain	Weideman
Celler	Fulmer	Mansfield	Wilcox
Chapman	Gambrill	Marland	Wood, Ga.
Chase	Gifford	Montet	Woodrum
Church	Goss	Moynihan, Ill.	
Clark, N.C.	Green	Muldowney	
Collins, Miss.	Hamilton	Norton	

So the bill was passed.

The Clerk announced the following pairs:

General pairs:

Mr. Corning with Mr. Bacharach.
Mr. McMillan with Mr. Thurston.
Mr. Burch with Mr. Fish.
Mr. Hill of Alabama with Mr. Darrow.
Mr. Woodrum with Mr. Bolton.
Mr. Kopplemann with Mr. Muldowney.
Mr. Celler with Mr. Connolly.
Mr. McCormack with Mr. McLeod.
Mr. Collins of Mississippi with Mr. Evans.
Mr. Wood of Georgia with Mr. Beck.
Mr. Browning with Mr. Higgins.
Mr. Harter with Mr. Ransley.
Mr. Chapman with Mr. Doutrich.
Mr. Lee of Missouri with Mr. Plumley.
Mr. Clark of North Carolina with Mr. Gifford.
Mr. McSwain with Mr. Waldron.
Mr. Mansfield with Mr. Goss.
Mr. Dickstein with Mr. Simpson.
Mrs. Norton with Mr. James.
Mr. Douglass with Mr. Cooper of Ohio.
Mr. Eagle with Mr. Chase.
Mr. Kleberg with Mr. Reid of Illinois.
Mr. Huddleston with Mr. Stalker.
Mr. Boehne with Mr. Moynihan of Illinois.
Mr. Flannagan with Mr. Beedy.
Mr. Montet with Mr. Hartley.
Mr. Green with Mr. Tobey.
Mr. Taylor of South Carolina with Mr. Kvale.
Mr. Gambrill with Mr. Shoemaker.
Mr. Kramer with Mr. Weideman.
Mr. Cary with Mr. Wilcox.
Mr. DeRouen with Mr. Rogers of New Hampshire.
Mr. Disney with Mr. O'Malley.
Mr. Peterson with Mr. Duncan of Missouri.
Mr. Church with Mr. Lloyd.
Mr. Brooks with Mr. Hamilton.
Mr. Fulmer with Mr. Ayers of Montana.
Mr. Smith of West Virginia with Mr. Sadowski.
Mr. Shannon with Mr. Auf der Heide.
Mr. Allgood with Mr. Frey.
Mr. Walter with Mr. Brennan.
Mr. Carley of New York with Mr. Hoidale.
Mr. Dies with Mr. Carpenter of Nebraska.
Mr. Burke of California with Mr. Marland.
Mr. Fernandez with Mr. Abernethy.

Mr. RANKIN changed from "aye" to "no."

Mr. DOCKWEILER changed from "no" to "aye."

Mr. LARRABEE changed from "no" to "aye."

Mr. SEARS changed from "no" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BILLS FROM COMMITTEE ON CLAIMS

Mr. BANKHEAD submitted the following privileged report from the Committee on Rules (H.Res. 421, Rept. No. 1887), for printing in the RECORD:

House Resolution 421

Resolved, That upon the adoption of this resolution it shall be in order for the Speaker on any day during the remainder of this session of Congress, after the reading of the Journal and the disposition of matters on the Speaker's table, to recognize the Chairman of the Committee on Claims to call up bills favorably reported from the Committee on Claims and heretofore objected to. Said bills shall be considered in the House as in the Committee of the Whole House: *Provided, however*, That general debate on any bill called up shall be limited to 20 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Claims. At the conclusion of the general debate the bill shall be read for amendment under the 5-minute rule, and at the conclusion of such reading the previous question shall be considered as ordered without intervening motion except one motion to recommit.

CAMPAIGN EXPENDITURES OF CANDIDATES FOR HOUSE OF REPRESENTATIVES

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report from that committee (H.Res. 336, Rept. No. 1889) for printing in the RECORD:

House Resolution 336

Resolved, That a special committee of five be appointed by the Speaker of the House of Representatives to investigate and report to the House not later than April 1, 1935, the campaign expenditures of the various candidates for the House of Representatives in both parties, or candidates of parties other than or independent of the Democratic or Republican Parties, the names of persons, firms, associations, or corporations subscribing, the amount contributed, the methods of collections and expenditures of such sums, and all facts in relation thereto, not only as to subscriptions of money and expenditures thereof but as to the use of any other means or influences, including the promise or use of patronage, and all other facts in relation thereto that would not only be of public interest but would aid the Congress in necessary legislation or in deciding any contests which might be instituted involving the right to a seat in the House of Representatives.

The investigation hereby provided for in all the respects above enumerated shall apply to candidates and contests before primaries, conventions, and the contests and campaigns of the general election in November of 1934, or any special election held prior to January 1, 1935. Said committee is hereby authorized to act upon its own initiative and upon such information which in its judgment may be reasonable and reliable. Upon complaint being made before such committee, under oath, by any person, persons, candidates, or political committee setting forth allegations as to facts which, under this resolution, it would be the duty of said committee to investigate, said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after hearings on such complaints, the committee shall find that such allegations in said complaints are immaterial or untrue.

That said special committee or any subcommittee thereof is authorized to sit and act during the adjournment of Congress, and that said committee or any subcommittee thereof is hereby empowered to sit and act at such time and place as it may deem necessary; to require by subpena or otherwise the attendance of witnesses, the production of books, papers, and documents; to employ stenographers at a cost of not exceeding 25 cents per hundred words. The chairman of the committee or any member thereof may administer oaths to witnesses. Subpenas for witnesses shall be issued under the signature of the chairman of the committee or subcommittee thereof. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties as prescribed by law.

Said committee is authorized to make such expenditures as it deems necessary, and such expenses thereof shall be paid on vouchers ordered by said committee and approved by the chairman thereof.

WAR MINERALS RELIEF STATUTES

Mr. COX, from the Committee on Rules, submitted the following privileged report from that committee (H.Res. 395, Report No. 1888), for printing in the RECORD:

House Resolution 395

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 7984, a bill to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Mines and Mining, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

TARIFF BILL

Mr. DOUGHTON. Mr. Speaker, I desire to give notice that tomorrow morning, after the disposition of matters on

the Speaker's table, I shall ask unanimous consent to take up H.R. 8687, the tariff bill, and move to concur in the Senate amendments.

FOREIGN-TRADE ZONES

Mr. CULLEN. Mr. Speaker, I call up the conference report on the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, and to ask that the report be read.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with amendments as follows: In lieu of the matter proposed to be inserted by the Senate amendment, restore the matter proposed to be stricken out by the Senate amendment; and on page 2 of the House bill, strike out lines 7 to 10, inclusive, and insert the following:

"(e) The term 'public corporation' means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality, or a corporate municipal instrumentality of one or more States; "

And on page 12, line 5, of the House bill, after "repeated", insert "willful."

And the Senate agree to the same.

THOS. H. CULLEN,
JOHN MCCORMACK,
FRED M. VINSON,
ALLEN T. TREADWAY,
I. BACHARACH,
Managers on the part of the House.

H. D. STEPHENS,
CHAS. L. MCNARY,
ROYAL S. COPELAND,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

The House bill vested the administration of the act in a board consisting of the Secretary of Commerce, who was to be chairman and executive officer, the Secretary of the Treasury, and the Secretary of War. The Senate amendment vests the administration in the Secretary of Commerce. The conference agreement adopts the House provision.

The Senate amendment specifically includes corporate municipal instrumentalities of one or more States among the organizations included within the definition of public corporations. The conference agreement adopts the provision contained in the House bill with the addition of the specific provision contained in the Senate amendment which includes corporate municipal instrumentalities of one or more States.

The House bill limited the organizations (other than public corporations) which might operate zones to corporations chartered under special act enacted after the date of this act of the State or States within which the zone was to be operated. The Senate amendment broadens the class of operators to include partnerships and associations and removes the requirement with respect to special charter in the case of corporations. The Senate amendment also includes organizations existing under or authorized by the laws of the United States. The conference agreement adopts the House provision.

The House bill provided that each port of entry was entitled to at least one zone. There is no comparable provision in the Senate amendment. The House bill also provided that when two cities separated by water are embraced in one port of entry, a zone may be authorized in each city or in territory adjacent thereto. There is no comparable provision in the Senate amendment. The House bill grants power to the board to permit zones in a port in addition to those to which a port of entry is entitled. The Senate amendment contains no such authority. The House bill specifically provides that preference shall be given to public corporations. There is no comparable provision in the Senate amendment. The conference agreement adopts the provisions of the House bill on these matters.

The House bill prohibits, and the Senate amendment permits, exhibition within the zone of merchandise brought into the zone. The House bill specifically prohibits manufacturing in the zone which is not expressly permitted by the Senate amendment. The House bill does not authorize refining in the zone which is permitted by the Senate amendment. The conference agreement adopts the provisions of the House bill on these matters.

Under the House bill repeated violations of the act are made grounds for revocation of the grant. Under the Senate amendment, such violations must be willful. The conference agreement adopts the provisions of the Senate amendment.

Under the Senate amendment, upon refusal by the Secretary of Commerce of an application to establish a zone, an appeal may be taken to a board consisting of the Secretary of Commerce, the Secretary of the Treasury, and the Secretary of War. Since under the House bill the administration of the act is delegated to a board consisting of the same officers, a provision in that bill for such an appeal is not necessary. The conference agreement adopts the House provision.

The House bill specifically provides that an order of the board revoking the grant, for violations, shall be stayed pending judicial appeal. There is no comparable provision in the Senate amendment. The conference agreement adopts the House provision.

The Senate amendment specifically provides that on appeal from an order revoking a grant under the act, the court shall review the proceedings before the Secretaries, and if the decision before them is supported by evidence, the court shall only make decisions on errors of law. There is no comparable provision in the House bill. The conference agreement adopts the House provision.

THOS. H. CULLEN,
JOHN MCCORMACK,
FRED M. VINSON,
ALLEN T. TREADWAY,
I. BACHARACH,
Managers on the part of the House.

Mr. CULLEN. Mr. Speaker, I shall make but a brief statement in connection with this report. Your conferees have brought the House bill back again with a clarifying amendment and another minor amendment with a unanimous agreement with the Senate conferees, both Republican and Democratic. So we are in complete accord as far as the conference was concerned.

Does the gentleman from Massachusetts desire any time?

Mr. TREADWAY. Mr. Speaker, I should like sufficient time to make a short statement.

Mr. CULLEN. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. TREADWAY], such time as he may need.

Mr. TREADWAY. Mr. Speaker, I have opposed this so-called "foreign-trade zone bill" for many years. It first

came up in the Ways and Means Committee a number of years ago. I never have seen any advantage to be gained for our citizens by its passage, but it was passed by the House a week or ten days ago and has now come back from the Senate in conference.

The Senate substituted a Senate bill for the House bill, but I am glad to say that for once in my experience as a conferee the House came out ahead on the conference. It is not very often we see this peculiar situation develop, for as a rule the members of the Ways and Means Committee in conference seem to get the small end of the trade.

To say just a word about the difference between the bills of the two branches, Mr. Speaker, the Senate provision permitting the setting up of private corporations in order to operate the trade-zone system seemed to me to be a very serious blunder. Moreover, it did not require the approval of a legislature of the State to allow the trade zone to be set up by a private corporation. The House bill required that an act of the legislature should be passed to permit a corporation to operate one of these foreign trade zones, and limited the form of the corporation to one composed of municipal groups, a very much more limited form, and one that showed the intention of the House to have this measure afford not so much an opportunity to carry on private business as an opportunity to transact what seemed to the majority a fairer way, or an easier way, of receiving imported goods. Another marked difference was that the House bill did not allow the exhibition or manufacture of goods in the trade zone.

So I congratulate the majority of the conferees who handled the conference; and I am sure that the efforts the chairman of that committee, the gentleman from New York [Mr. CULLEN] exerted from the very start to secure the enactment of this bill is a personal compliment to him. I for one would be disposed to oppose this proposition to the last fall of the hat, but I am the type of man who knows when his side is beaten; and I must say in all fairness to the gentleman from New York and to the majority that the conference report is a very material improvement over the Senate bill, and it is a House report in this case rather than a Senate report. I for one, therefore, shall vote for the conference report, although I am still opposed to the idea of making easier foreign competition with home products. [Applause.]

Mr. CULLEN. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was adopted.

On motion of Mr. CULLEN, a motion to reconsider the vote whereby the conference report was adopted was laid on the table.

MEASUREMENT OF VESSELS USING PANAMA CANAL

Mr. LEA of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7667) to provide for the measurement of vessels using the Panama Canal, and for other purposes.

The Clerk read the bill, as follows:

Be it enacted, etc., That the first five sentences of the third paragraph of section 5 of the act of August 24, 1912 (37 Stat. 560, 569), as amended by the act of June 15, 1914 (38 Stat. 385), are hereby amended so as to read as follows: "Tolls on merchant vessels, Army and Navy transports, colliers, hospital ships, supply ships, and yachts shall be based on net vessel-tons of actual earning capacity, determined in accordance with the 'Rules for the Measurement of Vessels for the Panama Canal' prescribed by proclamation of the President, November 21, 1913, as amended from time to time by order of the President, and shall not exceed $1 per net vessel-ton so determined, nor be less than 60 cents per net vessel-ton so determined, on laden vessels, and on vessels in ballast without passengers or cargo shall be less than the rate of tolls for vessels with passengers or cargo: *Provided*, That no charge shall be made for deck load, which is defined, for the purposes of this act, as cargo situated in a space which is at all times exposed to the weather and the sea and which space is not included in the net tonnage determined under the said 'Rules for the Measurement of Vessels for the Panama Canal.' Tolls on other floating craft shall be levied on displacement tonnage at rates to be prescribed by the President. In addition to the tolls based on measurement or displacement tonnage, tolls may be levied on passengers at rates prescribed by the President but not to exceed $1.50 for each passenger. The levy of tolls is subject to the provisions of article XIX of the convention between the United States of America and the Republic of Panama, entered into November 18, 1903, and of article I of the treaty between the United States of America and the Republic of Colombia, proclaimed March 30, 1922."

SEC. 2. That this act shall take effect and be enforced on and after January 1, 1936.

The SPEAKER. Is a second demanded?

Mr. SNELL. Mr. Speaker, I demand a second, more as a matter of formality than anything else, to have the gentleman from California explain the bill.

Mr. LEA of California. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. LEA of California. Mr. Speaker, a bill similar to this one has been approved by every administration since 1914. It has passed the House three times, once by unanimous consent, and in the Seventy-first Congress practically by unanimous consent, although not on the Unanimous Consent Calendar. The President and the Secretary of War urge its passage.

Twenty-two years ago Congress, in anticipation of the completion of the Panama Canal, passed an act which gave the President power to regulate tolls and the method of measuring ships using the Panama Canal. There was only one similar example in the world to follow at that time, and that was the Suez Canal. Ordinary registration of ship tonnage was not designed for toll purposes. The general purpose at the time was to adopt a single unified plan for the measurement of vessels similar to that in use on the Suez Canal.

That act provided in substance that the toll should not exceed the equivalent of $1.25 per net registered ton. This language was subsequently interpreted as meaning net registered tons under the United States rules instead of under the Panama Canal rules. The effect of this ruling was to establish a dual toll system. The space subject to tolls under the Canal rules was thereafter limited by the spaces exempt under the United States rules and the result was a material reduction in the space subject to measurement for the purpose of assessing tolls.

Subsequently a further interpretation was placed upon the law to the effect that compartments of the ship which have tonnage openings not closed by methods permanently attached to the ship, should be exempt from tolls. This enabled shipowners, by minor structural changes, to exempt large portions of their ships from the payment of tolls. This practice has continuously increased, with the result that structural changes in ships have reduced their pay space by more than 9 percent of the total pay tonnage of the Canal. This practice has been progressive, is going on at the present time, and today the ships of the United States are paying more per ton on cargo space for the use of the Panama Canal than any other ships in the world except those of Japan.

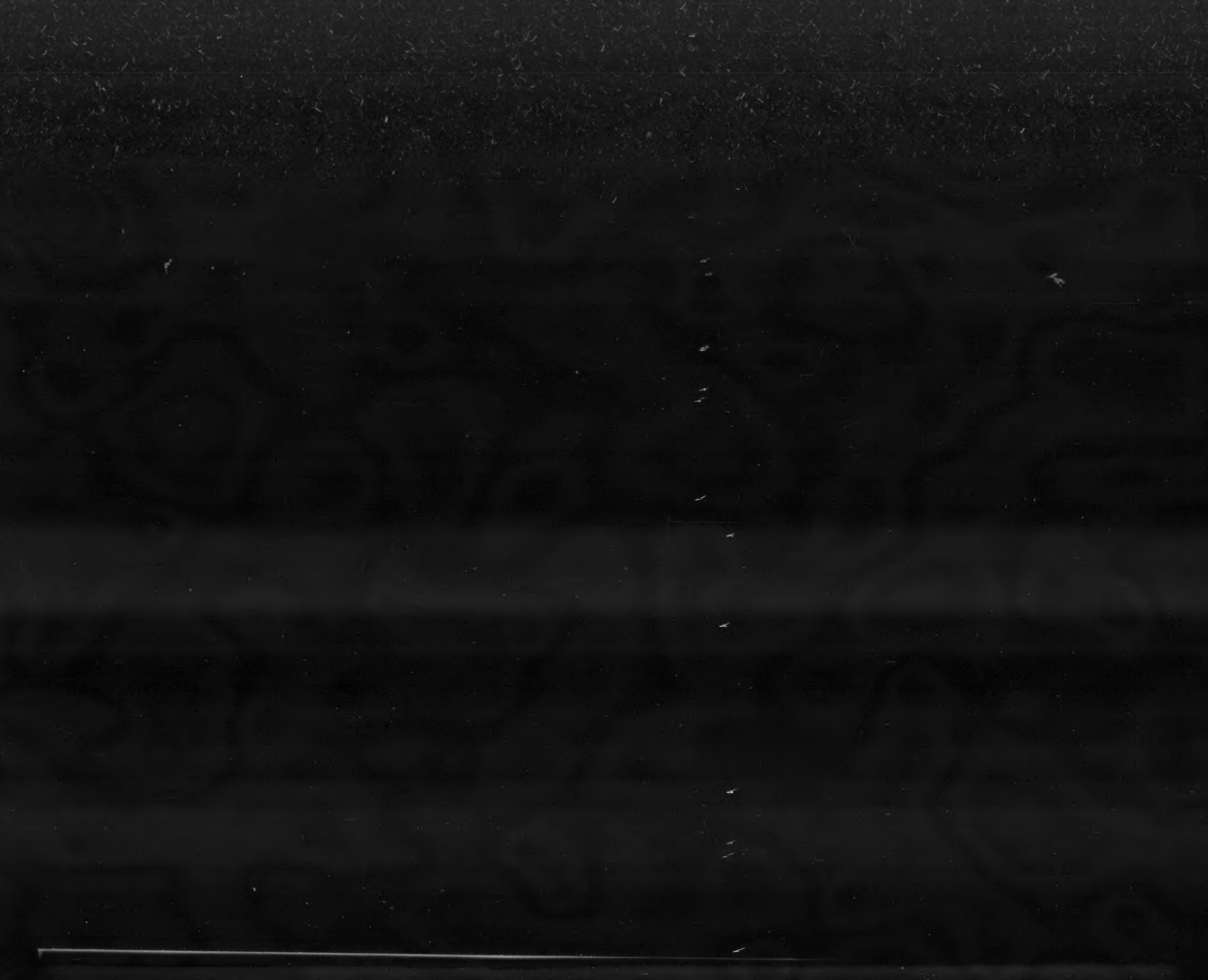
At this time Japanese shipowners are planning to make changes in their ships in order to reduce the tonnage charges. If the present ratio continues, within a short time the United States shipowners will be paying more toll per ton than the shipowners of any other nation in the world. We cannot blame the shipowners for availing themselves of the opportunity the law permits. We should correct the situation by changing the law. This bill is designed to correct this situation and to give equal measurement to all ships of the world according to their cargo capacity.

The Secretary of War has sent me a letter in reference to what is proposed in case this legislation goes into effect, and I will ask the Clerk to read the letter.

Mr. CARTER of California. Will the gentleman yield?

Mr. LEA of California. I yield to my colleague from California.

Mr. CARTER of California. I have received communications from a number of shipping interests on the Pacific coast, all of which are opposed to this legislation. The chief



complaint, as I recall, is that it would tend to increase their tolls through the Panama Canal and the shipping industry, struggling along as it is and as other industries are, can ill afford to bear this added burden.

Mr. LEA of California. The committee was entirely sympathetic with the concern of the shipping companies. The committee invited all the shipping companies to make any constructive suggestions they had with a view to equalizing the tolls with the least possible hardship. The Governor of the Panama Canal, preceding favorable action on a similar bill in the Seventy-first Congress, stated if the bill became a law he would recommend a toll of $1 per ton.

The hearing on this bill proceeded on the theory that if it became a law a toll of $1 per ton would be collected. The shipowners vigorously protested.

After a careful study of the matter, the committee concluded a $1 toll is not warranted, particularly at this time. A charge of $1 under a just and equitable system of measurement would raise more money than the charge of $1.20 per ton under the present dual system.

The committee concluded that the equalization of tolls and not the increase of the aggregate amount to be collected is the just reason for the enactment of this bill. The committee presented its conclusions to this effect in its report.

After this bill reached its present stage, the Secretary of War considered this problem and wrote the letter which will shortly be read, in which he proposes to recommend that the toll be placed at 90 cents. Under this proposal the aggregate tolls collected will be slightly less than under the present system.

It is true that some ships will pay more, but it will only be such a change in rates as is necessary to do equal justice to those who are using the Canal.

It will also be observed from the letter of the Secretary that if this bill becomes a law the Panama Canal rules will be reconsidered and a revision thereof recommended to the President so far as necessary to do equal justice to all shipowners. Ship construction as well as operation practices have changed since the original rules were adopted. There is little doubt that such a revision of the rules will benefit any ship that might otherwise be subjected to unwarranted charges for undue cargo space.

The committee has endeavored to guard against every legitimate complaint that can be made against changing the toll rules to a more just and businesslike basis.

Mr. CARTER of California. Did the shipping interests appear before the committee in favor of this bill?

Mr. LEA of California. No; they did not. They appeared before our committee and opposed any change that would cause a higher charge to be made against any one of their vessels. It was following that statement of the shipping interests that the committee carefully examined the merits of their opposition and gave them every opportunity to cooperate in working out a constructive solution.

Mr. McDUFFIE. Will the gentleman yield?

Mr. LEA of California. I yield to the gentleman from Alabama.

Mr. McDUFFIE. The gentleman from California has very properly said that the shipping interests of this country today are having a terrible struggle in their effort to make ends meet. The communications I have received from those on the Gulf Coast who are operating a line of steamers through the canal are to the effect that this will be very hurtful. The gentleman has stated that on some ships this toll would be less. May I inquire the type of ships on which the toll will be less, and the type of ship on which the toll will be greater?

Mr. LEA of California. The change will be due entirely to ships having evaded the payment of their just proportion of the tolls by structural changes. There may be no less toll on the ships as measured by space but there will be a less charge per ton. Certain ships have been evading payments that should have been made in justice to other ships which made no such changes. When those ships pay their just proportion of the aggregate tolls collected it will permit some other ships to pay a little less than they now pay. The actual total amount collected will be a little less than it is today. At the present time, the aggregate amount of tolls evaded by structural changes is much greater in favor of foreign than American ships.

Mr. McDUFFIE. Is the Canal losing money?

Mr. LEA of California. The Canal is not losing money, but the foreign ships are getting the advantage of these changes over American ships. There is an inequality in the tolls collected from different ships. The present operation permits shipowners to reduce their own tolls.

Mr. McDUFFIE. If it is going to be hurtful to our own ships, and the Canal is not losing money, I am wondering what the necessity is for putting an additional burden on our own steamship operation.

Mr. LEA of California. There is no additional aggregate burden put on our own tonnage. The burden on our own tonnage for this year would be over $200,000 less under this proposed bill than it is today.

Mr. McDUFFIE. Did the gentleman learn what type of ship would benefit as a result of this legislation?

Mr. LEA of California. The ship that is not evading the law today will not have to pay as much after this law goes into effect as it is paying now, but the ship that has been evading these tonnage charges on account of changing the structure of the ship without affecting tonnage will have to pay a little more. So in equalizing the matter one will pay a little more and the other a little less, but the aggregate burden will be actually less on American ships under this plan than it is today.

Mr. McDUFFIE. Did the committee call in the American shipowner and operator, who is vitally interested in this bill, and find out the effects of this legislation?

Mr. LEA of California. The gentleman is in error if he thinks we did not do just that.

Mr. McDUFFIE. I thought the gentleman said his committee had not called them in.

Mr. LEA of California. We did. We gave them every opportunity; in fact we invited them, and we delayed the hearings to get every suggestion that they had to make. We heard them at much greater length than we did those in favor of the legislation.

Mr. McDUFFIE. I misunderstood the gentleman. I thought you told the gentleman from California that they had not appeared.

Mr. LEA of California. They appeared at length. They were heard fully.

Mr. CARTER of California. They were not in favor of the bill.

Mr. McDUFFIE. They appeared to oppose the legislation.

Mr. LEA of California. The shipping interests appeared and opposed the bill on the theory that the charge was going to be $1, but under the plan as proposed it is going to be only 90 cents, which minimizes what they complained against.

Mr. McDUFFIE. Is the proposed charge based on the net registered tonnage of the vessel?

Mr. LEA of California. Under this rule it would be based on the cargo capacity as measured by space. Of course, the measurements are on the cubic-foot basis, 100 cubic feet per ton.

Mr. McDUFFIE. Then it follows that the ship which is constructed to carry the largest cargo will bear the greatest burden?

Mr. LEA of California. They will pay in proportion to their cargo capacity.

Mr. CARTER of California. Will the gentleman state the necessity for this legislation?

Mr. LEA of California. It is in order to do justice as between all the ships which use the Panama Canal. It is not fair, on the whole, to the American shipping interests to charge them more than any other nation in the world except one. Tolls should be levied according to cargo capacity. The present system is unbusinesslike and unequal as between different ships. Some pay too little, others pay too much.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. LEA of California. I yield to the gentleman from California.

Mr. DOCKWEILER. May I answer the question that the gentleman from Alabama [Mr. McDUFFIE] asked a few moments ago? I know the gentleman has not had an exact explanation of this thing.

All ships are built alike, you might say, but the Panama Canal toll was charged against the space which carries freight and is completely closed up for all-weather purposes. As soon as shipping started through the Canal, the foreigners were the first to change their structures in this way. While they had one vast hold in the ship where freight could be stored and closed up, watertight, and that particular freight pay the toll, if they would leave the space not watertight but leave the door or the hatch up, or stow the stuff away on the deck or put it into the cabins with only boarding where it was all weather tight, as understood in the language of seamen, then there was no toll paid in going through the Canal.

I witnessed this myself in going through the Canal. One of the officers demonstrated this to me. The ship I was on was an American ship and whatever freight it carried, it carried in the regular weather-tight compartments and it paid the full toll for that capacity. The ship behind me was a foreign ship. It was carrying its freight on the deck. It was carrying it in cabins and instead of having passengers in the cabins they put freight in the cabins and just put up ordinary boarding at the windows and paid no toll for this freight it was carrying through the Canal.

So this law, while it may temporarily increase the rates, on the average, on American shipping, yet so soon as the President gets this law, he promises to reduce the general rate to, say, 90 cents or $1 a ton, and the American shipping will be less affected and it will be cheaper for American shipping to go through the Canal when this rate becomes operative.

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. DOCKWEILER. I yield.

Mr. CARTER of California. How can the gentleman explain the fact that representatives of American shipping appeared before the committee in opposition to this bill, when, according to the gentleman's statement, it is going to be a great benefit to American shipping?

Mr. DOCKWEILER. No; I think you have to take a long-range view of the matter. Temporarily they will have to pay a little more, but over a long range of time we will be able to collect more from the foreign shippers, and in that way the toll will be reduced to everybody concerned, including the American shipping.

Mr. LEA of California. Mr. Speaker, I ask that the Clerk read the letter of the Secretary of War.

The Clerk read as follows:

WAR DEPARTMENT,
Washington, May 26, 1934.

Hon. CLARENCE F. LEA,
Chairman Subcommittee on Panama Canal Matters,
Committee on Interstate and Foreign Commerce,
House of Representatives, Washington, D.C.

DEAR MR. LEA: Referring to my telephone conversation with you in regard to bill H.R. 7667, to provide for the measurement of vessels using the Panama Canal, it seems advisable to give you the following information as to the course which will be followed should the bill become law at this session of Congress.

After a full study of the situation, and especially after consideration of the objections which have been raised by steamship interests, I have determined that I will recommend to the President, after the enactment of the legislation with the proposed maximum rate of $1 per ton as now provided in the bill, the adoption of a tolls rate on laden vessels of not more than 90 cents. This rate on the 1933 tonnage would have produced approximately the same aggregate total as was collected in 1933 under the existing system. In addition, I will direct that a study be made of Panama Canal rules for the purpose of changing them so as to secure equitable treatment for all vessels.

I hope that these assurances will assist you in answering objections to the passage of a bill which is essential to remove the existing inequalities in the treatment of shipping now passing through the Panama Canal and to prevent further reductions in tolls charges by structural changes in vessels that reduce tonnages but have practically no effect on the cargo-carrying capacities of vessels.

Sincerely yours,

GEO. H. DERN,
Secretary of War.

Mr. WELCH. Mr. Speaker, will the gentleman yield?

Mr. LEA of California. Yes.

Mr. WELCH. On what date was the change from $1 to 90 cents made?

Mr. LEA of California. It has not been made, but the Secretary of War says he will recommend it if this legislation passes.

Mr. WELCH. I have a telegram here that I would like to send to the desk and have read for the RECORD.

Mr. LEA of California. It was probably sent without knowledge of this letter.

Mr. WELCH. It is under date of May 19.

Mr. LEA of California. The letter is dated May 26. Evidently your wire was sent without knowledge of the letter of the Secretary of War.

Mr. McGUGIN. Can the gentleman from California tell us, briefly, whether or not this bill increases or decreases the toll which will be paid by ships going through the Canal?

Mr. LEA of California. It will slightly decrease the amount of tolls that will be collected and the Americans will get two-thirds of what little reduction there is.

Mr. WELCH. May I ask if the American Steamship Owners' Association is satisfied with the bill at the present time?

Mr. LEA of California. I have no knowledge that they are.

Mr. LEHLBACH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LEHLBACH. Is the bill before us being considered under suspension of the rules?

The SPEAKER. Yes.

Mr. LEHLBACH. How much time has been taken by the proponents of the bill?

The SPEAKER. The gentleman from California has consumed 16 minutes.

Mr. WELCH. Mr. Speaker, I ask unanimous consent to have read from the Clerk's desk a telegram which I have received from the American Steamship Owners' Association.

The SPEAKER. Will the gentleman withhold that a moment?

Mr. SNELL. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, because some of the shipping interests thought the Committee on Merchant Marine, Radio, and Fisheries was considering this question, information concerning this proposed legislation has come to the members of that committee.

I know of no shipping interest in the United States that is not opposed to this legislation. I have received letters from the American Steamship Owners Association, from various intercoastal lines, and so forth. I have also received information that this bill would cost one line alone $125,000 more in Panama Canal tolls.

Members who are interested in shipping matters, who are living along the coast, know that our merchant marine is engaged in a life and death struggle. It is on the point of a crash at this time. To allow a bill which does not go into effect until January 1936 to be brought here with no consideration which so important a measure should receive, ought not to be passed in this manner. There is no rush or hurry, the bill has been kicking around Congress for 15 years, and there is no reason for passing it now.

Mr. SNELL. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. WELCH].

Mr. WELCH. Mr. Speaker, I ask that the telegram I send to the desk be read by the Clerk.

The Clerk read as follows:

NEW YORK, N.Y., *May 19, 1934.*

Hon. RICHARD J. WELCH:

We understand H.R. 7667, relating to Panama Canal tolls, will come before the House Monday under suspension of rules.

If enacted this legislation will impose serious financial hardships on general cargo and passenger ships using Canal in both domestic and foreign trades. Bill is not to become effective until January 1, 1936, therefore there seems to be no necessity of immediate action. Companies cannot stand additional financial burdens, many of whom are now heavily indebted to Government. Subject of interest not only to shipowners, but to shippers and consumers on both Atlantic and Pacific coasts. We hope bill will not be passed.

AMERICAN STEAMSHIP OWNERS ASSOCIATION,
R. J. BAKER, *President.*

Mr. SNELL. Mr. Speaker, I yield 2 minutes to the lady from California [Mrs. KAHN].

Mrs. KAHN. Mr. Speaker, it seems to me the time is most inopportune to put an additional burden on American ships. They have struggles enough and hardships enough now; they are up against it in every way, shape, and manner.

Now, when everything else looks black and dark, when everybody is having a hard time, when everyone is suffering under extra burdens, it seems to me that if we could postpone this bill for the next 2 years it may be by that time they could stand it. But this being an extra burden, it does seem to me that this is not the time to pass the bill. [Applause.]

Mr. SNELL. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Speaker, I have received numerous telegrams and letters from Pacific coast shipping interests, and they are all opposed to the passage of this bill. In view of the foregoing, I do not understand how the gentleman from California can say that the steamship interests are not opposed to the passage of this bill. If these people thought that the tolls would be reduced, they would be for the passage of the bill. I want to add my opposition to the bill for these reasons.

The SPEAKER. The question is on the motion of the gentleman from California to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. CARTER of California) there were—ayes 99, noes 47.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

UNITED STATES BUILDINGS, ETC., IN HAITI (S.DOC. NO. 396)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Foreign Affairs and ordered printed:

To the Congress of the United States:

Next October our marine and naval forces will be withdrawn from the Republic of Haiti. During a period of almost 20 years in which they have been stationed in Haiti they have rendered valuable assistance to the Haitian Government and people in training the Haitian constabulary. This constabulary, known as the "garde", has been using certain equipment and material loaned to them by our marine and naval forces, and the Haitian Government would welcome the opportunity of retaining this equipment and material. Also, there are various buildings, barracks, garages, and workshops which our marine and naval forces have constructed and which would be of practical use to the Haitian Government. It would seem to me a fitting climax to the close of the period of special relationship which has existed between Haiti and the United States if our Government were to make a gift of these buildings and of a portion of this material and equipment to the Haitian Government. In the joint statement which the President of Haiti and I issued on April 17 following our conversations during President Vincent's visit to Washington, I expressed my intention of seeking the necessary authorization from the Congress of the United States in order to make such a gift.

With the foregoing in mind, therefore, I recommend the enactment of legislation authorizing me in my discretion to convey to the Government of Haiti, without cost to that Government, such buildings, material, and equipment now in Haiti owned by our Government as may appear to me to be appropriate.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 5, 1934.*

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted as follows:

To Mr. BROOKS, for 3 days, on account of illness.

To Mr. KOPPLEMANN, for tomorrow, on account of important official business.

To Mr. GRIFFIN, indefinitely, on account of death of his brother.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1077. An act for the relief of Lueco R. Gooch;

S. 1126. An act for the relief of M. M. Twichel;

S. 1191. An act for the relief of the Sultzbach Clothing Co.;

S. 1401. An act to pay a gratuity to Emma Ferguson Starrett;

S. 1516. An act for the relief of Michael Bello;

S. 2023. An act for the relief of Claudia L. Polski; and

S. 2636. An act for the relief of James Slevin.

RECESS

Mr. BYRNS. Mr. Speaker, in the hope that we may possibly reach the Consent Calendar tomorrow I move that the House do now stand in recess until 11 o'clock tomorrow.

The SPEAKER. The question is on the motion of the gentleman from Tennessee that the House stand in recess until 11 o'clock tomorrow.

Mr. TRUAX. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Ohio demands the yeas and nays. As many as favor taking the vote by yeas and nays will rise and stand until counted. [After counting.] Fifteen gentlemen have risen, not a sufficient number and the yeas and nays are refused. The question is on the motion of the gentleman from Tennessee that the House stand in recess until 11 o'clock tomorrow.

The question was taken; and on a division (demanded by Mr. MCGUGIN) there were—ayes 129, noes 23.

Mr. CONNERY. Mr. Speaker, I object to the vote upon the ground that there is no quorum present and I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and ninety Members present, not a quorum. The roll call is automatic. The question is on the motion of the gentleman from Tennessee that the House stand in recess until 11 o'clock tomorrow.

The question was taken; and there were—yeas 230, nays 81, not voting 119, as follows:

[Roll No. 175]

YEAS—230

Adair	Byrns	Deen	Fletcher
Adams	Caldwell	Delaney	Ford
Arnold	Cannon, Mo.	De Priest	Foss
Ayres, Kans.	Carden, Ky.	Dickinson	Frey
Bacon	Carmichael	Dingell	Fuller
Bailey	Carter, Calif.	Dirksen	Gasque
Beam	Cary	Dobbins	Gavagan
Biermann	Castellow	Dockweiler	Gillespie
Black	Cavicchia	Doughton	Glover
Bland	Chavez	Doxey	Goodwin
Blanton	Claiborne	Drewry	Granfield
Bloom	Clarke, N.Y.	Driver	Greenwood
Boehne	Cochran, Mo.	Duffey	Gregory
Boland	Colden	Durgan, Ind.	Griswold
Boylan	Cole	Eagle	Haines
Brown, Ga.	Colmer	Eaton	Hancock, N.Y.
Brown, Ky.	Cooper, Tenn.	Edmiston	Hancock, N.C.
Brown, Mich.	Cravens	Edmonds	Harlan
Brunner	Crosby	Eicher	Hart
Buchanan	Cross, Tex.	Ellenbogen	Hastings
Buck	Crosser, Ohio	Ellzey, Miss.	Healey
Bulwinkle	Crowe	Eltse, Calif.	Henney
Burch	Crump	Faddis	Hill, Samuel B.
Burke, Nebr.	Cullen	Farley	Holmes
Burnham	Darden	Fiesinger	Imhoff
Busby	Dear	Flannagan	Jacobsen

Jenckes, Ind.	McKeown	Rankin	Swank
Johnson, Okla.	McReynolds	Rayburn	Tarver
Johnson, Tex.	McSwain	Reilly	Taylor, Colo.
Johnson, W.Va.	Maloney, La.	Rich	Terrell, Tex.
Jones	Mansfield	Richardson	Terry, Ark.
Kahn	Martin, Colo.	Robertson	Thom
Kee	Martin, Oreg.	Robinson	Thomas
Keller	May	Romjue	Thomason
Kennedy, Md.	Mead	Rudd	Thompson, Ill.
Kennedy, N.Y.	Merritt	Ruffin	Thompson, Tex.
Kenney	Millard	Sabath	Tinkham
Kerr	Milligan	Sadowski	Turner
Kinzer	Mitchell	Sanders, La.	Umstead
Kloeb	Moran	Sanders, Tex.	Underwood
Kniffin	Morehead	Sandlin	Utterback
Kocialkowski	Musselwhite	Schaefer	Vinson, Ga.
Lambeth	O'Brien	Schuetz	Vinson, Ky.
Lamneck	O'Connell	Schulte	Warren
Lanham	O'Connor	Sears	Wearin
Larrabee	Oliver, Ala.	Secrest	Weaver
Lea, Calif.	Oliver, N.Y.	Shallenberger	Werner
Lehr	Owen	Sirovich	West, Ohio
Lesinski	Palmisano	Smith, Va.	West, Tex.
Lewis, Colo.	Parker	Snyder	Whittington
Lewis, Md.	Parks	Somers, N.Y.	Williford
Lindsay	Parsons	Spence	Williams
Lozier	Patman	Steagall	Wilson
Ludlow	Pettengill	Strong, Tex.	Withrow
McClintic	Peyser	Stubbs	Wood, Ga.
McCormack	Polk	Studley	Young
McDuffie	Ramsay	Sullivan	
McGrath	Ramspeck	Sutphin	

NAYS—81

Andrew, Mass.	Foulkes	McCarthy	Seger
Arens	Gilchrist	McFadden	Sinclair
Ayers, Mont.	Goss	McFarlane	Smith, Wash.
Blanchard	Gray	McGugin	Strong, Pa.
Boileau	Greenway	McLean	Sweeney
Buckbee	Guyer	Maloney, Conn.	Swick
Cannon, Wis.	Hess	Mapes	Taber
Carpenter, Kans.	Hildebrandt	Marshall	Taylor, Tenn.
Carter, Wyo.	Hill, Knute	Martin, Mass.	Traeger
Cartwright	Hope	Meeks	Truax
Christianson	Howard	Miller	Weideman
Cochran, Pa.	Hughes	Monaghan, Mont.	Welch
Collins, Calif.	Jenkins, Ohio	Mott	White
Condon	Johnson, Minn.	Peavey	Wigglesworth
Connery	Kelly, Pa.	Perkins	Wolcott
Ditter	Knutson	Powers	Wolfenden
Dondero	Kurtz	Randolph	Wolverton
Dowell	Lambertson	Reece	Zioncheck
Dunn	Lanzetta	Rogers, Mass.	
Englebright	Lemke	Rogers, Okla.	
Focht	Lundeen	Scrugham	

NOT VOTING—119

Abernethy	Corning	Hill, Ala.	Prall
Allen	Cox	Hoeppel	Ransley
Allgood	Crowther	Hoidale	Reed, N.Y.
Andrews, N.Y.	Culkin	Hollister	Reid, Ill.
Auf der Heide	Cummings	Huddleston	Richards
Bacharach	Darrow	James	Rogers, N.H.
Bakewell	DeRouen	Jeffers	Shannon
Bankhead	Dickstein	Kelly, Ill.	Shoemaker
Beck	Dies	Kleberg	Simpson
Beedy	Disney	Koppelmann	Sisson
Beiter	Douglass	Kramer	Smith, W.Va.
Berlin	Doutrich	Kvale	Snell
Bolton	Duncan, Mo.	Lee, Mo.	Stalker
Brennan	Evans	Lehlbach	Stokes
Britten	Fernandez	Lloyd	Sumners, Tex.
Brooks	Fish	Luce	Taylor, S.C.
Browning	Fitzgibbons	McLeod	Thurston
Burke, Calif.	Fitzpatrick	McMillan	Tobey
Cady	Frear	Marland	Treadway
Carley, N.Y.	Fulmer	Montague	Turpin
Carpenter, Nebr.	Gambrill	Montet	Wadsworth
Celler	Gifford	Moynihan, Ill.	Waldron
Chapman	Gillette	Muldowney	Wallgren
Chase	Goldsborough	Murdock	Walter
Church	Green	Nesbit	Whitley
Clark, N.C.	Griffin	Norton	Wilcox
Coffin	Hamilton	O'Malley	Wood, Mo.
Collins, Miss.	Harter	Peterson	Woodruff
Connolly	Hartley	Pierce	Woodrum
Cooper, Ohio	Higgins	Plumley	

So the motion was agreed to.

The Clerk announced the following pairs:

General pairs:

Mr. Gambrill with Mr. Allen.
Mr. Fitzpatrick with Mr. McLeod.
Mr. Corning with Mr. Bacharach.
Mr. Douglass with Mr. Woodruff.
Mr. Griffin with Mr. Bakewell.
Mr. Bankhead with Mr. Whitley.
Mr. Rogers of New Hampshire with Mr. Connolly.
Mr. Browning with Mr. Muldowney.
Mr. Murdock with Mr. Tobey.
Mr. Fitzgibbons with Mr. Crowther.
Mrs. Norton with Mr. Reed of New York.
Mr. Celler with Mr. Turpin.
Mr. Smith of West Virginia with Mr. Bolton.
Mr. Beiter with Mr. Plumley.
Mr. Shannon with Mr. Thurston.
Mr. Walter with Mr. Beck.
Mr. Cartwright with Mr. Andrews of New York.
Mr. Woodrum with Mr. Moynihan of Illinois.
Mr. Kopplemann with Mr. Britten.
Mr. Goldsborough with Mr. Ransley
Mr. Prall with Mr. Beedy.
Mr. Montague with Mr. Hartley.
Mr. Disney with Mr. Wadsworth.
Mr. Allgood with Mr. Treadway.
Mr. Fulmer with Mr. Chase.
Mr. Chapman with Mr. Frear.
Mr. Clark of North Carolina with Mr. Cooper of Ohio.
Mr. Huddleston with Mr. Waldron.
Mr. Sumners of Texas with Mr. Fish.
Mr. Church with Mr. James.
Mr. Collins of Mississippi with Mr. Lehlbach.
Mr. Kelly of Illinois with Mr. Doutrich.
Mr. Fernandez with Mr. Stokes.
Mr. Montet with Mr. Darrow.
Mr. Marland with Mr. Luce.
Mr. Brennan with Mr. Hollister.
Mr. DeRouen with Mr. Culkin.
Mr. Kramer with Mr. Higgins.
Mr. Dickstein with Mr. Simpson.
Mr. McMillan with Mr. Gifford.
Mr. Kleberg with Mr. Stalker.
Mr. Sisson with Mr. Evans.
Mr. Green with Mr. Reid of Illinois.
Mr. Taylor of South Carolina with Mr. Kvale.
Mr. Dies with Mr. Shoemaker.
Mr. Burke of California with Mr. Pierce.
Mr. Berlin with Mr. Auf der Heide.
Mr. Harter with Mr. Brooks.
Mr. Cox with Mr. Hoidale.
Mr. Carley of New York with Mr. Carpenter of Nebraska.
Mr. Gillette with Mr. O'Malley.
Mr. Wallgren with Mr. Richards.
Mr. Cady with Mr. Coffin.
Mr. Wilcox with Mr. Lee of Missouri.
Mr. Hill of Alabama with Mr. Wood of Missouri.
Mr. Lloyd with Mr. Hamilton.
Mr. Cummings with Mr. Nesbit.
Mr. Abernethy with Mr. Peterson.
Mr. Hoeppel with Mr. Duncan of Missouri.

The result of the vote was announced as above recorded.

Accordingly the House (at 5 o'clock and 47 minutes p.m.) stood in recess until tomorrow, Wednesday, June 6, 1934, at 11 o'clock a.m.

COMMITTEE HEARINGS

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Wednesday, June 6, 10 a.m.)

Continuation of the hearings on the oil bill (H.R. 9676).

COMMITTEE ON THE PUBLIC LANDS

(Wednesday, June 6, 10 a.m.)

Various bills. Room 328, House Office Building.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. THOMASON: Committee on Military Affairs. S. 1286. An act to increase the efficiency of the Veterinary Corps of the Regular Army; without amendment (Rept. No. 1885). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Michigan: A bill (H.R. 9846) to authorize a preliminary examination and survey of Waiska River, Mich.; to the Committee on Rivers and Harbors.

By Mr. McREYNOLDS: A bill (H.R. 9847) to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti; to the Committee on Foreign Affairs.

By Mr. ROBINSON: A bill (H.R. 9848) authorizing the Secretary of War to permit the inhabitants of the town of Sunset, Utah, to use water for culinary purposes from the water supply of the Ogden Ordnance Reserve Depot; to the Committee on Military Affairs.

By Mr. CLARK of North Carolina: Resolution (H.Res. 420) for the consideration of H.R. 9690, a bill to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the produc-

tion and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; to the Committee on Rules.

By Mr. BANKHEAD: Resolution (H.Res. 421) allowing the Chairman of the Committee on Claims to call up bills favorably reported from the Committee on Claims and heretofore objected to, said bills to be considered in the House as in the Committee of the Whole House, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWN of Kentucky: A bill (H.R. 9849) granting a pension to William F. Hunter; to the Committee on Pensions.

By Mr. CELLER: A bill (H.R. 9850) for the relief of Mildred E. Cameron; to the Committee on Claims.

By Mr. LAMNECK: A bill (H.R. 9851) granting a pension to Emma Fishinger; to the Committee on Invalid Pensions.

By Mr. MONAGHAN of Montana: A bill (H.R. 9852) for the relief of Mike Chetkovich; to the Committee on Claims.

By Mr. RAMSAY: A bill (H.R. 9854) to restore to the Neill Grocery Co., of Wheeling, W.Va., the sum of $900, the amount of counsel fee paid by said Neill Grocery Co. in an action brought against them August 10, 1917; to the Committee on Claims.

By Mr. WHITTINGTON: A bill (H.R. 9854) granting a pension to William O. Mabry; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4973. By Mr. ANDREW of Massachusetts: Petition of the Society for Propagating the Gospel among the Indians and Others in North America, urging that action be deferred on the Wheeler-Howard bill; to the Committee on Indian Affairs.

4974. By Mr. GLOVER: Resolution of the Desha County Democrat, Dumas, Ark; to the Committee on Ways and Means.

4975. By Mr. GOODWIN: Petition of R. A. Ditmar, of Hudson, N.Y., opposing the National Industrial Adjustment Act; to the Committee on Labor.

4976. Also, petition of Dwight Divine & Sons, Inc., Ellenville, N.Y., opposing the National Industrial Adjustment Act; to the Committee on Labor.

4977. Also, petition of the Terry Bros. Co., Kingston, N.Y., opposing the National Industrial Adjustment Act; to the Committee on Labor.

4978. Also, petition of the Universal Road Machinery Co., Kingston, N.Y., opposing the National Industrial Adjustment Act; to the Committee on Labor.

4979. By Mr. LINDSAY: Petition of the Metal Hose & Tubing Co., Brooklyn, N.Y., opposing the amended Wagner bill and urging its defeat; to the Committee on Labor.

4980. Also, petition of the Industrial Home for the Blind, Brooklyn, N.Y., urging the passage of House bill 9404; to the Committee on the Judiciary.

4981. Also, petition of the Brooklyn Eastern District Terminal, New York City, opposing the Wagner amended labor-disputes bill; to the Committee on Labor.

4982. Also, telegram from the Texas Gasoline Consumers' League, Kilgore, Tex., opposing the Thomas-Disney bill; to the Committee on Ways and Means.

4983. By Mr. LUNDEEN: Petition of the Kabetogama Forest American Legion Post, No. 480, protesting against the nationalization of the Kabetogama State forest; to the Committee on Agriculture.

4984. Also, petition of the farmers and citizens of Hoffman, Minn., urging Federal relief for drought-stricken area; to the Committee on Agriculture.

4985. Also, petition of the Independent Bankers Association, protesting against the policy of the Farm Credit Administration in making loans through its coordinate banks to have creditors of the borrowers discount their claims as a condition making these loans; to the Committee on Agriculture.

4986. Also, petition of the Lincoln County, Minn., citizens, urging that an emergency moratorium be proclaimed, prohibiting all foreclosures in federally designated drought areas; to the Committee on Agriculture.

4987. By Mr. MILLARD: Resolution adopted by the St. Augustine's Branch, Holy Name Society of Ossining, N.Y., urging relief for radio broadcasting Station WLWL; to the Committee on Interstate and Foreign Commerce.

4988. By Mrs. ROGERS of Massachusetts: Petition of the Society for Propagating the Gospel among the Indians and others in North America, asking that action be deferred on the Wheeler-Howard bill; to the Committee on Indian Affairs.

4989. By Mr. RUDD: Petition of Abraham & Straus, Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

4990. Also, petition of Benisch Bros., Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

4991. Also, petition of Moeller Instrument Co., Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

4992. Also, petition of the Industrial Home for the Blind, favoring the passage of House bill 9404; to the Committee on the Judiciary.

4993. Also, petition of the Metal Hose & Tubing Co., Brooklyn, N.Y., opposing the passage of the amended Wagner disputes bill; to the Committee on Labor.

4994. Also, petition of the Texas Gasoline Consumers League, Kilgore, Tex., favoring the passage of the Disney bill; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JUNE 6, 1934

The Chaplain, Rev. ZeBarney T. Phillips, D.D., offered the following prayer:

Almighty God, in whom the souls of nations live, who turnest not Thy face away from those who work Thy will: Be Thou the guardian of Thy people, and remember now no more the wavering will, the base material pride that in our lives have only brought us days of shame.

Give us the courage of those spirits humbly brave, who in the past have wrought such wondrous things, striving through years of faith to lead this Nation into paths of righteousness, equity, and truth that we may spend ourselves and never count the cost of consecrated service for our country's weal. Send now Thy strength on hearts that pray for strength to serve Thee still. We ask it in the name of Jesus Christ our Lord. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the calendar day Tuesday, June 5, when, on motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 3524. An act to amend an act of Congress approved February 9, 1893, entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes"; and

S. 3586. An act for the relief of George A. Fox.

The message also announced that the House had passed the bill (S. 3404) authorizing loans from the Federal Emergency Administration of Public Works for the construction of certain municipal buildings in the District of Columbia, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna, asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HILL of Alabama, Mr. COFFIN, and Mr. GOSS were appointed managers on the part of the House at the conference.

The message further announced that the House had passed a bill (H.R. 7667) to provide for the measurement of vessels using the Panama Canal, and for other purposes, in which it requested the concurrence of the Senate.

ORDER AS TO THE CONSIDERATION OF THE CALENDAR

Mr. ROBINSON of Arkansas. Mr. President, yesterday an order was entered, at my request, that at the close of morning business this morning the Senate proceed to the consideration of unobjected bills on the calendar. It has been pointed out to me by a number of Senators that on the occasion when the calendar was last called the call was discontinued at Calendar No. 1047, and that the greater number of the bills preceding that number on the calendar have been repeatedly called and objected to. I have been asked to request that the consideration of the calendar this morning begin with Order of Business No. 1047.

The VICE PRESIDENT. Is there objection?

Mr. BORAH. Mr. President, I am not going to object to the request, but I wish to say to the Senator that, if it is practicable, I should like to have an opportunity for an hour some day to present Calendar No. 420, being the bill (S. 2018) relative to Members of Congress acting as attorneys in matters where the United States has an interest. I know the bill will always be objected to under the order of the call of the calendar. I am not going to object, as I have said, to beginning the consideration of the calendar this morning at Order of Business No. 1047, but I should like to ask the Senator to consider giving me an opportunity to present the bill to which I have referred, at least for an hour or so, before the final conclusion of the session.

Mr. ROBINSON of Arkansas. Mr. President, of course any request the Senator from Idaho makes commands my respectful consideration, and I shall be very glad to advise with him about the matter.

Mr. NYE. Mr. President, may I ask the Senator from Arkansas is there any probability that the Senate may have a chance to recur to the beginning of the calendar this morning?

Mr. ROBINSON of Arkansas. Yes; it is my thought if we conclude the consideration of the calendar, which is a very long one, under the present order, that any Senator may ask to go back to a previous number if time shall be afforded; but, frankly, if the modification of the request is going to take very much time, I think we had better proceed under the order that has already been entered rather than to attempt to modify it.

Mr. McNARY. What I have in mind is our recurring to the beginning of the calendar. The request of the Senator from Arkansas is proper and conforms to the practice of the Senate, but if there should be any time remaining after going through the calendar. I should like to have it understood that we shall commence with the first order and proceed until 2 o'clock.

Mr. ROBINSON of Arkansas. Very well; I will modify the request and ask that the Senate proceed with the consideration of the calendar, commencing with Order of Business No. 1047, and if before the conclusion of the morning hour that procedure shall be finished that we recur to the beginning of the calendar. Is that satisfactory to the Senator?

Mr. McNARY. Yes.

Mr. CAPPER. Mr. President, I have a bill on the calendar, being Order of Business No. 617, Senate bill 2334, which I am very anxious to have considered, and I think there will be no objection to it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION, EXPENSE OF PETROLEUM ADMINISTRATION (S.DOC. NO. 190)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for salaries and expenses of the Petroleum Administration for the fiscal year ending June 30, 1935, amounting to $2,096,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION, CONTROL OF CHINCH BUGS (S.DOC. NO. 191)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1934, to remain available until December 31, 1934, for the Department of Agriculture, Bureau of Entomology, for the control of chinch bugs, amounting to $1,000,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PETITION

Mr. ROBINSON of Arkansas presented a resolution adopted by the Craighead County (Ark.) Oil Dealers' Association, favoring the prompt enactment of legislation repealing the Federal gasoline tax, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES

Mr. HARRISON, from the Committee on Finance, to which was referred the bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates, reported it adversely and submitted an adverse report (No. 1258) thereon.

Mr. NORBECK, from the Committee on Indian Affairs, to which was referred the bill (H.R. 7121) authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians, reported it without amendment and submitted a report (No. 1259) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (S. 3739) authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti, reported it without amendment and submitted a report (No. 1261) thereon.

Mr. CAPPER, from the Committee on Claims, to which was referred the bill (H.R. 2419) for the relief of W. B. Ford, reported it with an amendment and submitted a report (No. 1262) thereon.

Mr. WHITE, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 2489. An act for the relief of Harold E. Seavey (Rept. No. 1263); and

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts (Rept. No. 1264).

Mr. GIBSON, from the Committee on Claims, to which was referred the bill (H.R. 2416) for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan, reported it without amendment and submitted a report (No. 1265) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3469. An act for the relief of the Yellow Drivurself Co. (Rept. No. 1266);

H.R. 6696. An act for the relief of William T. Roche (Rept. No. 1267);

H.R. 7230. An act for the relief of J. B. Hudson (Rept. No. 1268);

H.R. 7272. An act for the relief of John W. Adair (Rept. No. 1269); and

H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross (Rept. No. 1270).

Mr. CONNALLY, from the Committee on Foreign Relations, to which was referred the bill (H.R. 2326) for the relief of Emma R. H. Taggart, reported it without amendment and submitted a report (No. 1271) thereon.

RENTAL AND HOUSING CONDITIONS IN THE DISTRICT

Mr. KING, from the Committee on the District of Columbia, to which was referred a letter from the Chairman of the Public Utilities Commission of the District of Columbia, transmitting a supplementary report of an investigation relating to the cost and character of housing in rented premises in the District of Columbia, with the accompanying papers, reported thereon, and moved that the material be referred to the Committee on Printing, with a view to its being printed as a document, which motion was agreed to.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 5th instant that committee presented to the President of the United States the following enrolled bills:

S.176. An act for the relief of Harry Harsin;

S. 254. An act for the relief of Fred H. Cotter;

S. 1077. An act for the relief of Lueco R. Gooch;

S. 1078. An act for the relief of Mrs. Asa Caswell Hawkins;

S. 1126. An act for the relief of M. M. Twichel;

S. 1191. An act for the relief of the Sultzbach Clothing Co.;

S. 1401. An act to pay a gratuity to Emma Ferguson Starrett;

S. 1516. An act for the relief of Michael Bello;

S. 1780. An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys, in the interest of public health, comfort, morals, safety, and welfare, and for other purposes;

S. 1994. An act for the relief of Estelle Johnson;

S. 2023. An act for the relief of Claudia L. Polski;

S. 2636. An act for the relief of James Slevin;

S. 2696. An act to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs";

S. 2714. An act to amend section 895 of the Code of Law of the District of Columbia;

S. 2750. An act for the relief of Claude A. Brown and Ruth McCurry Brown, natural guaradians of Mamie Ruth Brown;

S. 2790. An act for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.;

S. 2918. An act for the relief of N. Lester Troast;

S. 2973. An act for the relief of First Lt. Walter T. Wilsey;

S. 3026. An act for the relief of Lucy Cobb Stewart;

S. 3117. An act authorizing and directing the Court of Claims, in the event of judgment or judgments in favor of the Cherokee Indians, or any of them, in suits by them against the United States under the acts of March 19, 1924, and April 25, 1932, to include in its decrees allowances to Frank J. Boudinot, not exceeding 5 percent of such recoveries, and for other purposes; and

S. 3380. An act providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred, as follows:

By Mr. DAVIS (for Mr. REED):

A bill (S. 3743) for the relief of Joseph M. McAleer; to the Committee on Military Affairs.

By Mr. CUTTING:

A bill (S. 3744) to regulate the value of money in pursuance of article I, section 8, paragraph 5, of the Constitution of the United States; to create a Federal Monetary Authority; to provide an adequate and stable monetary system; to prevent bank failures; to prevent uncontrolled inflation; to prevent depressions; to provide a system to control the price of commodities and the purchasing power of money; to restore normal prosperity and assure its continuance; and for other purposes; to the Committee on Banking and Currency.

By Mr. COPELAND:

A bill (S. 3745) to authorize the President to present, in the name of Congress, a gold medal to Gen. Italo Balbo, of Italy; and

A bill (S. 3746) to authorize the President to present, but not in the name of Congress, Distinguished-Flying Medals to certain citizens of foreign countries; to the Committee on Foreign Relations.

By Mr. PATTERSON (by request):

A bill (S. 3747) to amend section 7 of the act entitled "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes", approved July 1, 1902, as amended; to the Committee on the District of Columbia.

(Mr. BULKLEY introduced Senate bill 3748, which appears under a separate heading.)

By Mr. NORBECK:

A bill (S. 3749) for the relief of Mary Sky Necklace; to the Committee on Indian Affairs.

By Mr. WHEELER:

A bill (S. 3750) to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Reservation, Mont.; and

A bill (S. 3751) to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont.; to the Committee on Indian Affairs.

By Mr. ROBINSON of Arkansas:

A joint resolution (S.J.Res. 131) providing for membership of the United States in the International Labor Organization; to the Committee on Foreign Relations.

(Mr. TYDINGS introduced Senate Joint Resolutions Nos. 132 and 133, which appear under a separate heading.)

By Mr. McKELLAR:

A joint resolution (S.J.Res. 134) to simplify the administration of air-mail routes and contracts; to the Committee on Post Offices and Post Roads.

AMENDMENT OF BANKING ACT OF 1933

Mr. BULKLEY introduced a bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, which was read twice by its title and referred to the Committee on Banking and Currency.

Mr. BULKLEY subsequently, from the Committee on Banking and Currency, to which was referred Senate bill 3748, reported it with an amendment to the title and submitted a report (No. 1260) thereon.

SETTLEMENT OF INTERGOVERNMENTAL OBLIGATIONS AND REDUCTION OF ARMAMENTS

Mr. TYDINGS. I introduce two joint resolutions, which I send to the desk. I do not wish to comment on them, but I should like to have them read. They are not long.

The VICE PRESIDENT. Without objection, the resolutions will be read.

The joint resolution (S.J.Res. 132) authorizing settlement of intergovernmental obligations with the United States on a lump-sum and final basis was read the first time by its title and the second time at length, as follows:

[S.J.Res. 132, 73d Cong., 2d sess.]

Joint resolution authorizing settlement of intergovernmental obligations with the United States on a lump-sum and final basis

Resolved, etc., That the President of the United States be, and he is hereby, authorized, empowered, and directed to enter into negotiations on behalf of the United States of America with those governments owing to the United States of America obligations contracted during or immediately after the World War for the purpose of accomplishing a settlement of such intergovernmental obligations with the United States on a lump sum and final basis. In such negotiations the President is authorized, empowered, and directed to take into consideration the ability of each nation to pay to the United States the sums owing:

(a) In gold; (b) in goods and service in accordance with existing laws of the United States affecting trade and service; (c) the amount of actual gold or money transferred from the United States to each of said debtor nations; (d) the amount of money borrowed from the United States which was expended in the United States by said debtor nations for war supplies after April 6, 1917; (e) the losses on land and sea and in the air of said debtor nations during the World War and after April 6, 1917, the date upon which the United States entered the World War, as compared with the losses of the United States on land, sea, and in the air, and such other elements as may properly, honestly, and fairly be considered in connection with said debts owing to the United States.

And the President is hereby authorized, empowered, and directed to submit to the Congress of the United States as speedily as such negotiations looking to lump-sum settlements may be effected the result of such negotiations for the final approval or disapproval of the proposed settlement by the Congress of the United States.

The joint resolution (S.J.Res. 133) authorizing the President to effect, in conjunction with the heads of foreign governments, an agreement of disarmament to a peace-time scale was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the President is hereby authorized, empowered, and directed to deal directly with the heads of other governments of the world to effect in conjunction with them an agreement of disarmament to a peace-time scale on land, on sea, and in the air; the number of soldiers, planes, and ships to be maintained by any country to be predicated upon population of said country in units of 500,000 population and to proceed in a descending ratio and proportion for said soldiers, planes, and ships as said population exceeds 500,000 and each succeeding multiple thereof.

Mr. TYDINGS. I ask that the joint resolutions lie upon the table.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

MEASUREMENT OF VESSELS USING THE PANAMA CANAL

The bill (H.R. 7667) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was read twice by its title.

Mr. GORE. Mr. President, I ask to substitute on the calendar House bill 7667, to provide for the measurement of vessels using the Panama Canal, and for other purposes, for Senate bill 2517, being Order of Business 1344.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. I ask unanimous consent that Senate bill 2517 be indefinitely postpcned.

The PRESIDING OFFICER. Without objection, that order will be made.

AMENDMENT TO EMERGENCY APPROPRIATION BILL

Mr. KEYES submitted an amendment intended to be proposed by him to House bill 9830, the first deficiency and emergency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 21, line 25 (in the item for forest-fire cooperation), to strike out the figures "$152,000" and insert in lieu thereof "$225,000."

INDEMNITY BONDS FOR NATIONAL BANKS—AMENDMENT

Mr. NEELY submitted an amendment intended to be proposed by him to the bill (S. 2915) requiring national banks to obtain indemnity bonds from State-qualified bonding companies, which was ordered to lie on the table and to be printed.

WITHDRAWAL OF PAPERS—THEOPHILUS STEELE

On motion of Mr. SHEPPARD, it was

Ordered, That the papers filed with the bill (S. 107) for the relief of Theophilus Steele, Seventy-third Congress, first session, be withdrawn from files of the Senate, no adverse report having been made thereon.

COUNCIL OF NATIONAL DEFENSE

Mr. ROBINSON of Arkansas submitted the following resolution (S.Res. 261), which was referred to the Committee on Printing:

Resolved, That the manuscript containing a digest of the proceedings during the World War of the Council of National Defense and the Advisory Commission, prepared by Dr. Franklin H. Martin, be printed as a document, in such style and form as may be directed by the Joint Committee on Printing, and that 2,000 additional copies be printed for the use of the Council of National Defense.

INVESTIGATION OF FEDERAL RADIO COMMISSION

Mr. LONG. I send a resolution to the desk and ask that it be read, and, if there is no objection, I also ask for its immediate consideration.

The VICE PRESIDENT. The resolution will be read.

The Chief Clerk read the resolution (S.Res. 260), as follows:

Whereas, on the floor of the United States Senate, the senior Senator from Iowa [Mr. DICKINSON] has declared to the effect that the Federal Radio Commission in dealing with the New Orleans-Shreveport radio controversy, had changed and rechanged, reversed and re-reversed its opinion, findings, and orders by reason of pressure exerted from the White House; and

Whereas, if untrue, the same should be made to immediately appear: Now, therefore, be it

Resolved, That the said charges as made by the said Senator from Iowa be investigated by a special committee composed of five persons, not more than three of whom should be a member of any one political party, to investigate into the subject matter covered by the charges of the said Senator from Iowa [Mr. DICKINSON] on the floor of the Senate on Tuesday, June 5, 1934, and to make report thereon at the earliest possible date; and be it further

Resolved, That the said committee shall have the authority to subpena witnesses, compel the production of books and papers, and take testimony under oath, to the end that full and complete disclosure may be made relative to said charges.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

Mr. COUZENS. I object.

The VICE PRESIDENT. The Senator from Michigan objects.

Mr. LONG. Mr. President, I understand objection was made to the consideration of my resolution.

The VICE PRESIDENT. Objection was made by the Senator from Michigan.

Mr. LONG. I want to ask, Mr. President, as there is objection, that the resolution lie over for a day on the table.

The VICE PRESIDENT. The resolution will lie over under the rule.

Mr. LONG. Mr. President, if I may say just a word——

Mr. ROBINSON of Arkansas. Mr. President, regular order.

Mr. COUZENS. Mr. President, if I may inject a word at the moment, I think that the resolution ought to be referred to the Committee on Interstate Commerce to be considered before action upon it. Similar matters have been considered by the Interstate Commerce Committee, and I think the resolution of the Senator from Louisiana ought to be referred to that committee, as others have been.

Mr. ROBINSON of Arkansas. Mr. President, I shall have to call for the regular order, because we have a special order set for this morning.

The VICE PRESIDENT. The regular order is resolutions coming over from a preceding day.

Mr. LONG. Very well.

RECIPROCAL-TRADE AGREEMENT WITH COLOMBIA

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from a previous day, which will be read.

The Chief Clerk read the resolution (S.Res. 247) submitted by Mr. HATFIELD on the calendar day, May 22, 1924, as follows:

Resolved, That the Secretary of State is requested to transmit immediately to the Senate a copy of the reciprocal trade agreement between the Governments of the United States and Colombia, agreed upon and signed on December 15, 1933, relating to certain import duties, excise taxes, and prohibitions on importation affecting specified products of such countries.

Mr. ROBINSON of Arkansas. I ask that the resolution go over.

The VICE PRESIDENT. Without objection, the resolution will go over.

PAUL JELNA

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SHEPPARD. I move that the Senate insist on its amendment, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. SHEPPARD, Mr. LOGAN, and Mr. CAREY conferees on the part of the Senate.

CATHERINE WRIGHT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 620) for the relief of Catherine Wright, which was, on page 1, line 10, after the name "Sullivan" to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. JOHNSON. I move that the Senate concur in the House amendment.

The motion was agreed to.

M. THOMAS PETROY

The VICE PRESIDENT laid before the Senate the amendment of the House to the bill (S. 1430) for the relief of M. Thomas Petroy, which was, on page 1, line 11, after "1925", to insert:

Provided, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. JOHNSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

NATIONAL INDUSTRIAL ADJUSTMENT ACT—ADDRESS BY SENATOR WALSH

Mr. WAGNER. Mr. President, I ask unanimous consent to have printed in the RECORD a very able and instructive address by the distinguished senior Senator from Massachusetts [Mr. WALSH], delivered over the radio on June 5, on the subject of the National Industrial Adjustment Act.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

That labor disputes leading to strikes and lockouts are occurring altogether too frequently cannot be denied. That they are likely to continue in increasing number and intensity during coming months is feared.

What, if anything, can the Government do to check this economic waste—these conflicts between employers and employees that invariably disturb the tranquillity of a community, impede industrial recovery, and frequently result in violence and loss of life? There is ample law to punish all acts of violence to person and property whenever they occur. But cannot some law be enacted that will force a peaceful solution of labor differences before a strike is declared, or at least before the punishable acts of violence occur? The answer to this question has not yet been completely found.

And what is the reason? Two words—"freedom" and "democracy." The solutions, invariably proposed, substitute servitude and autocracy.

It is a generally accepted right in all democracies that no law should require any person to render labor or services for another without his consent. This is the inalienable right of freemen. Consent to work includes, of course, consent not to work. A strike is a refusal (by employees collectively) to render labor or services.

SOCIAL JUSTICE

Again I press the question, How can we prevent strikes? The application by employees and their labor leaders and employers and their representatives of the Christian principles of social justice would solve this problem, but this seems impossible under existing conditions of selfishness and greed, of distrust and suspicion, of irreligion and materialism.

But can a statutory enactment compel the execution by employees and employers of the principle of social justice? Certainly not, the law cannot attune men's consciences to the natural laws of justice. The law, however, can point out what acts are in conflict with justice, forbid them, and punish those who commit them. This is exactly what the bill pending before Congress, which we are now to analyze, proposed to do.

When introduced by Senator WAGNER, whose keen interest in social welfare and labor legislation is nationally recognized, the bill was called the "Labor Disputes Act." The bill, after extensive hearings and study by the Senate Committee on Education and Labor, has been reported favorably to the Senate for its action as a substitute bill and is now called because of the necessity of distinguishing this proposed legislation from the Department of Labor and the National Adjustment Act dealing with railroad labor problems, "The National Industrial Adjustment Act." The general philosophy and most of the fundamental purposes of the original Wagner bill have been retained. As stated, this bill defines just what acts in our industrial life are in conflict with the rights that I believe all concede should be enjoyed by employees, by those who work and toil for wages in our industrial life.

You inquire, Why is there need of specifying acts that impair the rights of workers? Are not employers' and employees' rights self-evident? But it must be recognized that a declaration or a statute that merely asserts that the press shall be free, that religion shall be free, is not effective unless and until those acts which deny freedom to the press and deny religious freedom are defined, forbidden, and punished.

NATIONAL INDUSTRIAL RECOVERY ACT

When last year the Congress passed, at the suggestion of President Roosevelt, as one of the important objectives in his recovery program, the National Industrial Recovery Act, certain rights or, rather privileges (because these rights had been heretofore denied), were granted to the owners and operators in industry and commerce. They were granted the right to organize and engage in certain practices relating to management and operation of their businesses, relating to the prices which they might charge the public, and the elimination of competition—all of which they were estopped from doing in ordinary times.

In that same law, the National Industrial Recovery Act, and in that part of it known as "section 7a", certain rights were declared in favor of employees. These rights, briefly stated, relate to freedom on the part of employees to organize and bargain collectively. A provision was made for the incorporation of these rights in the various codes. The President later established a Labor Board by Executive order which was entrusted with the duty of trying to adjust labor disputes arising out of and as a result of the enactment of the National Industrial Recovery Act. This Board soon discovered that the rights, stated more or less in general terms, were ambiguous and misleading, both to employers and employees, as to their exact rights under the law.

At times different groups of employees representing different labor organizations in the same industry claimed the right to represent the employees in their particular plant in dealing with their employers.

Some employers discriminated in favor of one group against another, or one organization against another.

Some employers assume a hostile attitude against all attempts to organize their employees. These differences and, in some cases, rivalries between employees (and a confused and suspicious state of mind on the part of some employers) have resulted in strikes and in numerous labor disputes we have been experiencing.

THE PRESIDENT'S LABOR BOARD

All the members of the President's Labor Board, including those representing labor and those representing the employers, reached the conclusion that the general declaration in section 7A of the National Industrial Recovery Act tend to make for misunderstandings. They found that absence of a clear and unmistakable definition of the rights of employers and employees, handicapped

the Board's activities to promote peace and maintain the rights of the parties to these disputes. The absence of defined power and authority in the Board itself, and of proper enforcement provisions has added to the confusion. Mark you, the Board has no statutory existence, but is merely a temporary organization created by the President. Whatever authority the Board possesses will end next July when the National Industrial Recovery Act expires.

Employers, standing strictly on their legal rights, have questioned and, in some cases, defied the authority of this Board.

With this background we can well understand why practically all the members of this Board, representing employees and employers (most of the employers, however, being of the liberal-minded school) have requested some legislation. The original Wagner labor disputes bill was the consequence of these experiences.

WHAT THE BILL DOES NOT DO

Let us now analyze the bill as revamped and which is now before the Senate and which is entitled "A bill to create a National Industrial Adjustment Board." Let me add, the bill is greatly misunderstood and much misrepresented.

The board created in the bill is not going to be empowered to settle all labor disputes. Indeed, we can perhaps best understand the limited but important provisions of this bill by reciting, first, what aspects of the employers' relationship with employees the bill does not deal with.

Nothing in this bill allows the Federal Government or any agency to fix wages, to regulate rates of pay, to limit hours of work, or to effect or govern any working condition in any establishment or place of employment.

Nothing in this bill requires any employee to join any form of labor organization.

Nothing in this bill requires the employees in any industry to organize.

Nothing in this bill requires an employer to compel his employees to organize. All employees are free to choose to organize or not to organize, to join any or whatever labor organization or union they choose. If employees choose to organize a shop committee or a union for a particular plant or company, they may do so. If employees choose to form a union affiliated with any national or international organization, they may do so. There is nothing in this bill that compels any employer to make any agreement about wages, hours of employment, or working conditions with his employees.

WHAT THE BILL DOES

The bill does provide the means and manner in which employees may approach their employers to discuss grievances and permit the board to ascertain and certify the persons or organization favored by a majority of the employees to represent them in collective bargaining, when the question of that representation is in doubt or dispute. Beyond this the bill does not go.

A crude illustration is this: The bill indicates the method and manner in which employees may organize, the method and manner of selecting their representatives or spokesmen, and leads them to the office door of their employer with the legal authority to negotiate for their fellow employees. The bill does not go beyond the office door. It leaves the discussion between the employer and the employee, and the agreements which they may or may not make, voluntary and with that sacredness and solemnity to a voluntary agreement with which both parties to an agreement should be enshrouded.

UNFAIR PRACTICES LISTED

Having, I hope, removed some of the misconceptions of the bill, let me state in more detail just what the bill does. It lists certain practices in which some employers (I regret to say) are prone to indulge, and which are specifically declared to be unfair. These unfair labor practices are as follows:

The first unfair labor practices is for an employer to interfere or coerce the exercise by employees of certain rights which are admitted everywhere to be the basis of industrial no less than political democracy, namely the right to be free to form or join organizations, to designate representatives, and to engage in concerted activities for their mutual welfare. Up to the present time I have never met any requtable employer or anyone else who is willing to deny publicly this right to employees.

As defined in the original Wagner bill, the employer was to be restrained from influencing, as well as interfering or coercing, his employees with respect to forming or joining a labor organization. Our Senate committee, in redrafting the bill, eliminates the word "influencing", for we believed that both employees and employers ought to enjoy the right of peaceful persuasion with respect to joining or not joining a labor organization. This unfair practice, therefore, does restrain an employer from interfering or coercing in this matter.

The second unfair labor practice is directed against the employees. It is the only one relating to restriction on employees. It prevents employees from interfering or coercing employers in the exercise of the latter's right to join or to form organizations and to designate representatives of their own choosing for the purpose of collective bargaining. Employers are inclined to make light of this restraint upon employees, for they assert that this is not of any benefit to them and there is no necessity of such inhibition. Evidence before our committee was, however, that on occasions labor organizations have attempted to coerce employers from joining trade organizations that were in disfavor with labor organizations.

The third unfair labor practice that is prohibited prevents an employer from interfering with or dominating the administration of any labor organization or contributing financial support to it. All employers unhesitatingly approved of this clause if the words "or contribute financial support to it" were eliminated. The reason that employers urge the elimination of these words is because it has been and is the practice of employers to render financial assistance to so-called "company union" or the "individual shop union" that is organized independently of the national trade unions.

The committee considered this question with much care. We found that the claim made by the leaders of the national labor organizations was to the effect that many company unions, because of the financial contributions by empoyers, were subsidized organizations; that in many instances the employer dictated the text of the constitution and bylaws to these organizations, paid the expense of holding meetings and elections of the organizations, extended special benefits that attracted their employees to membership in the company union and sometimes made financial contributions to one or several rival labor organizations. We reached the conclusion that financial support in some instances was an abuse and did deny that freedom and independence which the employees in organizing for their mutual welfare should enjoy. We reached the conclusion that we ought not to prevent or deny the right of employees, if they chose to do so, to organize a company union, but we believed that it was important that they should not be subsidized organizations.

The result was that we added a provision which, while forbidding general financial support to any organization, trade union, or company organization, permitted the employer to compensate the representatives of his employees who conferred together, or with the management, during working hours with reference to grievances, and not only permitted the employees to use working hours for this purpose, but also permitted them to do so without loss of time; that is, by paying him what he would earn during those hours at his regular work. We subjected this privilege by prescribing rules and regulations with respect to it tending to prevent domination. In a word, this third unfair labor practice seeks to remove from the industrial scene unfair pressure by the employer upon any labor organization that his workers may choose, yet leaves fair discussion unhampered.

It should be stated at this point that the Railway Labor Act now pending before the Senate and which deals with the labor problems of employees in the railway service contains a similar provision restricting financial support by the employers. National trade unions do not seek financial support from employers. They rely upon the dues paid by their own members to maintain their organizations and cover the expenses of administration, and this is one of their reasons for opposing financial aid from employers.

The fourth unfair labor practice is a corollary of the first unfair labor practice. The employer is forbidden to discharge or refuse to employ or promote merely because the employee joins a labor organization. In brief, it makes it illegal for an employer to discriminate against employees by encouraging or by discouraging an employee from membership in any labor organization. We must not misunderstand this fourth unfair labor practice. An employer is not prevented from discharging any employee who lacks skill or ability, nor is he required to hire any incompetent man. The employer is merely prevented from using his right of nonemploying or discharging, or promoting or discriminating against an employee merely because he joins an organization or refuses to join a labor organization. Neither does the fourth unfair labor practice prevent an employer, if he chooses to do so, from negotiating a voluntary agreement with the representatives of his employees which conditions employment on membership in any particular labor organization, if his employees or their representatives desire it, and he consents.

ADMINISTRATION AND ENFORCEMENT

Having considered the unfair labor practices that are forbidden, the next question that naturally arises is how are these provisions of law to be administered and what is the procedure of enforcement where the claim is made that unfair labor practices exist. For this purpose the board creates the National Industrial Adjustment Board, consisting of 3 persons representing the general public and 1 person representing employers and 1 person representing employees. There term of office is 5 years. The salary $10,000.

This board is given the power to prevent any unfair labor practices and to take proper steps to enforce its findings. Complaints may be made to the board, hearings held, and a decision rendered. But it is assumed these alleged unfair practices may often be peacefully adjudicated, for the board is empowered to take jurisdiction over alleged unfair labor practices only when these practices have led or threatened to lead to a labor dispute that might affect commerce or obstruct the free flow of commerce. The decision of the board may be appealed by any aggrieved party and reviewed by the circuit court of appeals in the district where the unfair practice is continuing.

These constitute the major provisions of the revised bill.

ELECTION OF EMPLOYEES' REPRESENTATIVES

One other important provision is that where a dispute takes place among employees as to who are the representatives to negotiate collective bargaining with their employer the board is authorized to take a secret ballot or use other suitable methods of determining what kind of an organization the majority of the employees desire and just who the majority of the employees desire to choose as their representatives.

There is nothing in this provision, or any other provision of the act, which prohibits an employer from discussing grievances with any employee or groups of employees at any time, irrespective of the duly chosen representatives of the majority. Thus an employer before agreeing or in agreeing to any settlement of grievances presented by the duly chosen representatives of a majority of his employees may receive the views of those representatives of the minority.

ARBITRATION FOR DISPUTES

Another aspect of the bill which we need not specially consider is that provision is made for parties to a dispute invoking the board to arbitrate voluntarily any and all differences which may arise in reference to labor disputes outside the scope of these defined unfair practices. It is to be noted that this is a provision that is entirely voluntary.

COERCION BY EMPLOYEES

Many employers have urged that the bill should contain a provision to the effect that it constituted an unfair labor practice for an employee or a group of employees to interfere or coerce an employee to join any particular labor organization.

They have indicated that the bill would be acceptable to them if such a provision was included in the bill, because they stated it would put both employees and employers in a like status so far as interference or coercion by employee or employer with respect to joining or refraining from joining a labor organization is concerned.

The committee carefully considered this proposal and reached the conclusion that such an adoption would be unwise and that this principle was founded upon a misconception of the bill.

An employee, like an employer, of course, has the right to discuss the merits of any organization. Indeed, Congress could not constitutionally pass a law abridging the freedom of speech.

On the other hand, an employee, like an employer, cannot lawfully use threats of physical violence, or inflict physical damage upon persons or tangible property. If he does so, the civil and in many cases the criminal laws of the several States could be invoked, and he could be fined or sent to jail.

The bill now under consideration does not enter into these realms of free speech or physical violence. It does not establish a police court. It does not deal with physical coercion, but with economic coercion. And economic coercion is a weapon that could be exercised by the man who hires and discharges, and not by a fellow employee. Only an employer has it within his power to use economic pressure.

The use of the clause suggested has another danger that is not immediately apparent, but against which it is necessary to guard. The Supreme Court of the United States in the Hitchman case and State courts in other cases have construed the word "coercion" to embrace strikes and picketing. Strikes and picketing are in many cases unjustifiable and unwise, but the purpose of this bill is not to outlaw all strikes and all pickets. Yet if Congress were to make it an unfair practice for an employee to coerce his fellow employees to join or to refrain from joining an organization, some court, relying on earlier decisions, and not adequately informed of the purpose of this bill, might conclude that strikes and pickets had been made unlawful.

CONCLUSION

I hope I have removed some of the prevailing misgivings and misrepresentations concerning this bill and retained respect for the purposes of this legislation. The bill is intended to provide a medium and method of peaceful settlement of disputes arising over employees' rights to organize and to assure employees protection against interference and coercion by their employers.

This is not intended to be a reflection upon the employers of this country. For most of them no such legislation is needed. For most people no statute is needed to prevent larceny; but because there is a statute forbidding larceny, there is no intention to reflect upon the honesty and law-abiding spirit of our people. This bill is intended to restrain that class of employers who have failed to realize the thing we call "social justice" as between employer and employee.

If employers accept the law in a friendly and cooperative way, and if employees realize that these rights are granted not for the purpose of arousing hostilities or misunderstandings between them and their employees but for the purpose of paving the way for cooperation and mutual progress, it should instill and promote better relations between all classes and groups in industry.

THE CALENDAR

The VICE PRESIDENT. Morning business is closed. Under the unanimous-consent agreement, the calendar is in order. The clerk will call the calendar, beginning, in pursuance of the agreement made earlier in the day, with Order of Business No. 1047.

BLACKFEET TRIBE OF INDIANS, MONTANA

The bill (S. 3463) to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to place on the final roll of the Blackfeet Indians, approved January 20, 1920, under the act of June 30, 1919 (41 Stat.L. 16), the names of the following persons, entitled to enrollment under the act but who were omitted from the roll through inadvertence: Dick Aloysius Afterbuffalo, Joseph Redfox, Richard Rideatthedoor, Jr., and Mary Yellowowl.

And the said Secretary is also authorized to place on the supplemental roll of the Blackfeet Tribe approved on September 9, 1932, under the act of March 3, 1931 (46 Stat.L. 1495), the names of the following persons omitted from said roll in like manner: Elizabeth M. Bouchie, Thomas Dogtakinggun, Jr., Ernest Dubray, Floyd Andrew Gervais, Dolores Marie Guardipee, Florence Hungry, Georgia Kipp, Charles Kipp, Freda Kipp, James Magee, Archie MacDonald, Vivian MacDonald, Diana Delores Morgan, Loretta Ann Smith, James Johnson Valle, Jr., Fannie Weaselhead, Thomas Weaselhead, Jr., Calvin Woodward, Forrest Richardson Morgan, Virginia Mae Jackson, Ronald Eugene Buchanan, and Audry Loraine Anderson.

USE OF LIQUOR AS MEDICINE FOR INDIAN PATIENTS

The Senate proceeded to consider the bill (S. 2892) to amend existing laws prohibiting the introduction of intoxicating liquors within the Indian country to permit its use as a medicine by practicing physicians for patients of Indian blood, which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 10, after the word "patients", to insert "*Provided*, That nothing herein shall be construed as waiving or eliminating the necessity for druggists, physicians, hospitals, or others located within Indian country and filling such prescriptions, to comply with existing laws and requirements of obtaining permits for the introduction, possession, and so forth, of intoxicating liquors within the Indian country, including Indian reservations and other restricted Indian areas", so as to make the bill read:

Be it enacted, etc., That any and all acts heretofore passed prohibiting the introduction of intoxicating liquors within the Indian country, be, and the same hereby are, amended so as to authorize and permit any practicing physician to prescribe such liquors as a medicine for patients of Indian blood in cases of emergency or sickness, if in the judgment of such attending physician its use is essential or necessary for the proper treatment of such patients: *Provided*, That nothing herein shall be construed as waiving or eliminating the necessity for druggists, physicians, hospitals, or others located within Indian country and filling such prescriptions, to comply with existing laws and requirements of obtaining permits for the introduction, possession, and so forth, of intoxicating liquors within the Indian country, including Indian reservations and other restricted Indian areas.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KIOWA, COMANCHE, AND APACHE INDIANS OF OKLAHOMA

The bill (S. 74) to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of the Kiowa Agency Hospital 4 percent fund, not to exceed the sum of $10,000, to pay the expenses of the Kiowa, Comanche, and Apache tribal council in the formulation of any claims of said tribes against the United States. Such expenses shall include traveling and other expenses of members of the tribal council, or committees thereof, including visits to Washington, D.C., when duly authorized or approved by the Secretary of the Interior; costs of procuring the attendance of witnesses, and the expenses of attorneys employed under contract in accordance with existing law. All claims for expenses hereunder shall be presented and paid in conformity with existing regulations.

ENROLLMENT IN OMAHA TRIBE OF INDIANS

The Senate proceeded to consider the bill (S. 2557) to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians, which had been reported from the Committee on Indian Affairs with an amendment, on page 3, line 6, after the word "enrolled", to insert "*Provided, however*, That enrollment of the persons named in this act shall not be permitted to disturb or affect the Omaha tribal land, nor the proceeds of the sale of the Omaha tribal land, nor shall such persons share in the distribution of any money now in the United States Treasury to the credit of such Omaha Tribe of Indians in Nebraska", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, directed to investigate the claims of Antoine Barada,

Thomas Barada, Mitchell Barada, Warren Barada, Maggie E. Rockwell, Mary Peters Sailors, William Barada, Clestine Barada Kuhn, Margaret Kuhn, George F. Kuhn, Josephine Kuhn, N. Edward Kuhn, Mary Kuhn, Stella Kuhn James, Barbara Kuhn James, Ethel Kuhn Ruthledge, Fulton Peters, Frank A. Peters, Jacob Peters, Frank E. Peters, Ernest C. Peters, Ruth Barada Sandage, Josephine Peters Mitchell, Pine Barada Beck, John T. Barada, Blade Barada, Etta Mitchell Murphy, Nellie Barada Mott, Mary Barada Martin, Eva Barada Phillips, Ada Barber, Alice Barada, William Barada, Walter V. Peters, Jobe Barada, Phil Frost, Charles Frost, Frank Frost, Leonard Frost, Mary Frost, Artemisia Sloan Frost, Sarah McCreary, Benjamin Peters, Emiel Peters, Edgar Sailors, Garlie Sailors, Frank Sailors, Byron Sailors, Edward Tupan, Micheal Barada, Bell Dupue, Richard M. Barada, Joseph Barada, Rena Rockwell Wilkins, Walter Rockwell, and Euphrasia Peters (nee Barada), and their heirs, to enrollment and membership in the Omaha Tribe of Indians, and if such investigation shows the persons named and their heirs, or any of them, to possess Omaha Indian blood from a common Omaha Indian ancestor, the Secretary of the Interior is hereby authorized and directed to enroll the persons named and their heirs, or so many of them as possess Omaha Indian blood from a common Omaha Indian ancestor, with the Omaha Tribe of Indians, and to accord to such persons so enrolled all the rights and privileges of any enrolled member of the Omaha Tribe of Indians; and if such investigation should disclose that the persons named and their heirs, or any of them, are of a common Omaha Indian ancestor and that they and their heirs have been deprived of their rights as Omaha Indians because of their not being enrolled as Omaha Indians, that an appropriation be made, and the same is hereby authorized to be made, for the purpose of paying for the lands and payments made to the Omaha Tribe of which they have been deprived while not being enrolled: *Provided, however,* That enrollment of the persons named in this act shall not be permitted to disturb or affect the Omaha tribal land, nor the proceeds of the sale of the Omaha tribal land, nor shall such persons share in the distribution of any money now in the United States Treasury to the credit of such Omaha Tribe of Indians in Nebraska.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES W. CARMICHAEL

The Senate proceeded to consider the bill (S. 2896) for the relief of James W. Carmichael, which had been reported from the Committee on Military Affairs with an amendment on page 1, line 7, after the name "Carmichael", to insert "deceased", so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon the widows, children, and dependent relatives of persons honorably discharged from the United States Army James W. Carmichael, deceased, shall be held and considered to have served without desertion and to have been honorably discharged on October 9, 1864, as a private, Company C, First Regiment Florida Volunteer Cavalry: *Provided,* That no pension, bounty, back pay, or allowance shall be held to have accrued by reason of this act prior to its passage.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "A bill for the relief of James W. Carmichael, deceased."

PRACTICE OF HEALING ART IN THE DISTRICT

The bill (S. 3479) to amend the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", approved February 27, 1929, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 4 and 46 of the act to regulate the practice of the healing art to protect the public health in the District of Columbia, approved February 27, 1929, be, and the same are hereby, amended to read as follows:

"SEC. 4. There is hereby created a commission on licensure to practice the healing art in the District of Columbia, consisting of the president of the Board of Commissioners of the District of Columbia, the United States Commissioner of Education, the corporation counsel of the District of Columbia, the superintendent of public schools of the District of Columbia, and the health officer of the District of Columbia, each ex officio. The commission shall elect a president and a vice president. The health officer shall be the secretary and treasurer of the commission. The commission shall make and from to time may alter such rules as it deems necessary for the conduct of its business, and for the execution and enforcement of the provisions of this act. It shall adopt a common seal, and from time to time alter the same as to it seems proper. The courts shall take judicial notice of such seal.

"SEC. 46. It shall be the duty of the Commissioners of the District of Columbia and of the major and superintendent of police of said District to enforce the provisions of this act. Criminal prosecution, except for perjury, and proceedings looking toward the suspension or revocation of licenses or registration and toward the issue of injunctions, under the provisions of this act, shall be conducted by the corporation counsel for the District of Columbia."

WINIFRED MEAGHER

The bill (S. 568) for the relief of Winifred Meagher was announced as next in order.

Mr. KING. Let the bill go over.

Mr. COPELAND. Mr. President, I hope the Senator will withhold his objection for a moment.

Mr. KING. Very well.

Mr. COPELAND. When the bill was introduced it provided for authorization of payment for the injury received, but the committee, after full hearing, thought the wise thing to do was to submit it to the court. The claimant was damaged in such a way that unquestionably it was the fault of the Government, but the committee did not see fit to recommend payment of the claim without a hearing before the court.

Mr. KING. Mr. President, I have hastily looked over the report. My recollection is that contention is made that if there is any liability it is on the part of the State and not the Federal Government.

Mr. COPELAND. No; the property is the property of the Federal Government. It was being used from time to time by the State commission, but it was the property of the Federal Government, and the obligation is apparently upon the Federal Government to keep the property in safe repair. The proposal of the committee is to submit it to the court in order that the court may determine whether there is liability.

Mr. KING. I find the report of the then Secretary of War, Mr. Hurley, reads as follows:

From the time the pillar was broken until the accident occurred, the camp was constantly occupied by and was in charge and under control of National Guards not in Federal service. Accordingly the War Department expresses the opinion that whatever liability, legal or moral, exists in this case is a State and not a Federal matter.

Mr. COPELAND. The Senator is no doubt familiar with the way these Federal properties are used. When one branch of the National Guard leaves, the property goes back to the hands of the Federal Government, which is responsible during the time of the training camps for the preservation of the property. The claimant's husband in this case, who happened to be a doctor and a friend of mine, was there on a day set apart for visitors. Visitors were invited onto the property, and certainly in this case it is only fair that the matter should be be referred to the court for consideration.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with an amendment to strike out all after the enacting clause and insert:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Winifred Meagher for damages on account of the death of her husband, Dr. John F. W. Meagher, caused by and as a result of injuries sustained while a visitor at the military camp at Tobyhanna, Pa., on August 23, 1931: *Provided,* That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of the said court: *Provided further,* That said suit shall be brought and commenced within 6 months of the date of the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 63) for the relief of Charles E. Wilson was announced as next in order.

Mr. McKELLAR. Over.

Mr. SHEPPARD. Mr. President, may I say to the Senator from Tennessee that this man was discharged without honor on account of having eye trouble. The committee, after full investigation, found that he had that trouble before he

was accepted for enlistment, and we therefore felt it was unjust to him to discharge him on that account or substantially on that account.

Mr. McKELLAR. The Department in its report said he was in the service for only a very short time and that he was discharged without honor. Under those circumstances it would make him eligible for a pension.

Mr. SHEPPARD. No; the bill does not make him eligible for a pension. It merely gives him an honorable discharge. It was not his fault that he was discharged.

Mr. KING. I ask that the bill go over.

The PRESIDING OFFICER. On objection, the bill will go over.

The bill (S. 1573) to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want was announced as next in order.

Mr. GORE. Let the bill go over.

Mr. COPELAND. Mr. President, will not the Senator from Oklahoma withhold his objection?

Mr. GORE. No; not at this time.

The PRESIDING OFFICER. The Senator from Oklahome declines to withhold his objection, and the bill will go over.

The bill (S. 2685) to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, I hope the Senator from Utah [Mr. KING] will tell us what the bill is.

Mr. ROBINSON of Arkansas. Mr. President, let the bill be passed over for the present.

The PRESIDING OFFICER. The bill will be passed over.

AMERICAN LEGION PROPERTY, DISTRICT OF COLUMBIA

The bill (S. 3483) to exempt from taxation certain property of the American Legion in the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the property situated in square no. 185 in the city of Washington, D.C., described as lots 32 and 33, owned, occupied, and used by the American Legion, is hereby exempt from all taxation so long as the same is so owned, occupied, and used, subject to the provisions of section 8 of the act of March 3, 1877, as amended and supplemented (D.C. Code, title 20, sec. 712), providing for exemption of church and school property.

Mr. KING subsequently said: Mr. President, a moment ago the Senate passed the bill (S. 3483) to exempt from taxation certain property of the American Legion in the District of Columbia. The House has passed a bill textually the same being Calendar No. 1297, the bill (H.R. 9400) to exempt from taxation certain property of the American Legion in the District of Columbia. I ask that the House bill be substituted for the Senate bill and put upon its passage.

The PRESIDING OFFICER. Without objection, the vote by which the Senate bill was passed will be reconsidered. Is there objection to the consideration of the House bill?

There being no objection, the bill (H.R. 9400) to exempt from taxation certain property of the American Legion in the District of Columbia was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3483 will be indefinitely postponed.

AMENDMENT OF DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

The Senate proceeded to consider the bill (H.R. 8525) to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of classes A and B in residential districts, which had been reported from the Committee on the District of Columbia, with an amendment, on page 1, line 6, after the word "classes", to strike out "A, B", and insert "B", so as to make the bill read:

Be it enacted, etc., That the first paragraph of section 15 of the District of Columbia Alcoholic Beverage Control Act is amended to read as follows:

"SEC. 15. No retailer's licenses except of classes B or E shall be issued for any business conducted in a residential-use district as defined in the zoning regulations and shown in the official atlases of the Zoning Commission, except for a restaurant or tavern conducted in a hotel, apartment house, or club, and then only when the entrance to such restaurant or tavern is entirely inside of the hotel, apartment house, or club, and no sign or display is visible from the outside of the building."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts."

COLUMBUS UNIVERSITY OF WASHINGTON, D.C.

The bill (S. 3471) supplementary to and amendatory of the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia was announced as next in order.

Mr. KING. Mr. President, the House has passed a bill textually the same, being Calendar No. 1296, House bill 9180. I ask that the House bill may be substituted for the Senate bill and be considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 9180) relating to the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the incorporation of the Columbus University of Washington, D.C., under chapter 18 of the Code of Laws of the District of Columbia, be, and the same is hereby, approved and confirmed, except as herein specifically altered.

SEC. 2. The number of trustees for the management of said corporation shall be not more than 14 and not less than 12 and at least 2 of whom shall be members of each existing council of the Knights of Columbus, each of whom shall be a member of the District of Columbia branch of the fraternal organization known and designated as the "Knights of Columbus"; that J. Fred Brady, John E. Burns, W. Francis Delaney, John P. Dunn, William G. Feely, G. E. Herring, George F. Howell, Harold Francis Jones, William E. Leahy, James P. McKeon, Walter I. Plant, T. J. Quirk, and M. J. Willcoxon shall constitute the original board of trustees under this act; that the board of trustees shall elect, from among themselves, 1 member to be president, 1 member to be vice president, 1 member to be treasurer, and 1 member to be secretary of said corporation; that the board of trustees shall elect, from among themselves, 1 member to be chairman, 1 member to be vice chairman, and 1 member to be secretary of the board of trustees; that at the first meeting of the board subsequent to the passage of this act the trustees shall be divided into three classes, the members of the first class to serve for a period of 3 years, the members of the second class to serve for a period of 4 years, and the members of the third class, which class shall include the president, vice president, treasurer, and secretary of the corporation, to serve for a period of 5 years; that the said trustees shall serve for the periods mentioned and/or until their successors are designated, the power and designation being in the board of trustees; that the number of professorships which may be established by said corporation shall be left to the discretion of the board of trustees, who shall have the power to establish ordinances and bylaws for the conduct of the business of the corporation or to alter, repeal, and amend the same, and also power to frame laws and regulations to govern the faculty and students in all departments thereof and to designate such professors and lecturers as they shall deem necessary, and with such salaries and duties as the said board of trustees shall deem proper: *Provided, however*, That no member of the board of trustees, except the president, shall serve in a teaching capacity in the university.

SEC. 3. The said corporation shall adopt a common seal, under and by which all deeds, diplomas, and acts of the said university or corporation shall pass and be authenticated, and the same seal at their pleasure to break and alter, or to devise a new one.

SEC. 4. Persons of every religious denomination shall be eligible to membership on the faculty and that no person shall be refused admittance to the university as a pupil or denied any of the privileges, immunities, or advantages thereof for or on account of his or her sentiments in matters of religion.

SEC. 5. The funds, moneys, and properties of the corporation shall be held in the name of Columbus University and that the funds or the income of the corporation, or any part thereof, shall be used for no purpose or object other than to promote and advance the best interests of Columbus University.

SEC. 6. No institution of learning hereafter incorporated in the District of Columbia shall use in or as its title, in whole or in part, the words "Columbus University."

SEC. 7. Nothing in this act contained shall be so construed as to prevent Congress from altering, amending, or repealing the same.

The PRESIDING OFFICER. Without objection, Senate bill 3471, Calendar No. 1059, will be indefinitely postponed.

PROPERTY OF DAUGHTERS OF UNION VETERANS, DISTRICT OF COLUMBIA

The bill (S. 3459) to exempt from taxation certain property of the Daughters of Union Veterans of the Civil War in the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the property situated in square no. 137 in the city of Washington, District of Columbia, described as lot 35, occupied and used by the Daughters of Union Veterans of the Civil War, is hereby exempt from all taxation so long as the same is so occupied and used, subject to the provisions of section 8 of the act of March 3, 1877, as amended and supplemented (D.C. Code, title 20, sec. 712), providing for exemptions of church and school property.

ADMISSION OF CERTAIN CHILDREN TO DISTRICT PUBLIC SCHOOLS

The bill (S. 3261) to permit the stepchildren of certain officers and employees of the United States to be admitted to the public schools of the District of Columbia without payment of tuition, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the ninth paragraph following the heading "furniture" under the caption "public schools" in section 1 of the act entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1930, and for other purposes", approved February 25, 1929, is amended to read as follows:

"The children and stepchildren of officers and men of the United States Army, Navy, and Marine Corps, and children and stepchildren of other employees of the United States stationed outside the District of Columbia shall be admitted to the public schools without payment of tuition."

JENNIE BRUCE GALLAHAN

The bill (S. 741) for the relief of Jennie Bruce Gallahan was announced as next in order.

Mr. GOLDSBOROUGH. Mr. President, I ask unanimous consent that Calendar No. 1295, being House bill 2035, for the relief of Jennie Bruce Callahan, be substituted for the Senate bill and considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 2035) for the relief of Jennie Bruce Gallahan was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 741 will be indefinitely postponed.

JOHN W. BECK

The Senate proceeded to consider the bill (S. 1146) for the relief of John W. Beck, which had been reported from the Committee on Military Affairs with an amendment to strike out all after the enacting clause and insert:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized to summon John W. Beck, a first lieutenant, United States Army, retired, before a retiring board, to inquire whether at the time of his retirement under section 24b, National Defense Act, as amended, he was incapacitated for active service, and whether such incapacity was a result of an incident of service, and if, as a result of such inquiry, it is found that he was so incapacitated, the President is authorized to nominate and appoint, by and with the advice and consent of the Senate, the said John W. Beck a first lieutenant, Regular Army, and place him immediately thereafter upon the retired list of the Army, with the same privileges and retired pay as are now or may hereafter be provided by law or regulation for officers of the Regular Army: *Provided*, That the said John W. Beck shall not be entitled to any back pay or allowances by the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EDWARD T. COSTELLO

The bill (S. 1177) for the relief of Edward T. Costello was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Edward T. Costello, who was a member of Company M, Twenty-ninth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 3d day of August 1914: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

WILLIAM H. CONNORS

The Senate proceeded to consider the bill (S. 418) for the relief of William H. Connors, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, after the word "Connors", to insert "alias John H. Connors, alias Michael W. H. Connors", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William H. Connors, alias John H. Connors, alias Michael W. H. Connors, who was a member of Battery C, Sixth Regiment United States Field Artillery, Fort Bliss, Tex., shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 14th day of October 1914: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors."

DECLARATORY JUDGMENTS

The bill (S. 588) to amend the Judicial Code by adding a new section to be numbered 274D was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, this appears to be a very important bill. I should like to call upon the Senator from Utah [Mr. KING] to explain the purpose in giving the United States courts jurisdiction—

Upon petition, declaration, complaint, or other appropriate pleadings, * * * to declare rights and other legal relations on request of any interested party for such declaration, whether or not further relief is or could be prayed, and such declaration shall have the force of a final judgment or decree and be reviewable as such.

That and other provisions of the bill are quite far-reaching. It provides for declaratory judgments.

Mr. KING. Mr. President, much could be said in behalf of this measure but under the rule I can only submit a few observations. The House passed a measure of this character upon three or four different occasions and the Committee on the Judiciary of the Senate has reported this measure favorably. The bill is known as the "declaratory judgments statute."

Since 1919, 34 States and Territories have enacted the declaratory judgment statute. The movement in favor of this statute has been particularly active since the adoption in 1921 by the Commissioners on Uniform State Laws of the Uniform Declaratory Judgments Act. More than 1,200 cases have arisen under these statutes, including 200 each reported in New York and Pennsylvania covering almost every department of human activity. The fact is that the declaratory judgment in a limited form has been known to the common law or under statute for many years. The equitable actions for the removal of clouds from title, the action by a person in possession for the statutory period, against a person claiming under a record title to have the latter's title declared void, actions impressing a trust on the legal title, actions to declare written instruments null, and to construe wills, statutes authorizing judgments proving the tenor of lost instruments or proving the validity, when contested, of instruments to be recorded, and other illustrations that will readily occur to the lawyer, are all cases in which declaratory judgments are rendered under other names. In principle, therefore, there is nothing novel to the procedure.

The declaratory judgment has existed in Scotland for over 400 years and in England since 1852. It is in force in

Canada and in practically all the British Dominions and colonies as well as in several of the countries in Latin America and in Germany, Austria, and other continental countries.

Hearings were had before the Committee on the Judiciary a number of years ago, before which Mr. Henry W. Taft, chairman of the committee on jurisprudence and law reform of the American Bar Association, as well as other eminent lawyers, appeared in support of the bill. Prof. Edwin M. Borchard, of the Yale Law School, has been an earnest advocate of this measure for some time. My recollection is that there were submitted to the subcommittee of which I was chairman letters from Chief Justice Cardozo, now of the Supreme Court of the United States, and Justice Von Moschzisker, of the Supreme Court of Pennsylvania, and Judge Thomas W. Swan, of the circuit court of appeals for the second circuit, all of whom approved the declaratory judgment procedure as a result of their practical experience.

Repeating, the procedure under this measure enables parties in dispute over their rights over a contract, deed, lease, will, or any other written instrument to sue for a declaration of rights, without breach of the contract, and so forth, citing as defendants those who oppose their claims of right.

Judge MONTAGUE, of Virginia, a lawyer of ability, now a Representative in the House from Virginia, has given much consideration to this matter; and under his guidance the House, as I stated, acted favorably upon this measure upon several occasions.

Mr. ROBINSON of Arkansas. Mr. President, I do not desire to object to the consideration of the bill. It is a very important measure, and quite radically changes the procedure in the Federal courts.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 7, after the word "which", to insert "at any time"; on page 2, line 16, after the word "or", to strike out "not" and insert "not" with a period; and to strike out lines 17 to 20, inclusive, in the following words:

"(4) An action to obtain a declaratory judgment under this section shall, in matters of procedure, follow the forms and practice prescribed in the rules now prevailing for other actions in the courts of the United States."

So as to make the bill read:

Be it enacted, etc., That the Judicial Code approved March 3, 1911, is hereby amended by adding after section 274C thereof a new section to be numbered 274D, as follows:

"SEC. 274D. (1) In cases of actual controversy in which at any time the courts of the United States have jurisdiction, the said courts, upon petition, declaration, complaint, or other appropriate pleadings, shall have power to declare rights and other legal relations on request of any interested party for such declaration, whether or not further relief is or could be prayed, and such declaration shall have the force of a final judgment or decree and be reviewable as such.

"(2) Further relief based on a declaratory judgment or decree may be granted whenever necessary or proper. The application shall be by petition to a court having jurisdiction to grant the relief. If the application be deemed sufficient, the court shall, on reasonable notice, require any adverse party, whose rights have been adjudicated by the declaration, to show cause why further relief should not be granted forthwith.

"(3) When a declaration of right or the granting of further relief based thereon shall involve the determination of issues of fact triable by a jury, such issues may be submitted to a jury in the form of interrogatories, with proper instructions by the court, whether a general verdict be required or not."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REFUNDMENT OF COUNTERVAILING DUTIES UPON LOGS

The bill (S. 339) for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia was announced as next in order.

Mr. FESS. Mr. President, will the Senator from Washington [Mr. DILL], who introduced the bill, explain it?

Mr. DILL. Mr. President, this is a bill the passage of which is made necessary in order that those who would have received the same treatment that is now being received on shipments of logs had the decision of the Privy Council of Canada been made earlier, may have such treatment.

Shipments preceding the period referred to in the bill were ruled against, because a certain interpretation was placed on the Canadian law. In 1929 the supreme court of the Province held a different view, and made a different interpretation of the law. Since that time no charges have been made on these logs, but those who had shipped in their logs previously filed a protest and made claims, and have no way of getting a refund under the law which has since been interpreted in a manner that would have prevented the original charge.

Mr. FESS. How much is involved?

Mr. DILL. I am not sure of the exact amount. Can the Senator from Kentucky, who reported the bill, tell me?

Mr. LOGAN. Mr. President, the amount involved is not stated. The facts as detailed by the Senator from Washington are substantially correct.

These claimants paid a certain rate of duty on logs that were imported from Canada. Later the Supreme Court said that another rate should have been imposed. This bill does not allow anything except that they may file their claims for approval with the department having charge of the matter, probably the Commissioner of Internal Revenue.

Mr. FESS. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That claims for the refunding of any customs duties erroneously or illegally assessed or collected upon fir, spruce, cedar, or western hemlock, under the provisions of paragraph 401 of the Tariff Act of 1922, approved September 21, 1922 (42 Stat.L. 858, 889), because of the existence of the so-called "timber tax" embodied in subdivision 2 of section 58 of the land and forest act of the Province of British Columbia, may be presented to the Commissioner of Customs not later than 6 months after the passage of this act; and the Commissioner of Customs is hereby authorized and directed to receive, consider, and determine in accordance with law but without regard to any statute requiring protest, appeal, and the like, such claims as may have been presented heretofore by way of protest to the collectors of customs and not allowed, and such claims as may hereafter be presented within the period above named, where and when and only when it be found and determined that such duties were collected upon the erroneous interpretation of law passed upon and condemned by the United States Customs Court, first division, in decisions rendered in the cases of George S. Bush & Co., INC., and others against United States, and Siemons Lumber Co. against United States, on March 12, 1931, and reported in Fifty-ninth Treasury Decisions, at page 590: *Provided*, That no interest shall be allowed on any of these claims.

SEC. 2. That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to such claimants as have presented or shall hereafter so present their claims, any amounts allowed in the determination of any claims so defined and which shall have been presented in accordance with this act.

ARTHUR W. ADAMS

The Senate proceeded to consider the bill (S. 2454) for the relief of Arthur W. Adams, which had been reported from the Committee on Military Affairs with an amendment to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That in the administration of the pension laws and laws conferring rights upon honorably discharged soldiers, their widows, and dependent relatives Arthur W. Adams shall hereafter be held and considered to have been in the military service of the United States as a private in Company F, One Hundred and Thirty-eighth Regiment United States Infantry, from June 4, 1917, and to have been honorably discharged May 22, 1919: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

APPREHENSION OF CRIMINALS

Mr. KING. Mr. President, what disposition was made of Order of Business 1070, House bill 9370, to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime?

The PRESIDING OFFICER. The Chair is informed that that bill was passed heretofore.

KLAMATH, MODOC, AND SNAKE INDIANS, OREGON

The bill (S. 3291) providing for a reimbursable loan to the Klamath and Modoc Tribe of Indians and the Yahooskin Band of Snake Indians, State of Oregon, was announced as next in order.

Mr. KING. Mr. President, I will ask the Senator from Montana [Mr. WHEELER] to give us an explanation of that bill.

Mr. McKELLAR. Mr. President, is it not a fact that the Department reports against the bill?

Mr. STEIWER. Mr. President, the Interior Department reported favorably upon the bill.

Mr. COUZENS. The memorandum we have here says that the Department asked to have it indefinitely postponed.

Mr. STEIWER. No; that was the Bureau of the Budget. The Interior Department reported favorably upon it. The report of the committee sets out the favorable report signed by the Secretary of the Interior.

Mr. McKELLAR. He says, at the end of his letter:

The Director of the Bureau of the Budget has advised that this proposed legislation would not be in accord with the financial program of the President.

(Signed) HAROLD L. ICKES,
Secretary of the Interior.

Mr. STEIWER. That is true, Mr. President, and the committee considered that; but in view of the circumstances of the case, the committee thought the bill ought to be favorably reported.

Mr. McKELLAR. May I read further from what the Secretary says?

While some lasting benefits would undoubtedly be gained by some Indians who would share in this distribution, the precedent to be established and the present condition of the Federal Treasury would seem to warrant postponement of action on the bill.

Under the circumstances, I ask to have the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

CARL LINDOW

The bill (S. 2673) to correct the military record of Carl Lindow, alias Carl Lindo, was announced as next in order.

Mr. McKELLAR. Let that go over. That seems to be a very doubtful case.

The PRESIDING OFFICER. Objection is heard.

Mr. LOGAN. Mr. President, will the Senator withhold his objection?

The PRESIDING OFFICER. Does the Senator from Tennessee withhold his objection?

Mr. McKELLAR. Certainly.

Mr. LOGAN. This bill was reported by the Senator from Utah [Mr. THOMAS] and I promised him I would look after it for him.

I do not see just why the bill should not be passed. It is one that we thought was very deserving. The Adjutant General reports that he cannot correct military records, all of which is very true. The only way they can be corrected is by the Congress.

I do not find the report on this bill in my file, so I will let it go over until I can find the report.

Mr. KING. I ask to have it go over.

The PRESIDING OFFICER. The bill will be passed over.

NAVAJO INDIAN RESERVATION, ARIZ.

The bill (S. 2499) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. This bill is the same as House bill 8927, Order of Business 1142.

Mr. HAYDEN. Mr. President, I ask that the House bill be substituted for the Senate bill. The two measures are identical.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arizona?

There being no objection, the Senate proceeded to consider the bill (H.R. 8927) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes, which was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2499 will be indefinitely postponed.

MENOMINEE INDIANS OF WISCONSIN

The bill (H.R. 8541) to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin was announced as next in order.

The PRESIDING OFFICER. This bill is the same as Senate bill 3514, Order of Business 1032.

Mr. KING. Mr. President, I should like to make an inquiry of my friend from Wisconsin [Mr. LA FOLLETTE], in view of a letter or two which I have received from Indians protesting against these measures for reenrollment, as they call them in their letters. They contend that many injustices have resulted from measures of this kind, and that many will result; that persons will be placed upon the rolls who are not entitled to consideration. Will the Senator make an explanation of this measure, so that I may be advised, and answer those who are writing me?

Mr. LA FOLLETTE. Mr. President, in the first place may I say that this bill applies, of course, only to the Menominees in Wisconsin. The advisory board representing the tribe, as well as the Secretary of the Interior, are in favor of the measure.

The bill does not contemplate what is commonly called a "final roll." What it does contemplate is a continual or current roll. I think the objections which the Senator is receiving are merely against those cases where final rolls have been established, which preclude the right of any other members of the tribe subsequently to be placed upon the rolls. No such procedure is in anticipation under the pending bill, if it shall become law. What is proposed, as I assert, is that there shall be a fluctuating roll. The Secretary of the Interior and the members of the advisory board of the tribe are very anxious to have the roll established.

Perhaps the Senator will remember that this is the tribe of Indians fortunate enough to have a very fine stand of timber in Wisconsin, and they have a mill which they are operating there. The advantage to the members of the tribe in having this fluctuating roll, based upon the procedure contemplated in the bill, is that it tends to retain the ownership of the property in the hands of the Indians, to prevent persons deriving benefit from it who are not entitled to it. Such investigation as I have been able to make of the situation convinces me that the Indians are unanimously in favor of the bill, it has received the approval of the Department, it has passed the House, and I think a good end will be served if the bill shall become a law.

Mr. KING. Mr. President, if I may make one observation, some of the specific charges made to me in regard to measures of this character are that when funds are about to be distributed, as there have been funds distributed from oil, or from the acquisition by the Federal Government of lands belonging to the Indians, Indians claim that they are members of the tribe, and, by fictitious affidavits and what not, their names are placed upon the rolls, and they become beneficiaries, when they ought not to be, of a distributive share of the funds appropriated by the Government.

Mr. LA FOLLETTE. I think such a situation will be prevented under the law contemplated by this bill, because only those may be added to the rolls who are at least one-quarter blood, and in the future those who have been born upon the reservation.

Mr. KING. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

Mr. LA FOLLETTE. I ask that Senate bill 3514 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senate bill will be indefinitely postponed.

CARL LINDOW

Mr. LOGAN. Mr. President, I ask unanimous consent to return to Order of Business 1073, being the bill (S. 2673) to correct the military record of Carl Lindow, alias Carl Lindo.

The PRESIDING OFFICER. Is there objection?

Mr. McKELLAR. Mr. President, I have no objection. I objected a while ago because I had not read the report, but since reading the report it seems to me this is a proper case.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 7, after the word "Lindo", to insert the word "deceased", so as to make the bill read:

Be it enacted, etc., That, in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon the widows, children, and dependent relatives of persons honorably discharged from the United States Army, Carl Lindow, alias Carl Lindo, deceased, shall be held and considered to have served without desertion and to have been honorably discharged on August 9, 1864, as a corporal, Company H, One Hundred and Fifty-first Regiment New York Volunteer Infantry: *Provided*, That no pension, bounty, pay, or other emoluments shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Carl Lindow, alias Carl Lindo, deceased."

TIMBER OPERATIONS ON THE MENOMINEE INDIAN RESERVATION

The bill (H.R. 7759) to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin was considered, ordered to a third reading, read the third time, and passed.

Mr. LA FOLLETTE. I ask unanimous consent that Senate bill 2515 be indefinitely postponed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senate bill will be indefinitely postponed.

RETIREMENT OF RAILROAD EMPLOYEES

Mr. WAGNER. Mr. President, I ask unanimous consent to return to Calendar No. 1035, Senate bill 3231, to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes.

The PRESIDING OFFICER. The Chair will state to the Senator from New York that, under the unanimous-consent agreement entered into earlier today, the call of the calendar began with Order of Business 1047 this morning.

Mr. WAGNER. I ask unanimous consent that we consider the bill at this time. I do not think there is any opposition to it from anyone.

Mr. KING. Regular order!

The PRESIDING OFFICER. The regular order is demanded.

ACQUISITION OF LAND IN THE DISTRICT OF COLUMBIA

The bill (S. 3569) to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes, was announced as next in order.

Mr. McKELLAR. Mr. President, will not the Senator from Utah explain this bill?

Mr. KING. Just a word, Mr. President, in respect to this measure.

There have been some conflicts in the condemnation of land in the District where the land has been partly used by the Federal Government and partly used by the District of Columbia. This bill is for the purpose of avoiding such conflicts and providing for a proper adjustment and a proper allocation of the lands which are acquired in view of condemnations. The bill is approved by the District Commissioners and by the Park and Planning Commission.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments.

The first amendment was, on page 3, line 14, before the word "excess", to insert the word "in", so as to make the section read:

SEC. 3. That whenever land is purchased, as provided in this act, in excess of that needed in connection with a particular project or improvement any and all appropriations available for the payment of the purchase price, costs, and expenses incident to such project or improvement are hereby authorized for use in the payment of the purchase price, costs, and expenses of any and all excess land purchased in connection with such project or improvement, as provided in this act.

The amendment was agreed to.

The next amendment was, in section 4, on page 4, line 2, after the word "or", to strike out "section 1608 and the following" and to insert "sections 1608 to 1610, inclusive"; on line 14, to strike out "section 1608 and the following" and to insert in lieu thereof "sections 1608 to 1610, inclusive"; on line 18, after the word "said", to strike out "section 1603 and the following" and to insert in lieu thereof "sections 1608 to 1610, inclusive", so as to make the section read:

SEC. 4. That whenever excess land is condemned by the Commissioners of the District of Columbia, in accordance with the provisions of this act, the condemnation proceedings for the acquisition of such land shall be in accordance with chapter 15, subchapter 1 of chapter 15, and/or sections 1608 to 1610, inclusive, of the Code of Laws for the District of Columbia: *Provided*, That any and all appropriations available for the payment of awards, damages, and costs in condemnation proceedings under chapter 15 of the Code of Laws for the District of Columbia are hereby authorized for use in the payment of awards, damages, and costs in any and all condemnation proceedings under said chapter 15 for the acquisition of excess land, as provided in this act: *Provided further*, That any and all appropriations available for the payment of awards, damages, and costs in condemnation proceedings under subchapter 1 of chapter 15 and/or sections 1608 to 1610, inclusive, of the Code of Laws for the District of Columbia are hereby authorized for use in the payment of awards, damages, and costs in any and all condemnation proceedings under said subchapter 1 of chapter 15 and/or said sections 1608 to 1610, inclusive, for the acquisition of excess land, as provided in this act: *And provided further*, That in any and all cases where such excess land is condemned, no assessments for benefits shall be levied by the jury in respect to the acquisition of said excess land.

The amendment was agreed to.

The next amendment was, on page 5, to strike out section 6, as follows:

SEC. 6. That for the purpose of economy and coordination in the acquisition of land by different agencies, whenever excess land is acquired by the Commissioners of the District of Columbia or agencies of the United States, as authorized in this act, the title to such land may be transferred upon prior agreement as between the District of Columbia and the United States or between agencies of the United States for authorized public purposes upon transfer of funds between agencies in an agreed proportion to the cost of acquiring the land and respective improvements thereon and such transfer of funds is hereby authorized from any funds appropriated for the purposes for which lands are to be used.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the clerk will renumber the sections so as to accord with the amendments made.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to promote the orderly and proper development of the seat of government of the United States the Commissioners of the District of Columbia, or agencies of the United States authorized by law to acquire real estate, be, and they are hereby, authorized and empowered to acquire, in the public interest, by gift, dedication, exchange, purchase, or condemnation, fee simple title to land, or rights in or on land or easements or restrictions therein, within said District, for public uses, works, and improvements authorized by Congress, in excess of that actually needed for and essential to the usefulness of such public uses, works, and improvements, in order to preserve the view, appearance, light, and air and to enhance the usefulness of such public works and improvements, to prevent the use of private property adjacent to such public works and im-

provements in such a manner as to impair the public benefit derived from the construction thereof, or to prevent inequities or hardship to the owners of adjacent private property by depriving them of the beneficial use of their property.

SEC. 2. The Commissioners of the District of Columbia or agencies of the United States authorized by law to acquire real estate are further authorized, upon completion of public improvements, to subdivide and sell at public or private sale, or exchange, any such excess land, and to carry out such purpose or purposes, to convey any lands acquired in excess of that actually needed and which is not essential to the usefulness of such public works, with such reservations concerning the future use and occupation of such real estate as may in their discretion be necessary to protect such public improvements; and any and all moneys received from any sale or transfer of land in accordance with the provisions of this act shall be covered into the Treasury of the United States, and where the property sold was acquired under an appropriation authorized for the use of the District of Columbia, any and all moneys received from such sale shall be deposited in the Treasury to the credit of the revenues of the District of Columbia: *Provided, however,* That whenever the authorities of the United States or the District of Columbia having jurisdiction over such acquired land, or rights or easements, shall elect to retain any or all of the same for use of the United States or the District of Columbia, the said authorities are authorized to use said land, rights, or easements for park, playground, highway, or alley purposes, or for any other lawful purpose which the said authorities shall deem advantageous or in the public interest.

SEC. 3. That whenever land is purchased, as provided in this act, in excess of that needed in connection with a particular project or improvement, any and all appropriations available for the payment of the purchase price, costs, and expenses incident to such project or improvement are hereby authorized for use in the payment of the purchase price, costs, and expenses of any and all excess land purchased in connection with such project or improvement, as provided in this act.

SEC. 4. That whenever excess land is condemned by the Commissioners of the District of Columbia, in accordance with the provisions of this act, the condemnation proceedings for the acquisition of such land shall be in accordance with chapter 15, subchapter 1 of chapter 15, and/or sections 1608 to 1610, inclusive, of the Code of Laws for the District of Columbia: *Provided,* That any and all appropriations available for the payment of awards, damages, and costs in condemnation proceedings under chapter 15 of the Code of Laws for the District of Columbia are hereby authorized for use in the payment of awards, damages, and costs in any and all condemnation proceedings under said chapter 15 for the acquisition of excess land, as provided in this act: *Provided further,* That any and all appropriations available for the payment of awards, damages, and costs in condemnation proceedings under subchapter 1 of chapter 15 and/or sections 1608 to 1610, inclusive, of the Code of Laws for the District of Columbia are hereby authorized for use in the payment of awards, damages, and costs in any and all condemnation proceedings under said subchapter 1 of chapter 15 and/or said sections 1608 to 1610, inclusive, for the acquisition of excess land, as provided in this act: *And provided further,* That in any and all cases where such excess land is condemned, no assessments for benefits shall be levied by the jury in respect to the acquisition of said excess land.

SEC. 5. That whenever excess land is condemned by agencies of the United States, other than the Commissioners of the District of Columbia, as provided in this act, the condemnation proceedings for the acquisition of such land shall be in accordance with an act approved March 1, 1929, as amended, or any law or laws in effect at the time of such condemnation for the acquisition of land in the District of Columbia for use of the United States: *Provided,* That any and all appropriations available for the condemnation of land under said act approved March 1, 1929, as amended, are hereby authorized for use in the payments of awards, damages, and costs in any and all condemnation proceedings under said act, as amended, for the acquisition of excess land, as provided in this act.

SEC. 6. That the portion of the act approved February 25, 1907, entitled "An act to amend an act entitled 'An act to amend an act entitled "An act to establish a Code of Laws for the District of Columbia", regulating proceedings for condemnation of land for streets'" (34 Stat. 930; ch. 1195, sec. 491g), reading: "And where part of any lot, piece, parcel, or tract of land has been dedicated for the opening, extension, widening or straightening of the street, avenue, road, or highway, the jury, in determining whether the remainder of said lot, piece, parcel, or tract is to be assessed for benefits, and the amount of benefits, if any, to be assessed thereon, shall also take into consideration the fact of such dedication and the value of the land so dedicated" is hereby repealed.

SEC. 7. With the exception of section 6, none of the provisions of this act shall be construed as repealing any provisions of existing law pertaining to the condemnation or acquisition of streets, alleys, or land, or the law or laws relating to the subdividing of lands in the District of Columbia.

SEC. 8. If any provision of this act is held invalid, the remainder of the act shall not be affected thereby.

DEFENSE OF ALIBI IN CRIMINAL CASES

The Senate proceeded to consider the bill (S. 2255) to regulate the defense of alibi in criminal cases, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and to insert the following:

That whenever testimony to establish an alibi on behalf of the defendant shall be offered in evidence in any criminal case in any court of the United States, and notice of the intention of the defendant to claim such alibi, which notice shall include specific information as to the place at which the defendant claims to have been at the time of the alleged offense, shall not have been served upon the prosecuting attorney at or before the time defendant is arraigned for trial, upon motion of the prosecuting attorney, the court may grant a postponement for such time as it may deem necessary to make an investigation of the facts in relation to such evidence.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3517) authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LOANS TO OYSTER PLANTERS

The bill (S. 3541) to authorize production credit associations to make loans to oyster planters was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of this bill.

Mr. BARBOUR. Mr. President, this bill has been suggested and approved by the Production Credit Administration of the Agricultural Credit Bureau so that the oyster planters and growers, who will be the ones benefited under this bill, can be in the same category as is any agricultural group applying for a loan. These oyster planters have asked for a loan and need a loan, and the Department is perfectly willing to grant them proper financial assistance properly secured, but because of the fact that they are raisers of oysters and not agricultural products it was felt that the loan could not be granted because of the legal wording of the law.

These oyster planters are asking only what a farmer would ask for and would be accorded readily without any question at all if he had the proper security. There is nothing unusual about the proposed legislation and it would be manifestly unfair to exempt this particular group.

Mr. President, a similar case came to the fore in respect to a bill that was recently passed to assist the peach growers who found themselves in a situation similar to that in which the oyster planters find themselves in.

I am quite sure no unusual or unfair consideration is asked as far as these good people are concerned, and, moreover, the bill would not grant them anything in the first instance. It would simply give them the opportunity to turn to the Government for such financial assistance, which, after review, the Government may extend them, as it could do in the case of any farmer.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, subject to the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the Production Credit Commissioner, production credit associations organized under the Farm Credit Act of 1933 are authorized to make loans to oyster planters who are carrying on their operations under leases of oyster beds granted by any State or political subdivision thereof; to sell, discount, assign, or otherwise dispose of any loans made by them under the provisions of this act; and to do any and all other things necessary to carry these provisions into effect. With the approval of the Governor of the Farm Credit Administration and under rules and regulations to be prescribed by the Intermediate Credit Commissioner, the Federal intermediate credit banks are authorized and empowered to discount for or purchase from any production credit

association any note, draft, or other such obligation representing a loan or loans made under the provisions of this act; and to make loans or advances direct to any such organization secured by such obligations.

RETAIL LIQUOR DEALERS' STAMP TAX

The bill (H.R. 3768) to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies was considered, ordered to a third reading, read the third time, and passed.

LULA A. DENSMORE

The bill (H.R. 2692) for the relief of Lula A. Densmore was announced as next in order.

Mr. KING. I should like to have an explanation of this bill.

Mr. GEORGE. Mr. President, this bill covers the following case: The husband of Lula A. Densmore was killed by a member of a posse. The attempt was made to arrest the husband of this claimant, without warrant and without cause, under circumstances where the arrest was clearly illegal. Mr. Densmore was going along the public road, where he had a right to be, committing no offense, committing no crime, and he was killed by a member of a posse. The Attorney General himself has expressed the opinion that there should be compensation paid to his widow.

Mr. KING. Mr. President, was no fund set up in the Prohibition Unit, in view of the notorious derelictions of duty upon the part of its employees, and their assaults unwarranted and their killings unjustifiable, to compensate those who were illegally and cruelly abused, terrorized, and often killed?

Mr. GEORGE. No fund was set up. Matters of this kind have always been covered by special relief bills.

Mr. KING. Many cases have been brought to the attention of the Senate where those in the Prohibition Unit acted in a manner that was condemned, and many innocent persons were assaulted, and a good many were killed.

Mr. GEORGE. That seems to be this case exactly.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

MOUNT M'KINLEY NATIONAL PARK

The bill (S. 2238) to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

YOSEMITE LUMBER CO.

The bill (H.R. 1405) for the relief of the Yosemite Lumber Co. was announced as next in order.

Mr. McKELLAR. Mr. President, may we have an explanation of this bill?

Mr. JOHNSON. Mr. President, this is a bill which allows, I think, about $1,000 to the Yosemite Lumber Co. for fighting a forest fire. It is approved by the Department of the Interior. There was a difference between Mr. McCarl and the claimants with respect to the amount of the bill that was presented and this is the only mode in which the company properly may be paid.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ED SYMES AND ELIZABETH SYMES

The bill (S. 2802) for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas, was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of that bill.

Mr. SHEPPARD. Mr. President, this bill merely enables the claimants to go into court and have decided a claim which they think they have against the Government in the construction of a dam on the Brazos River in McLennan County, Tex., in 1919. It simply gives them the right to have the matter decided.

Mr. KING. May I ask the Senator whether the matter is to be determined in the Court of Claims or in the Federal court?

Mr. SHEPPARD. In the Federal district court.

Mr. CONNALLY. It provides that they are authorized to enter suit in the United States District Court for the Western District of Texas for the Waco division. It is a meritorious measure and ought to pass. I know all the parties interested and they are real citizens, and the claim is bona fide.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Ed Symes and wife, Elizabeth Symes; Wade Symes and wife, Pearl Symes; Mrs. Helen Symes Dodson and husband, D. S. Dodson; Howard Evans and wife, Mary Ann Evans; John L. Jones; and Leslie Stegall, all of McLennan County, Tex.; Mrs. Harry Loyd Lincoln, a widow who resides in the county of Carbon, Pa., and Albert Symes Hunter, of Panama, Canal Zone, all being the sole heirs at law of Albert Symes and wife, Mrs. Sally J. Symes, each deceased, their heirs, legal representatives, executors, administrators, and assigns, any statutes of limitation being waived, are hereby authorized to enter suit in the United States District Court for the Western District of Texas for the Waco Division for the amount alleged to be due said claimants from the United States by reason of the alleged neglect and alleged wrongdoing of the officials and engineers of the United States War Department in the location, erection, and construction of a lock and dam on the Brazos River, in McLennan County, Tex., in the year 1919.

SEC. 2. Jurisdiction is hereby conferred upon said United States District Court for the Western District of Texas to hear and determine all such claims. The action in said court may be presented by a single petition making the United States party defendant, and shall set forth all the facts on which the claimants base their claims, and the petition may be verified by the agent or attorney of said claimants, officials' letters, reports, and public records, or certified copies thereof may be used as evidence; and said court shall have jurisdiction to hear and determine said suit and to enter a judgment or decree for the amount of such damages and costs, if any, as may be found due from the United States to the said claimants, but in no event shall interest be allowed as part of any damages that may be awarded, by reason of the alleged negligence and erroneous construction of said lock and dam, upon the same principles and under the same measures of liability as in like cases between private parties, and the Government hereby waives its immunity from suit. And said claimants and the United States of America shall have all rights of appeal or writ of error or other remedy as in similar cases between private persons or corporations: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by order of said court, and upon such notice it shall be the duty of the Attorney General to cause the United States attorney in such district, or other representatives of the Department of Justice, to appear and defend for the United States: *Provided further*, That such suit shall be begun within 12 months of the date of the approval of this act.

SARAH SMOLEN

The bill (S. 3317) for the relief of Sarah Smolen was announced as next in order.

Mr. WAGNER. Mr. President, the House has passed a bill textually the same, being Calendar 1324, House bill 7367. I ask that the House bill may be substituted for the Senate bill and placed upon its passage.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 7367) for the relief of Sarah Smolen was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sarah Smolen, of New York City, N.Y., not to exceed $5,000 in monthly installments of $50 each, to be disbursed through the United States Employees' Compensation Commission, in full settlement of all claims against the Government on account of the death of her husband, the late Joseph Smolen, who was a special employee of the New York City Office of the Bureau of Narcotics, Treasury Department, and who mysteriously disappeared and is believed to have been killed while engaged in official Government business on or about October 4, 1931: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated

in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. Senate bill 3317, Calendar No. 1086, will be indefinitely postponed.

C. B. DICKINSON

The Senate proceeded to consider the bill (S. 1895) for the relief of C. B. Dickinson, which had been reported from the Committee on Claims with an amendment, on page 1, line 7, after the word "aggregating", to strike out "$3,412.91" and to insert in lieu thereof "$3,402.39", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to allow credit in the accounts of C. B. Dickinson, former superintendent and special disbursing agent at the Pierre Indian School, Pierre, S.Dak., for payments aggregating $3,402.39, in making repairs to various buildings of the school plant.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. FRAZIER. Mr. President, the Senator from South Dakota [Mr. NORBECK] is not present, but I happen to know about this bill.

Mr. Dickinson was former Indian superintendent in North Dakota for several years, and then went to Pierre, S.Dak. While in the South Dakota office, there were some repairs made to an old Government building. It seems there was some misunderstanding in regard to the authorization of the expenditure of the money for these repairs, and when the bill went to the Comptroller General he objected because there was apparently no authorization. The Secretary of the Interior states in his report that the money was expended for the Government, the Government got the benefit of it, and the Department has no objection to paying it.

Mr. KING. Mr. President, should not the payment come from the tribal funds? Why should the payment come out of the Treasury of the United States?

Mr. FRAZIER. No; I do not think it should come out of the tribal funds. It was a payment for repairs to a school building. It should come out of a direct appropriation.

Mr. KING. Was not an appropriation made and carried in a general Indian appropriation bill to meet the expenditures authorized for school buildings?

Mr. FRAZIER. I think that is true, but for some reason or other the proper authorization was not given for this repair work. The superintendent thought he had the authorization, but when it finally came to the Comptroller General it was rejected because of some technicality.

Mr. KING. Improvements are not made in school buildings belonging to the Indians except through an authorization and an appropriation carried in the Indian appropriation bill. The point I am making is that the appropriation bill doubtless—if the Senator's statement is accurate, and I have no reason to doubt it—would carry the amount required for this appropriation. Was the amount used for some other purpose, or is it still available?

Mr. FRAZIER. I presume it was used for some other purpose. At least the Department seemed to think the only way the payment could be taken care of was by a special appropriation.

Mr. KING. There is no report, so I am utterly at sea as to the facts connected with the case. I reserve the right to move for reconsideration at a later time.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

JOSE RAMON CORDOVA

The bill (H.R. 5636) for the relief of Jose Ramon Cordova was considered, ordered to a third reading, read the third time, and passed.

EDWIN C. JENNEY

The bill (S. 3017) for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edwin C. Jenney, receiver of the First National Bank of Newton, Mass., the sum of $9,172.54, being interest which accrued under section 1090 of the Revised Statutes, on the judgment of the Court of Claims in favor of said bank for the period between the date of the filing of the transcript of judgment with the Secretary of the Treasury and the date when the order or mandate of the Supreme Court of the United States was issued to the Court of Claims upon the dismissal of the appeal in said case on motion of the United States, and payment of which amount is recommended by the Attorney General.

HEIRS OF BURTON S. ADAMS

The Senate proceeded to consider the bill (S. 3594) for the relief of the heirs of Burton S. Adams, deceased.

Mr. KING. Mr. President, may we have an explanation of this bill?

Mr. LOGAN. Mr. President, Mr. Adams was employed on the Illinois River, I believe, working for the Government, and in obedience to instructions and in the discharge of his duty he was drowned. The War Department has recommended the passage of this bill several times, as I recall, and has been rather insistent that some appropriation be made for the benefit of the heirs of the deceased. I know nothing about the claim other than the statement contained in the report of the War Department and the commission having charge of the particular work which this young man was doing. It is stated by all who know about it and those who are connected with the War Department that the bill ought to be passed.

Mr. KING. I should like to ask the Senator why the organization created by the Government which would have cognizance of such a case as this and authority to pay for injuries and the death of those who are injured or killed in the Government service rejected the claim.

Mr. LOGAN. I do not recall at this time the reason why, but I do know that it was rejected and the War Department has requested the passage of this bill. The parties do not even live in my State. I was requested by someone who was interested in the matter to introduce the bill, and I did so because I thought it was a very worthy case.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in recognition of the fact that Burton Stearns Adams lost his life while in the performance of his duty as an employee of the Corps of Engineers, United States Army, and in recognition of the fact that his death resulted from overexertion in connection with the performance of official duties, the United States Employees' Compensation Commission is hereby authorized and directed to receive the claim of Emma E. Adams, widow of Burton Stearns Adams, and to grant compensation to the widow and dependent child in the amounts prescribed by the Federal Compensation Act of September 7, 1916, and amendatory acts, to be allowed in the case of an employee whose death occurred in line of duty.

CARLOS C. BEDSOLE

The Senate proceeded to consider the bill (S. 1707) for the relief of Carlos C. Bedsole, which had been reported from the Committee on Public Lands and Surveys, with an amendment, on page 2, line 2, after the word "land", to strike out "and in payment of such other losses sustained by the said Carlos C. Bedsole as are directly traceable to cancelation of his entry", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury, on certification by the Secretary of the Interior, be, and he is hereby, authorized and directed to pay to Carlos C. Bedsole, of Natchitoches, La., out of any money in the Treasury not otherwise appropriated, such sum, not to exceed $1,000, as may be found by the Secretary of the Interior to be the fair and reasonable value of all improvements placed by said Bedsole upon lot 5, section 18, township 14 north, range 4 east, Louisiana meridian, prior to the

date of final cancelation of his homestead entry, General Land Office serial no. 01229, which was allowed December 17, 1927, covering said land.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

STILLAGUAMISH RIVER, WASH.

The bill (H.R. 3353) to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington, with a view to the control of its floods, was announced as next in order.

Mr. KING. Mr. President, I find a large number of measures similar to this. I should like an explanation with respect to one, and I think it will then apply to six or seven other measures.

Mr. BONE. Mr. President, there are five of these bills which passed the House—H.R. 3353 and the four succeeding bills on the calendar. They all merely provide that the War Department shall make a preliminary examination of certain rivers in western Washington which for a great many years past have been grievous offenders in the matter of floods. This last summer they almost washed the whole west side of Washington into the Pacific Ocean. These five bills are all alike, and if the bill now under consideration is approved, I shall ask that they all be approved en bloc. They carry no appropriation. The War Department has approved the measures. The Department has already made some preliminary surveys, and this is to provide for completing the work. I hope the bills will be passed, because they involve the expenditure of no money now, and the War Department desires to have the examinations under way.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill? The Chair hears none.

The Senator from Washington [Mr. BONE] asks that the bills H.R. 3353, H.R. 3354, H.R. 3362, H.R. 3363, and H.R. 5175 be considered en bloc, and that all be considered as having been ordered to a third reading, read the third time, and passed. Is there objection to the request of the Senator from Washington?

Mr. ROBINSON of Arkansas. Mr. President, I do not believe this is good practice. It does not afford an opportunity to consider the bills. It does save time, but I shall insist on bills being called separately.

The PRESIDING OFFICER. Objection is heard. The question is on the third reading of House bill 3353.

The bill was ordered to a third reading, read the third time, and passed.

SNOHOMISH RIVER, WASH.

The bill (H.R. 3354) to provide a preliminary examination of the Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods, was announced as next in order.

Mr. FESS. Mr. President, I understood the Senator from Washington [Mr. BONE] to say that several of these bills on the calendar are similar. Is that true also of the other bills appearing later on the calendar? There are nearly two pages of the same kind of bills, apparently. They seem to be almost entirely alike. So far as the reading of the title is concerned, they seem to be alike. I should like to have an explanation of these bills. If they are all alike I should like to have an explanation of at least one of them to know what is the justification for the proposal.

Mr. BONE. Calendar 1096, being House bill 5175, is a typical bill. That involves the Green River, which is one of those typical mountain rivers in the State of Washington which are not very long. They rise in the Cascade Mountains and flow very rapidly to the sea through a rich farm country. I do not know that the Senator is aware of weather conditions in the State of Washington, but there are very heavy rains there, particularly in the wintertime, and those rivers have a habit of responding to the terrific rainfalls with vast freshets, and they flow down, tear out, and inundate all the farm country. Last fall and last winter in the State of Washington there was a terrifying loss not only of property but of lives. For a number of years that section of the State has sought to have the War Department make a move complete examination than had ever been made before concerning these rivers, with a view to handling them ultimately in a proper manner with respect to flood control.

If the Senator will look at Calendar No. 1096 he will see that the bill, which, as I have said, is typical of the other bills, is a very short bill, and authorizes the Secretary of War—

> To cause a preliminary examination to be made of the Green River, Wash., with a view to control of its floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

This particular problem arises out of the floods of western Washington rivers. These rivers are found all the way from the Canadian line clear down through the State of Washington and into the State of Oregon. The Senator from Oregon [Mr. MCNARY] is familiar with the damage caused in his State, much in the same fashion. The rivers are doing a vast amount of damage. The War Department has a certain amount of money which it can use in connection with its examination of flood problems. The matter has been fully presented at the Department before the Board of Army Engineers at least two or three times—a very complete presentation, I may say to the Senator from Ohio—as a result of which the War Department itself has sanctioned these bills. They involve no expenditure at this time; that is, no appropriation by Congress.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Michigan?

Mr. BONE. I yield.

Mr. VANDENBERG. I may add, in behalf of the Senator's argument, that the Commerce Committee is equally unanimous in the belief that the bills should be passed.

Mr. BONE. Mr. President, I would be frank and state to the Senator if I knew of any real substantial reason why the bill should not be passed. We are not coming here and asking the Congress now for an appropriation, but it is highly desirable that that problem be met, and at the next session we certainly will have a flood-control measure here that will be a sort of omnibus bill.

Mr. ROBINSON of Arkansas. As I understand, the bill merely contemplates a survey with flood control in view?

Mr. BONE. That is correct.

The PRESIDING OFFICER. The time of the Senator from Washington has expired. Is there objection to the present consideration of the bill?

Mr. FESS. As I understand, the bill simply authorizes a survey?

Mr. BONE. That is correct.

Mr. KING. Mr. President, in my time, I should like to make an inquiry of the Senator and the members of the Commerce Committee. I ask the question for information because of requests which have come from my State for flood-control relief with respect to mountain streams which perhaps find their way directly or indirectly into the Green and Colorado Rivers. The view has been taken, I am advised by some of the officers of the Government, that those streams are intrastate and not interstate, and that there is no obligation resting upon the Government to control those streams in order to prevent floods, not perhaps so large as the ones which the Senator from Washington has described. They have taken the position that, being intrastate streams, there is no obligation upon the Federal Government to afford protection. I should like to ask the Senator if the streams to which he refers may be denominated interstate or are they merely intrastate? If they are intrastate, I should be glad to be advised in order that I may take such necessary steps with the War Department

or others to see that proper surveys shall be made in my State in those districts which have been subject to flood.

Mr. VANDENBERG. Mr. President, may I reply to the Senator in respect to the attitude of the Commerce Committee? A survey may develop the precise fact that the Senator indicates and may thus show that there is no further Federal responsibility, in which event the survey, on the other hand, may give the State authorities amazingly helpful information in respect to the control of the rivers within their boundaries. The survey, therefore, seems to be essential in either event.

Mr. ROBINSON of Arkansas. Mr. President, may I say that the matter is not so simple as to say that a stream is an interstate or an intrastate river. It is just as necessary to control the flood waters on an intrastate river or stream that gathers flood volume and empties itself into an interstate river as it is on the intrastate river; in fact, it is impossible to control the flood waters in many cases on the interstate river without controlling those on the intrastate river.

Mr. DILL. Mr. President, that is not the only feature involved. Many of these rivers drain national forest areas and areas which are being denuded by the Government itself in cutting timber. So there is another phase to this matter which it seems to me makes it important to have these surveys.

Mr. ROBINSON of Arkansas. The survey may be not only necessary but indispensable in devising an intelligent plan for flood control.

Mr. KING. I agree with my friend from Arkansas, but I was merely inquiring whether the rivers to which the Senator from Washington referred or the projects in mind might come within the category referred to.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 3354) to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF NOOKSACK RIVER, WASH.

The bill (H.R. 3362) to provide a preliminary examination of Nooksack River and its tributaries in the State of Washington with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF SKAGIT RIVER, WASH.

The bill (H.R. 3363) to provide a preliminary examination of Skagit River and its tributaries in the State of Washington with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF GREEN RIVER, WASH.

The bill (H.R. 5175) to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

YAQUINA BAY LIGHTHOUSE RESERVATION, OREG.

The Senate proceeded to consider the bill (H.R. 7922) authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservation, Oreg., which had been reported from the Committee on Commerce with an amendment on page 1, line 7, after the word "approximately", to strike out "twenty-two" and insert "thirty-two", so as to make the bill read:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to convey to the State of Oregon (State highway commission), for public-highway and park purposes, the unused portion of Yaquina Bay Lighthouse Reservation, Oreg., containing an area of approximately 32 acres, more or less, excepting that part of lot 1, section 17; part of lot 1, section 18; and part of lot 5, section 8, all in township 11 south, of range 11 west, bordering on Yaquina Bay which is required for jetty purposes by the War Department, and reserving to the Commerce, Treasury, and War Departments the rights of ingress and egress over the land so transferred and to maintain thereon such facilities as these Departments may at any time require. The deed of conveyance shall describe by metes and bounds the land so transferred to the State of Oregon and contain the express condition that the grantee assumes the obligation of carrying out the purposes of the grant; and provide that the Secretary of Commerce may at any time by letter addressed to the Oregon State highway commission notify the grantee in the event it has not begun to perform, or has ceased to perform, any such obligations that the property so conveyed will revert to the United States; and if the grantee does not begin or resume the performance of such obligations within a period of 6 months from date of such notice, such property shall upon the expiration of such period revert to the United States without further notice of demand or any suit or proceeding.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

PRELIMINARY EXAMINATION OF PAINT ROCK RIVER, ALA.

The bill (H.R. 8234) to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF CONNECTICUT RIVER, MASS.

The bill (H.R. 8562) to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts, was considered, ordered to a third reading, read the third time, and passed.

PRELIMINARY EXAMINATION OF NISQUALLY RIVER, WASH.

The bill (S. 1386) to provide for a preliminary examination of Nisqually River and its tributaries in the State of Washington, with a view to the control of their floods, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of Nisqually River and its tributaries in the State of Washington, with a view to control of their floods, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River, and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917, the cost thereof to be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

COAST GUARD STATIONS ON GEORGIA COAST

The bill (S. 2010) to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach, was announced as next in order.

Mr. VANDENBERG. Over.

Mr. GEORGE. Mr. President, I inquire if the Senator from Michigan objected to the consideration of Senate bill 2010?

Mr. VANDENBERG. I objected, Mr. President, because it is not recommended by the Treasury Department and appears to be in conflict with the President's financial program. That of itself is not insuperable, but there is the further fact that there are a large number of Coast Guard stations on the coasts of the country, and particularly on the Great Lakes, in which many of us are interested, and we have been constantly met by this type of Treasury objection as being final and conclusive; and it seems to me that if the objection runs in one instance it ought to run in all instances.

Mr. GEORGE. Mr. President, I do not desire to take up unduly the time of the Senate, but I want a vote upon the bill, if the Senator will permit me to have it, with this word of explanation: There is not upon the entire coast of Georgia a single Coast Guard station; the nearest Coast Guard station to the particular populated section of the State is 140 miles away. The officer who made this investigation found that it was necessary and proper to establish the proposed station. The Assistant Secretary of the Treasury says there is no doubt about the merits of the proposal, but that the Treasury has but a small amount of money now available for such purposes. I ask the Senator not to interpose an objection but to let me have a vote upon the bill.

Mr. VANDENBERG. Mr. President, I have been the victim of this rule so often, and I sympathize so completely with the Senator, that I shall be happy to withdraw the

objection, in the hope that "bread cast upon the waters" may come home.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to establish a Coast Guard station on the coast of Georgia, at or near Sea Island Beach, at such point as the commandant of the Coast Guard may recommend.

PRELIMINARY EXAMINATION OF THE LOWER COLUMBIA RIVER

The bill (S. 3431) authorizing a preliminary examination of the lower Columbia River, with a view to the controlling of floods, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to cause a preliminary examination to be made of the lower Columbia River, with a view to determining the extent to which floods on such river may be controlled, the best methods of controlling such floods, and the probable cost of such flood control, in accordance with the provisions of section 3 of an act entitled "An act to provide for control of the floods of the Mississippi River and of the Sacramento River, Calif., and for other purposes", approved March 1, 1917. The cost of such examination shall be paid from appropriations heretofore or hereafter made for examinations, surveys, and contingencies of rivers and harbors.

PRELIMINARY EXAMINATION OF LEWIS RIVER, WASH.

The bill (S. 3504) to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods, was announced as next in order.

Mr. DILL. Mr. President, there is an identical House bill on the calendar, being Order of Business No. 1146, House bill 9432. I ask that the House bill be substituted for the Senate bill, and considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 9432) to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods was considered, ordered to a third reading, read the third time, and passed.

Mr. DILL. I move that Senate bill 3504 be indefinitely postponed.

The motion was agreed to.

PRELIMINARY EXAMINATION OF COLUMBIA RIVER, WASH.

The bill (S. 3505) to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters, was announced as next in order.

Mr. DILL. I ask unanimous consent that Calendar No. 1147, being House bill 9433, of the same title and identically the same in language, be substituted for the Senate bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 9433) to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters, which was ordered to a third reading, read the third time, and passed.

Mr. DILL. I move that Senate bill 3505 be indefinitely postponed.

The motion was agreed to.

DAM ON CAMAS SLOUGH, WASH.

The bill (S. 3506) granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington was announced as next in order.

Mr. DILL. Mr. President, I ask unanimous consent that House bill 9434, being Calendar No. 1148, which is similar to the Senate bill, be substituted for the Senate bill and considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 9434) granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington was considered, ordered to a third reading, read the third time, and passed.

Mr. DILL. Mr. President, I move that Senate bill 3506 be indefinitely postponed.

The motion was agreed to.

COWLITZ RIVER, WASH.

The bill (S. 3507) to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington with a view to the control of its floods was announced as next in order.

Mr. DILL. Mr. President, I ask unanimous consent that Order of Business 1144, being House bill 9430, which is identical with the Senate bill, may be substituted for the Senate bill and considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 9430) to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington with a view to the control of its floods was considered, ordered to a third reading, read the third time, and passed.

Mr. DILL. I move that Senate bill 3507 be indefinitely postponed.

The motion was agreed to.

BILLS PASSED OVER

The bill (S. 3525) to repeal certain laws providing for the protection of sea lions in Alaska waters was announced as next in order.

Mr. BARBOUR. Over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 3589) authorizing associations of producers of aquatic products was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

PROMOTION OF WARRANT OFFICERS OF COAST GUARD

The bill (H.R. 8644) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy was announced as next in order.

Mr. KING. Over.

Mr. BAILEY. Mr. President, I ask the Senator from Utah to inform me what is his objection with respect to this bill?

Mr. ROBINSON of Arkansas. Mr. President, I join in the request that the Senator from Utah withhold his objection to the consideration of the bill.

The PRESIDING OFFICER. Does the Senator from Utah withhold his objection?

Mr. KING. Mr. President, I will be glad to hear an explanation of the bill, but I want to say to the Senator there have been too many promotions in the various activities of the Government. We have a plan proposed by which various individuals are to be given commissions and military and naval titles, and we will soon have more with military and naval titles than we will have enlisted men.

Mr. BAILEY. I will agree with the Senator that is undesirable, but this bill is designed to correct a real injustice to the Coast Guard. It proposes merely to put certain noncommissioned officers of the Coast Guard on a parity with similar officers of the Navy.

Mr. KING. Why should they be?

Mr. BAILEY. I will say to the Senator that they are on a parity in every other respect, except this one respect, and this completes the granting of real justice to members of the Coast Guard, who are not only a part of the national defense but are a part of the law-enforcing arm of our country and are also absolutely essential to our shipping. The enactment of the bill will not cost the Government much, but it will be an act of real justice. It is not a matter that can occur again. It sets no precedent except in line with the general run of precedents which have been established in this particular matter. In view of the circumstances, I hope the Senator will not insist upon his objection.

Mr. KING. Let the bill go over for the present.

The PRESIDING OFFICER. The Senator from Utah objects.

Mr. ROBINSON of Arkansas. Mr. President, without taking unduly of the time of the Senate, I wish to add to what has already been said about the bill which has just been passed over that I am satisfied the sense of justice which animates the Senator from Utah will prompt him to accord the same recognition to officers in the Coast Guard in the particulars in which this bill affects them as is accorded to the officers of the Navy. There is no more gallant service than that of the Coast Guard. The members of that service are constantly performing perilous duties. They ought not to be discriminated against. The report discloses that there is a discrimination which would be removed by the passage of the bill. I hope the Senator from Utah may find it consistent to reconsider his objection.

Mr. KING. I shall give attention to the earnest appeal of my friend from Arkansas.

PRELIMINARY EXAMINATION OF CHEHALIS RIVER, WASH.

The bill (S. 3503) to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington with a view to the control of its floods was announced as next in order.

Mr. DILL. I ask unanimous consent that Calendar No. 1145, being House bill 9431, which is the same as the Senate bill, may be substituted for the Senate bill and considered at this time.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 9431) to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington with a view to the control of its floods was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF EMERGENCY FARM MORTGAGE ACT

The bill (S. 3540) to amend section 32 of the Emergency Farm Mortgage Act of 1933 was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I understand the bill is approved by the Federal Credit Administration and that it will enable them to refinance a number of additional repurchase mortgages.

Mr. SMITH. That is correct.

Mr. FESS. Mr. President, I should like to have a little further explanation of what the bill will do.

Mr. SMITH. It is to enable farmers who lost their farms prior to July 1, 1931, to have a chance to repurchase their properties, provided they have not passed out of the possession of the banks which foreclosed the mortgages. We passed a bill giving the Land Commissioner the right to take a second mortgage and in that way to reappraise the farms and enable certain farmers to repossess their land. The bill has been endorsed by the Farm Credit Administration. It is limited to July 1, 1931. Those who lost their property subsequent to that cannot recover it under any circumstances.

Mr. FESS. The idea of fixing the date as of July 1, 1931, was to cover the emergency?

Mr. SMITH. I do not recall just why that was done. An explanation was sent to us by the Farm Credit Administration. We passed an act amending the Farm Loan Act, creating a Land Commissioner, and providing that he could take a second mortgage and through that means enable those who had lost their farms, but which farms had not passed out of the possession of the land banks, to repossess their property.

Mr FESS. It strikes me it is a pretty broad authority.

Mr. ROBINSON of Arkansas. Mr. President, the limitation was against the redemption or repurchase of properties foreclosed prior to July 1, 1931. Under that authority only about $5,000,000 had been used to refinance the repurchase of farms foreclosed. I think it is felt that it is sound policy to extend the authorization so as to permit those foreclosed prior to July 1, 1931, to come under the operation of the law. Only a few applications have been received for arrangements for the redemption or repurchase of properties foreclosed prior to July 1, 1931, as I said a moment ago. There are only a few applications of that character.

Mr. FESS. Does the Senator anticipate there will be a great number?

Mr. SMITH. Oh, there cannot be, because there are comparatively few farms which have not passed in good faith into the hands of third parties, but there are a number which are still held by the banks and under this bill the former owners may negotiate for a repurchase of their property.

Mr. FESS. I shall not interpose an objection, but I have a fear that this is opening a wide door. If I find that to be so, I shall submit a motion to reconsider the vote by which the bill was passed.

Mr. ROBINSON of Arkansas. The Farm Credit Administration report says:

> There have been a certain number of cases in which the existing limitation has operated to prevent the Land Bank Commissioner from affording relief of this character to farmers who appear to be deserving of it. Under the circumstances, although the question of policy involved in the amendment is one ultimately to be resolved by the Congress, there is no objection to the measure.

Mr. FESS. I shall interpose no objection at this time.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

> *Be it enacted, etc.*, That the fifth sentence of section 32 of the Emergency Farm Mortgage Act of 1933 is amended by striking out "which has been foreclosed at any time between July 1, 1931, and the date of the enactment of this act, or which is foreclosed after the enactment of this act."

MALHEUR NATIONAL FOREST, OREG.

The Senate proceeded to consider the bill (S. 3113) to add certain lands to the Malheur National Forest in the State of Oregon, which had been reported from the Committee on Agriculture and Forestry with amendments on page 2, line 10, after the word "except", to strike out "south half" and insert "southwest quarter"; in line 15, after the word "inclusive", to strike out the word "and"; and after the words "section 5", to insert "and the northeast quarter section 12", to strike out lines 18, 19, and 20, as follows:

> Sections 4, 5, and 6; north half section 7; sections 8, 9, 16, and 17, township 12 south, range 28 east; all Willamette base meridian.

And to insert in lieu thereof the following:

> Sections 4, 5, 6, 7, 8, and 9, southeast quarter and west half section 13, township 12 south, range 28 east, and sections 14 to 24, inclusive.
>
> Sections 16 to 21, inclusive, and section 25, township 12 south, range 29 east; all Willamette base and meridian.

So as to make the bill read:

> *Be it enacted, etc.*, That the following-described lands be, and the same are hereby, added to and made part of the Malheur National Forest in the State of Oregon, and shall hereafter be administered subject to the laws and regulations relating to the administration of the national forests:
>
> Southwest quarter section 13; section 14; southeast quarter section 15; southwest quarter and east half section 22; sections 23, 24, 25, and 26; north half and southeast quarter section 27; east half section 34; sections 35 and 36, township 10 south, range 26 east.
>
> South half section 16; south half section 17; southeast quarter section 19; sections 20 and 21; southwest quarter section 22; southwest quarter section 26; sections 27 to 34, inclusive; west half and southeast quarter section 35, township 10 south, range 27 east.
>
> Section 1; north half and southeast quarter section 2; northeast quarter section 11; north half section 12; southeast quarter section 24; section 25; north half section 36, township 11 south, range 26 east.
>
> All of township 11 south, range 27 east except southwest quarter section 31 of said township.
>
> West half and southeast quarter section 18; section 19; sections 30, 31, and 32; southwest quarter section 33, township 11 south, range 28 east.
>
> Sections 1 to 4, inclusive, the north half section 5, and the northeast quarter section 12, township 12 south, range 27 east.
>
> Sections 4, 5, 6, 7, 8, and 9, southeast quarter and west half section 13, township 12 south, range 28 east, and sections 14 to 24, inclusive.
>
> Sections 16 to 21, inclusive, and section 25, township 12 south, range 29 east; all Willamette base and meridian.

The amendments were agreed to.

Mr. KING. Mr. President, may I have the attention of the Senator from Oregon [Mr. McNARY]? I notice the bill calls for the addition of approximately 50,000 acres to the

forests. I wonder if the Government would have to purchase any part of these lands.

Mr. McNARY. No. The original act was passed last year. The bill now before us simply is to cure the erroneous description in that act. The Forest Service and the Department have asked to have the description corrected and that is the only point that is involved here.

Mr. KING. In the original act was it required that the Government buy the lands?

Mr. McNARY. The sole purpose of the bill is to correct the description of the lands conveyed. The Government has acquired some of the lands by exchange and some by purchase. Having done that, errors have been found in the description of the land and the Department asks to have them corrected. That is all that is involved in the bill.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WATER SUPPLY OF COQUILLE, COOS COUNTY, OREG.

The bill (H.R. 5597) to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg., was considered, ordered to a third reading, read the third time, and passed.

PURCHASE OF LANDS BY M'MINNVILLE, OREG.

The bill (H.R. 5823) to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916, (39 Stat. 218), was considered, ordered to a third reading, read the third time, and passed.

PURCHASE OF LANDS BY FOREST GROVE, OREG.

The bill (H.R. 7185) to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916, (39 Stat. 218), was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF DISTRICT CODE

The Senate proceeded to consider the bill (S. 3568) to amend section 824 of the Code of Laws for the District of Columbia, which was read, as follows:

Be it enacted, etc., That section 824 of the Code of Laws for the District of Columbia be, and the same is hereby, amended to read as follows:

"SEC. 824. UNLAWFUL ENTRY ON PRIVATE PROPERTY.—Any person who, without lawful authority, shall enter, or attempt to enter, a private dwelling against the will of the lawful occupant thereof, or being therein, without lawful authority to remain therein, shall refuse to quit the same on the demand of the lawful occupant thereof; or any person who, without lawful authority, shall enter, or attempt to enter, an unoccupied private dwelling against the will or consent of the lawful owner thereof, or his duly authorized agent, or being therein, without lawful authority to remain therein, shall refuse to quit the same on the demand of the lawful owner thereof or his duly authorized agent, shall be deemed guilty of a misdemeanor, and on conviction thereof shall be punished by a fine not exceeding $50 or imprisonment in the jail for not more than 6 months, or both, in the discretion of the court."

Mr. McKELLAR. Mr. President, let us have an explanation.

Mr. ROBINSON of Arkansas. Yes, Mr. President; we should know something about changes in the code that are proposed to be made.

Mr. KING. Mr. President, the report states—and this is a brief explanation of the bill—that—

> The bill is designed to correct an anomalous situation in the District of Columbia whereby persons who had entered and remained in unoccupied private dwellings without authority were not subject to arrest, although such action was an offense under the present section 824 of the Code of Laws for the District of Columbia if the property were occupied. The bill under consideration would make it a misdemeanor punishable by a fine not to exceed $50 or imprisonment in jail for not more than 6 months, or both, for any person who, without lawful authority, shall enter or attempt to enter an unoccupied private dwelling against the will or consent of the lawful owner, or being therein, shall refuse to quit the same.
>
> The bill has the approval of the corporation counsel of the District of Columbia, the United States district attorney for the District of Columbia, and the Board of Commissioners for the District of Columbia.

The bill simply provides remedies for the Government as well as others when property is entered upon by trespassers. If it does not happen to be occupied, there is no penalty now provided for the trespass.

Mr. McKELLAR. Have we not a law covering unauthorized entry?

Mr. ROBINSON of Arkansas. That is sometimes difficult to invoke. I have no objection to the bill.

Mr. KING. The Government has property of its own, and to bring an action or to send troops to expel the trespassers would involve delay, and, perhaps, unfortunate results.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

INGRAM-DAY LUMBER CO.

The bill (S. 854) for the relief of the Ingram-Day Lumber Co. was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Mississippi explain the purpose of the bill?

Mr. STEPHENS. Mr. President, this case grew out of a contract entered into during the war period involving the Emergency Fleet Corporation and a man named McLouth. The Ingram-Day Lumber Co. contracted to furnish certain lumber. Later the contract was canceled by the Fleet Corporation. Then the McLouth Co. canceled its contract with the Ingram-Day Lumber Co. The matter was taken into court. Suit was brought by the lumber company against McLouth. The matter remained in the courts 8 years. It began in the Federal district court, was carried to the Federal court of appeals, and finally carried to the Supreme Court of the United States. This caused delay of 8 years, which was occasioned wholly and entirely by the efforts of the Fleet Corporation, which Corporation brought this suit with its own attorneys, assisted by attorneys for the Department of Justice. The district court held, under its construction of the law, that the lumber company was entitled only to $647.65.

If our view of the law is correct, the lumber company, the plaintiff, is entitled to $42,000. The circuit court of appeals took the same view as the district court, but when the case went to the Supreme Court of the United States—I believe the opinion was delivered by Chief Justice Hughes—it was held that the lumber company was entitled to the $42,000.

McLouth himself did not contest this suit. As I recall, he was not represented by counsel. The Fleet Corporation intervened and delayed this matter for 8 years. Judgment in the sum of $42,000 should have been rendered 8 years before it was rendered. In the meantime, McLouth died. His estate, which was entirely solvent when the suit was first instituted, had become insolvent. This matter was considered by the committee, and it was agreed that the lumber company should be paid the amount found to be due to it.

Mr. McKELLAR. Mr. President, would this have been the amount due if McLouth had been a party to the suit? Is $42,789.96 the amount which the Supreme Court said he was entitled to receive?

Mr. STEPHENS. Yes, sir; that is the exact amount to which the Supreme Court said he was entitled.

Mr. McKELLAR. I have no objection to the consideration of the bill.

Mr. KING. I object until I get some sort of information about the matter. I find that the general counsel, Mr. Parker, in whom we have the utmost confidence, states:

> If this be so, the bill seems to be without merit for another reason; that is, they propose to pay McLouth's creditors from the Public Treasury, deprive the Government of its right of set-off if it shall be found to be indebted to McLouth on any of the contracts involved, and leave it to look for payment of its claim to the same insolvent debtor's estate.

It seems that the Government had set-offs, and it is now proposed to take the money out of the Treasury of the United States.

Mr. STEPHENS. I may be mistaken in this statement, Mr. President, but I think not: I think Mr. Parker was one of the counsel who fought this case for 8 long years, and finally the Supreme Court of the United States held that his contention was absolutely wrong.

The PRESIDING OFFICER. The time of the Senator from Mississippi has expired.

Mr. KING. Mr. President, until I have a chance to look into the bill a little further, I ask that it be passed over.

The PRESIDING OFFICER. The Senator from Utah objects, and the bill will be passed over.

MICHAEL ILITZ

The bill (S. 3499) for the relief of Michael Ilitz was considered, ordered to be engrossed for a third reading, read the time time, and passed, as follows:

Be it enacted, etc., That in the administration of the pension laws or any laws conferring rights, privileges, or benefits upon persons retired from the United States Army Michael Ilitz, who served as master sergant, Hospital Corps, shall be held and considered to have been retired as captain, military storekeeper, United States Army, on June 28, 1916: *Provided*, That no pension, pay, or bounty shall be held to have accrued prior to the passage of this act.

POWER REVENUES ON FEDERAL RECLAMATION PROJECTS

The bill (S. 3375) to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any power system hereafter built on Federal reclamation projects heretofore or hereafter constructed by the United States under the provisions of the act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplementary thereto, shall be operated by the United States as a separate and distinct system, independently of the irrigation system. The construction cost of such power system, including such portion as the Secretary of the Interior may find (his finding to be conclusive) to be proper and equitable of the cost of structures and other facilities provided and used primarily for irrigation purposes but incidentally used in connection with and as a part of said power system, shall be returnable from power revenues and shall not be charged to or repaid, in whole or in part, by the water users of the project. Power furnished from such power system for construction of project features, for operation of project pumping plants, and for any and all project purposes shall be considered a sale and purchase and shall be charged for at such rate as determined by the Secretary of the Interior. Such charge for power furnished for project purposes during the period of construction and operation of the irrigation system by the United States and any rentals or sale of power to water users and their organizations after they have taken over the operation and maintenance of the irrigation system shall not be construed as vesting in them any interest in the power system. All revenues realized from the operation of any such power system shall be covered into the reclamation fund and shall not be credited in payment of any obligations payable by the water users of the project or any division thereof.

SEC. 2. That as to reclamation projects now constructed or partially constructed having a power development in operation, the cost of which has been charged to the water users who have obligated themselves to repay the same, the water users of the project, or any division thereof, who have assumed such obligation, may, at their option, be placed upon the same basis and become subject to the same conditions as those outlined in section 1 hereof, upon the execution of appropriate contract or contracts therefor satisfactory to the Secretary of the Interior.

SEC. 3. That wherever any power system now in operation, constructed under the provisions of the reclamation law by and at the expense of the United States, shall be enlarged or new construction work done thereon in the way of betterments or otherwise, such additional constructional work shall be upon the same basis and subject to the same conditions as those provided for in section 1 hereof.

LANGELL VALLEY IRRIGATION DISTRICT

The bill (S. 1510) to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley irrigation district was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, is amended by adding after section 16 thereof the following new sections:

"SEC. 16–A. All payments upon construction charges shall be suspended against such lands in the Langell Valley irrigation district as the Secretary of the Interior shall cause to be classified as to productivity and as the said Secretary may determine to be temporarily unproductive because nonagricultural and unsuitable for irrigation, and the said Secretary is hereby authorized to reduce the construction obligations of the Langell Valley irrigation district exclusive of costs incurred in the construction of Clear Lake Channel in the ratio and proportion as the number of acres so found and determined to be temporarily unproductive bears to the total number of acres now included as a part of said irrigation district: *Provided*, That the amount of irrigation water to which the Langell Valley irrigation district is entitled shall be reduced in proportion to the area temporarily suspended from construction charges.

"SEC. 16–B. The Secretary of the Interior, as a condition precedent to the allowance of the benefits offered under section 16–A, shall require the Langell Valley irrigation district to execute a contract providing for the resumption of construction charges by said district upon all, or any, of such acreages so found and determined to be temporarily unproductive, as the Secretary of the Interior may, subsequent to such suspension, find and declare to be possessed of sufficient productive power to be again placed in the paying class."

WARREN BURKE

The bill (H.R. 2287) for the relief of Warren Burke was considered, ordered to a third reading, read the third time, and passed.

SUE HALL ERWIN

The bill (H.R. 3167) for the relief of Sue Hall Erwin was considered, ordered to a third reading, read the third time, and passed.

BENJAMIN WRIGHT, DECEASED

The bill (H.R. 3423) for the relief of Benjamin Wright, deceased, was considered, ordered to a third reading, read the third time, and passed.

JOSEPH B. LYNCH

The bill (H.R. 4962) for the relief of Joseph B. Lynch was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF RAILWAY LABOR BOARD ACT

The bill (S. 3266) to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, was announced as next in order.

Mr. METCALF. I ask to have that bill go over. Because of the absence of the Senator from Delaware [Mr. HASTINGS], who has filed a minority report, I think the bill should go over.

The PRESIDING OFFICER. The Senator from Rhode Island objects, and the bill will be passed over.

Mr. KING subsequently said: May I inquire what became of Senate bill 3266?

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. METCALF] objected to its consideration.

Mr. WHEELER. Mr. President, may I ask the Senator from Rhode Island upon what grounds he objects to the bill? It is the bill to amend the Railway Labor Act.

Mr. METCALF. I objected because I observe that the Senator from Delaware [Mr. HASTINGS] has a minority report. He is not here today, and I think it is only fair that the bill should be passed over until his return.

Mr. WHEELER. I think there is scarcely any objection to the bill. The railroad men and everybody else are very anxious to get the bill through.

Mr. METCALF. I am in favor of a good deal of this sort of legislation, but I desire to have the bill await the return of the Senator from Delaware.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

AMERICAN LEGION CONVENTION, MIAMI, FLA.

The Senate proceeded to consider the bill (H.R. 9123) to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 7, before the word "blankets", to insert "and", and in the same line, after the word "blankets", to strike out "and mattresses or bed sacks", so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized to lend, at his discretion, to the American Legion 1934 Convention Corporation, for use at the Sixteenth National Convention of the American Legion to be held at Miami, Fla., in the month of October 1934, such tents, cots, and blankets, and other available stock out of the Army and National Guard supplies as such corporation may require to house properly Legionnaires attending such convention: *Provided*, That no expense shall be caused the United States Government by the delivery and return of such property, the same to be delivered at such time prior to the holding of such convention as may be agreed upon by the Secretary of War and the American Legion 1934 Convention Corporation, through the executive vice president of such corporation, Charles A. Mills: *Provided further*, That the Secretary of War, before delivering such property, shall take from such corporation a good and sufficient bond for the safe return of such property in good order and condition, and the whole without expense to the United States.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 363) for the relief of James Moffitt was announced as next in order.

Mr. McKELLAR. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

MARTIN HENRY WATERMAN, DECEASED

The bill (H.R. 311) for the relief of Martin Henry Waterman, deceased, was considered, ordered to a third reading, read the third time, and passed.

CHARLES H. WILLETT

The bill (S. 2531) for the relief of Charles H. Willett was announced as next in order.

Mr. KING. May we have an explanation of this bill from the Senator from Texas [Mr. SHEPPARD], who reported it?

Mr. COPELAND. Mr. President, this man was discharged from the military service for the reason that he did not tell the Department he was married. He served one enlistment and was honorably discharged. He enlisted again, and it developed later on that he was married and had not told the Department; so it seems to be a very proper thing that the black mark against him should be wiped out.

Mr. KING. That is the only reason?

Mr. COPELAND. Yes.

Mr. KING. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Charles H. Willett, who was a member of the Seventh Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 16th day of April 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

RESOLUTION PASSED OVER

The resolution (S.Res. 242) authorizing the appointment of a committee to receive evidence and take testimony in impeachment trials was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The resolution will be passed over.

AMENDMENT OF STANDARD BASKETS ACT

The bill (S. 1182) to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms was announced as next in order.

Mr. WAGNER. Mr. President, there is an identical bill, House bill 5522, Order of Business 1141, which I ask to have substituted for the Senate bill.

The PRESIDING OFFICER. Without objection, the House bill will be substituted for the Senate bill.

Mr. KING. I have no objection to the substitution, but I desire to ask the Senator some questions about the bill.

The Senate proceeded to consider the bill (H.R. 5522) to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms.

Mr. KING. Mr. President, I have had a number of inquiries respecting this measure which I have not been able to answer. They have related to the necessity of the bill, and whether the Federal Government is warranted or justified in taking over the matters referred to in the bill.

Mr. WAGNER. The Federal Government is not taking over anything. It is simply prescribing that mushrooms may be sold in these Climax baskets of 1 pound instead of 3 pounds. Under the present law, Climax baskets can be used for the sale of mushrooms only when they contain 3 pounds. Mushrooms are sold by weight, and this state of affairs limits their sale. We found that the trade desire to be able to purchase 1 pound of mushrooms rather than 3; and the bill simply authorizes the sale of mushrooms in 1-pound baskets instead of 3-pound baskets.

Mr. KING. I have no objection to the change, but I do object to the Federal Government prescribing these things at all.

Mr. WAGNER. It has already prescribed them. This bill merely provides for a change in the size of the basket that may be used.

Mr. KING. I have no objection.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1182 will be indefinitely postponed.

AMENDMENT OF EMERGENCY FARM MORTGAGE ACT

The Senate proceeded to consider the bill (S. 2462) relating to loans by the Reconstruction Finance Corporation in connection with agricultural improvement projects, which had been reported from the Committee on Agriculture and Forestry with an amendment, on page 1, line 5, after the word "sentence", to strike out the remainder of the bill and insert certain new language, so as to make the bill read:

Be it enacted, etc., That section 36 of the Emergency Farm Mortgage Act of 1933, as amended, is hereby amended by adding at the end thereof the following new sentence: "For like purposes and subject to the aforesaid terms and conditions, the Reconstruction Finance Corporation may make loans hereunder to or for the benefit of mutual nonprofit irrigation, drainage, or levee companies which prior to May 12, 1933, had completed projects devoted chiefly to the improvement of lands for agricultural purposes. In the event that any such mutual nonprofit company shall make a valid sale of its works and other properties to any district organized after May 12, 1933, which sale cannot be impeached as being in fraud of its creditors or for any other reason, the Reconstruction Finance Corporation is authorized to lend all or any part of the purchase price of such properties to or for the benefit of such district, provided that such transaction will have the effect of reducing and refinancing the burden upon the lands within the district on account of the debt previously owed by such mutual company. Insofar as the same are applicable, such loans shall be made subject to terms and conditions similar to those hereinbefore provided for loans to drainage, levee, and irrigation districts."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TERESA DE PREVOST

The bill (S. 762) for the relief of Teresa de Prevost was announced as next in order.

Mr. McKELLAR. Mr. President, will the Senator from Kentucky [Mr. LOGAN] explain that bill to us?

Mr. LOGAN. Mr. President, the explanation of this bill is rather difficult. It grew out of transactions that happened about 1867, when the Alsop Co., a company conducting commerce in South America, had some of its boats destroyed in a South American revolution. Claims in the matter were pending for 50 or 60 years, and finally it was agreed that King George of England should be the arbitrator. He did arbitrate the matter, and awarded to the United States Government $800,000, in round numbers, for the benefit of the claimants who had lost property.

Mrs. Prevost is a representative of the original Prevost. A man named Hobson was interested in the original com-

pany. Hobson borrowed $25,000 in cash from Prevost about the time these transactions occurred and gave a note for the amount. Afterward he was unable to pay it; but he wrote Prevost time after time that if they could ever collect this claim the $25,000 should be paid out of it. Then he made a will and added a codicil, as I recall, saying that he wanted the amount paid. Then he gave a power of attorney to the son of the original Prevost, one of those who was interested in the matter, authorizing him to collect or to pay over this $25,000. Of course, at that time the interest amounted to one-hundred-and-some-odd thousand dollars. Then he wrote a letter, along with the power of attorney, in which he set up the fact that he had always intended to pay the $25,000 out of the proceeds of this claim.

When the money was distributed in the office of the Secretary of State they declined to pay this amount, aggregating over $100,000 to the Prevost estate, but insisted upon paying it, and did pay it, to the original heirs of Hobson; and that was done after they had all this information as to the assignments, the letters, the power of attorney, and everything.

Certain reasons are urged as to why that was done, but, at all events, it was done; and this poor old lady, now in Washington, who had more to do than anyone else with securing the money from the South American countries, and securing the award at the hands of King George, and who is largely interested in the bill because of this state of affairs, is left without a thing in the world in her old age because the Secretary of State made a mistake, or else, for some other reason, paid the money to the wrong people.

Mr. McKELLAR. Mr. President, has all the $800,000 been paid out?

Mr. LOGAN. Yes; everything was distributed. The Committee on Claims recommended the payment of $25,000. Of course, it had been drawing interest up to 1912, and would amount to more than that, but we thought that perhaps we could get the bill through if we made the amount small enough.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 1, line 5, after the word "of", to strike out "$100,000" and to insert in lieu thereof "$25,000", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Teresa de Prevost the sum of $25,000, in full satisfaction of her claim against the United States for losses sustained by reason of alleged irregularities in the distribution through the State Department to claimants under the so-called "Alsop award of July 4, 1911", made by the King of Great Britain as arbitrator: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AIRPORTS IN MINING DISTRICTS

The Senate proceeded to consider the bill (S. 2836) to amend the Mining Act of May 10, 1872, as amended.

Mr. McKELLAR. Mr. President, the Department having recommended against this bill, I am wondering whether we may not have an explanation. If not, I shall ask that the bill go over.

Mr. BORAH. Mr. President, to state the object of the bill in a sentence, it is to enlarge what is known as the "mill-site provision" of the mining act so as to permit the taking of a sufficient amount of land to provide for airports and places for the landing of airplanes.

The mill site law provided for 5 acres at $5 an acre. This bill provides for 20 acres upon the same terms. It is to be unreserved, nonmineral land. The purpose is simply to enable landing fields and airports to be provided in connection with the mining business.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Mines and Mining with an amendment, on page 1, line 5, before the word "land", to insert the word "unreserved", so as to make the bill read:

Be it enacted, etc., That section 2357 of the Revised Statutes of the United States be amended to read as follows:

"SEC. 2337. Where unreserved land in the United States or Alaska situated in the vicinity of mining districts is not contiguous to a vein or lode and contains practically no known mineral value, and where the surface of such land is more valuable for the use and purpose of ore-reduction works or any other equipment necessary or convenient for economical working and treatment of ores, including landing fields and airports, such lands may be located under this act by designating the use and purpose thereof as 'mill-site claims': *Provided*, That no location shall exceed more than 20 acres to the claim, and where such locations are upon surveyed lands, and conform to the legal subdivision, no further survey or plat shall be required. When it is apparent that such nonadjacent land located is suitable for the installation of such equipment necessary or convenient for the development and operation of mines, the reduction of ore, and treatment thereof including landing fields and airports, the owner or owners, their heirs, assigns, or legal representatives, shall within 1 year from date of location pay to the United States of America $1 per acre or fraction thereof, said payment to apply upon the purchase price of said land in compliance with these provisions. The locators or claimants thereof shall have exclusive right of possession and enjoyment of all the benefits thereof, and thereafter shall annually pay $1 per acre or fraction thereof, for a period of 4 years. Said payment of $1 per acre must be paid at the land office in which the claims are located and the same must be paid at such land office on or before the 30th day of June each year. It shall be the duty of the register and receiver of such local land office in whose district such claims are located to receive and register all payments made by the claimants and to receipt therefor to them. That the payment or payments of said $1 per acre shall apply on the purchase price of said lands in any patent proceedings instituted in compliance with the provisions of this act: *Provided*, That the claimant or holder thereof shall on or before 5 years from date of location make application for a patent by proceeding as provided for in section 2325, and upon failure to comply with the provisions of this act the rights of the holder thereof shall be deemed forfeited, and such land thereafter shall be open to location in the same manner as if no location of the same had ever been made. That the purchase price of said mill sites shall be $5 per acre or fraction thereof."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NAVAJO INDIAN RESERVATION, N.MEX.

The Senate proceeded to consider the bill (S. 2531) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, on page 7, line 4, after the word "Indians", to insert "except sections 3 to 10, both inclusive, township 11 north, range 19 west; south half of township 11 north, range 20 west, south half of fractional township 11 north, range 21 west, New Mexico principal meridian, which lands are hereby added to the Zuni Reservation: *Provided*, That this section, in order to exclude the town of Ramah, shall not apply to sections 1, 2, 3, 4, 9, 10, and 16, township 10 north, range 16 west, New Mexico principal meridian", so as to make the section read:

Be it enacted, etc., That the exterior boundaries of the Navajo Indian Reservation in New Mexico be, and they are hereby, defined as follows:

Beginning at a point common to the States of New Mexico, Arizona, Colorado, and Utah, thence south along the Arizona-New Mexico State boundary line, to its intersection with the township line between townships 10 and 11 north, New Mexico principal meridian, New Mexico; thence east to the southeast corner of section 33, township 11 north, range 20 west; thence north 1 mile; thence east 1 mile; thence north 1 mile; thence east 2 miles;

thence north 2 miles; thence east 4 miles; thence north 2 miles; thence west 4 miles to the corner of townships 11 and 12 north, ranges 19 and 20 west; thence north to the corner of townships 13 and 14 north, ranges 19 and 20 west; thence east 6 miles; thence south 12 miles; thence east 6 miles; thence north 6 miles; thence east 6 miles; thence north to the south boundary of the Fort Wingate Military Reservation; thence west to the southwest corner of the Fort Wingate Military Reservation; thence north along the west boundary of the said military reservation to the township line between townships 13 and 14 north; thence east to the intersection of the township line between townships 13 and 14 north with the east boundary of the said military reservation; thence north 9 miles along said boundary line; thence east to the range line between ranges 14 and 15 west; thence south to the north right-of-way of the Atchison, Topeka & Santa Fe Railroad; thence east following said north right-of-way line to its intersection with the township line between townships 13 and 14 north; thence east along that township line to the northeast corner of section 4, township 13 north, range 11 west; thence south 2 miles; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 2 miles; thence east 3 miles; thence north 24 miles along a line bisecting townships 13, 14, 15, and 16 north, range 10 west; thence west to the southeast corner of township 17 north, range 11 west; thence north 6 miles; thence west 6 miles; thence north along the range line between ranges 11 and 12 west, to the southeast corner of township 22 north, range 12 west; thence east 18 miles; thence south 3 miles; thence east 6 miles; thence north 9 miles; thence west 24 miles; thence north 2 miles; thence west 9 miles; thence north 2 miles; thence west 3 miles; thence north along the east boundary of Navajo Indian Reservation to the San Juan River; thence following the south bank of said river to where it crosses the east line of the Navajo Reservation as established by the treaty of June 1, 1868; thence north to township line between townships 29 and 30 north; thence east to the southeast corner of township 30 north, range 16 west; thence north 6 miles; thence west to the east boundary of the treaty reservation; thence north along said treaty east boundary line to its intersection with the New Mexico-Colorado State line; thence west along the New Mexico-Colorado State line to the point of beginning; also the following:

Beginning at the northwest corner of section 24, township 21 north, range 8 west, New Mexico principal meridian; thence, west 3 miles; thence south 9 miles; thence west 6 miles; thence south 6 miles; thence west 1 mile; thence south 6 miles; thence east to the southwest corner of township 18 north, range 6 west; thence south to the southwest corner of township 17 north, range 6 west; thence east to the southeast corner of township 17 north, range 4 west; thence north 6 miles; thence east 1 mile; thence north to the northeast corner of section 6, township 19 north, range 3 west; thence west 7 miles to the southeast corner of township 20 north, range 5 west; thence north 6 miles; thence west 6 miles; thence south 6 miles; thence west 6 miles; thence north 6 miles; thence west 6 miles; thence north 3 miles to point of beginning; and beginning at northwest corner of section 4, township 10 north, range 16 west; thence east 10 miles to northeast corner of township 10 north, range 15 west; thence south 9 miles to the northwest corner of section 19, township 9 north, range 14 west; thence east 2 miles; thence south 1 mile; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 1 mile to township line between townships 8 and 9 north; thence east 2 miles to the northeast corner of township 8 north, range 14 west; thence south 18 miles to the southeast corner of township 6 north, range 14 west; thence west 6 miles to the southwest corner of said township; thence north 3 miles; thence west 6 miles; thence north 3 miles to the northeast corner of township 6 north, range 16 west; thence west 6 miles to southwest corner of township 7 north, range 16 west; thence north 9 miles; thence east 1 mile; thence north 1 mile; thence east 1 mile; thence north 1 mile; thence east 1 mile; thence north 3 miles; thence west 1 mile; thence north 10 miles, along boundary of the Zuni Indian Reservation to point of beginning; also beginning at the southwest corner of section 30, township 2 north, range 6 west; thence east 8 miles to the southeast corner of section 29, township 2 north, range 5 west; thence north 4 miles; thence west 1 mile; thence north 1 mile; thence west 1 mile to the corner of townships 2 and 3 north, ranges 5 and 6 west; thence north 4 miles; thence west 6 miles; thence north 1 mile; thence west 1 mile; thence north 1 mile; thence west 3 miles; thence south 7 miles; thence east 2 miles; thence south 2 miles; thence east 1 mile; thence south 1 mile; thence east 1 mile; thence south 1 mile to place of beginning; also beginning at the southwest corner of section 6, township 9 north, range 3 west; thence east 12 miles to the southeast corner of section 1, township 9 north, range 2 west; thence north 7 miles to the northeast corner of township 10 north, range 2 west; thence west 8 miles to the southwest corner of section 35, township 11 north, range 3 west; thence north approximately 6 miles to the intersection of the south boundary of the Canada de los Alamos Grant; thence west to the southwest corner of the said Canada de los Alamos Grant; thence north along the west boundary of said Canada de los Alamos Grant to its intersection with the township line between townships 11 and 12 north; thence west 4½ miles along the line between townships 11 and 12 north to its intersection with the east boundary of the Cebolleta Grant; thence south to the southeast corner of said grant; thence east along the north boundary of the Paguate Purchase to the northeast corner thereof; thence south along the east boundary of said purchase to the southeast corner thereof; thence west along the south boundary of the Paguate Purchase to the intersection with the range line between ranges 3 and 4 west; thence south along said range line to the southwest corner of section 6, township 9 north, range 3 west, the place of beginning: *Provided*, That all vacant, unreserved, and unappropriated public lands within the boundaries above defined, except township 15 and the south half of township 16 north, range 18 west, and township 15 and the south half of township 16 north, range 19 west, New Mexico principal meridian, New Mexico, are hereby permanently withdrawn from all forms of entry or disposal, for the benefit of the Navajo Tribe of Indians, except sections 3 to 10, both inclusive, township 11 north, range 19 west; south half of township 11 north, range 20 west; south half of fractional township 11 north, range 21 west, New Mexico principal meridian, which lands are hereby added to the Zuni Reservation: *Provided*, That this section, in order to exclude the town of Ramah, shall not apply to sections 1, 2, 3, 4, 9, 10, and 16, township 10 north, range 16 west, New Mexico principal meridian. All lands in townships 14 and 15 north, ranges 12, 13, and 14 west, of the New Mexico principal meridian, situated within the boundaries defined above and embraced in the Cibola National Forest are hereby eliminated from the said forest, and permanently withdrawn for the benefit of the Indians of the Navajo Tribe. All valid rights and claims initiated prior to approval hereof under the public-land laws involving any lands within the said boundaries shall not be affected by this act.

The amendment was agreed to.

The next amendment was, in section 4 on page 9, line 16, after the numerals, "$482,136.22" to insert the words "reimbursable from the Navajo tribal funds", so as to make the section read:

SEC. 4. For the purpose of purchasing privately owned lands, together with the improvements thereon, within the boundaries above defined, and also within the area in San Juan County, Utah, added to the Navajo Indian Reservation by the act of March 1, 1933 (47 Stat. 1418), there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $482,136.22, reimbursable from Navajo tribal funds, which sum shall remain available until expended: *Provided*, That title to the land so purchased may, in the discretion of the Secretary of the Interior, be taken for the surface only: *Provided further*, That said funds may be used in purchasing improvements on leased State school land within the boundaries above defined, provided the State of New Mexico agrees to the assignment of said leases to the Navajo Tribe of Indians on a renewable and preferential basis, and provided the legislature of said State enacts such laws as may be necessary to avail itself of the exchange provisions contained in section 2 of this act, and disclaim any right, title, or interest in and to any improvements on said lands.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THOMAS A. COYNE

The bill (S. 3199) for the relief of Thomas A. Coyne was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Thomas A. Coyne, who was a member of Company C, Forty-fifth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on January 4, 1918: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

TURTLE MOUNTAIN BAND OR BANDS OF CHIPPEWA INDIANS

The bill (S. 3626) referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction be, and is hereby, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party, notwithstanding the lapse of time or statutes of limitation, to hear, adjudicate, and render judgment, according to right and justice, on any and all claims not heretofore determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States, arising under any treaty, act of Congress, agreement, Executive order, or treaty with any other tribes or nations of Indians, or relating to, affecting, or violating the land occupancy or other rights of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota, including the band of Chief or Thomas Little Shell, and other isolated bands of Chippewas of North Dakota and Montana. The said courts shall consider all such claims de novo, upon a legal and equitable basis, and without regard to any settlement heretofore had in respect to any such claims.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be

instituted or petition or petitions filed as herein provided in the Court of Claims within 5 years from the date of the approval of this act, and such suit or suits shall make the Indians mentioned in section 1 hereof party or parties plaintiff and the United States of America party defendant. The claim or claims of the band or bands aforementioned may be presented separately or jointly by petition or petitions, subject, however, to amendment. The petition or petitions shall be verified by the respective attorney or attorneys employed to prosecute such claim or claims under contract with the Turtle Mountain Band or Bands of Chippewa Indians, approved by the Commissioner of Indian Affairs and the Secretary of the Interior, as provided by law. Official letters, papers, documents, reports, and records, or certified copies thereof, may be used in evidence; and the departments of the Government shall give access to the attorney or attorneys of said Turtle Mountain Band or Bands such treaties, agreements, papers, reports, correspondence, or records as may be needed by the attorney or attorneys of said band or bands of Indians.

SEC. 3. That if any claim or claims be submitted to said court it shall determine the rights of the parties thereto, notwithstanding lapse of time or statutes of limitation, and any payment which may have been made by the United States upon any claim so submitted shall not be pleaded as an estoppel but may be pleaded as a set-off in any suit; and the United States shall be allowed credit subsequent to the date of any law, treaty, agreement, or Executive order under which the claims arise for any sum or sums, including gratuities, heretofore paid or expended for the benefit of said Indians.

SEC. 4. That if the Court of Claims shall determine that the United States, under the provisions of any agreement, Executive order, law, or treaty referred to in section 1 hereof, has unlawfully appropriated or disposed of any property belonging to the said Turtle Mountain Band or Bands of Chippewa Indians, or to which the said Indians had the right of title by occupancy; or if the said court shall determine that the United States, under the provisions of any such agreement, Executive order, law, or treaty, herein referred to, under mistake of fact or duress, obtained title to or the cession of any land from the said Indians for an inadequate consideration; or if the court shall determine that the United States obtained cessions of land from said band or bands of Indians without obtaining the consent of a majority of the male adult members thereof; or if the court shall determine that the United States, to the loss of said Indians, appropriated to its own use or to the use of any other Indian tribe or band, or permitted white settlers to occupy and acquire title under the public-land laws of the United States, to any lands in North Dakota the title or occupancy of which by the said Indians had been recognized by other tribes and by official reports of the Secretary of the Interior and the Commissioner of Indian Affairs; or if a portion of the land so claimed by the said band or bands was taken from them by an Executive order for the benefit of any other band or tribe of Indians, without compensation to the said Turtle Mountain Band or Bands of Chippewa Indians, the damages shall be confined to the reasonable money value thereof at the time of such appropriation: *Provided*, That if the Court of Claims shall determine that the United States, by reason of any delay on the part of its authorized agents in submitting for ratification any agreement with the said Turtle Mountain Band or Bands of Chippewa Indians, for the purchase or cession of any land so occupied and possessed by them, or that the Congress of the United States unduly delayed the ratification of any such agreement whereby any such lands were ceded to the United States, to the detriment and loss of the said Indians, then the said court is hereby authorized to award and enter judgment, as justice and equity may demand, for damages due to such delay at 4 percent per annum of the stipulated or agreed amount set out in any such agreement ceding such lands to the United States, and to compute such interest from the date the said agreement was signed or executed by the said Indians; and with reference to all claims which may be the subject matter of the suit or suits herein authorized, the decree of the court shall be in full settlement of all damages, if any, committed by the Government of the United States and shall annul and cancel all claim, right, and title of the said Turtle Mountain Band or Bands of Chippewa Indians in and to such money or other property.

SEC. 5. Upon the final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 percent of the recovery in each instance, together with all necessary and proper expenses incurred in preparation and prosecution of the suit or suits, to be paid to the respective attorneys employed by the said band or bands of Indians, and the same shall be included in the decree and shall be paid out of any sum or sums found to be due said band or bands of Indians. The court shall have jurisdiction and is hereby further authorized to determine what amount of the recovery, if any, shall be awarded to the respective bands who bring suit or suits hereunder.

SEC. 6. The Court of Claims shall have full authority by proper orders and process to bring in and make parties to such suit or suits any other tribe or band of Indians deemed by it necessary or proper to the final determination of the matters in controversy. A copy of the petition or petitions shall, in such case, be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States in such case.

SEC. 7. The proceeds of all amounts, if any, recovered for said band or bands of Indians, less fees and expenses, shall be deposited in the Treasury of the United States to the credit of the Indians decreed by said court to be entitled thereto, and shall draw interest at the rate of 4 percent per annum from the date of the judgment or decree.

PURCHASE OF FOREST LANDS

The Senate proceeded to consider the bill (S. 3521) to facilitate purchases of forest lands under the act approved March 1, 1911.

Mr. KING. Mr. President, will not the able Senator from Alabama explain the bill?

Mr. BANKHEAD. Mr. President, the basis of authority for the acquisition of forest lands is contained in the act of 1911, which requires the consent of the State before the Government may acquire land in any State for purposes of preserving the navigability of navigable streams. At present a fund is being administered for purchasing forestry lands under that act, but, unfortunately, some States, including my State and some other States, have not passed the necessary laws giving consent.

The legislature of my State will not be in session until next January, and that is the situation in some other States, I am informed. Therefore this bill authorizes permission of the State to be given by the governor filing a written consent and certifying that a majority of the members of the legislature have also, in writing, approved the written statement of the governor. In other words, it is to waive a formal, legal act and make it possible to accept the informal act of the governor and the legislature during the recess.

Mr. KING. Mr. President, may I ask the Senator whether this bill commits the Government to purchase lands?

Mr. BANKHEAD. No; there is no commitment of any kind. It merely authorizes the Government to purchase the land if it sees fit to do so.

Mr. KING. Does the Senator think that the Congress ought really to nullify the wishes of the State as expressed through its legislature?

Mr. BANKHEAD. No; that is the point. The original act of Congress required the consent of the State. There is no objection by the States. They simply have not affirmatively acted in compliance with the law passed by Congress. This simply allows them to act in an informal way.

Mr. McNARY. Mr. President, I am deeply interested in the forestry act, having served as Chairman of the Committee on Agriculture and Forestry, but for some reason I have not been able to understand the Senator. There is so much disorder in the Chamber, with no apparent effort to keep the Senate in order, that I did not hear what the Senator had to say.

Mr. BANKHEAD. Mr. President, I am not able to hear the Senator.

Mr. McNARY. I could not hear the Senator because of the noise in the Chamber.

The PRESIDING OFFICER. The Senate will be in order.

Mr. McNARY. Mr. President, I want to know something about the bill. Does the bill provide for the acquisition of land simply to enlarge the forest area of the country, or does it affect the navigability of streams, or is it for the purpose of keeping clarified, as far as possible, the waters of the country for city use, for domestic purposes?

Mr. BANKHEAD. Mr. President, the act of 1911, which is set out in the report on the bill, gives authority for the acquisition of forest lands.

Mr. McNARY. I am quite familiar with that act.

Mr. BANKHEAD. The Senator will recall that the act required, before forest lands could be acquired by the Government in any State, that the State should consent to the acquisition of such lands by the Government. That is a provision in the original act.

In some States, my State included, and other States, the legislatures have taken no action. They have not passed acts giving formal consent. Forestry lands are now being acquired under a definite, fixed allocation for the purposes specified under the act. We find that several States have not formally passed the consent legislation.

Mr. McNARY. Is this to take the place of nonaction on the part of the States?

Mr. BANKHEAD. Absolutely. Take my State, for instance. Our legislature will not convene until next January. We have no chance now to give consent, without a specially called session of the legislature.

Mr. McNARY. Why has the State which the Senator so ably represents stood by supinely all these years, since the act of 1911 was enacted, without taking advantage of the very thing it now desires?

Mr. BANKHEAD. I am unable to answer that question, because I never heard of it being called to the attention of the State, or any possible or probable action within the State. There are other States in the same situation.

Mr. McNARY. How many States are in the same situation the State of Alabama is in?

Mr. BANKHEAD. I cannot give that information. I am simply informed by the Department that there are other States in the same situation.

Mr. McNARY. Is this a Department bill?

Mr. BANKHEAD. The Department approves the bill. The original approval is shown in the report.

The PRESIDING OFFICER. Is there objection to consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That to allow and facilitate the purchase of forest lands under the provisions of the act approved March 1, 1911 (36 Stat. 961; U.S.C., title 16, secs. 613–521), in States which desire that such purchases shall be made but cannot give their formal consent thereto until the next meeting of their legislative bodies, it is hereby provided that a written statement of consent signed by the Governor of the State prior to January 1, 1935, and containing the certification that a majority of the individual members of the current State legislative body have expressed in writing to the Governor their concurrence in and approval of such statement of consent shall be regarded as fully complying with and satisfying the requirements of that part of section 7 of said act of March 1, 1911, which provides that no deed or other instrument of conveyance shall be accepted or approved by the Secretary of Agriculture under said act until the legislature of the State in which the land lies shall have consented to the acquisition of said land by the United States.

CLAUDE C. MARTIN

The bill (S. 1792) for the relief of Claude C. Martin was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Claude A. Martin, private, late of the United States Infantry unassigned, shall be held and considered to have been honorably discharged from the military service of the United States on March 6, 1931: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

JOHN W. SCHELL

The Senate proceeded to consider the bill (S. 1836) for the relief of John W. Schell, which had been reported from the Committee on Military Affairs with an amendment, on page 1, after the word "Schell", to insert the word "deceased", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers John W. Schell, deceased, who was a member of Company G, One Hundred and Twelfth Regiment United States Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 8th day of May 1919: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of John W. Schell, deceased."

AMENDMENT OF AGRICULTURAL ADJUSTMENT ACT

The bill (S. 3584) to amend the Agricultural Adjustment Act, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of that bill.

Mr. SMITH. Mr. President, this is a bill sent to the Congress by the Department asking that the R.F.C. be authorized to advance moneys sufficient to take up the outstanding notes that were accepted under the Government's proposition of advancing 10 cents on cotton stocks. It really is not in any sense an appropriation. It simply gives authority to advance money sufficient to take up these notes.

On July 1 these notes will mature. A lot of this money was borrowed by the Government from private banks and a lot of it was advanced by local bankers, on the understanding that at any time they saw fit they could hypothecate their warehouse receipts and their notes with the R.F.C. and have them taken up.

The notes will mature on the 1st of July, and the Government will hold the cotton as collateral security, as it has a large part now, and it is in order to meet those obligations that the Government simply wants this authority concentrated, and to meet the notes as they fall due.

Mr. KING. I have no objection.

Mr. FESS. Let the bill go over.

Mr. SMITH. Mr. President, I hope the Senator from Ohio will not object, because this bill does not appropriate one dollar. It simply makes provision for meeting a condition which will arise on the 1st of June which may necessitate the closing out of these notes, putting a large amount of this cotton on the market, without the authority of the Government to take the obligations and carry them and handle the matter in an orderly manner. The Government would not be out a nickel by the passage of this bill.

Mr. FESS. Is the Senator referring to Order of Business 1152?

Mr. SMITH. Yes.

Mr. FESS. What does this language mean:

There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000.

Mr. SMITH. That, Mr. President, is really misleading. If the Senator from Ohio will read the report, he will see it is simply to authorize the Treasury Department or the Reconstruction Finance Corporation to advance this money until the cotton is sold. The Government is amply protected now. It has the cotton as collateral.

Mr. FESS. It may be all right, but I am not going to allow $100,000,000 to be authorized without having an opportunity to examine the particulars. I had not seen this bill until just now, and have just read it.

Mr. SMITH. Mr. President, the explanation is simply this: That certain banks now hold the notes and hold the warehouse receipts against this cotton. The Government entered into an agreement with the farmers that if they would reduce acreage the Government would take their holdings of cotton of last year, that which the farmers had on hand, at 10 cents a pound. The Government authorized the local banks, if they saw fit, to advance the 10 cents, hold the warehouse receipts and the notes, and agreed that at any time they could cash them by sending them to the R.F.C.

Arrangements for larger amounts were made with certain banks in New York. Those notes all expire on the 1st day of July. That is the limit. This bill extends the time for the distribution of this cotton, and the desire is to get authority to turn all these obligations and the cotton over to the Agricultural Department and either have the Secretary of the Treasury or the R.F.C. advance the money until such time as the cotton may be sold.

This bill does not provide for an appropriation at all. It is simply the Government assuming this obligation, being amply protected by the possession of the cotton.

Mr. FESS. I shall object, Mr. President, until I have had an opportunity to read the report. I will read the report immediately.

Mr. SMITH. I wish the Senator would, because the time is pretty nearly up now.

Mr. SMITH subsequently said: Mr. President, I should like to recur to Calendar No. 1152. I think the Senator from Ohio [Mr. FESS] is convinced that the measure is all right.

The PRESIDING OFFICER. The Senator from South Carolina [Mr. SMITH] asks unanimous consent to recur to Order of Business 1152. Is there objection?

Mr. FESS. Mr. President, I have examined the report and I have also talked with the Senator from South Carolina, and I find that the obligation of the Government under the provisions of this bill is not in any way changed. It remains the same. May I ask the Senator if he is offering the amendment suggested by the Treasury Department?

Mr. SMITH. Mr. President, the amendment of which the Senator speaks is with reference to Order of Business 1153. That has nothing to do with Order No. 1152.

The PRESIDING OFFICER. Is there objection to recurring to Calendar No. 1152?

There being no objection, the bill (S. 3584) to amend the Agricultural Adjustment Act, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4 of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"SEC. 4. (a) The Secretary of Agriculture shall have authority to borrow money upon all cotton in his possession or control and may, at his discretion, deposit as collateral for such loans the warehouse receipts for such cotton.

"(b) There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $100,000,000 to be available, until expended, to the Secretary of Agriculture upon the approval of, and in the amounts determined by, the Secretary of the Treasury for paying off any debt or debts which may have been or may be incurred by the Secretary of Agriculture and discharging any lien or liens which may have arisen or may arise pursuant to part 1 of this title for protecting title to any cotton which may have been or may be acquired by the Secretary of Agriculture under authority of part 1 of this title, and for paying any expenses (including, but not limited to, warehouse charges, insurance, salaries, interest, costs, and commissions) incident to carrying, handling, insuring, and marketing of said cotton and for the purposes described in subsection (e) of this section.

"(c) The appropriation provided for in subsection (b) of this section shall be made available to the Secretary of Agriculture from time to time upon his request and with the approval of the Secretary of the Treasury. Each such request shall be accompanied by a statement showing by weight and average grade and staple the quantity of cotton held by the Secretary of Agriculture and the approximate aggregate market value thereof.

"(d) It is the purpose of subsections (b) and (c) to provide an alternative method to that provided by subsection (a) for enabling the Secretary of Agriculture to finance the acquisition, carrying, handling, insuring, and marketing of cotton acquired by him under authority of section 3 of this act. The Secretary of Agriculture may at his discretion make use of either or both of the methods provided in this section for obtaining funds for the purposes hereinabove enumerated.

"(e) The Secretary of Agriculture is authorized to use in his discretion any funds obtained by him pursuant to the provisions of subsection (a) or (b) of this section or of section 5 for making advances to any agency which may have been or may be established by the Secretary of Agriculture for the handling, carrying, insuring, or marketing of any cotton acquired by the Secretary of Agriculture, to enable any such agency to perform, exercise, and discharge any of the duties, privileges, and functions which such agency may be authorized to perform, exercise, or discharge.

"(f) The proceeds derived from the sale of cotton shall be held for the Secretary of Agriculture by the Treasurer of the United States in a special deposit account and shall be used by the Secretary of Agriculture to discharge the obligations incurred under authority of part 1 of this title. Whenever any cotton shall be marketed the net proceeds (after discharge of other obligations incurred with respect thereto) derived from the sale thereof shall be used, to the extent required, to reimburse the Treasury for such portion of the appropriation hereby provided for as shall have been used, which shall be covered into the Treasury as a miscellaneous receipt. If when all of the cotton acquired by the Secretary of Agriculture shall have been marketed and all of the obligations incurred with respect to such cotton shall have been discharged, and the Treasury reimbursed for any and all sums which may have been advanced pursuant to subsection (b), there shall remain any balance in the hands of the Secretary of Agriculture, such balance shall be transferred to and taken as supplemental to the appropriation provided for by section 12 (a) of this act and may thereafter be used for and devoted to the purposes set forth in said section 12 (a)."

SEC. 2. Section 5 of the Agricultural Adjustment Act, as amended, is amended to read as follows:

"SEC. 5. The Reconstruction Finance Corporation is hereby authorized and directed to advance money and to make loans to the Secretary of Agriculture for the purpose of providing funds with which to enable the Secretary of Agriculture to perform the duties and functions which he is directed or authorized to perform under the provisions of part 1 of this title, provided such advance of money or such loans shall not be for amounts in excess of the market value of the cotton, or the interest of the Secretary of Agriculture in the cotton, against which the advance or loan is to be made at the time such advance or loan may be applied for by the Secretary of Agriculture, plus costs, expenses, and commissions incurred incidental to handling, carrying, and marketing of such cotton. The Secretary of Agriculture shall not be required to pledge or deposit warehouse receipts or other evidences of title to cotton as security for any advance of money or loans made pursuant hereto, but it shall be sufficient if the Secretary shall give to the Reconstruction Finance Corporation a written statement showing the quantity of cotton by weight and the average grade and staple of the cotton against which the advance or loan is to be made. The amount of notes, bonds, debentures, and other obligations which the Reconstruction Finance Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by an amount sufficient to carry out the provisions of this section."

EXEMPTION OF FLOOR STOCKS FROM TAX

The bill (S. 3419) to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SMITH subsequently said: Mr. President, what became of Calendar No. 1153, Senate bill 3419?

The PRESIDING OFFICER. That bill was objected to.

Mr. SMITH. I should like to make an explanation, in the absence of the Senator from Maryland.

Under the processing tax, the floor taxes were assessed. It transpired that a lot of those who made belting, the major part of which is cotton, had on hand belting which had become obsolete, and they have this material on hand at the present time. If one reads the report it will be discovered that the only way they can dispose of that material now is to sell it at a price far below the cost of manufacture. The Department thought it was but fair to relieve the holders of these articles from any tax on the floor stock. They cannot sell it. They are today subject to the tax. The Department recommends that this tax not be assessed against this character of manufacture.

There is an amendment attached to the bill which was sent down from the Department subsequently, which provided "that no such credit, refund, or abatement shall be made with respect to any such article which was disposed of by the taxpayer prior to the filing of the claim therefor." In other words, if they have sold, they cannot get any rebate. I will send the amendment to the desk. I ask unanimous consent to recur to the bill.

The PRESIDING OFFICER. Is there objection to the request?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed on page 1, at the end of line 13, to insert the following:

Provided further, That no such credit, refund, or abatement shall be made with respect to any such article which was disposed of by the taxpayer prior to the filing of the claim therefor.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

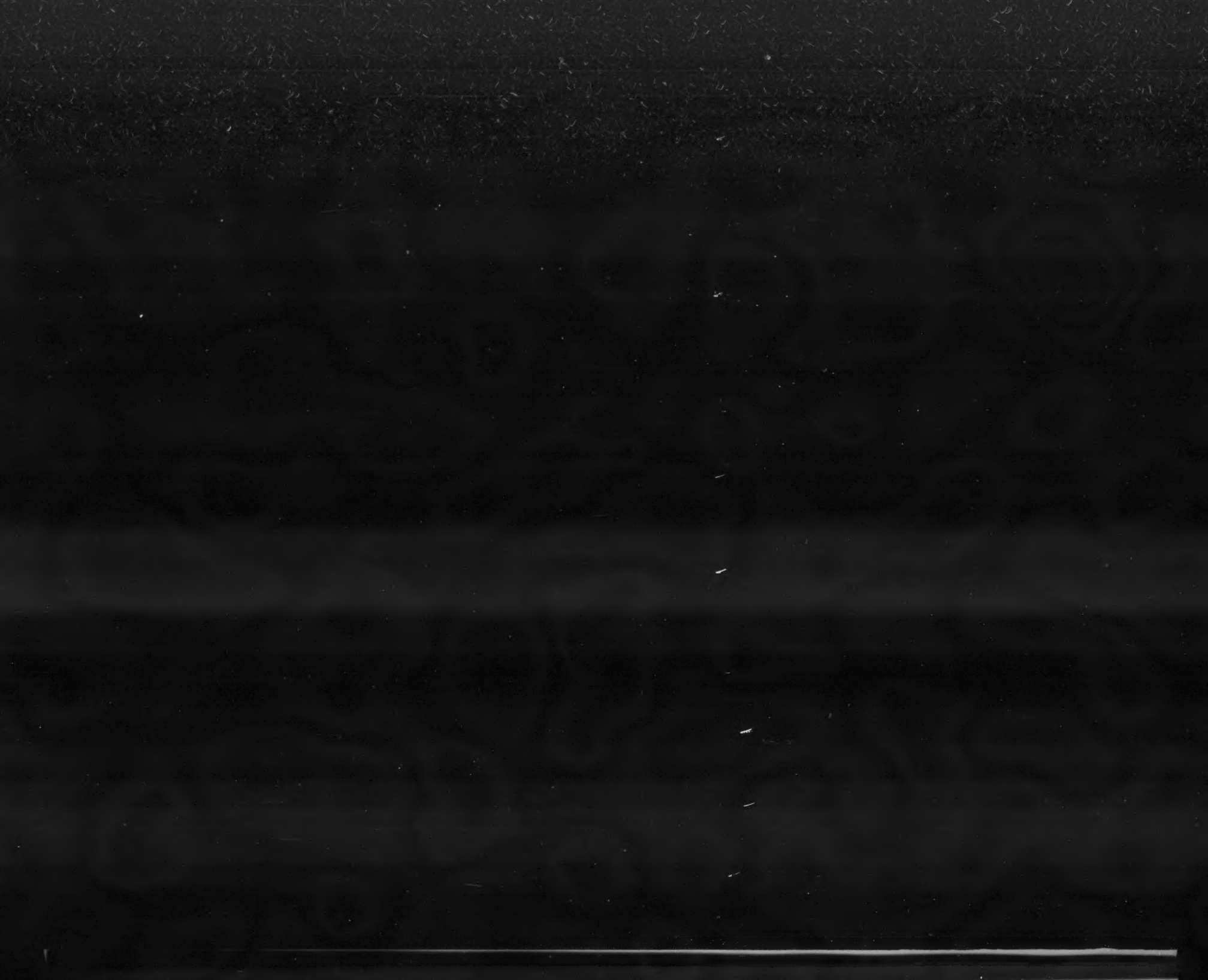
The amendment was agreed to.

Mr. FESS. Mr. President, before we vote on the bill, I wish to ask a question. Is this not a bill with reference to an article upon which the processing tax was assessed, and is not this bill for relief from the payment of the processing tax?

Mr. SMITH. The bill provides for relieving those affected of the processing tax. They cannot even sell the form of manufacture referred to. It is a form of belting which they had and could not sell, but it was subject to the tax, because the law provides for a floor tax on all commodities held when the law went into effect.

Mr. FESS. The Senator recognizes that this is an effort to get rid of the processing tax by piecemeal, by offering an amendment here and there.

Mr. SMITH. No; if the Senator will read the report, he will find that those who hold these articles cannot sell them. This belting cannot be sold except at a tremendous loss. As I said previously, it cannot be sold except at a price below the cost of manufacture. It is obsolete.





Mr. BORAH. Mr. President, would the Senator from South Carolina be willing to accept an amendment to exclude jute bags?

The PRESIDING OFFICER. The question is on the engrossment and third reading of Senate bill 3419.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONTINUATION OF CONSIDERATION OF CALENDAR

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that at the hour of 2 o'clock the unfinished business be temporarily laid aside and that the Senate proceed for 1 hour with the consideration of the present order of business under the unanimous-consent agreement heretofore entered into.

The PRESIDING OFFICER. The Senator from Arkansas asks unanimous consent that at the hour of 2 o'clock the unfinished business be temporarily laid aside and that the Senate continue for 1 hour on the present order of business under the unanimous-consent agreement heretofore entered into. Is there objection?

Mr. KING. Mr. President, I have no objection, but I suggest to the able leader that perhaps we ought to have a quorum call, as some of the Senators have absented themselves expecting that at the end of the 2 hours the consideration of the unobjected bills on the calendar would be discontinued.

Mr. ROBINSON of Arkansas. Mr. President, a quorum is not required.

Mr. KING. I know it is not required, but I am sure some of the Senators who have absented themselves would like to be present.

Mr. ROBINSON of Arkansas. Mr. President, a quorum call would take up a material part of the hour. I would rather not have a quorum call.

Mr. BORAH. Mr. President, can we not proceed until we complete the consideration of the bills on the calendar?

Mr. ROBINSON of Arkansas. I made that suggestion, Mr. President, in several conferences I had, and it was stated that any such request would be objected to. That arrangement cannot be made.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. NEELY. Mr. President, would the Senator from Arkansas be willing to amend his request so as to include bills that are objected to but which might be considered on a motion to take them up?

Mr. ROBINSON of Arkansas. No. That would destroy the purposes of the arrangement which I am trying to make. What I am trying to do is to give an opportunity for consideration now for unobjected bills, and, of course, if that is not granted, I shall make an arrangement at some other time.

Mr. NEELY. I have no intention to object. I was just hoping that that course might be pursued.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

INGRAM-DAY LUMBER CO.

Mr. STEPHENS. Mr. President, I ask unanimous consent to return to Calendar No. 1118, the bill (S. 854) for the relief of the Ingram-Day Lumber Co.

Mr. GEORGE. I object.

The PRESIDING OFFICER. Objection is heard.

BENEFITS TO INDIANS

The bill (S. 3645) to conserve and develop Indian lands and resources, to establish a credit system for Indians, to provide for higher education for Indians, to extend toward Indians the right to form business and other organizations, and for other purposes, was announced as next in order.

Mr. STEIWER. Over.

Mr. WHEELER. Mr. President, did I understand that some Senator objected to Senate bill 3645?

The PRESIDING OFFICER. Objection was made.

Mr. STEIWER. I made the objection to which the Senator refers. I will state for the information of the Senator from Montana that since the bill was reported certain matters have been called to my attention which led me to desire to offer some amendments to it. I think we could hardly consider them under the present order. I shall not endeavor to defeat the bill, but will at a later time discuss the matter with the Senator from Montana and see if we cannot reconcile the differences.

The PRESIDING OFFICER. The bill will be passed over.

NAVAL AIR STATION, HAMPTON ROADS

The bill (H.R. 6847) providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va., was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of that bill.

Mr. BYRD. Mr. President, this bill provides for the giving of authority to the Navy Department to acquire additional lands adjacent to the naval station at Hampton Roads. That naval station is the largest on the eastern coast. It now comprises only 120 acres of land. This bill is approved by the Secretary of the Navy and permits the acquisition of 540 acres of additional land, but it carries no appropriation, and the appropriation will have to be provided in a future appropriation bill.

Mr. KING. The Senator from Virginia knows that it will involve a large appropriation. How much is it to cost?

Mr. BYRD. It provides for the acquisition of 540 acres of land, at an expenditure of $400,000, and I will say to the Senator from Utah that when the fleet is on the eastern coast it is necessary to have this additional land, because the present air base can accommodate only 120 planes, and there are 258 planes connected with the fleet when it comes to the east coast.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Navy be, and he hereby is, authorized and directed to acquire, by purchase or condemnation, additional tracts of land adjacent to and lying southeastwardly from the Hampton Roads naval operating base, Norfolk, Va., said land being generally known as "East Camp", together with such additional land adjoining same as is necessary for the development and expansion of naval air activities at said station, and comprising approximately 540 acres and being bounded by Masons Creek on the north and east, Bush Creek on the west, and the Virginian Railway on the south; and there is hereby authorized to be appropriated for the purchase of this entire tract the sum of $400,000.

BILLS PASSED OVER

The bill (S. 429) for the relief of Dominick Edward Maggio, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 430) for the relief of Leo James McCoy was announced as next in order.

Mr. KING. Over!

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 630) for the relief of Ray Funcannon was announced as next in order.

Mr. KING. Over!

The PRESIDING OFFICER. The bill will be passed over.

GRAND CALUMET RIVER BRIDGE, IND.

The bill (H.R. 9064) granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind., was considered, ordered to a third reading, read the third time, and passed.

TENNESSEE RIVER BRIDGE, SHEFFIELD, ALA.

The bill (H.R. 9141) granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County, in the State of Ala-

bama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge, and approaches thereto, across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation was considered, ordered to a third reading, read the third time, and passed.

SAVANNAH RIVER BRIDGE, SYLVANIA, GA.

The bill (H.R. 9313) to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga., was considered, ordered to a third reading, read the third time, and passed.

LAKE SABINE BRIDGE, PORT ARTHUR, TEX.

The Senate proceeded to consider the bill (H.R. 9526) authorizing the city of Port Arthur, Tex., or any commission designated by it, and its successors and assigns, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.

Mr. SHEPPARD. Mr. President, I offer certain perfecting amendments which I have prepared and which will put the bill in shape to effect its purpose.

The PRESIDING OFFICER. The amendments will be stated.

The amendments proposed by Mr. SHEPPARD were, on page 1, line 5, after the name "Port Arthur" and the comma, to strike out "Texas, or any commisson designated by it" and insert "Texas, or the Port Arthur Bridge Commission (hereinafter called the commission) hereby created"; in line 6, after the word "successors", to strike out "and assigns"; on page 2, line 7, after the name "Texas" and the comma, to strike out "or any commission designated by it, and its successors and assigns" and insert "or the commission hereby created and its successors"; in line 20, after the name "Texas" and the comma, to strike out "or any commission designated by it, and its successors and assigns" and insert "or the commission hereby created and its successors"; on page 3, after line 20, to strike out "SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved" and insert:

SEC. 5. There is hereby created a body corporate and politic to be known as the "Port Arthur Bridge Commission" which shall consist of five members approved by the mayor of Port Arthur, subject to the approval of a majority of the city commission.

On page 3, after line 22, after the amendment just stated, to insert the following:

SEC. 6. The commission shall consist of five members appointed by the mayor of Port Arthur, and shall be a body politic and corporate constituting a public-benefit corporation and shall be deemed a public body within the meaning of the National Industrial Recovery Act. The commission shall elect a chairman from its members and may establish rules and regulations for the government of its own business. Each member shall serve for a term of 5 years and until his successor has been appointed and has qualified except that the initial terms of the members shall be respectively 1, 2, 3, 4, and 5 years. The initial term of the member elected chairman shall be 5 years, and the commission shall determine by lot the initial terms of the other members. The mayor of Port Arthur, with the approval of a majority of the city commission, may appoint a successor to hold office for the unexpired term of any member in whose office a vacancy shall occur by death, resignation, or otherwise. Each member shall qualify by giving such bond as may be fixed by the governing body of the city of Port Arthur conditioned for the faithful performance of all duties required by this act. Three members shall constitute a quorum for the transaction of business. No member shall receive a salary for his services as member, but each member shall be paid his actual expenses, not exceeding $5 per day, in the performance of his duties hereunder. Members of the commission may be removed for cause by the mayor of Port Arthur and the majority of the city commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as it may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act.

SEC. 7. The commission shall have all the powers and authority necessary or convenient for the carrying out of the purposes of this act, including (but without limitation) the following rights, powers, and authority:

(a) To have perpetual succession as a corporation;

(b) To sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity;

(c) To adopt, use, and alter a corporate seal;

(d) To acquire, purchase, hold, use, lease, mortgage, sell, transfer, and dispose of any property, real, personal, or mixed, tangible or intangible, or any interest therein;

(e) To make bylaws for the management and regulation of its affairs;

(f) To appoint officers, agents, employees, and servants, to prescribe their duties and to fix their compensation;

(g) To fix, alter, charge, and collect tolls and other charges for transit over and use of such bridge;

(h) To borrow money, make and issue negotiable notes, bonds, and other evidences of indebtedness of the commission, and to secure the payment of such obligations or any thereof by mortgage, lien, pledge or deed of trust upon all or any of the property of the commission, and to make agreements with the purchasers or holders of such obligations, or with others in connection with any such obligations, issued or to be leased, as the commission shall deem advisable, and in general to provide for the security for said obligations and the rights of the holders thereof;

(i) To make contracts of every kind and nature and to execute all instruments necessary or convenient for the carrying on of its affairs; and

(j) Without limitation of the foregong, to borrow money from the United States Government or any corporation or agency created, designated, or established by the United States and to enter into contracts with the United States or such corporation or agency.

SEC. 8. Without limiting any powers anywhere in this act granted to the commission, the commission is hereby authorized to provide for the payment of the cost of the bridge and its approaches and the necessary land, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission and to secure the payment of all or any such bonds by mortgage, lien, pledge, or deed of trust upon all or any of its property. Said bonds shall be authorized by resolution of the commission and shall bear such date or dates, be in such forms and contain such provisions as the commission may determine and as may be provided in such resolution or in the mortgage or deed of trust or other instrument securing said bonds. Any resolution or resolutions authorizing such bonds may contain provisions, which shall be part of the contract with the holders of such bonds, as to (a) the rates of tolls and other charges to be charged by the commission for transit over or use of the bridge, (b) the registration of the bonds as to principal only or as to principal and interest, and the interchangeability and exchangeability of such bonds, (c) the issuance of temporary bonds or interim receipts pending the preparation of definitive bonds, and the terms and provisions of such temporary bonds or interim receipts, (d) the redemption of the bonds, and the price or prices, not exceeding 105 and accrued interest, at which they shall be redeemable, (e) the setting aside of reserves or sinking funds and the regulation and disposition thereof, (f) limitations upon the issuance of additional bonds, (g) the terms and provisions of any mortgage, deed of trust, or other instrument under which the bonds may be issued or by which they may be secured, and (h) any other or additional agreement, with the holders of such bonds. The bonds shall be signed by such officers as the commission shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer or other corresponding officer of the commission. Any such bonds may be issued and delivered, notwithstanding the fact that one or more of the officers signing such bonds, or the treasurer or corresponding officer whose facsimile signature shall be upon the coupons or any thereof, shall have ceased to be such officer or officers at the time when such bonds shall actually be delivered.

The commission may enter into any mortgages, deeds of trust, indentures, or other agreements with any bank or trust company or other person or persons in the United States having power to enter into the same, including the United States Government or any corporation or agency designated or created by it, as security for the bonds, and may transfer, convey, mortgage, or pledge all or any of the property of the commission thereunder. Such mortgage, deed of trust, indenture, or other agreement may contain such provisions as may be customary in such instruments or as the commission may authorize, including (but without limitation) provisions as to (a) the terms and provisions of the bonds or the resolution providing for the issuance of the same, (b) the construction, operation, maintenance, repair, and insurance of the properties of the commission and the duties of the commission with reference thereto, (c) the application of funds and the safeguarding of funds on hand or on deposit, (d) the rights and remedies of such trustee and the holders of the bonds (which may include restrictions upon the individual right of action of bondholders), and (e) possession of the properties covered by such mortgage, deed of trust, indenture, or other agreement.

The bonds of the commission may be sold in such manner, at such time or times, and at such price or prices as the commission may determine, but no such sale shall be made at a price which would make the interest cost to maturity on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, exceed 6 percent per annum. The cost of the bridge shall be deemed to include interest during construction of the bridge, and for not exceeding 12 months thereafter, and all

engineering, legal, architectural, traffic-surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided.

SEC. 9. After payment of the bonds and interest and discharge of any other obligations of the commission, or after a sinking fund sufficient for such payment and discharge shall have been provided and shall be held for that purpose, the commission shall be authorized to deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within the State of Texas to the State of Texas or any municipality thereof or any agency of said State or any such municipality as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Texas interests") and that part within the State of Louisiana to the State of Louisiana or to any municipality thereof or any agency of said State or any such municipality as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Louisiana interests"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, insured, and repaired by the Texas interests and the Louisiana interests, as may be agreed upon; but if either the Texas interests or the Louisiana interests shall not be authorized to accept or shall not accept the same under such conditions, the commission may transfer the bridge to either of said interests which shall so accept the same, and if neither interest shall so accept the same, then the bridge shall continue to be owned, maintained, operated, insured, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund not to exceed the amount necessary for the proper maintenance, repair, insurance, and operation of the bridge and its approaches under economical management, including reasonable reserves, until such time as the Texas interests or the Louisiana interests, or both, shall be authorized to accept and shall accept such conveyance under the conditions aforesaid.

SEC. 10. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 11. All provisions of this act may be enforced, or the violation thereof prevented, by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of Texas, or by the attorney general for the State of Louisiana, or by the United States district attorney for the district in which the bridge may be located, in part, in any court having competent jurisdiction of the subject matter and of the parties.

SEC. 12. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex."

MISSOURI RIVER BRIDGE, BROWNVILLE, NEBR.

The bill (H.R. 9567) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr., was considered, ordered to a third reading, read the third time, and passed.

DENIS HEALY

The bill (S. 829) for the relief of Denis Healy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Denis Healy shall be held and considered to have been honorably discharged from the United States Navy on the 23d day of December 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

MICHAEL F. CALNAN

The bill (S. 2787) for the relief of Michael F. Calnan was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

ANNIE BRUCE

The bill (H.R. 6246) granting 6 months' pay to Annie Bruce was considered, ordered to a third reading, read the third time, and passed.

SALE OF MILK AND CREAM IN THE DISTRICT

Mr. KING. Mr. President, before reaching it, I have had a number of requests for hearings upon a bill which has passed the House, being House bill 6130, an act to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia. This is Order of Business No. 1305. I feel that under all the circumstances I ought to move to recommit the bill to the Committee on the District of Columbia.

The PRESIDING OFFICER. Without objection, the bill referred to by the Senator from Utah will be recommitted to the Committee on the District of Columbia, in accordance with his request.

BRIDGE ACROSS COLUMBIA RIVER, WASH.

The bill (S. 3615) authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Wahkiakum, a legal political subdivision of the State of Washington, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington, at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in said act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

AGATE PASS BRIDGE, WASHINGTON

The Senate proceeded to consider the bill (S. 3604) to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington, which had been reported from the Committee on Commerce with amendments, on page 1, line 3, after the word "That", to strike out "in order to promote interstate commerce, improve the Postal Service, and provide for military and other purposes" and insert "the act approved March 2, 1929, authorizing the"; in line 7, after the word "assigns", to strike out "be, and is hereby, authorized"; on page 2, line 2, after the name "Washington", to strike out "at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act" and insert "be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof", so as to make the section read:

That the act approved March 2, 1929, authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington, be, and the same is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 1 year and completed within 3 years from the date of approval hereof.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to strike out section 2, as follows:

SEC. 2. After the completion of such bridge, as determined by the Secretary of War, either the State of Washington, any political subdivision thereof within or adjoining which any part of such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and its approaches, and any interest in real property nec-

essary therefor, by purchase or by condemnation or expropriation, in accordance with the laws of such State governing the acquisition of private property for public purposes by condemnation or expropriation. If at any time after the expiration of 10 years after the completion of such bridge the same is acquired by condemnation or expropriation, the amount of damages or compensation to be allowed shall not include goodwill, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and its approaches, less a reasonable deduction for actual depreciation in value; (2) the actual cost of acquiring such interests in real property; (3) actual financing and promotion cost, not to exceed 10 percent of the sum of the cost of constructing the bridge and its approaches and acquiring such interests in real property; and (4) actual expenditures for necessary improvements.

The amendment was agreed to.

The next amendment was, on page 3, after line 10, to insert:

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The next amendment was, on page 3, after line 12, to strike out:

SEC. 3. If such bridge shall at any time be taken over or acquired by the State of Washington, or by any municipality or other political subdivision or public agency thereof, under the provisions of section 2 of this act, and if tolls are thereafter charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the date of acquiring same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

The amendment was agreed to.

The next amendment was, on page 4, after line 11, to strike out:

SEC. 4. The Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, shall within 90 days after the completion of such bridge file with the Secretary of War and with the highway department of the State of Washington, a sworn itemized statement showing the actual original cost of constructing the bridge and its approaches, the actual cost of acquiring any interest in real property necessary therefor, and the actual financing and promotion costs. The Secretary of War may, and at the request of the highway department of the State of Washington shall, at any time within 3 years after the completion of such bridge, investigate such costs and determine the accuracy and the reasonableness of the costs alleged in the statement of costs so filed and shall make a finding of the actual and reasonable costs of constructing, financing, and promoting such bridge. For the purpose of such investigation the said Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, shall make available all of its records in connection with the construction, financing, and promotion thereof. The findings of the Secretary of War as to the reasonable costs of the construction, financing, and promotion of the bridge, shall be conclusive for the purposes mentioned in section 2 of this act, subject only to review in a court of equity for fraud or gross mistake.

The amendment was agreed to.

The next amendment was, on page 5, after line 11, to strike out:

SEC. 5. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns; and any corporation to which or any person to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation or person.

The amendment was agreed to.

The next amendment was, on page 5, after line 21, to strike out:

SEC. 6. All contracts made in connection with the construction of the bridge authorized by this act and which shall involve the expenditure of more than $5,000 shall be let by competitive bidding. Such contracts shall be advertised for a reasonable time in some newspaper of general circulation published in the State in which the bridge is located and in the vicinity thereof; sealed bids shall be required and the contracts shall be awarded to the lowest responsible bidder. Verified copies or abstracts of all bids received and of the bid or bids accepted shall be promptly furnished to the highway department of the State in which such bridge is located. A failure to comply in good faith with the provisions of this section shall render null and void any contract made in violation thereof, and the Secretary of War may, after hearings, order the suspension of all work upon such bridge until the provisions of this section shall have been fully complied with.

The amendment was agreed to.

The next amendment was, on page 6, after line 13, to strike out:

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to revive and reenact the act entitled 'An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington', approved March 2, 1929."

MISSOURI RIVER BRIDGE, GARRISON, N.DAK.

The bill (H.R. 9320) to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak., was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 9326) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa., was announced as next in order.

Mr. McNARY. Mr. President, I ask that order of business no. 1171, being House bill 9326 and Order of Business 1172, being House bill 9401 go over. I ask that they go over at the request of a Senator who is now temporarily absent from the Chamber.

The PRESIDING OFFICER (Mr. NEELY in the chair). Without objection, the bills referred to by the Senator from Oregon will be passed over.

ST. MARYS RIVER BRIDGE, MICH.

The bill (H.R. 9585) authorizing the city of Sault Ste. Marie, Mich., its successors, and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich., was considered, ordered to a third reading, read the third time, and passed.

MARY ALLEN YOUNG

The resolution (S.Res. 223) granting a gratuity to Mary Allen Young, submitted by Mr. McNARY on April 27, 1934, and reported from the Committee to Audit and Control the Contingent Expenses of the Senate, was considered and agreed to as follows:

Resolved, That the Secretary of the Senate is hereby authorized and directed to pay from the contingent fund of the Senate to Mary Allen Young, daughter of John Sims, late an employee of the Senate, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INVESTIGATION OF CONTRIBUTIONS AND EXPENDITURES IN SENATORIAL CONTESTS

The resolution (S.Res. 173) creating a special committee to investigate contributions and expenditures in senatorial contests in 1934, was announced as next in order.

Mr. McNARY. I should like to ask the Senator from Missouri if the resolution conforms to resolutions of similar character heretofore adopted?

Mr. CLARK. I will say to the Senator from Oregon that this resolution is identical with the resolutions which were adopted in the last Congress and the preceding Congress, with the exception that in lines 12 to 18, page 2, a proviso is added which makes it the duty of the committee in cases in which a formal complaint is filed, supported by affidavit

of probable cause upon information and belief by a candidate, or his authorized manager, 20 days before the date of the primary, immediately to proceed to make an investigation.

In other words, the theory of that, I may say to the Senator, is that it has been the practice in the past to conduct such investigations always after the primary. The effect of the adoption of the proviso will be simply to afford a method by which a candidate engaged in the primary may have the benefit of the processes of the committee before the primary if he files formal application.

Mr. McNARY. Is the committee to be bipartisan in character?

Mr. CLARK. Exactly the same provision is made with regard to that as has heretofore been contained in similar resolutions, that the committee shall be bipartisan in character and that no member of the committee shall be appointed from any State in which a Senator is to be elected this year.

Mr. McNARY. How many members is the committee to have?

Mr. CLARK. It is to have five.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

Mr. LONG. Mr. President, my experience with this kind of resolution is such that I must object. I have seen such resolutions abused so glaringly, and have been the victim of them, that I cannot sit here and have the opportunity afforded again. I object.

Mr. CLARK. I wish to state to the Senator from Louisiana that this resolution will be brought up in due course in this body, and the committee will very likely be authorized by the Senate, whether the Senator wishes it or not.

Mr. LONG. That is all right; we will consider that question when we come to it.

The PRESIDING OFFICER. Objection being made, the resolution will be passed over.

STRAITS OF MACKINAC BRIDGE, MICHIGAN

The bill (S. 3415) authorizing the State of Michigan, by and through the Mackinac Straits Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge or series of bridges across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the State of Michigan by and through the Mackinac Straits Bridge Authority, its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge or series of bridges and approaches thereto across the Straits of Mackinac, at a point suitable to the interests of navigation, at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Mackinac Straits Bridge Authority, its successors and assigns, all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, operation, and maintenance of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The Mackinac Straits Bridge Authority is hereby authorized to enter upon, use, and possess title to any United States lands as may be needed for, or be useful for, the construction and operation of the bridge and project, as may be approved by the Secretary of War.

SEC. 4. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Mackinac Straits Bridge Authority, its successors and assigns; and any body to whom such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such body.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

GEORGE DACAS

The bill (H.R. 4541) for the relief of George Dacas was considered, ordered to a third reading, read the third time, and passed.

E. C. WEST

The Senate proceeded to consider the bill (H.R. 7437) for the relief of E. C. West, which had been reported from the Committee on Claims with an amendment, on line 7, after the word "reimbursement", to insert the words "in full", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. C. West, of Dunn, N.C., the sum of $201.59 as reimbursement in full of substitute-clerk hire paid by him from December 31, 1921, to September 30, 1922, while acting as postmaster at Dunn, N.C.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LANDS IN THE BOROUGH OF BROOKLAWN, N.J.

The Senate proceeded to consider the bill (S. 171) for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, which had been reported from the Committee on Claims, with amendments.

The first amendments was on page 9, after line 10, to insert:

Provided, That said refunds shall be in full settlement of all claims that such owners of lands, as hereinbefore described in this act, may have against the Government of the United States.

So as to make the section read:

That the United States Shipping Board is authorized and directed to make refunds to present owners of lands in the borough of Brooklawn, in the State of New Jersey, which have been purchased by them from the United States, of 28 percent of the purchase price of such purchased lands where the full purchase price of said lands has been paid by such owners into the Treasury of the United States: *Provided*, That said refunds shall be in full settlement of all claims that such owners of lands, as hereinbefore described in this act, may have against the Government of the United States.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 6, after the word "act", to insert:

Provided, That no part of the amount appropriated by virtue of this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated by virtue of this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

Mr. KING. Mr. President, I should like an explanation with regard to this bill.

Mr. KEAN. Mr. President, this is a project that was started by the Shipping Board. During the World War they built 400 or 500 houses. After the war was over they tried to sell them. For some of them they received cash and for some they took mortgages. The consequence is that if they buy back the property under foreclosure of the mortgages there is not enough taxable property left in the borough to pay for the schools, fire engines, or anything else. They sold some of the property at auction, but every time they have offered it for sale the Board has had to buy it back; so that the property is just brought back into the hands of the Government again. It is getting nowhere with it, and school and other activities of the town are stopped.

This bill is designed to relieve the purchasers of part of the purchase price, which will enable them to keep their homes and will enable the municipality to go ahead. The bill has been approved by the former head of the Shipping Board and by Admiral Cone, who was also head of the

Shipping Board. It was gone into very carefully by both of them and they have approved it.

Mr. KING. I ask the Senator what is the amount involved?

Mr. KEAN. The amount involved is $163,000.

Mr. KING. Will that discharge the entire liability?

Mr. KEAN. That will be the maximum expense to the United States. The passage of the bill will relieve the Board; otherwise they will have all these houses on their hands, and they will have to keep them in repair, the cost of which will amount to a good deal more than the sum mentioned.

Mr. KING. The Senator will perceive that the bill contains no limitation. It provides:

SEC. 2. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary.

Mr. KEAN. If the Senator will read the report on page 3, I think that is made clear.

Mr. KING. The Senator stated, as I understood, that the amount required is $160,000?

Mr. KEAN. It is $163,400.

Mr. KING. How does the Senator reach that amount?

Mr. KEAN. It will be found in the report on the third page.

Mr. KING. I shall not object to the consideration of the bill, but I desire to offer an amendment because I do not like the unlimited authority conferred. I move to amend, on page 2, line 5, after the word "necessary", by inserting "not to exceed $163,000."

Mr. KEAN. Will not the Senator make it $164,000?

Mr. KING. I shall not be outdone in generosity by the Senator from New Jersey. I move to amend, on page 2, line 5, after the word "necessary", by inserting "not to exceed $164,000."

Mr. KEAN. I will accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

GRIER-LOWRENCE CONSTRUCTION CO.

The bill (S. 3394) for the relief of the Grier-Lowrence Construction Co. was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the bill.

Mr. BAILEY. Mr. President, the bill is for the relief of one of the bridge companies which constructed a bridge across the Potomac River, based upon two considerations.

First, the damage to the contractor is based on the fact that the plans were not supplied, the opportunity to do the work was not afforded, and the contracting company was delayed.

The other consideration is that the drawings of the Commission, which had charge of the construction of the Arlington Bridge, represented that the soil was in a certain condition. The bid was made on the basis of that soil condition, the representation being made that it was substantial yellow clay. When the contractor dug down he found that the soil was muck and he had great difficulty in getting a foundation. He also found there was an old railroad bed under there which had caused or permitted the river to seep in.

The claim is in quite a considerable figure, $79,933. The bill has been passed by the House. It is not recommended by Mr. Ickes. However, Mr. Ickes said:

If, as a result of an examination of the facts in this case, the Congress determines that the Grier-Lowrence Construction Co. is entitled to relief, this Department will interpose no objection to the passage of the bill.

There are the facts, without going into great detail. The contract was made under a misrepresentation by the Government of conditions. The contractor was ruined and put out of business by reason of the loss sustained. The corporation was ruined, and the members of the corporation were ruined.

Mr. KING. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims with amendments, on page 1, line 4, to strike out "Grier-Lowrence" and insert "Grier-Lowrance"; in line 7, after the word "settlement", to insert "of all claims against the Government of the United States"; in line 9, to strike out "Grier-Lowrence" and insert "Grier-Lowrance"; and on page 2, at the end of the bill, to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the Grier-Lowrance Construction Co., of Statesville, N.C., out of any money in the Treasury not otherwise appropriated, the sum of $74,723.97, in full settlement of all claims against the Government of the United States on account of extra work performed by the Grier-Lowrance Construction Co. for which no payments have been made, and deductions imposed under contract dated May 18, 1929, for the construction of foundations for the structures comprising the bridge plaza and water gate of the Arlington Memorial Bridge project, Washington, D.C.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "A bill for the relief of the Grier-Lowrance Construction Co."

A. C. FRANCIS

The bill (H.R. 2748) for the relief of A. C. Francis was considered, ordered to a third reading, read the third time, and passed.

E. B. ROSE

The bill (H.R. 2749) for the relief of E. B. Rose was considered, ordered to a third reading, read the third time, and passed.

JUDD W. HULBERT

The bill (H.R. 4932) for the relief of Judd W. Hulbert was considered, ordered to a third reading, read the third time, and passed.

OSCAR P. COX

The bill (H.R. 5935) for the relief of Oscar P. Cox, was considered, ordered to a third reading, read the third time, and passed.

MRS. PLEASANT LAWRENCE PARR

The bill (H.R. 6890) for the relief of Mrs. Pleasant Lawrence Parr was considered, ordered to a third reading, read the third time, and passed.

MRS. JOSEPH RONCOLI

The bill (H.R. 7028) for the relief of Mrs. Joseph Roncoli was considered, ordered to a third reading, read the third time, and passed.

LT. H. W. TAYLOR

The bill (H.R. 5780) for the relief of Lt. H. W. Taylor, United States Navy, was considered, ordered to a third reading, read the third time, and passed.

ANNIE MORAN

The bill (H.R. 4272) for the relief of Annie Moran was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 194) to refund to Caroline M. Eagan income tax erroneously and illegally collected was announced as next in order.

Mr. GEORGE. Mr. President, I think the bill should go over. It involves a refund of income taxes paid. It has been passed upon by the Claims Committee and no doubt was regularly referred to that committee, but obviously it ought to have gone to the Finance Committee. I ask that it go over.

The PRESIDING OFFICER. The bill will be passed over.

SHELBY J. BEENE ET AL.

The bill (H.R. 5736) for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller was announced as next in order.

Mr. HATFIELD and Mr. McKELLAR. Over.

Mr. OVERTON. Mr. President, will the Senators withhold their objection while I make an explanation of the bill?

The bill provides for the relief of certain persons who were erroneously assessed and compelled to pay, under judgment of the court, certain income taxes. There were 48 partners connected with the transaction. Assessment was made against the 48 partners. Four of them resisted payment. The Board of Tax Appeals decided against them. The circuit court of appeals decided against them. They made application for a writ of certiorari to the Supreme Court which was refused. The remaining 44 partners in the same transaction paid the tax assessment under protest and instituted suit in the Federal district court.

Mr. McKELLAR. Does the Department recommend repayment of the taxes?

Mr. OVERTON. Yes.

Mr. ROBINSON of Arkansas. The bill would merely put the four on the same basis as the 44?

Mr. OVERTON. That is correct.

Mr. ROBINSON of Arkansas. It would make uniform the treatment of all of them?

Mr. OVERTON. Yes. The Supreme Court of the United States decided in reference to the other 44, in granting the writ, that they should be reimbursed the taxes which had been erroneously assessed against them.

Mr. ROBINSON of Arkansas. The issues were in no important detail materially different from those in the case in which the refund was allowed?

Mr. OVERTON. Not only was there no material difference, but they were upon the same record. Therefore, I ask that the objection be withdrawn. I wish to have the amendment rejected. The amendment strikes out the allowance of interest, but interest was allowed to the other 44 taxpayers.

Mr. ROBINSON of Arkansas. I believe if the Senator insists on that point he is likely to defeat his purpose. The Government does not pay interest.

Mr. OVERTON. They do in cases of this kind, under the act of 1933.

Mr. McKELLAR. There were some 40 or 50 of these claimants, and all of them except four took an appeal to the Supreme Court. Did the four whom we are now asked to favor refuse to take an appeal, or how did it happen that they did not appeal with the rest? In other words, are they in this way getting the benefit of the court action of the many? If so, I have my doubts about whether or not the bill ought to be passed at all.

Mr. OVERTON. No, Mr. President; that is not the case.

Mr. McKELLAR. Why is it that they were not included?

Mr. OVERTON. I will explain the situation.

These four refused to pay. The Board of Tax Appeals decided against them. The circuit court of appeals decided against them. They applied for writ of certiorari to the Supreme Court and the Supreme Court refused the writ. That is the case of the four.

In the case of the other 44, they paid under protest, and instituted suit to recover in the district court. Their claim was disallowed. They appealed to the circuit court of appeals. Their claim was disallowed there. Then they appealed for a writ of certiorari to the Supreme Court of the United States; and the Supreme Court, which had previously denied a writ of certiorari under the same issues and the same facts to the 4 who are now asking for relief, granted it to the 44, and, on a review of the case, decided that the payment was erroneous. The record was exactly the same in both series of cases.

Mr. McKELLAR. Under those circumstances, if the Senator is willing to let the bill go through without interest, I shall not object to its consideration.

Mr. OVERTON. Will the Senator hear me for just a moment on the matter of interest?

Under the decision of the Supreme Court of the United States, the other 44 were allowed interest. Under the Revenue Act of 1933, interest at the rate of 6 percent is allowed on these refunds. It is, therefore, the policy of the Federal Government to allow interest in these cases.

Mr. ROBINSON of Arkansas. But they paid.

Mr. McKELLAR. They paid.

The PRESIDING OFFICER (Mr. McGILL in the chair). The time of the Senator from Louisiana has expired. Objection is heard to the consideration of the bill at this time, and the bill will be passed over.

BILLS PASSED OVER

The bill (S. 3516) for the relief of the Morgan Decorating Co. was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER (Mr. NEELY in the chair). The bill will be passed over.

LILLIAN MORDEN

The bill (S. 527) for the relief of Lillian Morden was announced as next in order.

Mr. KING. Let that go over.

Mr. BAILEY. Mr. President, I wish to call the attention of the Senate to the minority report on this bill. This lady claims to have contracted influenza while serving in a hospital.

Mr. KING. Objection was interposed to the consideration of the bill. In view of the record, I object to its consideration.

Mr. BAILEY. I did not offer any objection.

The PRESIDING OFFICER. The Senator from Utah objects, as the Chair understands.

Mr. FRAZIER. Mr. President, if the Senator will withhold his objection, I wish to make a brief statement with regard to this case.

The PRESIDING OFFICER. Does the Senator from Utah withhold his objection for the purpose of enabling the Senator from North Dakota to make an explanation?

Mr. KING. Yes.

Mr. FRAZIER. Mr. President, this young lady volunteered as a student nurse during the World War, at the request of the Government, when the influenza epidemic was at its height. She was teaching school at the time, with a good salary. She had excellent health and was quite a noted athlete. She volunteered and was assigned to the camp at Fort Dodge, Iowa, and while there developed influenza. It has caused a throat trouble which afterward developed into arthritis.

For several years the young lady has been totally helpless. She has been denied hospitalization in Government hospitals because she was not in the Regular Army service. For the past year or two she has been with a married sister at Wahpeton, N.Dak.

I visited this young lady last fall. She is totally helpless, and has been for some years. Because of the financial condition of her sister and her husband during the past 2 months, the young lady was sent to a county hospital there, and is now a county charge, because her relatives cannot take care of her and because she is unable to take of herself by reason of her services to the United States Army.

Mr. President, I know that there is a technicality against legislation of this kind, but I am satisfied that there is a just cause here; that this young lady is entitled, morally at least, to hospitalization in Government hospitals, and to some pay—a little pay, at least—for the expenses which have been incurred in trying to restore her health. The amount asked for in the bill does not begin to cover the expenses of this young lady in the way of doctors' bills.

The PRESIDING OFFICER. Does the Senator from Utah insist upon his objection?

Mr. KING. No; I withdraw the objection.

Mr. BAILEY. Mr. President, I should like to say that while I do not care to dispute any statement made by the

Senator from North Dakota [Mr. FRAZIER] as Chairman of the Claims Committee, I am looking for a little guidance.

If it is to be the policy of the Congress to pay all people in the Government service who contract influenza or other diseases in the discharge of their duties, we ought to know it, and I think there will be no question as to what will happen. Every postmaster, every rural free-delivery carrier, every one of the six or seven hundred thousand clerks will have a right, under the precedent, if he contracts a bad cold or typhoid fever or pneumonia or influenza, to present a claim against the Government.

If the Congress desires that policy set up in the Claims Committee, I should like to know it.

Mr. FRAZIER. Mr. President, this situation is quite different. In this case the young lady contracted this disease during the World War, when she was in the service of the Government, only as a private citizen, of course, but in the war service, at a war camp. She contracted the disease there, and has been totally disabled practically ever since. It seems to me that we are justified in passing measures to take care of special cases. We continually pass special bills. We have passed a good many of them today; and bills similar to this have been passed at previous sessions of Congress. So I hope this bill may go through, and that this young lady may be taken care of.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Lillian Morden the sum of $2,462.20, in full settlement of all claims against the Government for medical expenses incurred as a result of contracting influenza and other ailments while employed as a student nurse in the Medical Department of the Army at Fort Dodge, Des Moines, Iowa; and that said Lillian Morden shall be admitted to such Army hospital as may be directed by the Surgeon General of the United States Army for necessary care and treatment.

BILL PASSED OVER

The bill (S. 3326) to amend the Agricultural Adjustment Act, and for other purposes, was announced as next in order.

Mr. FESS, Mr. DICKINSON (and other Senators). Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

RUTH J. BARNES

The bill (S. 1137) for the relief of Ruth J. Barnes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Chief of Finance of the Army shall cause to be paid to Ruth J. Barnes, wife of Joseph A. Barnes, late of the Air Corps Reserve, Air Service, United States Army, who was killed while engaged in flying at the Brooks Field, Tex., on October 12, 1932, an amount equal to 6 months' pay at the rate the said Joseph B. Barnes was receiving at the date of his death. Such amount shall be paid from funds appropriated for pay of the Army.

JAMES DARCY

The Senate proceeded to consider the bill (S. 771) for the relief of James Darcy, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, after the word "Darcy", to insert "alias James Hurley", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers James Darcy, alias James Hurley, who was a member of Battery N, Seventh Regiment United States Artillery, Spanish-American War, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 12th day of April 1900: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of James Darcy, alias James Hurley."

APPOINTMENT OF SPECIAL AGENTS, DIVISION OF INVESTIGATION, AS STATE OFFICERS

The bill (S. 3075) to permit the appointment of special agents of the Division of Investigation as State officers was announced as next in order.

Mr. DICKINSON. Let that go over.

Mr. COPELAND. Mr. President, will the Senator who objected withhold his objection for a moment?

Mr. DICKINSON. I withhold the objection.

Mr. COPELAND. Mr. President, the plan of the bill, if put into operation, would do away with such fiascoes as we have seen in the attempt to capture Dillinger.

The bill provides that the governor of each State may recommend to the Attorney General, just as we now recommend to the Department of War or the Navy Department young men for appointment to West Point or Annapolis, two persons, residents, citizens, and, if possible, natives of the State. Then, if they are found by the Attorney General to be qualified, they are to be appointed to the Bureau of Investigation and given exactly the same fine training that is given to all the applicants for those positions. They are to be given, as I say, the usual training, and are to be paid officials of the United States.

Then these men will return to their States, or perhaps one will be left in the regular service of the Bureau. The other will return to his State capital—for example, to Madison, Wis., or to Des Moines, Iowa. Then what will he do? It will be his business to become acquainted with the personnel of the police departments of the State, of the cities, of the State troopers, of the constabulary generally. Then when an affair happens like the escape of Dillinger, and the criminal goes up into Wisconsin, the officials of Wisconsin who are familiar with the byways and the highways and the terrain will be called out by the aid of this Government officer; and I am confident that the enactment of the bill will do much to coordinate the activities of the Federal and the State Governments.

Mr. President, I submitted this plan to the Governor of every State. Forty Governors replied fully, and 35 of them gave absolute or qualified approval to the measure. The point about the matter is that this citizen of Iowa, for example, who is to be appointed a special agent, and who is known as a native or as a citizen of that State, will be given a cordial reception locally. At present, when a man is sent from the Federal Bureau of Investigation into any State of the Union, he is given the cold shoulder. This agent will be there; and if the law of the Sate of Iowa or the State of Wisconsin permits him to be made a dollar-a-year man and given the police power of the respective State, so much the better; but I am sure—and that is one of the conclusions of our committee on crime—that this plan, if put into operation, will coordinate the police efforts of our country and make more difficult the escape of a man like Dillinger.

I hope, therefore, that the Senate may see fit to pass the bill.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. DICKINSON. How much would the enactment of the bill increase the personnel of this branch of the Government?

Mr. COPELAND. It would increase it by 96.

Mr. DICKINSON. How many special agents have they now?

Mr. COPELAND. Three hundred.

Mr. KING. More than that.

Mr. DICKINSON. It would be necessary either to have an increase in the degree of efficiency in running down crimes, or to have 96 much better men than they have had heretofore, in order to be very effective.

Mr. COPELAND. I should not want to say that the present special agents are not good men; but to take 20 lawyers—they are all lawyers in the Bureau now—from Chicago and send them up into the woods of northern Wisconsin and expect those boys to find Dillinger under those conditions is an absurdity. The Attorney General believes

that the personnel of the Bureau of Investigation should be increased to a thousand men. I know that if we could have 100 men, so that there would be 2 men from each State employed in that Bureau, we would go far toward solving the problem of crime in this country.

Mr. DICKINSON. Let me make one further inquiry, whether or not, if we pass this bill, it is going to be duplicated in the other types of bureaus which have enforcement authority.

Mr. COPELAND. Of course, I cannot answer for anything else. I can speak only about crime prevention.

Mr. McKELLAR. I shall have to object.

Mr. COPELAND. I hope the Senator will not object.

Mr. DICKINSON. I was about to withdraw my objection.

Mr. KING. Regular order.

Mr. REYNOLDS. Mr. President, I hope that the Senators who objected to the consideration of this bill will see fit to withdraw their objections.

In reference to the number of men under the Director of the Bureau of Investigation, I believe that it has been revealed here by the eminent Senator from the State of New York, who has sponsored this legislation, that there are only about 300 men in that Bureau. As a matter of fact, if we expect ever to bring about law and order in this country, if we hope ever to be able to cope with the situation as we find it today, with one of the greatest outlaws ever known out in Oklahoma, "Pretty Boy" Floyd, and Dillinger, and hundreds of other criminals in the country just as bad as Dillinger at large, it is absolutely necessary and imperatively important that the Director of this Bureau be provided with the means with which to be able to apprehend those outlaws.

Were I privileged to do so, I would unhesitatingly increase the force from 300 to 1,000. It is not a question of the character and the capabilities of the 300 men who are now in that Bureau. I think the Bureau of Investigation in the Department of Justice, under the direction of Mr. Edgar Hoover, has done a wonderful work, and has made marvelous progress in the discovery of crime. I hope the Senators will withdraw their objections.

The PRESIDING OFFICER. Does the Senator from Tennessee withdraw his objection?

Mr. McKELLAR. Mr. President, I wish to look into the matter further.

Mr. KING. Regular order.

The PRESIDING OFFICER. The bill will go over.

VALIDATION OF CONVEYANCES BY THE CENTRAL PACIFIC RAILWAY CO.

The bill (H.R. 7082) validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356), was considered, ordered to a third reading, read the third time, and passed.

VALIDATION OF CONVEYANCES BY THE CENTRAL PACIFIC RAILWAY CO.

The bill (H.R. 7098) validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239), was announced as next in order.

Mr. KING. Mr. President, I should like to inquire whether there is any defect in the title which calls for validating legislation?

Mr. JOHNSON. Yes. The deeds which were originally given by the railroad company to the settlers involved a part of a right-of-way which was not intended to be included in the original grant, with the result that subsequently they quitclaimed to the settlers. Then the title of the settlers was not held to be entirely perfect, and this legislation is designed to clear up the title. Some of the settlers have been in possession of the land for 60 years.

Mr. McKELLAR. Mr. President, does the Department recommend the legislation?

Mr. JOHNSON. It does.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

JOHN J. MORAN

The bill (S. 2333) for the relief of John J. Moran was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and paid to John J. Moran the sum of $296.42, being the amount paid by Mr. Moran as postmaster at Southington, Conn., to Raymond F. Keating and Keron R. Welch, employees at the post office, for the period August 16 to September 30, 1918, which amount was not allowed by the Post Office Department, plus interest at the rate of 4 percent per annum.

COMPENSATION FOR EXTRA WORK AT MONEY-ORDER OFFICES

The bill (H.R. 3214) to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF POSTAL LAWS RELATING TO SECOND-CLASS MATTER

The bill (H.R. 5334) to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec, 226), was considered, ordered to a third reading, read the third time, and passed.

OATHS BY POST-OFFICE INSPECTORS

The bill (H.R. 6675) to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service was considered, ordered to a third reading, read the third time, and passed.

RATES OF PAY, RAILWAY MAIL SERVICE

The bill (H.R. 7213) to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer was considered, ordered to a third reading, read the third time, and passed.

FEES FOR DELIVERY OF MAIL

The Senate proceeded to consider the bill (H.R. 7301) to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 1, line 8, to strike out after the word "*Provided*", through the word "Service", on page 2, as follows:

That no refund shall be made of fees paid for this service unless erroneous delivery of the article or articles was made by the Postal Service.

And to insert in lieu thereof the following:

That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the Postal Service or nondelivery of the article or articles was due to some fault of the Postal Service.

So as to make the bill read:

Be it enacted, etc., That the Postmaster General, under such regulations as he may prescribe, is authorized to collect an additional fee of 10 cents for effecting the delivery by carrier or otherwise of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order: *Provided*, That no refund shall be made of fees paid for this service unless request for refund is made and erroneous delivery of the article or articles was made by the Postal Service or nondelivery of the article or articles was due to some fault of the Postal Service.

The amendment was agreed to

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

POSTAL TREATIES OR CONVENTIONS

The bill (H.R. 7317) to provide for the final construction on behalf of the United States of postal treaties or conventions to which the United States is a party was considered, ordered to a third reading, read the third time, and passed.

LIABILITY OF POSTAL CONTRACTORS

The bill (H.R. 7340) to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof, was considered, ordered to a third reading, read the third time, and passed.

PAYMENT OF TRAVELING EXPENSES, POSTAL SERVICE

The bill (H.R. 7711) to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service, was announced as next in order.

Mr. DICKINSON. Mr. President, will the Senator from Tennessee give an explanation of the bill? It seems to be rather far-reaching.

Mr. McKELLAR. Mr. President, the bill requires that postmasters act as disbursing officers for the payment of traveling expenses of officers and employees in the Postal Service. It is recommended by the Department on the ground that it will benefit the Service very much and enable the employees to get their salaries more promptly. The same accounting will be required. There will be no danger of loss. I think the bill ought to be passed.

Mr. DICKINSON. I have no objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That those parts of the acts of May 4, 1882 (22 Stat. 54), July 5, 1884 (23 Stat. 156), July 28, 1916 (39 Stat. 418), and June 3, 1924 (43 Stat. 356), which are incorporated in section 50 of title 39 of the United States Code are amended to read as follows:

"Postmasters may be designated by the Postmaster General as disbursing officers for the payment of mail messengers and others engaged under their supervision in transporting the mails. He may also designate postmasters at Presidential post offices as disbursing officers for the payment of the salaries of the officers and employees of the Postal Service concerned in the transportation of mails or in their distribution in transit, and for such other payments as they are authorized to make from postal revenues, and he may designate postmasters at money-order post offices as disbursing officers for the payment of the salaries and traveling expenses of officers and employees of the Postal Service, and for such other payments as postmasters are authorized to make from postal revenues."

NATIONAL BANK BRANCHES

The Senate proceeded to consider the bill (S. 605) authorizing national banks to establish branches in certain cases, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, after line 10, to add the words, "and that any national banking association legally established and situated in a Territory or possession of the United States may, with the approval of the Comptroller of the Currency, establish and operate new branches at any point within the Territory or possession where such association is situated", so as to make the bill read:

Be it enacted, etc., That wherever the United States shall own, or have, a Federal reservation of any kind, in any county or counties, of any State in the Union in which reservation there is no State, national, or branch bank, any national bank in any such county in which said reservation, or any part thereof, is situated may, by and with the approval of the Comptroller of the Currency of the United States, establish therein a branch of said bank where it may conduct a branch banking business, and that any national banking association legally established and situated in a Territory or possession of the United States may, with the approval of the Comptroller of the Currency, establish and operate new branches at any point within the Territory or possession where such association is situated.

Mr. WALSH. Mr. President, I should like to have an explanation of this bill.

Mr. LOGAN. Mr. President, this bill is almost wholly a private measure, although it does appear as if it might be broader than it really is.

There is an Army camp down in Kentucky about 15 miles or more from any bank, Fort Knox, a very large camp, and carrying money to pay the soldiers from the nearest bank to the fort is rather dangerous as well as rather difficult. This bill would allow the establishment of a branch bank in a Federal reservation.

Mr. WALSH. I have no objection. The title was rather misleading.

Mr. KING. Mr. President, I should like to ask the Senator from Kentucky whether the Senator from Virginia [Mr. GLASS] and other members of the Committee on Banking and Currency approve the bill?

Mr. LOGAN. My colleague can answer the question, as he is a member of the Committee on Banking and Currency. It was reported favorably by the Department, and was approved by all interested parties.

Mr. BARKLEY. Mr. President, the bill was approved by the Committee on Banking and Currency. I am thoroughly familiar with the situation which makes the legislation necessary.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NAVAL RECORDS OF CREWS OF THE "ALGONQUIN" AND "ONONDAGA"

The bill (H.R. 5018) to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga* was announced as next in order.

Mr. KING. I should like to have an explanation of that.

Mr. DICKINSON. Mr. President, have we ever followed the custom of correcting the records of an entire crew?

Mr. KING. Let the bill go over.

Mr. DICKINSON. Let us have an explanation.

The PRESIDING OFFICER. Unless the objection is withdrawn, debate on the question is not in order. Objection is made, and the bill will go over, under the rule.

BAYOU BARTHOLOMEW BRIDGE, LOUISIANA

The bill (S. 3640) granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge and approaches thereto across the Bayou Bartholomew, at a point suitable to the interests of navigation, at or near its mouth in Morehouse Parish, La., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

TREATIES WITH REFERENCE TO AMERICAN SAMOA

The joint resolution (H.J.Res. 340) to harmonize the treaties and statutes of the United States with reference to American Samoa, was considered, ordered to a third reading, read the third time, and passed.

ABANDONED LIGHTHOUSE RESERVATION AND BUILDINGS, ERIE, PA.

The bill (H.R. 5312) to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes was considered, ordered to a third reading, read the third time, and passed.

FLOODS IN THE SALMON RIVER, ALASKA

The bill (H.R. 5665) authorizing the control of floods in the Salmon River, Alaska, was considered, ordered to a third reading, read the third time, and passed.

DEVELOPMENT AND REGULATION OF CIVIL AERONAUTICS

The bill (S. 3526) to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics, was announced as next in order.

Mr. KING. I should like to have an explanation of the bill. Let it go over.

The PRESIDING OFFICER. The bill will be passed over temporarily.

PRINTING OF BILLS AND RESOLUTIONS

The Senate proceeded to consider the bill (S. 3237) to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929, which had been reported from the Committee on the Judiciary, with an amendment to add a new section at the end of the bill, so as to make the bill read:

Be it enacted, etc., That such provisions in section 1 of the act of March 4, 1933 (47 Stat. 1603), as purport to amend "sections 4 and 5 of the joint resolution approved March 2, 1929 (U.S.C., supp. VI, title 1, secs. 54 (a) and (b))", are hereby repealed.

SEC. 2. Sections 4 and 5 of such joint resolution of March 2, 1929 (U.S.C., supp. VI, title 1, secs. 54 (a) and 54 (b), shall hereafter be in full force and effect as originally enacted.

SEC. 3. That, subject to the provisions of the second section, the Joint Committee on Printing is hereby empowered to authorize the printing of any bill or resolution, with index and ancillaries, in such style and form as the Joint Committee on Printing shall deem to be most suitable in the interest of economy and efficiency, and to so continue until final enactment thereof in both Houses of Congress; and such committee may also curtail the number of copies of such bills or resolutions, including the slip form of such public act or public resolution.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3407) authorizing the establishment and maintenance of an industrial plant at Reidsville, W.Va., was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The bill will be passed over.

CHARLES E. SECORD

The Senate proceeded to consider the bill (S. 3160) for the relief of Charles E. Secord, which had been reported from the Committee on Claims with amendments, on page 1, line 6, to strike out "$5,000", and to insert in lieu thereof "$500 in full settlement of all claims against the Government", and to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles E. Secord the sum of $500, in full settlement of all claims against the Government, for injuries received through the negligent operation of a motor vehicle by a prohibition agent working under the Treasury Department of the United States Government: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES R. MANSFIELD

The bill (S. 2074) for the relief of James R. Mansfield was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to James R. Mansfield, the sum of $58.33 a month for the remainder of his natural life, as compensation for a permanent disability resulting from injuries received by him on or about January 4, 1925, while assisting a prohibition agent in making a raid on an illicit still on Waldens Ridge, Rhea County, Tenn. Such monthly payments shall be made through the United States Employees' Compensation Commission, and shall date from the approval of this act.

DR. R. N. HARWOOD

The Senate proceeded to consider the bill (S. 2501) for the relief of Dr. R. N. Harwood, which had been reported from the Committee on Claims with an amendment, on page 1, line 9, after the name "Harwood", to insert "for compensation for disabilities to his hands received while acting as designated dental examiner on fee basis at Morristown, Tenn., for the Veterans' Administration", so as to make the bill read:

Be it enacted, etc., That in the administration of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes", approved September 7, 1916, as amended, the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Dr. R. N. Harwood for compensation for disabilities to his hands received while acting as designated dental examiner on fee basis at Morristown, Tenn., for the Veterans' Administration, in the same manner and to the same extent as if said R. N. Harwood had made application for the benefits of said act within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

H. N. WILCOX

The Senate proceeded to consider the bill (S. 3122) for the relief of H. N. Wilcox, which had been reported from the Committee on Claims with an amendment, on page 1, line 9, after the word "boat", to strike out "*Catchalot*" and to insert "*Cachalot*", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to H. N. Wilcox, out of any money in the Treasury not otherwise appropriated, the sum of $119 in full settlement of all claims against the Government for hospital and medical expenses incurred as a result of injuries sustained by H. N. Wilcox and Edson Reed in an explosion aboard the gasoline fishing boat *Cachalot* on December 8, 1933: *Provided*, That before any payment is made to the claimant, H. N. Wilcox, that reimbursement be made to the Truesdale Hospital, Inc., of Fall River, Mass., and Dr. C. H. Bryant, of Tiverton, Rhode Island, in full satisfaction of all hospital and medical expenses incurred by H. N. Wilcox and Edson Reed.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HERBERT E. MATTHEWS

The Senate proceeded to consider the bill (S. 2343) for the relief of Herbert E. Matthews, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, to strike out all after the enacting clause and to substitute in lieu thereof the following:

Be it enacted, etc., That the United States Employees' Compensation Commission is hereby authorized to consider and determine the claim of Herbert E. Matthews, of Johnson City, Tenn., formerly employed by the Federal Barge Lines, operated by the Inland Waterways Corporation, aboard the steamer *Memphis*, in the same manner and to the same extent as if application for the benefits of the United States Employees' Compensation Act had been made within the 1-year period required by sections 17 and 20 thereof: *Provided*, That no benefits shall accrue prior to the approval of this act.

Mr. DICKINSON. Mr. President, I should like to inquire of the Senator from Tennessee [Mr. MCKELLAR] whether or not the passage of this bill would establish the precedent of waiving the statute of limitations in reference to the time within which claims of this character may be filed.

Mr. MCKELLAR. I think a bill of this kind would not establish a precedent. Each case depends on its own merits. The Senator from Mississippi [Mr. STEPHENS] has made the report. I wish the Senator would make an explanation of the bill.

Mr. STEPHENS. Mr. President, the Committee on Claims has had many bills of similar character before it. It is not at all unusual that the statute of limitations be waived and that the Employees' Compensation Commission be allowed to consider and pass upon the claim.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JEWELL MANESS

The Senate proceeded to consider the bill (S. 2613) for the relief of Jewell Maness, which had been reported from the Committee on Claims, with an amendment, on page 1, line 9, after the name "Tennessee", to insert "and the United States Employees' Compensation Commission is authorized and directed to consider and determine her claim for compensation on account of her husband's death notwithstanding the limitations in the first paragraph of section 10 of the said act", so as to make the bill read:

Be it enacted, etc., That sections 17 and 20 of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties and for other purposes", approved September 7, 1916, as amended, are hereby waived in favor of Jewell Maness, widow of Ward W. Maness, deceased, former transfer mail clerk, Union Depot, Jackson, Tenn., and the United States Employees' Compensation Commission is authorized and directed to consider and determine her claim for compensation on account of her husband's death notwithstanding the limitations in the first paragraph of section 10 of the said act: *Provided*, That compensation, if any, shall commence from and after the date of the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MRS. DONNIE WRIGHT

The Senate proceeded to consider the bill (S. 2336) for the relief of the estate of Mrs. Donnie Wright, deceased, which had been reported from the Committee on Claims with amendments, on page 1, line 6, after the name "Wright", to strike out "$10,000" and to insert in lieu thereof "$4,500"; in line 7, after the word "her", to strike out "three"; in line 8, after the words "killed on", to strike out the words "day of" and to insert in lieu thereof "September 30"; and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Mrs. Donnie Wright $4,500, in full and final settlement for the benefit of her children by reason of her being killed on September 30, 1929, in a public elevator, located in a Federal building in the city of Vicksburg, Miss., and operated by a Government employee: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SAN PEDRO RIVER, ARIZ.

The Senate proceeded to consider the bill (S. 3657) authorizing the construction of a dam on the San Pedro River, Ariz., which had been reported from the Committee on Irrigation and Reclamation with an amendment on page 2, line 3, to strike out "$2,800,000" and to insert in lieu thereof "$1,200,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior, through the Reclamation Service, is authorized and directed to construct a dam on the San Pedro River, in the State of Arizona, at or near the Charleston Dam site, or any other suitable place in the San Pedro Valley, for the purposes of flood control, irrigation and reclamation, development of hydroelectric power, and the prevention of soil erosion.

SEC. 2. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,200,000 for the purpose of constructing the dam authorized by this act, and the carrying out of all necessary work in connection therewith.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

C. A. BETZ

The bill (H.R. 3992) for the relief of C. A. Betz was considered, ordered to a third reading, read the third time, and passed.

RESTORATION OF HOMESTEAD RIGHTS

The Senate proceeded to consider the bill (S. 2987) to restore homestead rights in certain cases, which had been reported from the Committee on Public Lands and Surveys, with an amendment, to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That hereafter any person who has heretofore made entry under the homestead laws on any lands embraced within any reservation ceded to the United States by the Indian tribes and has paid for his land the sum of at least $1.25 per acre shall, upon proof of such facts, if otherwise qualified, be entitled to the benefit of the homestead law as though such former entry had not been made; but the provisions of this act shall not apply to any person who has failed to pay the full price for his former entry or whose former entry was canceled for fraud: *Provided*, That, in making any new homestead entry as authorized by this act or the prior similar acts of February 20, 1917 (39 Stat. 926), and February 25, 1925 (43 Stat. 981), such entry shall not include any land to which the Indian title shall not have been fully extinguished.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

OCMULGEE NATIONAL MONUMENT, GA.

The bill (H.R. 7653) to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga., was considered, ordered to a third reading, read the third time, and passed.

"OLMSTEAD LANDS", NORTH CAROLINA

The bill (H.R. 8779) to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina, was considered, ordered to a third reading, read the third time, and passed.

GREAT SMOKY MOUNTAINS NATIONAL PARK

The bill (H.R. 7360) to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

LOSS OR DAMAGE TO MAIL MATTER

The bill (H.R. 7299) to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof, was considered, ordered to a third reading, read the third time, and passed.

GRAZING LANDS

Mr. KING. Mr. President, what became of Calendar No. 1231?

The PRESIDING OFFICER. The clerk informs the Chair that that bill was passed several days ago.

Mr. McKELLAR. I do not think that is on the calendar, although it is in our calendar file.

The PRESIDING OFFICER. The clerk informs the Chair that Calendar No. 1231 was disposed of some days ago, and that the bill indicated by that number has been passed.

Mr. KING. That is the grazing bill.

Mr. ASHURST. Mr. President, the so-called "Taylor grazing bill" has not been reached. It is Calendar No. 1258, on page 30.

The PRESIDING OFFICER. The Chair will state to the Senator from Arizona that Calendar No. 1231 is the number about which the Senator from Utah has inquired.

Mr. KING. That is the Taylor grazing bill.

Mr. WAGNER. No. 1258 on the calendar is the grazing bill.

Mr. ASHURST. Will the able Senator from Colorado in charge of the bill inform me as to the number?

Mr. ADAMS. No. 1258 is the calendar number of the Taylor grazing bill.

Mr. KING. I have here on my file, Mr. President, H.R. 6462, reported by the Senator from New York [Mr. WAGNER] with the amendments, Calendar No. 1231.

Mr. ADAMS. Will the Senator permit me to make this explanation? An erroneous report came to the Senate, and that was subsequently canceled. The Taylor grazing bill was placed on the calendar by mistake.

Mr. KING. Very well.

TERMINAL RAILWAY POST OFFICES

The bill (H.R. 9392) to reclassify terminal railway post offices, was considered, ordered to a third reading, read the third time, and passed.

STAR ROUTES

The Senate proceeded to consider the bill (H.R. 7212) to remove the limitation upon the extension of star routes, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 1, line 11, after the word "contract" to insert "at not exceeding 50 miles and" so as to make the bill read:

Be it enacted, etc., That the last paragraph of section 1 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1912, and for other purposes" approved March 4, 1911 (36 Stat. 1327; U.S.C., title 39, sec. 442), is amended to read as follows:

"The Postmaster General may, in cases where the mail service would be thereby improved, extend service on a mail route under contract, at not exceeding 50 miles and at not exceeding pro rata additional pay: *Provided*, That such extension shall not exceed 50 miles of traveled service route."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

OSAGE NATION OF INDIANS

The Senate proceeded to consider the bill (S. 1948) amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097), which had been reported from the Committee on Indian Affairs with an amendment, on page 4, line 2, after the word "Interior", to insert "on May 6, 1908, and May 5, 1931", so as to make the bill read:

Be it enacted, etc., That the provisions of the act of Congress approved February 6, 1921 (41 Stat. 1097), conferring jurisdiction upon the United States Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States be, and the same hereby are, amended to read as follows:

"Jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the provisions of article I of the treaty of September 29, 1865 (14 Stat. 687), proclaimed January 21, 1867, and notwithstanding the lapse of time, to hear and determine the net amount realized by the United States under said treaty of 1865 from sales of Osage lands and deposited in the civilization fund in the Treasury of the United States, with interest thereon at the rate of 5 percent per annum from the dates of deposits of money received from such sales in the Treasury of the United States, and to enter judgment for the Osage Nation of Indians against the United States for any and all such sum or sums, less any legal and equitable set-offs or counterclaims, including gratuities, arising since the date of the proclamation of said treaty on January 21, 1867, which the United States may have against the Osage Nation of Indians. The judgment of the said Court of Claims hereunder shall be subject to a special right of appeal on the full record by either party to the Supreme Court of the United States, and any such judgment, when satisfied, shall annul and cancel all claims of the said Osage Nation in and to all the matters and claims adjudicated hereunder.

"SEC. 2. That proceedings hereunder may be by an amended petition in the Court of Claims, to be filed within 1 year of the passage of this act, making the Osage Nation of Indians party plaintiff and the United States of America party defendant, to be verified by the authorized attorney or attorneys of the said Osage Nation employed under contract approved by the Commissioner of Indian Affairs and the Secretary of the Interior May 5, 1931, as provided by law, on information and belief as to the facts, and no other statement or verification shall be necessary; or said action hereunder may be by motion to be filed for and on behalf of the Osage Nation of Indians within 1 year of the passage of this act, to reopen and reconsider the case filed in said Court of Claims under the said act of Congress of February 6, 1921, supra, entitled 'Osage Nation of Indians against the United States of America', and known as no. B-36: *Provided*, That the evidence heretofore submitted to the said Court of Claims in the said cause shall be admitted for all purposes in the action hereby authorized, and additional evidence, including official letters, papers, and public records, or certified copies thereof, may be offered in such proceedings.

"SEC. 3. That upon the final determination of such suit or suits the Court of Claims shall decree such fees and expenses as may be reasonable to be paid the attorneys employed by the Osage Nation of Indians under contracts approved by the Commissioner of Indian Affairs and the Secretary of the Interior on May 6, 1908, and May 5, 1931, and in no event shall such fees and expenses exceed the amount stipulated in such contracts, nor amount to more than 10 percent of the judgment recorded in the said cause."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT N. STOCKTON

The Senate proceeded to consider the bill (S. 3656) for the relief of Robert N. Stockton, which had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$5,000" and to insert in lieu thereof "$4,000", and at the end of the bill to insert a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Robert N. Stockton, out of any money in the Treasury not otherwise appropriated, the sum of $4,000 in full settlement of all claims against the Government for injuries received on January 7, 1933, while he was assisting Federal enforcement officers in apprehending bootleggers, said Stockton being the night marshal of Amory, Miss.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3676) to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes, was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF EMERGENCY RAILROAD TRANSPORTATION ACT, 1933

The bill (S. 3650) to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933, was announced as next in order.

Mr. FESS. Mr. President, I ask that House bill 9694, Calendar No. 1341, which is a bill textually the same as the Senate bill, be substituted for the Senate bill and placed upon its passage.

There being no objection, the bill (H.R. 9694) to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933, was considered, ordered to a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 14 of title I of the Emergency Railroad Transportation Act, 1933, is amended by striking out the second sentence thereof and substituting therefor a sentence reading as follows: "It shall be the duty of each carrier, within 30 days after June 16, 1934, to pay into this fund, for the second year of the operation of this title, $2 for every mile of road operated by it on December 31, 1933, as reported to the Commission, and it shall be the duty of the Secretary of the Treasury to collect such assessments."

Mr. FESS. Mr. President, I ask that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, Senate bill 3650 will be indefinitely postponed.

NAVAL STATION AT GUANTANAMO BAY, CUBA

Mr. KEAN. Mr. President, I ask unanimous consent for the present consideration of Calendar No. 1293, being the bill (S. 504) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba. The reason I ask for unanimous consent is because it is very important to have early action, as the fleet is going down there this year, and the only way the fleet can get water is by means of tanks of water brought by rail and transferred by barge. I should like to have unanimous consent for the consideration of the bill at this time in order to have it immediately passed, so that it will surely go through at this session, in order that the fleet may have water when it goes to Guantanamo Bay.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from New Jersey [Mr. KEAN]? The Chair hears none.

Mr. NORRIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The parliamentary inquiry will be stated.

Mr. NORRIS. How far have we proceeded on the calendar? Unless I am mistaken this request is taking us ahead of the point at which we now are on the calendar.

Mr. KEAN. Yes, Mr. President; this is going ahead on the calendar. The only reason I am asking for present consideration of this bill is because the Secretary of the Navy is very anxious for its passage.

Mr. NORRIS. We have not as yet reached that bill on the calendar.

Mr. KEAN. No; and we cannot reach it today. Therefore I ask unanimous consent to have it taken up at this time.

Mr. ROBINSON of Arkansas. Mr. President, I think a statement in this connection is pertinent and proper. We have devoted 3 hours today to the consideration of unobjected bills on the calendar and have not been able to complete the calendar. Senators in charge of the silver bill consented to lay that bill aside temporarily so that we could proceed under the order to dispose of bills on the calendar. It is my purpose, as soon as the silver bill shall have been disposed of, to ask for an arrangement which will enable us to complete the call of the calendar and also to call that portion of the calendar which was not taken up today.

Mr. NORRIS. Mr. President, we ought to have an understanding, it seems to me, when we take up the calendar again, which I think should be very soon, that we should commence where we left off today.

Mr. ROBINSON of Arkansas. That is right.

Mr. NORRIS. That would give us an opportunity at least to go through the calendar once.

Mr. ROBINSON of Arkansas. I shall make the request for unanimous consent when the silver bill shall have been disposed of, if that will be satisfactory.

Mr. McNARY. Does that mean the final vote upon the silver bill must be reached before we will again take up the calendar?

Mr. ROBINSON of Arkansas. Yes; I think, in all probability that will have to be done, because the silver bill is the unfinished business, and those in charge of it have indicated that they do not desire to yield further for the disposition of bills on the calendar.

Mr. KING. Mr. President——

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. KEAN. Mr. President, I understand there is no objection to the bill for which I desire consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey?

Mr. ROBINSON of Arkansas. I make no objection to his request.

There being no objection, the Senate proceeded to consider the bill (S. 504) to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba, which had been reported from the Committee on Naval Affairs with amendments, on page 1, line 5, after the article "a", to strike out "contract for a period 20 years or longer" and to insert "long-term contract without regard to fiscal year"; and on line 7, after the word "bidder", to insert "to be determined by the Secretary of the Navy"; and on page 2, line 9, after the word "for", to strike out "a further period of 20 years or longer, and such Secretary is hereby authorized to enter into such extension, but the cost of supplying water thereunder shall be the average annual cost of operation of the plant during the last 10 years of the contract entered into pursuant to this act, plus 10 percent thereof in addition to the actual cost of any improvements deemed necessary by such Secretary" and to insert "such additional period and on such terms as in his judgment may be for the best interests of the Government, but in no event at a higher cost to the Government than under the existing contract, and said Secretary is hereby authorized to enter into such extension", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Navy be, and he is hereby, authorized and empowered, at his discretion, to negotiate and enter into a long-term contract without regard to fiscal year, with the lowest responsible and capable bidder, to be determined by the Secretary of the Navy, for supplying the United States naval station at Guantanamo Bay, Cuba, with an adequate and satisfactory supply of water, suitable for all purposes, delivered into the water-storage reservoirs within said naval station, in such an amount as he shall deem adequate for the present and future needs of the station, and at such annual cost or rental as in his judgment may be for the best interests of the Government. Any contract entered into pursuant to the provisions of this act shall contain a provision authorizing the Secretary of the Navy within a reasonable period of time prior to the expiration of such contract to extend the contract for such additional period and on such terms as in his judgment may be for the best interests of the Government but in no event at a higher cost to the Government than under the existing contract, and said Secretary is hereby authorized to enter into such extension.

SEC. 2. This act shall become effective immediately upon its passage and approval.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had Chaffee to the amendments of the Senate to the bill (H.R. 8687) to amend the Tariff Act of 1930.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CARTWRIGHT, Mr. WARREN, Mr. WHITTINGTON, Mr. TURPIN, and Mr. KELLY of Pennsylvania were appointed managers on the part of the House at the conference.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS

The PRESIDING OFFICER laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McKELLAR. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. McKELLAR, Mr. HAYDEN, Mr. McGILL, Mr. SCHALL, and Mr. FRAZIER conferees on the part of the Senate.

BITTER ROOT IRRIGATION PROJECT, MONTANA

Mr. WHEELER. Mr. President, I wonder if I could obtain unanimous consent for the present consideration of Order of Business No. 1273, being Senate bill 3116. The bill has been reported favorably by the committee and also has the favorable recommendation of the Department.

Mr. PITTMAN. Mr. President, I call the attention of the Chair to the fact that the hour of 3 o'clock has arrived when the unfinished business was to be considered.

The PRESIDING OFFICER. The hour of 3 o'clock having arrived, and the time set aside for the consideration of the calendar having expired, the Chair now lays before the Senate the unfinished business.

Mr. PITTMAN. I now yield to the Senator from Montana.

Mr. WHEELER. I ask unanimous consent for the present consideration of the bill referred to by me. It will not lead to debate, and if there shall be any objection to it I will withdraw it. I repeat that the Department has recommended it. It provides for entering into contracts by the Secretary of the Interior with the Bitter Root Irrigation District.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Irrigation and Reclamation with an amendment to strike out all after the enacting clause and insert:

That the Secretary of the Interior is authorized and directed to negotiate and execute a contract with the Bitter Root Irrigation District, amending as provided herein articles 3 and 6 of the contract dated August 24, 1931, between the United States of America and said irrigation district. The amended contract shall segregate the district's obligation into two components: (1) All money advanced to the district under section 2, subsection (1), of the act of July 3, 1930, for liquidating bonded and other outstanding indebtedness of said district; and (2) all money advanced or used under section 2, subsections (2) and (3), of said act for construction, betterment, and repair work. All money advanced under component (1) shall be repaid to the United States within the period fixed in said contract, with interest at 4 percent per annum until paid: *Provided*, That interest now due and unpaid and interest to become due and payable July 1, 1934, shall be added to and merged with the principal sum advanced under component (1). Nothing herein contained shall be construed as authorizing a modification in said amendatory contract of the interest charges heretofore paid on component (1) by the district under contract of August 24, 1931.

SEC. 2. The amended contract shall provide also that all money advanced or used under section 2, subsections (2) and (3) of the act of July 3, 1930, shall be repaid to the United States within the period fixed in said contact, and in the case of default in the payment when due of any installment fixed by the Secretary for repayment of money advanced or used under said section 2, subsections (2) and (3) there shall be added to the payment unpaid a penalty of one-half of 1 percent of the amount unpaid on the 1st day of each month thereafter so long as such default shall continue.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

THE PRESIDENT'S ATTITUDE ON WOOL

Mr. O'MAHONEY. Mr. President——

Mr. PITTMAN. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, during the month of April it was reported to me that wool buyers were endeavoring to hammer down the price of wool in the West by circulating the report that the tariff on wool would be certain to be lowered if the tariff bargaining bill then pending should be passed. The terms of the measure were, of course, not generally known. Comparatively few persons outside of the Congress had even read it, and it was not understood generally that the bill provided for increases of tariff rates as well as for decreases. Neither was it generally understood that the measure prohibits the transfer of any commodity from the dutiable list to the free list.

Those who were circulating the reports were not above intimating that the administration planned to remove the tariff altogether.

From previous interviews with the Secretary of State and the Secretary of Agriculture, I knew that representations of a hostile attitude on their part toward wool were altogether unfounded. In order that I might have an authoritative statement defining the attitude of the administration, I asked the Secretary of State to write me on the subject. On April 20 I received from him a formal letter, which I at that time read in the Senate, and which I now send to the desk to be read again by the clerk.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Chief Clerk read as follows:

FROM THE SECRETARY OF STATE

DEPARTMENT OF STATE,
OFFICE OF THE SECRETARY,
Washington, April 20, 1934.

The Honorable JOSEPH C. O'MAHONEY,
United States Senate.

MY DEAR SENATOR: I have just received your message to the effect that eastern wool buyers in Wyoming are undertaking to beat down the price of wool by the representation that the Federal Government in entering into reciprocity commercial agreements will so affect the wool situation as to necessitate heavy cuts in domestic-wool prices.

This sort of statement is wholly irresponsible and unjustified. In the first place, no discussion whatsoever has been had here about wool, nor has there been any negotiation concerning any other specific commodity apart from the very narrow range of items which entered into our discussions with Cuba. Secondly, the broad and definite policy on which all reciprocity trade agreements will rest is that of mutual and equal profitableness to the countries participating. Thirdly, it must be apparent that after the passage of the tariff bargaining bill an effective organization freely accessible to all interests concerned must be developed. Ample time will be required for the making of necessary studies and for carrying on exploratory conversations with various governments before steps can be taken for the negotiation of definitive agreements.

Sincerely yours,

CORDELL HULL.

AN INTERVIEW WITH THE PRESIDENT

Mr. O'MAHONEY. Mr. President, after the publication of the letter which has just been read by the clerk, I had occasion, with other Senators and Members of the House of Representatives, to be present at the White House upon the day when the so-called "sugar bill" was signed. Reports were still in circulation that the administration was hostile to wool; and having freely expressed to my own constituents my confidence in the purpose of the administration to do everything in its power to help agriculture, including wool, I took advantage of the occasion to ask the President for a confirmation of my opinion; and having received from the President what seemed to me to be an altogether satisfactory statement, I issued a formal press release which I now send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

STATEMENT TO THE PRESS MAY 9, 1934, BY UNITED STATES SENATOR JOSEPH C. O'MAHONEY, WYOMING

President Roosevelt today gave renewed evidence that he is in complete sympathy with the West. Immediately after signing the sugar bill, which stabilizes the price of sugar for all domestic producers, the President, in the presence of Senator Costigan and Assistant Secretary of Agriculture Tugwell, authorized me to say that he and his administration are as much concerned in maintaining the price of wool as they are in maintaining the price of wheat, cotton, and other agricultural commodities.

I told the President that wool buyers recently have been making low offers on wool and that there has been considerable apprehension lest the reciprocity policy would mean sweeping reduction in the tariff on wool and an adverse effect upon the market. I told him that I have been advising the people of my State that an administration, the primary object of which is to improve the condition of agriculture, could be depended upon not to take any hostile action toward the wool industry. The President replied that in this position I was exactly correct. Both he and Secretary Tugwell agreed that this administration should do everything possible to maintain the price of wool, and the President said that he recognized woolgrowing as one of the fundamental agricultural industries and desired to be helpful to it.

A LETTER FROM THE PRESIDENT

Mr. O'MAHONEY. Mr. President, statements substantially the same as that which has just been read by the clerk were issued by other Senators; but thereafter in certain quarters there was still some uncertainty professed as to what the policy of the administration might be. Concerned with the effect that the expression of these doubts might have upon the price of wool, which, of course, is a primary interest of the people of Wyoming, but knowing that there was no basis in fact for the propaganda, I took the liberty of presenting the matter once more to the President, and I am today in receipt of a letter from him which I now send to the desk and ask to have read.

The PRESIDING OFFICER. Without objection, the clerk will read as requested.

The Chief Clerk read as follows:

THE WHITE HOUSE,
Washington, June 5, 1934.

Hon. JOSEPH C. O'MAHONEY,
United States Senator, Washington, D.C.

MY DEAR SENATOR O'MAHONEY: My concern that agricultural prices should be protected and, where possible, substantially raised ought to be well known by this time. This is why I was surprised that a question should be raised about wool. The new tariff bill has been thought of as one of the emergency measures which would help in the general effort to rehabilitate agriculture and industry together. The wool industry is one of those which needs price protection; and the suggestion that the new tariff bill might be used to lower those prices is one which would not have occurred to me. That is the thought I expressed to you, Senator COSTIGAN, and others on May 9.

I have read the statement which you issued, and, as I might expect, it correctly reports the facts. I hope you will have no further concern for fear that something damaging to the industry may result from this legislation.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

STATISTICAL POSITION OF WOOL

Mr. O'MAHONEY. Mr. President, I now ask that there may be incorporated in the RECORD, immediately following the letter from the President, a telegram from Mr. Fred E. Warren, of Cheyenne, and a copy of my response thereto, and a letter to me by Governor Myers, of the Farm Credit Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegrams and letter are as follows:

CHEYENNE, WYO., *May 22, 1934.*

Hon. JOSEPH C. O'MAHONEY,
United States Senate, Washington, D.C.:

Report comes from sources apparently reliable that Government Wool Board now seriously considering making severe reduction in asking price Government-controlled wool. I feel this would be a mistake at this time, as tending demoralize price western clip now being sold. Buyers have hammered down price eastern fleece wool probably because lack of sales resistance, but so far market for territory wool has not declined so much. Believe firm stand now will prevent too serious declines. By Government-controlled wool mean clips consigned or to be consigned against which there are R.F.C. or other Government loans.

FRED E. WARREN.

MAY 25, 1934.

Mr. FRED E. WARREN,
Cheyenne, Wyo.:

Confirming message of Wednesday, am glad to advise Gov. W. I. Myers is today issuing formal statement that there will be no change in the established policy of the Farm Credit Administration with reference to the marketing of wool. On receipt of wires Tuesday advising that rumors were being circulated that alteration of policy was in contemplation, with Senator PITTMAN, of Nevada, I took up matter with Department of Agriculture, R.F.C., and F.C.A. Nowhere did I find any basis for the report reaching you. Governor Myers states: "There is nothing in statistical position of domestic wool to indicate lower values, and the foreign wool situation is beneficial rather than detrimental to the American wool market at this time."

It is unfortunate that certain selfish interests are now busily engaged in spreading fear among woolgrowers for the twofold purpose of reducing wool prices and undermining confidence in administration policy. I am sure that western woolgrowers will not forget that the program initiated by the Farm Credit Administration last year and operated by the Wool and Mohair Advisory Committee consisting of H. B. Embach, of Phoenix, Ariz., head of the National Wool Marketing Corporation; R. L. Turnbull, of Boston; Fred Marshal, Salt Lake City, secretary of the National Wool Growers' Association; and George M. Brennan, Federal Intermediate Credit Bank Commissioner, was one of the principal factors in bringing about an increase in the price of wool from approximately 11 cents to 33 cents. The monetary policy of the present administration which has raised the price of English money in terms of American dollars is another factor which has played, and is playing, an important part in maintaining the price of American wool. Furthermore, curtailment of cotton production under the Bankhead bill will have an unquestioned tendency to help the wool market. Bearing these facts in mind, I think woolgrowers may feel confident that the outlook for the trade is favorable. Chairman Embach, of the Advisory Committee, has issued a formal statement saying: "There is nothing in the present quietness of the market that would justify any change in present quoted wool values."

JOSEPH C. O'MAHONEY,
United States Senator.

MAY 25, 1934.

Hon. JOSEPH C. O'MAHONEY,
Hon. KEY PITTMAN,
United States Senate.

DEAR SENATORS: Following our conversation in my office last Wednesday, I asked the Wool and Mohair Advisory Committee of the Farm Credit Administration to make a survey of the wool situation.

On the basis of the information available, it reports that wool is in a much stronger statistical position now than a year ago, or at any time during the past several years. American stocks of raw wools were substantially lower on January 1, 1934, than on January 1, 1933, and stocks of wool in secondary markets of the world are not considered burdensome. Furthermore, in view of the present price differential, the foreign wool situation is beneficial rather than detrimental to the American wool market at this time.

Domestic consumption of wools continues to exceed domestic production. While a weak undertone in present wool values is reported, I am advised that this is due largely to a lack of demand, occasioned by the fact that there still is a sizable accumulation of wool in various stages of manufacture which has not yet reached its final destination, and to seasonal conditions.

There is nothing in the statistical position of domestic wool, either the remainder of the 1933 clip or the prospective clip for 1934, to indicate lower values. I am advised by the Wool and Mohair Advisory Committee that these views are shared by those in the trade whose judgment is recognized as reliable.

The unsold wools of the 1933 clip, held under the so-called "wool marketing plan" of the Farm Credit Administration, represent a relatively small proportion of the total tonnage of wools consigned under the plan. There has been no change in the established policy of the Farm Credit Administration with reference to the marketing of wool in which its agencies have a financial interest, regarding which I made the following statement at the time the 1934 marketing plan was announced:

"Wools handled under the administration's marketing plan will continue to be marketed in an orderly manner in response to consumptive demand. The price of wool during the 1934 season will be determined by fundamental factors of supply and demand. Following the institution of the plan for the handling of the 1933 clip, prices of grease wool in the country advanced sharply and wool continued to rise throughout the greater part of the season. With wool at present values a rise of no such proportions this year is anticipated. Nevertheless, the plan should assure the industry a much firmer price foundation than might otherwise exist without it. It is not an effort to control prices but one to try to prevent unnecessary fluctuations."

Very truly yours,

W. I. MYERS, *Governor.*

Mr. PITTMAN. Mr. President, in connection with the matter introduced into the RECORD by the Senator from Wyoming [Mr. O'MAHONEY], I may say that the President made a similar remark to me, and I am very pleased that his letter has been received.

Mr. COSTIGAN. Mr. President, if the Senator will permit me a word, as a participant in two of the conversations at the White House referred to by the able Senator from Wyoming, I am happy to testify to the accuracy of his statements.

CONSIDERATION OF RESOLUTIONS REPORTED FROM THE COMMITTEE ON PRINTING

Mr. HAYDEN. Mr. President——

Mr. PITTMAN. I yield to the Senator from Arizona.

Mr. HAYDEN. By direction of the Committee on Printing I report back without amendment two resolutions for which I shall ask immediate consideration. I first ask consideration for the resolution providing for the printing of a revised edition of the Senate Rules and Manual.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S.Res. 233) was read, considered, and agreed to, as follows:

Resolved, That the Committee on Rules be, and is hereby, directed to prepare a revised edition of the Senate Rules and Manual for the use of the Seventy-fourth Congress, and that 2,500

additional copies be printed and bound for the use of the committee, of which 300 copies shall be bound in leather and tagged as to contents.

Mr. HAYDEN. I now ask unanimous consent for the consideration of the second resolution.

The PRESIDING OFFICER. The resolution will be read.

There being no objection, the resolution (S.Res. 261) submitted today by Mr. ROBINSON of Arkansas, was read, considered, and agreed to, as follows:

Resolved, That the manuscript containing a digest of the proceedings during the World War of the Council of National Defense and the Advisory Commission, prepared by Dr. Franklin H. Martin, be printed with illustrations as a document, in such style and form as may be directed by the Joint Committee on Printing, and that 2,000 addtional copies be printed for the use of the Council of National Defense.

RECOMMITTAL OF BILL

Mr. SHEPPARD. Mr. President——

Mr. PITTMAN. I yield to the Senator from Texas.

Mr. SHEPPARD. I ask unanimous consent that Order of Business No. 1325, being Senate bill 3693, granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanson, Vt., be recommitted to the Committee on Commerce.

The PRESIDING OFFICER. Without objection, the bill will be recommitted to the Committee on Commerce.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed consideration of the bill (H.R. 9745), to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. PITTMAN. Mr. President, I intend very briefly, if possible, to explain the silver bill. First I wish to state some of its main purposes.

The first purpose is to correct the maladjustment of our currency in this country. From the time of the adoption of our Constitution down to the present time there has been a dollar. That dollar has been measured by so many grains of gold and so many grains of silver. In 1873, while we did not change the content of the silver dollar or the gold dollar, we constituted the gold dollar as the measure of value.

The purpose of the bill is to reestablish, in the first place, our silver money as full legal tender. In the second place its purpose is to restore silver to our currency system. When I say "restore silver to our currency system", I mean that in 1900 one-half of all the metallic money in the country was silver, and 27 percent of all the currency in the country was silver currency. That has changed until today less than 10 percent of our metallic currency is silver and less than 12 percent of our total currency is silver currency. The bill has for its purpose the readjusting of our currency by bringing into our monetary system a larger proportion of silver currency.

Those who favor this character of legislation feel that it is better to have the currency based upon metal rather than upon the discretion of the Secretary of the Treasury or any other human mind. There is no question that silver has an intrinsic value.

The second purpose of the bill is to raise the price of silver throughout the world. I realize when I state that purpose that most people will think we are simply looking after the interests of a few mining States. That should be entirely answered by the vote in the House, which was 272 to 37, and I venture to say there were not 15 Representatives among them who come from States producing silver.

Those of us who favor the bill believe that the appreciation of silver currency in the world will protect us against dumping from silver-using countries, because when we raise the value of their money it has the same effect as depreciating the value of our money with reference to their currency. That is the first thing. The second is that we contend that when the exchange value of another country's money with reference to ours is raised, they are better able to buy our products.

Mr. VANDENBERG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. Is there anything in the silver-purchase history of the country which lends assurance to the prospect that it will produce an increased price of silver?

Mr. PITTMAN. Yes. If I had time I could show the Senator, by graphs which have been prepared, that in every period involving a rise in the price of silver, the exports from other countries to our country dropped while our exports to other countries increased in every case.

Mr. VANDENBERG. That is not my question. I am wondering, speaking academically, whether the movement might not depress the price of silver instead of raising it.

Mr. PITTMAN. I cannot conceive it, nor have I heard that argument made. I really cannot conceive it.

Coming back to the bill itself, I have stated its main objects. The first paragraph of the bill sets forth the policy of our Government and reads as follows:

It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining, one-fourth of the monetary value of such stocks in silver.

That is announcing a policy. We come now to the definition of monetary silver. I think I had better take that up next. In section 10 we find the following definition:

The term "monetary value" means a value calculated on the basis of $1 for an amount of silver or gold equal to the amount at the time contained in the standard silver dollar and the gold dollar, respectively;

The term "stocks of silver" means the total amount of silver at the time owned by the United States (whether or not held as security for outstanding currency of the United States) and of silver contained in coins of the United States at the time outstanding.

Those are the definitions of the term "monetary stocks of the United States." In other words, the monetary stocks of the United States are the stocks of gold and silver owned by the United States.

The next paragraph is one dealing with the requirement to purchase silver. As the bill was orginally introduced by me in the Senate it read:

The Secretary is authorized and directed to purchase silver—

And so forth. The bill I introduced, as it was originally drafted, read in this way:

The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States, authorized by law, or with any funds of the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest—

And so forth. The question was raised as to whether or not the Secretary was required to continue to purchase until any definite period of time. I have not the bill before me; but, at any rate I added, after the words "public interest", language to this effect:

Until there shall be in the monetary stocks of the United States 25 percent of silver and 75 percent of gold.

The House corrected that language when they passed this bill, and wrote it in this way:

Whenever and so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks, the Secretary of the Treasury is authorized and directed to purchase silver—

They included it at first before the word "directed." I take it that it means exactly the same thing.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. Yes, sir.

Mr. NORRIS. I have been wondering why it is necessary to use all the language that is used on page 2, and whether that language could not be abridged and still mean the same thing.

On page 2 of the bill, commencing with line 2, it reads as follows:

The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin or currency of the United States, authorized by law, or with any funds in the Treasury—

Why could we not say there, "is authorized and directed to purchase silver with any funds in the Treasury not otherwise appropriated", and leave out all the other modifying language? If not, I can see one possible meaning of some of the language, and that is where it says "with any direct obligations." I presume the idea there is that the Secretary of the Treasury can issue bonds in place of silver if he desires to do so.

Mr. PITTMAN. Mr. President, I will state that the way this happened was that a voluntary group here drew the bill in very much shorter form than its present form.

Mr. NORRIS. What is the use of saying "with any * * * coin or currency of the United States, authorized by law"? Why not simply say "with any funds in the Treasury not otherwise appropriated"?

Mr. PITTMAN. I think the reason for that was that those of us who drafted this bill simply directed that the Secretary purchase this silver with silver certificates. The Department officials did not like the idea of his being confined to that, and told us that they might want to buy silver with gold, or with gold notes, or with Treasury certificates; and they did not want the inference to exist that they were limited to buying it with silver certificates.

Mr. NORRIS. If we said nothing in the bill about coin or currency, it would mean that the Secretary could use any funds; it might be gold, it might be silver, or part of each, for that matter.

Mr. PITTMAN. I feel that it is all right, Mr. President; but since we spent 4 or 5 weeks in an attempt to reach an agreement so that we could be assured of this action, while it may be tautology, if the counsel of the Treasury Department felt that the Secretary should be authorized to use these various forms of purchasing media for the purpose of purchasing silver, I saw no objection to it.

Mr. NORRIS. I will say to the Senator, if he will permit me, that I see no real objection to it; but I am wondering if there is any reason why we should use that language. If there is not any reason, I see no object in using it.

Mr. KING. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. KING. My recollection is that this language was copied in part from the gold bill under which the President has authority to purchase gold. In the authority there granted, substantially the same terminology is found.

Mr. PITTMAN. I think that is correct, also. Exactly the same language was used there. Those who drew the bill thought this language was essential, but I do not know as to that.

I say that in the draft which was prepared in the first place, it was provided that silver should be purchased with silver certificates. Subsequently, when this clause was put in, we insisted that if silver were purchased with anything else than silver certificates, the Treasury should issue silver certificates as against the silver they purchased, for the reason, of course, as we argued at the time, that if silver were purchased with gold, and the silver were put in the Treasury, and it were allowed to lie there simply as bullion, frozen, there would be a contraction of our currency to that extent; and, of course, if the Treasury officials bought it with anything else, they were directed to issue silver certificates as against the bullion in the Treasury.

So they have two methods of dealing with the matter. They may buy silver with silver certificates, or they may acquire it through any other medium; and if they do, they are directed to issue silver certificates against it.

Mr. NORRIS. Of course, under the law, the purchasing power of silver certificates or gold or any other currency that might be used is the same in each case.

Mr. PITTMAN. It is the same in each case.

Mr. NORRIS. It would be immaterial whether one form or another were used. If the Secretary should pay for this silver with silver certificates, it would be just the same as if it were paid for with gold, because the currency would be interchangeable, each kind having the same value as the other.

Mr. KING. However, if the Senator will pardon me, in the case of the silver which might be purchased, even though it were purchased with gold, it was desired that there should be issued silver certificates based upon the silver.

Mr. PITTMAN. Of course. This bill provides farther on for such issuing of silver certificates. That is all right; but the purchasing power of those silver certificates is just the same as the purchasing power of the money that is in the Treasury.

Mr. KING. They are made legal tender in payment of all debts.

Mr. NORRIS. Yes.

Mr. KING. And the silver certificates are just as good as gold, or gold certificates.

Mr. NORRIS. Just as good as gold.

Mr. PITTMAN. When the so-called "Agricultural Adjustment Act" was passed I added this amendment to the act:

Such notes and all other coins and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debts, public and private.

Since that time there has been no distinction whatever in any of our species of currency; but I may say to the Senator from Nebraska that a foreign seller of silver, for instance, might not want to accept silver certificates. He might want a Treasury note, or something else. Therefore, we do not care what the Treasury officials buy the silver with so long as they issue certificates against it when it gets into our Treasury.

Mr. NORRIS. Mr. President, I desire to ask the Senator another question about the language which I thought was unnecessary. The expression is used, "purchase silver, at home or abroad." What is the use of saying in the bill "at home or abroad"? Why not just authorize and direct the purchase of silver? It would mean the same thing, it seems to me, if we should leave out those words; or is there a reason why those words should be put in?

Mr. PITTMAN. I know of no reason, unless it is the caution that was used in drawing all of the measure.

Mr. KING. May I say, if the Senator will pardon me, that provision is made there for the purchase of domestic silver; and I suppose it was quite natural, when the authorization was for the acquisition of silver aside from domestic silver, to say "at home or abroad."

Mr. NORRIS. This language is not for the purchase of domestic silver. It is not defined in that way. The language is:

The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad—

Suppose we should say:

The Secretary of the Treasury is authorized and directed to purchase silver—

And leave out the words "at home and abroad", and then say:

for present or future delivery—

And so forth.

Mr. PITTMAN. That would be all right.

Mr. NORRIS. It would mean exactly the same thing, as I understand.

Mr. PITTMAN. Those who drafted the bill probably were afraid of the Comptroller of the Currency. I do not know why the words "at home or abroad" were used, but certainly they do not hurt the bill.

Mr. KING. Mr. President, if the Senator will yield, I invite the attention of my friend from Nebraska to the fact that in the act for the purchase of gold this language is found:

With the approval of the President, the Secretary of the Treasury may purchase gold in any amounts, at home or abroad, with any direct obligations, coin, or currency—

And so forth.

Mr. PITTMAN. Section 3 directs the purchase of silver. It is mandatory. It requires the Secretary to purchase silver

until it shall constitute one-fourth of our monetary stocks, which consist, under the definition of the bill, of gold and silver.

Section 4 provides that there shall be two limitations upon the purchase of silver. Whenever the Government officials shall have acquired the designated proportion of silver in the monetary stocks—that is, 25 percent in silver and 75 percent in gold—they shall cease to purchase silver, because they will have accomplished what they set out to accomplish; or whenever silver shall have gone above its monetary value they shall cease to purchase it.

The monetary value is defined. It is $1.29 an ounce.

Let me see if I can make that clear. Today a standard silver dollar has only 0.78 of an ounce in it, and yet it is a dollar, and five of them will exchange for $5 in gold notes. But in those five silver dollars there are only 3.91 ounces of silver. Therefore the silver is selling in exchange or in use in this country at the monetary value of $1.29 an ounce. The monetary value is described here.

Of course we have a general act in our statutes which states that when silver gets above the parity price, that is, when silver becomes more valuable as bullion than as money, that is, when it gets above its exchange value for other money, when it gets above $1.29 an ounce, the Government has a right to sell silver so as to bring the parity price down, so as to protect the parity of our currency.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. PITTMAN. I yield.

Mr. NORRIS. I notice that the bill has made the purchase of silver obligatory, but as to the sale of silver, where the condition the Senator has just now described is reached, if ever reached, to wit, when it is worth more than $1.29, the Secretary may, with the consent of the President, sell silver. Would there be any reason, in the Senator's judgment, why there should not be a compulsion to sell as well as to buy, under the conditions named in the bill?

Mr. PITTMAN. Under the parity act, which already exists, the language is "may" and not "shall", and there are reasons why that is so. In other words, the value of silver in the world might be rising. The ratio of silver to gold might be changing. Instead of using the power to sell, the Department might use the power of the embargo to prevent the melting up of the coins and selling them elsewhere. China, time and again, has threatened to place an embargo upon the exportation of silver from her borders so that she could protect her own currency. We would leave it discretionary as to whether or not the Department should impose an embargo or whether or not they should sell silver to protect the market.

Mr. NORRIS. There is nothing provided in the bill about an embargo. As I take it, if silver were going too high, and we wanted to prevent that, if it were above $1.29, where the bill authorizes the sale, if the sale did not take place and no authority were given the President to make the sale, I can conceive how it might continue to rise, and that the only way to control its going beyond $1.29 an ounce which, as I take it, would be undesirable, would be to sell.

Mr. PITTMAN. I may say that the President now has authority, if he wishes, to cut down the silver content of the dollar.

Mr. NORRIS. Yes.

Mr. PITTMAN. And if he does, then the monetary value of the dollar increases.

Mr. NORRIS. Is it not true that one of the things the Senator thinks ought to be done and will be done under the bill if it shall become a law is that we will prevent silver from going above $1.29 an ounce, and that the only way to bring that about is to sell it?

Mr. PITTMAN. Undoubtedly we want to give authority to sell it.

Mr. NORRIS. I do not doubt that at all, but I am wondering why the President should not be compelled to sell.

Mr. PITTMAN. The reason why silver is $1.29 today is that it is on the basis of what we call 16 to 1.

Mr. NORRIS. Yes.

Mr. PITTMAN. In other words, it is on the old basis of 371¼ grains of silver as a dollar and 23$\frac{22}{32}$ grains of gold as a dollar. As a matter of fact, the value of the gold dollar has been changed; the value of the silver dollar may be changed. If the Treasury reduces the number of grains in the silver dollar, then, as a result of that very act, instead of the value being $1.29, it may go to double that amount. In other words, we do not put the power in the hands of the Government to readjust the ratio between gold and silver. I think the time will come when they will adjust the ratio between them. At the present time we are simply relying on the old value of $1.29 an ounce.

Mr. NORRIS. I am wondering whether I have made myself perfectly clear to the Senator. Is it not true that the authority to sell the silver when it goes above $1.29 an ounce is given for the purpose of preventing silver from going above $1.29 an ounce?

Mr. PITTMAN. At the present time we do not want that to happen.

Mr. NORRIS. That is the reason why we provide that authority in the bill.

Mr. PITTMAN. At the present time we do not want that to occur.

Mr. NORRIS. If the President does not exercise the authority—and nothing in the law would compel him to—then it might go up indefinitely.

Mr. PITTMAN. In no law have we ever compelled it.

Mr. NORRIS. But we would compel the President to buy in order to keep the price up. If the Government owned the silver and we wanted to prevent it going above $1.29 an ounce, we could easily prevent that, if we offered our silver for $1.29 an ounce, assuming that the Government had enough silver in stock to control the market.

Mr. PITTMAN. Mr. President, it has done that. In 1920, when silver went to $1.38 an ounce throughout the world, the silver in the standard silver dollar was more valuable for its bullion, and people started to melt it. The Government then took 50,000,000 standard silver dollars out of the Treasury and turned them over to the exporters of silver in order to break the market, and they did break it, from $1.38 to below a dollar.

The duty is imposed upon the Secretary of the Treasury, in another act, to maintain the parity. He is actually directed in the Parity Act to maintain it. But the pending bill does no repeal the Parity Act at all. The Parity Act directs the Secretary to maintain the parity, but when we get down to it, we are in the process, undoubtedly, of changing the parity of our currencies today.

When the administration reduced the gold content of the dollar, it changed the ratio between silver and gold from 16 to 1—because 371¼ grains is 16 times 23.2 grains—to very nearly 28 to 1, and that process may go on constantly.

The result is that, while there is a general act requiring the Secretary to maintain the parity of all our currency, under this particular bill, under which he may change the monetary value of the silver dollar at any time, he may increase the monetary value of the silver dollar, and if he does, we do not want to direct him to sell silver at a price below the monetary value of the silver dollar at some future date which we fix.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. VANDENBERG. In the course of this process of purchase, what happens on the books of the Treasury in respect to the value of this purchased silver? Let me illustrate. Suppose there are purchases at 50 cents, and the process of purchase raises the price to a dollar. Does the silver remain on the Treasury books at 50 cents?

Mr. PITTMAN. It does until it is disposed of. When it is disposed of in any form whatever the Government is credited with the seigniorage, the profit, the difference between what it paid for it and what it used it for. For instance, the average price at which the Government has purchased silver from the beginning is around 90 cents an ounce. They have not sold that silver except to our own people, but they have sold

it. That is, when they would manufacture it into quarters and sell it to a bank they were selling that silver at the rate of $1.38 an ounce. When they manufactured five dollars and sold those five dollars to a bank for use they were selling it at the rate of $1.29 an ounce. What they do is to keep the balance, of course, and of course what they sell for is a fixed price, because they are only selling it to commerce and banks; but the difference between what it cost them and what they circulate it for, which means the same as what they sell it for, is called "seigniorage", and we have today in the Treasury of the United States, accumulated since 1873, $262,000,000 profit.

Mr. VANDENBERG. They do not have to circulate the silver at all under the terms of the bill, do they?

Mr. PITTMAN. Yes; they have to circulate it as silver certificates.

Mr. VANDENBERG. And there is no change on the books of the Treasury in respect to a synthetic profit, let us call it, except as there is a completed transaction subsequently?

Mr. PITTMAN. No; but in this case it will be an immediately completed transaction, because the bill requires that they issue silver certificates against the silver.

Mr. VANDENBERG. Then each time they issue a certificate, the seigniorage, or profit, goes on the credit ledger of the Government?

Mr. PITTMAN. Yes; it does.

Mr. VANDENBERG. And if, as the Senator cannot conceive, the price of silver should go down under the bludgeoning of the heavy sales, they would have to charge a loss by the same process?

Mr. PITTMAN. Yes; but that seems never to have happened in history.

Mr. WHEELER. In other words, if the Government buys the silver at 50 cents an ounce and issues silver certificates against it, it makes a profit, because it will issue the silver certificates at the rate of $1.29. So, consequently, it would make on that ounce of silver the difference between the 50 cents and the $1.29, because the silver certificates will pass for a dollar.

Mr. PITTMAN. Permit me now to hurry through with a description of this bill. I have just dealt with the authority to sell. Section 5 directs the issuance of the silver certificates we have just been talking about. I will read a part of it:

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3. There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates. All silver certificates heretofore or hereafter issued shall be legal tender for all debts, public and private, public charges, taxes, duties, and dues, and shall be redeemable on demand at the Treasury of the United States in standard silver dollars; and the Secretary of the Treasury is authorized to coin standard silver dollars for such redemption.

The question now arises as to whether or not the word "issue"—in the sentence "to issue silver certificates"—means to place into circulation. I will state that I first got the opinion of the counsel of the Treasury Department on that question. It is his opinion that the word "issue" carries with it the legal definition to circulate.

Mr. BONE. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. BONE. I do not know whether I understood the Senator from Montana aright. I understood him to say that a value of 50 cents in silver would cause the issuance of a certificate to the value of $1.29.

Mr. WHEELER. If the Government buys the silver at 50 cents it will issue the silver certificates at the rate of $1.29.

Mr. BONE. The bill itself provides that the Secretary of the Treasury shall maintain an amount of silver and in bullion and in standard silver dollars of a monetary value equal to the face amount of the silver certificates issued.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. I yield.

Mr. NORRIS. I desire to ask the Senator from Nevada a question. He may have answered it already. We on this side could not hear the conversation which has been going on among the several Senators on the other side of the Chamber. If the Senator will answer this question, I think it will be plain. In section 5 it is provided:

The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

Suppose, to illustrate the point on which I want to get the information, that under such law the Secretary purchased 1 ounce of silver and paid 50 cents for it. Would he issue a silver certificate for a dollar or for 50 cents?

Mr. PITTMAN. No; he could not issue a certificate for less than a dollar, but he could issue a silver certificate against the ounce of silver.

Mr. NORRIS. In other words, I am interested to know what the amount of the silver certificate would be. The Secretary paid 50 cents for the silver. Would he now issue a silver certificate for $1?

Mr. PITTMAN. Yes.

Mr. NORRIS. Having purchased an ounce of silver, he would issue a silver certificate against it for $1?

Mr. PITTMAN. Yes. He would take seventy-eight one-hundredths of that ounce and make a silver dollar out of it, and against that silver issue a certificate, and he still has a little surplus silver on hand.

Mr. KEAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from New Jersey?

Mr. PITTMAN. I yield.

Mr. KEAN. What would he do with the balance?

Mr. PITTMAN. The rest of it is what we call "seigniorage or profit" to the Government, and we now have $262,000,000 of profit from such transactions.

Mr. KEAN. But does he expect to issue currency against that or not?

Mr. PITTMAN. He has the authority to, but is not directed to.

Mr. KEAN. But he may do so?

Mr. PITTMAN. He may.

Mr. KEAN. Therefore he may use that balance?

Mr. PITTMAN. Yes.

Mr. KEAN. And when this bill shall be passed, this money will be the only sound money in the United States? Is that right?

Mr. PITTMAN. Well, it will be just as sound as any we now have.

Mr. KEAN. It will be the only sound money we have.

Mr. BORAH. I rather think that is true.

Mr. PITTMAN. I would not say it is true.

Mr. BORAH. Well, it would be sound enough, anyway.

Mr. VANDENBERG. It will not be too sound.

Mr. PITTMAN. I have now completed the discussion of section 5. I now come to the section with regard to embargo——

Mr. KEAN. Mr. President, will the Senator further yield?

Mr. PITTMAN. I yield.

Mr. KEAN. The money we were just discussing would be the only redeemable money in the United States, would it not?

Mr. PITTMAN. It would be the only money that is circulating today which has any intrinsic value.

Mr. KEAN. Yes; and it would be the only redeemable money in the United States.

Mr. PITTMAN. Yes. The silver dollar today has a value of 35 cents all over the world. It has that value here and everywhere else.

Mr. KEAN. Whereas the paper currency is not worth the paper it is printed on?

Mr. PITTMAN. It is not worth as much as a silver certificate to me.

Here is the embargo clause, section 6:

SEC. 6. Whenever in his judgment such action is necessary to effectuate the policy of this act, the Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or prohibit, by means of licenses or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts and other arrangements made with respect thereto; and to require the filing of reports deemed by him reasonably necessary in connection therewith.

Then comes the penalty clause. Now comes section 7. Section 7 deals with the nationalization of silver. I do not care to read that. It is the same provision as the one we had dealing with the nationalization of gold. It is copied from it, I take it.

Then comes section 8. Section 8 is an amendment to schedule A of title VIII of the Revenue Act of 1926, as amended (relating to stamp taxes), and what it provides in effect is that there shall be an excess-profits tax on the sale of silver. That excess-profits tax commences to run for sales made after the 15th day of May. If there are any profits on sales made after that time one-half the profits go to the Government. Profits or sales made between the 15th day of May and the time of the passage of this act are accounted for in the income tax. After this act takes effect stamps are placed on the memorandum of transactions of sales which stamps amount to 50 percent of the profits on the sales.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. BAILEY. What date is used as the date of the purchase with a view to ascertaining the profit? The sale is of the date of May 15.

Mr. PITTMAN. There is no date back of May 15 which would be used as a date of purchase in order to fix the tax.

Mr. BAILEY. Do we not have to fix the date?

Mr. PITTMAN. Not from the time of purchase. The date is fixed with reference to the sale of the silver.

Mr. BAILEY. A date has to be fixed in order to determine the profit.

Mr. PITTMAN. The man who sells knows how much he paid for the silver.

Mr. BAILEY That will relate back just as far as one wants to?

Mr. PITTMAN. The market price makes no difference. One must account for what one pays for silver in order to establish profit after the 15th day of May.

Mr. BAILEY. That will relate back indefinitely to any purchase in the past?

Mr. PITTMAN. It is governed by the sale. Any sales which take place prior to the 15th day of May are not accounted for. Those which take place after the 15th day of May are accounted for and the profits are based on what was paid for it and what it was sold for.

Mr. BAILEY. If some one now has a profit, by reason of speculating in silver on the prospect of silver legislation, he cannot get his profit now without being taxed, but if he got out prior to May 15 he would not be taxed?

Mr. PITTMAN. He would not be taxed.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. ADAMS. Is the profit tax provided by this section limited to sales made to the Government, or does it apply to all sales of silver, regardless of to whom made?

Mr. PITTMAN. It applies to all sales, but at this point let me say that it does not affect a sale by miners, producers, because the cost to the producer is fixed at the world price at which he sells, and, therefore, there is no profit to him. It does not apply to those who acquire silver in industries, because there is no sale of the silver, though there is a purchase, the profit, if any, going to the manufacturing industry. The tax is limited, I may say, to the actual profit on transactions of buying and selling bullion purely as a commodity. That is the definition of it.

Mr. President, those are the only material clauses in this bill except the definitions to which I have referred.

Now, let me say before I conclude that I discussed this question quite fully on the 17th day of last month when I presented a similar bill, from which I eliminated the tax clause and also the appropriation clause.

The pending bill, I may say, is not what many of us would desire or what many of us have sought for many years. However, there has been a vast difference of opinion upon this subject for so long that it is perfectly evident to me that we could never accomplish any advance whatever in the larger use of silver as a monetary base in this country unless we could bring our minds together on some proposal.

The first trouble we had in arriving at a conclusion was due to the fact that the administration demanded that not only should the time and method of buying be permissive but that the question of buying at all should be permissive. Of course, there would be no legislation in that aspect of the case, because nothing whatever would be added to the existing law. Today the President has authority to buy silver, but there is no law, unless this bill shall be enacted, to direct him to buy silver. This bill absolutely directs the Secretary of the Treasury to buy silver until there is one-third as much silver in the Treasury as there is gold, or, in other words, until our monetary stock—which means all the gold and silver owned by our Government—is in the proportion of 25 percent silver and 75 percent gold. I say that that is a tremendous advance. I say to you, Mr. President, that not since 1873 have we ever been able to place an act on the statute books which declared that it was the policy of the Government to maintain one-third of our metallic monetary stocks in silver. There has not been an act on the statute books since 1873 that declared that such a ratio should be maintained.

There have been two acts only on our statute books since 1873 that even required the administration to buy silver at all, except under the Pittman Act, which was simply designed to replace some silver that was taken out during the war, and that act terminated of its own force. There have not been any acts that required the coinage of silver since 1873, except the two purchase acts which expired over 30 years ago.

Last year was the first time that silver was remonetized since it was demonetized in 1873. It was demonetized in 1873 because at that time its full legal tender value was destroyed. By this bill and by other acts passed recently we have absolutely remonetized silver in two ways: We have declared that its use shall be reestablished, that it shall be maintained, and that it shall be full legal tender for all debts, public and private, and for all public dues. Those were great steps that we accomplished.

So far as I am personally concerned, I am not interested in the nationalization of silver and I am not interested in the question of taxation of silver, and I do not think that the nationalization of silver means anything, but others do. I think the taxation of silver will bring some money into the Treasury and will prevent some speculation here or there, but I would rather have a free market in the United States so that we could take the market away from London, which has had control of it for many years, than to have that little advantage which is proposed to be given. As a matter of fact, the history of the exchange is this: This bill, so far as the taxation of silver is concerned, went into effect on the 15th day of May; and since the 15th day of May, the metal exchange of New York has done just as much business in silver as it ever did. The only difference is there has been a steadier buying and selling and the market has not been so erratic. However, these things mean nothing to me. That is all I have to say.

Mr. THOMAS of Oklahoma. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The Senator from Oklahoma offers an amendment which will be stated.

The LEGISLATIVE CLERK. On page 2, it is proposed to strike out lines 5 to 9, inclusive, and insert in lieu thereof the following:

SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary metallic reserves of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of such reserves by value in silver.

Mr. THOMAS of Oklahoma. Mr. President, the heart of this bill, if it has a heart, is contained in section 2. I propose to strike out section 2, and to insert in lieu thereof a new section which, in my judgment, will make the bill something different from what it is at the present time, and make it a real 100-percent silver bill. At present time this bill, in my judgment, changes the existing law in but few particulars. I disagree in many respects with the distinguished Senator from Nevada [Mr. PITTMAN], and I will point out those differences as I proceed, and, Mr. President, as I proceed if any Senator takes exception to my interpretation I shall be only too glad to have him point out wherein he thinks I am wrong because I do not desire to be wrong.

This bill does not change the present status of silver as money. Silver is now not money any more than paper, nickel, and copper are money, and this bill does not propose to change the status of silver.

Section 2 of this bill proposes to add some more silver to the stock of money. Mr. President, we have now in our general stock of money the following:

We have gold in the sum of seven and one-half billion dollars plus; we have gold certificates, still carried in the total stock of money, in the sum of $4,000,000,000 plus. Gold certificates, paper, are a part of our general stock of money.

Mr. NORRIS. Mr. President, may I make an inquiry of the Senator there?

Mr. THOMAS of Oklahoma. Yes.

Mr. NORRIS. So that there may be no misunderstanding and lest the Senator's remarks might be misinterpreted, let me ask does the Senator add the gold certificates to the gold? Do not the gold certificates simply represent so many gold dollars held in lieu of the certificates?

Mr. THOMAS of Oklahoma. That is exactly so, but the gold certificates are still in circulation somewhere; they are still out.

Mr. NORRIS. But the Senator just gave the amount of gold as $7,000,000,000 plus, and then the amount of gold certificates as $4,000,000,000. Does he mean that we have $11,000,000,000 in gold and gold certificates altogether?

Mr. THOMAS of Oklahoma. I am quoting from form 1028 of the Treasury Department, Public Debt Service, and I am reading from an item which gives the kinds of money. The Director of the Mint calls this item "Stocks of money." This particular statement call it "Kinds or money", the first item of which is $7,500,000,000 of gold. The second item is gold certificates, and they are in the amount of $4,778,000,000 plus. Apparently, there is that amount of gold certificates which are in some way being used by somebody, because they are classified as money.

Third, standard silver dollars in the sum of $540,000,000. That is a part of our general stock of money.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. That is, gold certificates are issued against gold in the Treasury, and the total is not $11,000,000,000 of gold, but seven and a half billion dollars of gold against which $4,000,000,000 plus, of certificates are outstanding. Is not that correct?

Mr. THOMAS of Oklahoma. The Senator is exactly right, but I am simply cataloging the stock of money we have.

The fourth item is silver bullion secured under the act of May 12, 1933. That was last year when we received some silver bullion from our war debtors. From them we received 22,000,000 ounces plus.

Silver certificates. We have $499,000,000 of silver certificates in existence, and they are a part of our general monetary stock.

We have Treasury notes of 1890 in the sum of $1,000,000,000 plus. They are a part of our monetary stock. We have subsidiary silver, $296,000,000. That is made up of half dollars, quarters, and dimes, and that is a part of our general monetary stock. The subsidiary silver is equivalent to paper—no better, no worse.

Minor coins—that means pennies, I presume, in the main, and perhaps nickels—$126,000,000. That is a part of our general monetary stock.

We have of United States notes $346,000,000. Those are the detested greenbacks we hear so much about, printing-press money, yet carried as a part of our general monetary stock and in circulation today in the United States.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. The Senator, of course, understands there is gold to the extent of $150,000,000 back of the greenbacks?

Mr. THOMAS of Oklahoma. Yes. There are $346,000,000 in greenbacks in existence. The gold to which the Senator refers is back of some other forms of our paper money as well. It is not back of the greenbacks alone.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. That money is good for the payment of all debts, public and private, except taxes.

Mr. THOMAS of Oklahoma. It is good for all kinds of debts. An amendment was adopted last year making all money heretofore and hereafter issued legal tender in the payment of all debts, public and private. That means every kind of debt.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. I should be glad if the Senator from Oklahoma would be good enough to give his definition of the word "reserves" as used in his amendment. He is substituting for the word "stocks" the word "reserves." In the bill, as I read it, the term "monetary stocks" includes all the money substances in the Treasury and those in circulation. The term "reserves" ordinarily means money set apart to meet some obligation existing or in contemplation.

Mr. THOMAS of Oklahoma. Mr. President, by "reserves" I mean primary money. By "reserves" I mean standard money. By "reserves" I mean basic money. Today we have but one class, standard money, basic money, and that is gold. Any money that is used as ultimate redemption money is basic money. It is standard money, primary money, and the only kind of money we have today that fills that definition is gold, and gold alone.

I read now from the weekly report of the Federal Reserve Board. They carry a good many particular items, and one is the monetary gold stock. The Federal Reserve Board does not carry a monetary silver stock. It has nothing to say about silver. In the opinion of the Federal Reserve System, silver is no more important as money than nickel or copper or paper. It is nothing. The bill does not make it any better than it is now.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. In view of the Senator's statement, let me say that I prefer the Senator's amendment to the provision in the bill. But the Senator's amendment does not make silver a money of ultimate redemption. His amendment, in my opinion, still leaves it in the same class with token money, and not as money of ultimate redemption.

Mr. THOMAS of Oklahoma. I am glad to have the Senator's interpretation of the amendment. The amendment of course does not make the bill perfect, but the amendment if adopted would give a cornerstone for the bill upon which we could build. If it is not adopted and the original text remains in the bill, it does not have even a cornerstone and it has no foundation. There would be no change in our present financial system.

Mr. LONG. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I did not know whether the Senator had that in mind. If the Senator's amendment is adopted I have

a further amendment which I intend to offer, which would specifically state that we are operating on a bimetallic basis with a standard ratio of gold and silver.

Mr. THOMAS of Oklahoma. I want to finish the statement as to the stocks of money. I mentioned just a moment ago United States notes, sometimes called "greenbacks." We have of those notes now $346,000,000. This most detestable form of money was issued during the war between the States. We did not have any gold in those days. The war was on. We did not have any silver. The North did not have any credit. It had armies in the field. They had to be financed. President Lincoln came to Congress and got Congress to enact a law giving him authority to issue what became known in slang parlance as "greenbacks." They were United States Treasury notes.

Those Treasury notes were issued and placed in circulation to the extent of almost $500,000,000. With that money President Lincoln financed the North in the war, paid the soldiers, paid the expenses of the Government. It might be too broad to say that through those greenbacks the northern side won. Whether or not that be true is immaterial. When the war was over we had no gold, no silver, no credit. All we had was the Treasury notes. They served the purpose.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. I am bound to respond to the suggestion that the greenbacks won the war. The Confederate States of America issued a great many more greenbacks than the Federal Union did, and we lost the war. I do not think it was a contest as to who could issue the most notes.

Mr. THOMAS of Oklahoma. Perhaps the Senator's observation is correct, but had not we issued the greenbacks the war would not have lasted as long as it did. I think the Senator will agree with that.

Mr. BAILEY. That may be so. I am simply making the point that the great contest was not determined on either side by the amount of paper money that was issued.

Mr. THOMAS of Oklahoma. I agree with the Senator. I was making the point that that is all we had on the northern side with which to finance the war.

After the war was over those greenbacks were in circulation. We gradually acquired some gold, acquired some silver, and acquired some credit after the war terminated. The Congress and the Government began to pay off the greenbacks. They began to retire them. The greenbacks were paid off and retired and canceled, and the volume of money was constantly decreased.

Later on it was seen that the smaller the amount of money in circulation, the higher the value of money. The Congress in those days apparently had an understanding of this matter. Not desiring to see the amount of money curtailed and made smaller, Congress enacted a law preventing the further retirement of the greenback. They did not stop by simply saying that "We shall not retire any more greenbacks", but Congress enacted a solemn declaration that "not only will we not retire any more greenbacks but we will keep the ones we have in circulation constantly and continuously." That was 70 years ago. They are in circulation now and there is no bill pending to retire them.

Mr. BAILEY. Mr. President, is the Senator really arguing that this country or any other country could get along with a mere paper currency not supported with any value?

Mr. THOMAS of Oklahoma. I have not gone into that question at all. I do not care to discuss it now.

Mr. BAILEY. Then, what is the significance of the Senator's remarks on the subject of greenbacks?

Mr. THOMAS of Oklahoma. I was explaining to those who criticize greenbacks that they are not a class of money subject to criticism. There is no better money in the world than those greenbacks.

Mr. BAILEY. Then there is really no significance in the Senator's remarks.

Mr. THOMAS of Oklahoma. Not at all. I am trying to answer some of the objections made with reference to greenbacks.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. Let me say to the Senator that, in my opinion, if we had no gold whatsoever in this country and we still had the same amount of currency outstanding, that currency would be just as good as it is now, whether or not we had any gold in the Treasury, for the simple reason that we are a creditor nation, and so long as we are a creditor nation, and other people and other nations owe us, there will be a demand for our money. Because of the fact that other nations know we can pay off those notes, that money will be just as good as if we had not a dollar back of them at all.

That is the reason why it has been difficult to depress the American dollar and it has been necessary to use artificial means to do it. That is also the reason why, when the President revalued gold and did not issue any more currency against the gold of which he had raised the value, we had no rise in commodity prices in this country.

Mr. THOMAS of Oklahoma. Mr. President, we now have almost eight billion dollars in gold. It is not in use. It is not in circulation. There is no way to get it in circulation. The Treasury can sell that gold. The Treasury is selling that gold. If we had an obligation that we owed to some foreign nation, we could use that gold in settlement of that obligation. If a private concern owed some foreign nation, that private concern could go to the Treasury and acquire that gold with which to settle that private debt. The gold is not in circulation today because the law does not make that necessary.

Mr. BAILEY. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from North Carolina.

Mr. BAILEY. The fact is that we could not settle the indebtedness either of our citizens or of our country to any other nation except in gold or gold value. It is not a matter of convenience; it is a matter of necessity.

Mr. THOMAS of Oklahoma. Exactly so; and the amendment I have just offered, if adopted, will make it possible for us to use silver in exactly the same way that we are now using gold.

Mr. BAILEY. Does the Senator imagine that France or England would accept silver from us at our value, or would they accept silver at the gold value?

Mr. THOMAS of Oklahoma. The amendment provides that they shall accept silver at the gold value.

Mr. BAILEY. Then the Senator puts us at once on the gold basis.

Mr. THOMAS of Oklahoma. Exactly so. It is that way now.

Mr. BAILEY. I understand; and under the proposed legislation silver assumes merely the character of a commodity. It happens to be a metallic commodity; and the Government might just as well buy cotton or lead, and issue money against it, as to buy silver.

Mr. THOMAS of Oklahoma. Exactly so; except that under the terms of the bill as it is now before the Senate it would be analogous for the Government to buy a bale of cotton for $50 and then issue $129 of currency against it.

Mr. BAILEY. Silver is not a product of the southern States. Cotton is. Would the Senator join me in voting for a bill to authorize the Government to buy 20,000,000 bales of cotton and store them and issue money against them?

Mr. THOMAS of Oklahoma. It would be much better money than we have now.

Mr. BAILEY. The Senator will agree that it would be quite as good as the silver proposal which is before us?

Mr. THOMAS of Oklahoma. This bill does not propose, even by insinuation, to change the present status of silver,

The other day, if I am not mistaken, the senior Senator from Nevada [Mr. PITTMAN] made the statement that the bill makes silver primary money. I cannot agree to that statement, if he still adheres to it.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I do.

Mr. PITTMAN. I do not know what the Senator means by "primary money." I have been trying for a long time to find out what primary money is. I have never found it defined in any lexicon; but I say that the Constitution still declares that gold and silver shall be the money of the country, and there are only two things that we did to silver in 1873. One of them was to say that the measure of value should be solely gold, and that silver money should not any longer be full legal tender. By this bill we are reestablishing the full legal-tender quality of silver, and we are attempting to restore to silver its ratio of use.

Today, gold is not primary money under our law, is it?

Mr. THOMAS of Oklahoma. In theory, it is; not in practice.

Mr. PITTMAN. I mean, under the law, is gold primary money?

Mr. THOMAS of Oklahoma. Not in practice; I agree with the Senator.

Mr. PITTMAN. Does the Senator mean that according to his definition, before we changed the law with regard to gold, it was primary money?

Mr. THOMAS of Oklahoma. So long as a man could take his paper money down to a bank and get gold for it, gold was primary money, money of ultimate redemption; but since the passage of the bill last year which recalled all the gold, and took it out of circulation, it is not now practically money of redemption.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PITTMAN. Just wait until I get through.

Mr. LONG. Just a moment. Will the Senator from Oklahoma yield to me for a question?

Mr. THOMAS of Oklahoma. I yield first to the Senator from Nevada. Then I will yield to the Senator from Louisiana.

Mr. PITTMAN. Why should the Senator desire to interrupt a colloquy? What was the last statement of the Senator?

Mr. THOMAS of Oklahoma. I stated that I understood the Senator from Nevada to say recently that this bill made silver primary money.

Mr. PITTMAN. I did not use the word "primary", because I do not understand the definition of primary money. What I say is that the bill remonetizes silver, and I say that in my opinion silver has exactly the same status under the bill that gold has. That is what I mean. When we come down to the question as to whether or not we are to restore the old gold standard, I do not know. I do not believe we ever shall; but I do say that in my opinion the bill gives to silver money the same status that we now have with regard to gold money.

Mr. LONG. Mr. President——

Mr. THOMAS of Oklahoma. Let me ask the Senator from Nevada a question. In what way does the bill change the present status of silver?

Mr. PITTMAN. The bill changes the status of silver only to the extent that it reasserts, in the first place, that it is full legal tender. In the second place, it declares that it is the policy not to do away with its use. In the third place, it reestablishes the coinage of silver money.

Mr. THOMAS of Oklahoma. Mr. President, the full legal-tender quality of silver was reestablished in the bill we passed a year ago, so this bill does not add anything to that statement.

Mr. PITTMAN. Not to that portion of it; but does it not add to the use of it?

Mr. THOMAS of Oklahoma. I do not think so.

Mr. PITTMAN. Certainly the Treasury officials are going to buy more silver under it, are they not?

Mr. THOMAS of Oklahoma. I hope so; but they will not permit us to say in the bill that they shall buy more silver.

Mr. PITTMAN. No; I understand; but when the President of the United States says to me and to a group of us, at a time when the Senator from Oklahoma is present, "I intend to carry out this purchase enthusiastically", I take his word for it.

Mr. THOMAS of Oklahoma. I do not doubt the President's word, but I have just made the statement that we could not put in the bill any clause making it mandatory for the Secretary to buy a single ounce of silver.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I do.

Mr. LONG. I wish to ask the Senator a question. If gold is not our primary money, what is our primary money? We have today a law on the statute books that abridges a citizen's right to go and get gold in exchange for his paper money, because he will be arrested if he gets more than $100 worth of it. We have nothing in the law which abolishes gold as primary money, except the indirection which does not allow the citizen to hold it. In one theory, we have gold as the sole currency; in the other, we have a prohibition against it. No one can define what is primary money today.

Mr. THOMAS of Oklahoma. From a practical standpoint we have no primary money, or else all money is primary money, because it is all on an equality. The money we have in circulation today is, first, silver dollars. Those silver dollars are worth 35 cents intrinsically. Here is a piece of paper that is the size of a paper dollar. This piece of paper has some value. It is not worth 35 cents, but it has some value. Run that through the printing press and it becomes one dollar. That is token money. A silver dollar today, under the law, is token money and nothing else, because it is not worth a dollar, any more than this piece of paper is worth a dollar.

Mr. BAILEY. Mr. President, may I ask the Senator a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. How many times is it necessary to run a piece of paper like that through the printing press before it gets to be worth more than it is worth without having anything printed on it?

Mr. THOMAS of Oklahoma. It will still be worth its weight in paper.

Mr. BAILEY. Exactly; and if it is run through 10,000,000,000 times that is exactly what it will be worth.

Mr. THOMAS of Oklahoma. That is exactly so.

I exhibit to the Senator an ounce of silver. There is an ounce of pure silver. It is about as large as a button on a gentleman's overcoat and a little thicker. That weighs a troy ounce. That ounce is worth today on the market approximately 45 cents; yet if I should take it to the mint, if I could, the Director of the Mint would take this ounce of silver and run part of it through his printing presses and make a silver dollar out of a portion of it, and would give me back the almost 100 grains that would not be used. That sample act converts a portion of this ounce of silver into a token dollar. That token, after it is run through the printing press, is no more valuable than this piece of paper if it is run through the same printing press, or a comparable printing press. One stamps figures and letters on silver, and the other prints figures and pictures on paper.

So I contend that silver now is token money and nothing more. I contend that under this bill, if passed, silver will be token money and nothing more. It is not made what I term "primary money." Of course, a citizen can take his silver certificate down to the bank and get 35 cents' worth of silver for it if he wants to have it melted, but he gets only a dollar's worth of buying power, and he starts with a dollar's worth of buying power; so he does not enhance anything by converting his paper dollar into a silver dollar.

Mr. PITTMAN. Does the Senator's amendment accomplish the purpose?

Mr. THOMAS of Oklahoma. Of course, this is going to be a little bit complicated and intricate; but if Senators will sit around me and ask questions, I think we can come to some agreement.

Mr. PITTMAN. I know the other effects of the Senator's amendment, but does his amendment itself accomplish that particular purpose?

Mr. THOMAS of Oklahoma. Yes, Mr. President.

Now let me proceed with what I started to say a while ago, before I get away from that subject.

Mr. ADAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. THOMAS of Oklahoma. Yes; I yield to the Senator.

Mr. ADAMS. I desire to make an inquiry of the Senator. Under his test or definition of token money, if under this bill silver should rise in value to be worth more than $1.29 an ounce, with the consequence that gold would decrease in value, so that the $20 gold piece in fact had less than $20 worth of bullion gold in it, would the Senator then say that the gold was token money, and that silver had ceased to be token money?

Mr. THOMAS of Oklahoma. No, Mr. President, for the reason that the law provides that 15 grains plus of gold shall be one dollar, and that dollar is a unit of measurement. So always 15 grains plus of gold is a dollar. It does not have to be stamped to make it a dollar.

I should like to show the Senator a dollar's worth of gold, but it is so small that I cannot show it to him.

Mr. ADAMS. I have good eyes.

Mr. THOMAS of Oklahoma. The Senator would have to use his imagination to see that small piece of yellow metal. It is about half the size of a small bean. If we should take a small bean and cut off one end of it, we would have a chunk of bean that would be comparable in size to 15 grains plus of pure gold. By running that through the stamp we do not add a thing to its value. It is worth a dollar now. We can take it to any jeweler, and he will weigh it for us, and give us a dollar's worth of merchandise for it. Anyone else who knows its weight will give us a dollar's worth of merchandise for it. Nothing is added to the value of this gold by stamping it. It is a dollar, whether stamped or not stamped.

Mr. ADAMS. If the Senator will permit a further observation, all money, when it is truly called money, is based upon the signature or the stamp of the Government. Only the Government makes money; and its value may depend upon the solvency of the Government in one case, or it may depend upon the bullion or commercial value of the thing out of which the money is made.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from North Carolina?

Mr. THOMAS of Oklahoma. I yield to the Senator from North Carolina.

Mr. BAILEY. I understood the distinguished Senator to say that a man would have to use his imagination to see that dollar's worth of gold.

Mr. THOMAS of Oklahoma. Yes; at the distance between the Senator and myself. It is rather dark in the Senate Chamber today.

Mr. BAILEY. Is not this the difference? It is not necessary to use our imaginations to realize the dollar's worth of gold in the small amount of gold the Senator has; but if he has a silver dollar that is worth 35 cents on the market, does he not have to use his imagination to consider that a dollar?

Mr. THOMAS of Oklahoma. We have used silver money for 150 years.

Mr. BAILEY. But have we not always done it by the exercise of our imaginations, and wholly because the amount of silver outstanding has been relatively small as compared with the amount of redemption money?

Mr. THOMAS of Oklahoma. Any time I see a piece of paper or a piece of metal with the monetary stamp of the United States upon it, I do not worry my imagination about that piece of money.

Mr. BAILEY. How does the Senator arrive at the conclusion that it is worth a dollar? He knows that the gold is worth a dollar. How does he arrive at the conclusion that this 35 cents' worth of silver is worth a dollar, except by the exercise of his imagination?

Mr. THOMAS of Oklahoma. Under previous law, the act of 1900, all forms of money were redeemable in gold, and the Treasury Department was directed and commanded to keep all these forms of money at a parity.

Mr. BAILEY. That was effectual because the amount of silver outstanding was relatively small as compared with the amount of gold.

Mr. LONG. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I should like to ask the Senator whether in 1873 a man did not have to use his imagination as much to know that the silver dollar was a silver dollar as to know that a gold dollar was a gold dollar.

Mr. THOMAS of Oklahoma. I do not think there were many silver dollars in circulation in 1873. They were very scarce.

Mr. LONG. Nevertheless, silver was the same standard, visible, actual money that gold was, at the ratio of 16 to 1, until the law of 1873 stopped the coinage of silver.

Mr. THOMAS of Oklahoma. Mr. President, in the colonial days there was some money in this country. They had forms of money of foreign nations in circulation in the Colonies. The different Colonies had some different forms of money. There was very little gold in circulation, and not very much silver, but there was some silver in circulation.

The Continental Congress passed a resolution fixing the silver dollar as a standard of value among the Colonies That dollar was fixed at practically the same size and same weight that the dollar is fixed at today, and that silver dollar was and remained the standard of value until the Constitution was adopted.

When the Constitution was adopted it provided that gold and silver should be the money of the Constitution. In the first administration Mr. Hamilton was made Secretary of the Treasury. All the money they had was the money issued by the old Continental Congress, which established and made the silver dollar the standard. Alexander Hamilton made an investigation of the question of the establishment of a mint, and he recommended that the unit of measurement be fixed as the silver dollar and fixed the weight of that silver dollar at 371¼ grains of fine silver.

During the first administration of Mr. Washington, Congress, in 1792, by law established the silver dollar as prescribed by Hamilton as the unit of value, the standard of the monetary system of the United States. That silver dollar, insofar as the weight is concerned, has never been changed. The weight of the pure silver in the Hamilton silver dollar has remained the same to this day. The gold content has been changed on numerous occasions, but the silver dollar has remained, so far as the pure silver content is concerned, unchanged. The amount of the alloy was decreased once or twice, but the pure silver in a silver dollar has remained steadfast and secure since the Continental Congress.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. Discussing the continental money, will the Senator identify what money it was that gave rise to the expression "not worth a continental"?

Mr. THOMAS of Oklahoma. In the early days of the Republic, when the colonists were finghting Great Britain, under George Washington, the Colonies found themselves in the same predicament in which the South was during the sixties. The Colonies had no gold, they had no silver, and they had no credit, and they were in a war with Great Britain, a powerful nation. The Colonies had their soldiers at Yorktown and at Valley Forge, ragged, naked, hungry, and they had no money with which to pay the soldiers and to supply their needs.

So the Continental Congress, for the want of gold and for the want of silver and for the want of the ability to borrow, issued paper money. Of course it was Continental currency, comparable to the money issued in the South in the sixties.

The colonists under Washington, prior to the Constitution, used those Continental bills with which to finance the struggle for independence. Of course they had to issue those bills in rather large quantities, and frequently, and the more they issued the more plentiful the bills became, and there began to operate the economic law that as things become plentiful they become cheap. That is a thing which some of our officials here today cannot realize as yet. If they realize it, they refuse to acknowledge it. That is what made the continental currency worthless, and that is why they call the paper "not worth a continental." They had to issue so much of the continental currency that it became so cheap that it became worthless, or practically worthless.

Mr. VANDENBERG. Is it the Senator's view that if we, even now, were to embark upon a relatively unrestricted use of mere printing-press money, again it would similarly recede and be "not worth a continental"?

Mr. THOMAS of Oklahoma. There is no argument about that matter, I will say to the Senator from Michigan. So far as I know, there is not a citizen in the United States who is in favor of what is known as "inflation per se." The same economic law that governs the value of money governs the value of everything else. The same economic law that governs the value of wheat, governs the value of corn, governs the value of cotton, and governs the value of hogs, governs the buying power of money. When those commodities are plentiful they are cheap.

When they are scarce, they are high. When money is plentiful, money is cheap. When money is scarce, money is high; and I will come to that later on in my discussion, when I shall give some figures and cite some illustrations. If anyone has any doubt about it he can argue with my figures, but I do not think he will argue with my reasoning.

I was trying to show a moment ago how much we have in our stock of money. We have Federal Reserve notes in the sum of $3,316,000,000. Those Federal Reserve notes form a part of our stock of money.

We have Federal Reserve bank notes in the sum of $180,000,000. Those Federal Reserve bank notes form a part of our general stock of money.

We have national-bank notes in the sum of $974,000,000, and those national-bank notes likewise form a part of our general stock of money.

Add up those various forms of money—and the statement to which I am referring is of April 30, scarcely a month old—and we find we have now in the Treasury and in circulation and in the banks a total stock of money in the sum of $13,539,773,590.

It is proposed by the pending bill to add some more silver to the general stock of money, and that is all this bill proposes to do.

Mr. VANDENBERG. Mr. President, will not the Senator repeat the total?

Mr. THOMAS of Oklahoma. It is $13,539,773,590.

Mr. President, it was stated a while ago that silver is not now money, that it is only token money. Silver was money from the first of the Nation's existence until 1873. At that time silver as money was destroyed, and since 1873 silver has been nothing more nor less than token money. It plays no more important part in our system of financing than does nickel or than does copper.

This bill, if enacted, will provide that we can go out and buy a few tons of silver, perchance, and use that silver to increase the amount of the money we may have in our stock. We may go to the State of the Senator from Michigan and buy a few tons of copper and coin that into copper cents, and add those copper cents to our stock of money. We would increase the volume somewhat, but would not interfere with or change the system of finance in the United States.

This bill, if passed, will have no more effect upon our system of money than if we go out and buy copper and coin it into copper pennies and add them to our general stock of money.

This bill, if passed, will have no more effect on our financial system than if the Treasury Department should go up to Connecticut and buy a train load of the particular paper that they manufacture there, from which they make money, paper with a silken thread running through it. Our financial system would not be changed. We are still upon the gold standard, and I am not arguing that we go off it. We are off it practically and theoretically.

This bill does not change the situation. The bill as drawn does not provide that the basis of our money shall be changed. Under this bill silver would not become primary money. Silver, in the silver ounce, may never be worth more than it is today, under the terms of this bill.

Mr. VANDENBERG. It could be worth less, could it not?

Mr. THOMAS of Oklahoma. As I see it, it could well be worth less. In 1873 Congress struck down silver as money, and it became a token, no more important than nickel, copper, or paper.

In 1878 Congress passed what was known as the "Bland-Allison Act." Congress was not satisfied with just having gold as the standard of value—they wanted silver. Some wanted free coinage returned. They could not get that, so they compromised by passing the Bland-Allison Act in 1878. That measure directed the Treasury to buy two and a half million ounces of silver a month, I think it was, it may have been two and a half million dollars worth of silver a month. Anyway, it was one of the two.

The bill passed, and after they commenced to buy silver it had no effect on the value of silver. It kept on going down. It might fluctuate—might go up or down. But the purchase of silver under the Bland-Allison Act, passed in 1878, had no effect upon the price of silver. It did not make silver money. They went ahead and the fight still was waged for silver.

In 1890 Congress passed what was known as the "Sherman Silver Purchase Act." The Sherman Silver Purchase Act provided that the Secretary of the Treasury should buy 4,500,000 ounces of silver a month. That was mandatory. The Bland-Allison Act was mandatory. The Secretary had to buy silver under that act. The Sherman Act was mandatory. Under it, the Secretary of the Treasury had to buy 4,500,000 ounces of silver a month.

That did not help the price of silver very much. The Secretary did not take all the silver that was offered. Apparently, there was more silver for sale than the Treasury could buy. The Secretary of the Treasury bought what he had to buy, and the price did not go up.

The Sherman Act remained in effect until 1893, in which year President Cleveland called a special session of the Congress and sent a message to Congress asking it to repeal the Sherman Act; and the Congress, accepting the recommendation of President Cleveland in this special session, did repeal the purchasing clause of the Sherman Act.

Then we had the campaign of 1896, and no more silver legislation was passed until 1918, when the Congress passed the Pittman Act. The Pittman Act likewise was a silver-purchasing act. The Pittman Act provided that the Secretary of the Treasury could sell silver to foreign nations, but that in the event the Treasury did sell silver to foreign nations the Secretary of the Treasury should immediately proceed to buy domestically mined silver in America. The Senator from Nevada [Mr. PITTMAN] comes from a silver-producing State. It was good business on his part to get rid of some of our silver and sell it abroad, and then direct the Treasury to replace the silver sold abroad with silver from the many silver-producing States; but the power given in the Pittman Act did not result in increasing the price of silver.

It is true that silver did go up in value, and in 1919–20 it sold at one time at $1.36, $1.37, and even $1.38 an ounce, but at that time we had a 50-cent dollar in buying power. That in itself would double the price of silver over what it was formerly. So, in my judgment, the high price of silver bullion in 1920 was due to the cheapness of the dollar and not to any law which was or was not passed.

The Pittman Act is still on our statute books. It is still in existence. It has never been repealed.

Mr. President, I shall try to show the difference between the two sections in question.

The present bill, as introduced, provides that we shall go into the markets and buy silver at the market price and add that silver to our general monetary stocks. The moment the silver is acquired it ceases to have the value of the price we paid for it, but it goes into our monetary stocks as of the value of $1.29 an ounce. I presume everyone understands why the figure of $1.29 an ounce is placed in the bill.

Under the Pittman bill, if it should be followed rigorously and as promised, approximately 2,000,000,000 ounces of silver would be required to make up the 25 percent of our monetary stocks. We now have in our reserves as stocks, not as primary money, a little less than a billion ounces of silver. That amount is made up of $540,000,000 of silver dollars and $300,000,000 of subsidiary money—half dollars, quarters, and dimes. Then we have a little bullion which we have acquired in the past few months. We have, in round numbers, 900,000,000 ounces of silver in our monetary stocks.

To get to the 2,000,000,000 ounces we must go in the open market and buy more than a billion ounces of silver. It is immaterial what we pay for the silver. We can get it for 45 cents an ounce, as it is today; it may go to 48 cents or 50 cents an ounce; or it may go still higher. When we get 2,000,000,000 ounces of silver, it will immediately be valued monetarily at $1.29 an ounce. The 2,000,000,000 ounces of silver will make up the two and one-half billion dollars in monetary value necessary to make up 25 percent of our monetary stocks. So under this bill, as I see it, we shall never have more than 2,000,000,000 ounces of silver, because 2,000,000,000 ounces of silver at $1.29 an ounce makes a little more than two and a half billion dollars as valued in money; and unless our gold increases to more than seven and a half billion dollars, the monetary value of silver will not increase above two and one-half billion dollars.

Mr. PITTMAN. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. There is no doubt that the Senator is right about the quantity of silver which would be required to constitute one-third of the gold value in this country. If silver did not go up to $1.29 an ounce, I think that is true.

Mr. THOMAS of Oklahoma. Permit me to make a suggestion to the Senator. It is immaterial what we have to pay for silver. We cannot have more than 2,000,000,000 ounces, because, from a monetary standpoint, that number of ounces makes up our two and one-half billion dollars in monetary value.

Mr. PITTMAN. That is true. Suppose, for instance, we should buy 750,000,000 ounces of silver out of the billion, and get it for an average of 60 cents an ounce, and then suppose that by the time we should get the other 250,000,000 ounces the price of silver should have gotten up to $1.29 an ounce. That would end our purchasing anyway, would it not, because the total amount of silver in our Treasury multiplied by the market price at the time we finished making our purchases would constitute its value, which would be $1.29 an ounce? Consequently, if it should reach $1.29 an ounce at any time before its total value was over one-third of the gold value, it would have to be multiplied by the $1.29. If we had too much silver, when it got to $1.29 an ounce we should have to sell down to the point where the total amount of silver multiplied by $1.29 would be the required amount.

It is just a question in my mind as to whether the Senator thinks we are going to keep on buying at 45 cents an ounce. If that is so, then the Senator is right that we would get a whole lot more silver, and I myself should like to see us get more silver. I am absolutely convinced, however, that perhaps not quickly, but inevitably, before we get the required amount of silver, the price will reach $1.29 an ounce.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. On that point, I should like to be informed as to what the Senator's judgment is as to what the effect will be upon our commerce with the Orient, with the silver-using countries, if we pursue a policy which will increase the value of their money, and therefore decrease their commodity prices.

Mr. THOMAS of Oklahoma. I am glad that question is asked, Mr. President. I am trying so to modify this bill as to force an effect upon our trade with foreign nations which will be advantageous to America. The terms of this bill, as I see it, will not necessarily have any effect upon our foreign trade. I am trying so to amend this bill, if I understand the situation that it will force an effect upon the foreign nations.

This is what I mean by that: Under the terms of the bill as written, silver may not enhance in value. Under the terms of the amendment, if silver does not enhance in value, it would force us to buy as much as 5,000,000,000 ounces of silver. There is not that much for sale. The purchase of 1,000,000,000 ounces might be necessary under the Senator's bill, and we might buy that billion ounces, and it might not raise the price of world silver; but if we put this silver in the monetary stock at its cost price we must buy two and one-half billion dollars' worth of silver to get our so-called "reserves" up to two and one-half billion dollars.

Let me see if I can put it in another way. Here is this ounce of silver, again. Under the Pittman bill, we go into the market and buy this ounce of silver. We pay 45 cents for it. That silver goes into our stock of money, not at 45 cents, but at $1.29 an ounce. Under my amendment we go into the market and buy this ounce of silver at 45 cents. It goes into the reserves, the stock of money, at 45 cents and no more, and is held there at 45 cents when the price of silver goes up. If it goes up to 60 cents, this piece of silver is worth 60 cents; and until the price of silver goes to $1.29 an ounce this piece of silver is not worth $1.29.

The original section puts a fictitious imaginary value upon silver, and that is the difference in the value between what the Treasury pays for it and the value the Treasury considers it has under the terms of this bill which is $1.29 an ounce.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. Does the Senator object to the other provisions with regard to the issuance of silver certificates?

Mr. THOMAS of Oklahoma. No. I will come to that later on. I am dealing first with section 2. I want to get that understood, if I can.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. BAILEY. I wish to make sure I understand the Senator. The Senator's statement indicates that he proposes that by means of his amendment the silver under the proposed legislation shall become absolutely an intrinsic value money.

Mr. THOMAS of Oklahoma. Exactly so. Otherwise the corner on gold will never be broken.

Mr. BAILEY. That is the antipode of the greenbacks.

Mr. THOMAS of Oklahoma. Exactly so. Under my amendment, if adopted, a silver certificate from the time this bill shall be passed will be worth $1 in gold or worth $1 in silver. Silver is measured by gold. Theoretically one can take a silver certificate and redeem it. It may not work out in practice, because now one cannot get a dollar of gold for a gold certificate. We may not make it workable under this provision. That is immaterial. But if this bill should pass, a silver certificate would not be worth 371 grains of fine silver; it would be worth a dollar's worth of fine silver at the world's price of silver. It might take two and a half ounces of silver to be worth a dollar, but the silver certificate would be worth a dollar, nevertheless, if it should take $2, or $2.50, or $1.75 for 371¼ grains.

Mr. BAILEY. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. The Senator has stated that he proposes in his amendment to place silver money on an intrinsic-value basis.

Mr. THOMAS of Oklahoma. Exactly so.

Mr. BAILEY. That intrinsic-value basis is determined in the world market in terms of gold.

Mr. THOMAS of Oklahoma. Exactly so.

Mr. BAILEY. So may we work around in a circle and still come back to our gold basis?

Mr. THOMAS of Oklahoma. Mr. President, three-fourths of the people in the world live in countries, such as China, India, Japan, Mexico, and others, where the only money they have, the only money they see, and the only money they want is silver.

Mr. BAILEY. And each of them trading on a gold basis?

Mr. THOMAS of Oklahoma. Yes; and trading on silver.

Mr. BAILEY. I am speaking internationally. They make their settlements with other nations on a gold basis.

Mr. THOMAS of Oklahoma. I agree with the Senator.

Mr. BAILEY. Does the Senator propose that the silver to be bought by this Government, and coined under the bill as he proposes it to be amended, shall still be on a gold basis? Is that what the Senator desires?

Mr. THOMAS of Oklahoma. Exactly so.

Mr. BAILEY. So that under the Senator's theory his silver bill does not make silver primary money but makes gold primary money, because that is the redemption money. Is not that so?

Mr. THOMAS of Oklahoma. No; I disagree with the Senator, and I will explain it in this way. Today the only money that China or India wants is silver. If we should buy from China or India a boatload of goods, they would not take our paper money for anything. They would not accept our silver at its monetary value. Then we would have to send them silver on its bullion value but measured in gold, or send them gold. Does the Senator agree? Yes; he agrees. I am trying to make silver certificates acceptable in China or India or any place in the world on a par with gold. At the present time we have no form of money that has an intrinsic value that anyone outside of the borders of the United States will accept.

Mr. BAILEY. Very well; we are agreed on all those propositions. I ask the Senator if this is not the conclusion——

Mr. THOMAS of Oklahoma. I understand the Senator's question and I will answer it if he will give me a chance.

Mr. BAILEY. The Senator's proposal is to put silver on a gold basis by way of coining no more silver in grains than the silver is worth in the terms of gold in the world market, and therefore under his argument silver is still a secondary money in that its value is measured by another standard, and it is redeemable in the world market in gold. Is not that correct?

Mr. THOMAS of Oklahoma. I understand the Senator's question. It will require an explanation to give my viewpoint. In the early days we had silver coin. The silver ratio was too high. The silver in the silver dollar was worth more than the gold in the gold dollar. As the result silver went out of circulation and gold came into circulation. For 40 years in this Government no silver dollars were coined because the moment they were coined and placed in circulation, they were grabbed up and melted into bullion, and the bullion disposed of because it was worth more in the bullion than as money.

Mr. BAILEY. Let me ask the Senator a question on that point.

Mr. THOMAS of Oklahoma. Let me finish answering the Senator's other question, if he pleases.

In those days gold was measured by silver. Silver became very valuable and went out of circulation. Gold was the money in circulation. Later on silver fell in value, gold went up, and silver went out of circulation. When one metal is higher than the other, it is the main money and the other is secondary. If the tide changes and gold becomes more valuable and silver goes down, gold becomes the main money and silver becomes secondary. At the present time silver is secondary money. Silver metal is secondary metal.

It is provided in the bill that silver certificates shall be worth $1 in silver and in order to be worth $1 in silver they must be worth $1 in gold, at least theoretically. The Senator can take a silver certificate and get a dollar's worth of silver for it or trade it for a dollar's worth of gold—if not here, then in France or some other silver-gold-using country.

Mr. BAILEY. That puts silver on a gold basis, then.

Mr. THOMAS of Oklahoma. Absolutely.

Mr. BAILEY. Does not the Senator have in mind that there shall be a domestic value different from the foreign value?

Mr. THOMAS of Oklahoma. I hope not. Let me explain that. Today every dollar of American money is based upon gold. The moment it leaves the boundaries of the United States immediately those dollars become worth 60 cents. In Europe today the American dollar, paper or silver, is worth 60 cents. Here it is worth $1.37 in buying power.

Mr. BAILEY. How much?

Mr. THOMAS of Oklahoma. It is worth $1.37 in buying power.

Mr. BAILEY. So there is a domestic value of our money which is psychological or, I might say, moral.

Mr. THOMAS of Oklahoma. We have two values.

Mr. BAILEY. The foreign value is the true test, but the Senator proposes to test his silver value by the foreign standard. Is that correct?

Mr. THOMAS of Oklahoma. Money is worth only what it is worth in the world market.

Mr. BAILEY. The Senator has answered my question right there.

Mr. THOMAS of Oklahoma. Yes; that answers the question. Gold is worth its weight any place in the world. Silver today as bullion is worth its weight any place in the world. Silver, when stamped and given an artificial value, is worth its stamped value only in the country where it is stamped, and the moment it goes beyond the border of that country it is worth only its bullion value.

Mr. BAILEY. But the Senator protests against giving silver an artificial value.

Mr. THOMAS of Oklahoma. I do not protest against it, but it is no more money than to give a piece of paper an artificial value so far as money is concerned.

Mr. BAILEY. If that is the Senator's view, and he is opposed to giving silver an artificial value, then is he not opposed to the Pittman bill?

Mr. THOMAS of Oklahoma. No; the Senator would not have me go on record in that way.

Mr. BAILEY. Let me ask him in this form.

Mr. THOMAS of Oklahoma. Let me answer the Senator's question first.

Mr. BAILEY. The Senator recognizes that the Pittman bill is designed to give silver an artificial value.

Mr. THOMAS of Oklahoma. Absolutely. There is nothing else to the bill at all. It has had an artificial value since 1873 and it will not have any different than an artificial value until silver on the same ratio with gold is stamped by the Government and made interchangeable, each worth 100 cents. The question is whether we can do that alone. That question is not involved in this debate.

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair). Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. Is the Senator quite accurate in his statement that silver certificates in foreign markets are worth only their bullion value? I know that silver certificates in London or Paris or Berlin are just as good as gold certificates.

Mr. THOMAS of Oklahoma. I agree with the Senator thoroughly, but the silver certificate is no better than the silver dollar, and the silver dollar is no better than the silver certificate when it leaves the United States. Is not that correct?

Mr. KING. I do not follow the Senator. No matter what the bullion value may be here at home or throughout the world, a silver certificate issued by the Treasury of the United States is just as good as the gold certificate and will buy just as much in Kamchatka or Russia, or any country in the world, as will a gold dollar or a gold certificate.

Mr. THOMAS of Oklahoma. A greenback does the same thing outside of the boundaries of the United States, and a greenback is just as good as a silver certificate. A silver certificate is just as good as a greenback. They are on a par, but they are not money of ultimate redemption. They are only token money. They are symbols. We are talking about making silver a part of our basic redeemable monetary reserves, and the bill does not pretend to do that. It simply carries silver into a larger quantity of token money.

Mr. KING. A gold certificate is not redeemable today in gold. The Senator may have a million dollars' worth of gold certificates, but he could not get a million cents in gold for them out of the Treasury of the United States.

Mr. THOMAS of Oklahoma. That is because a law was enacted making it illegal to have gold certificates in one's possession.

Mr. KING. A silver certificate under this bill, as well as under the so-called "Thomas amendment", as well as under the so-called "Pittman amendment" and other legislation which we have, has all the validity, all the prestige, all the power, all the monetary qualities that a gold certificate has or that a gold dollar has in this and other countries.

Mr. THOMAS of Oklahoma. Under existing law we have 8 forms of paper money, 8 different pictures, 8 different sets of figures on our bills. We have gold certificates—that is no. 1. We have silver certificates—that is no. 2. We have the Treasury notes of 1890, no. 3. We have greenbacks, no. 4. We have Federal Reserve notes, no. 5. We have Federal Reserve bank notes, no. 6. We have national-bank notes, no. 7. We have national currency, no. 8. Then we have silver dollars, no. 9. Each is just as good as the other. One has no advantage whatever over the other as money. A silver dollar in America melted into bullion is worth only 35 cents, and is worth nothing as a monetary value because it does not form any part of our reserves. In referring to reserves, I speak of them as the term is used in the bill, meaning money of ultimate redemption, money that will be accepted any place in the world for its intrinsic value. I am trying, under this bill, to make silver a bullion convertible into legal tender anywhere in the world. The bill does not do it. My amendment does; and if I have time, I shall try to make that clear before I get through.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. Let me yield now to the Senator from Colorado [Mr. COSTIGAN].

Mr. COSTIGAN. Mr. President, does the Senator from Oklahoma expect to achieve the important objectives he has specified by this one amendment declaring national policy, or has he other amendments in reserve?

Mr. THOMAS of Oklahoma. This is the cornerstone. Unless we can have the cornerstone, we cannot get any other amendment. I do not care to tackle too many things at one time. I am trying to shoot one bullet at one particular point. Unless I can hit an objective, there is no use in using a shotgun loaded with bird shot.

Now I yield to the Senator from Utah.

Mr. KING. Mr. President, if the Senator will pardon me, I was about to call his attention to the declaration in an act of Congress that no currency shall be redeemed in gold; so, when the Senator speaks about the money of ultimate redemption, there is no money of ultimate redemption, in the sense that we have by law prevented the redemption of gold certificates or any money that we have by gold, whereas under the Dies bill, which is now before us, the silver certificates may be redeemed in silver. Therefore silver has that advantage over gold.

Mr. THOMAS of Oklahoma. Let me say to the Senator from Utah that we have not the Dies bill before us.

Mr. KING. I refer to the bill that came over from the House.

Mr. THOMAS of Oklahoma. That is the last House bill. It is practically the same as the Pittman bill, introduced here some few days ago.

Mr. KING. It is the one that passed the House. Mr. DIES introduced it in the House.

Mr. THOMAS of Oklahoma. The Senator is right in that particular. I thought he meant the original Dies bill.

Mr. KING. Oh, no.

Mr. THOMAS of Oklahoma. The Senator is correct. Today we have no money redeemable in anything save in silver. We redeem a dollar, then, for 35 cents, which, of course, is not actual redemption. Nobody would think about redeeming 100 cents in 35 cents; so we do not now have in our monetary system any metal of redemption that is worthy of the name. I am trying so to amend this bill that we shall have silver as a metal of ultimate redemption; and if this amendment shall be adopted our silver certificates will be worth a dollar in silver. I do not know how much silver it will take to make that dollar. It depends upon the price of silver.

Mr. BAILEY. Mr. President——

Mr. THOMAS of Oklahoma. Here is the point I am trying to make, if the Senator from North Carolina will permit me: If we shall adopt this amendment we will commence trading in silver. We shall commence paying our obligations to foreign nations in silver. We shall not have to have gold. That will break the corner on gold. It will lessen the demand for gold, because we can send silver to China and Japan and India and Mexico in settlement of our international obligations, and it will not be necessary to have gold. That will lessen the demand for gold. As I say, it will break the corner on gold. It will make a demand for silver; and as the demand for silver increases silver will go up. As the demand for gold decreases gold will come down. It will tend to equalize this abnormal ratio, and that is what I am trying to do.

If this amendment shall be adopted, we shall have silver as one metal of ultimate redemption. We do not have it now. The amendment, of course, would perhaps require the purchase of a large amount of silver in order to raise the price. We should have to purchase a large amount of silver if we ever are to get the price up.

Mr. BAILEY. Mr. President, may I ask the Senator a question?

Mr. THOMAS of Oklahoma. I yield to the Senator from North Carolina.

Mr. BAILEY. The Senator uses the term "a dollar's worth of silver." A silver dollar should be worth a dollar. Is it worth a dollar in gold?

Mr. THOMAS of Oklahoma. It is worth a dollar in gold.

Mr. BAILEY. Does the Senator undertake to propose an amendment to this bill which will so provide that a silver dollar of the present standard of weight and fineness will buy 35 cents' worth of gold, or 100 cents' worth of gold?

Mr. THOMAS of Oklahoma. I do not touch that question. For the present, a silver dollar is no better than a silver certificate. They are one and the same. They are both tokens. I do not disturb the silver dollar. If anybody wants to keep silver dollars in circulation, they are no better than paper, and no worse. They are just the same.

Mr. BAILEY. Does the Senator mean that that dollar would buy 35 cents' worth or 100 cents' worth, say, of bacon? Let us take that as an illustration.

Mr. THOMAS of Oklahoma. Mr. President, if the Government should take a piece of black imitation leather and run it through the printing press down at the Bureau of Engraving and Printing and print a dollar's worth of figures and signs on it, as they could, that would be worth a dollar, 100 cents.

Mr. BAILEY. No; I beg the Senator's pardon. That would be a dollar in the domestic market.

Mr. THOMAS of Oklahoma. Yes.

Mr. BAILEY. It would not be anything on earth in the foreign market. Is not that true?

Mr. THOMAS of Oklahoma. It would be just as good as the silver dollar here at home. It would be just as good as

any of our eight forms of paper money here at home. It would not be as good as a silver dollar in foreign markets. It would not be worth anything in foreign markets. The silver dollar would be worth 35 cents in foreign markets. That is the only distinction.

Mr. BAILEY. Is the Senator arguing for a currency confined to the domestic market as to its value, or to the world market?

Mr. THOMAS of Oklahoma. No; I join in the viewpoint expressed by the senior Senator from Idaho [Mr. BORAH] a few days ago, that the money question is the most important question pending before America and pending before the world; and from my viewpoint the rest of the countries of the world are looking to the United States to help them adjust their monetary systems, and unless we adjust ours, of course they will not have any help. I join entirely in that viewpoint.

Mr. REYNOLDS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. REYNOLDS. I assert that in India or in China or in Japan or in any of the 136 countries of the world that are using silver today a greenback can be exchanged for just as much as can a silver dollar or a gold dollar or a gold certificate.

Mr. THOMAS of Oklahoma. There is no doubt about that, because it is the duty of our Government to maintain on a parity all forms of money issued. Whatever one form is worth all are worth that. They are worth that in buying power because they are accepted in payment of dues, in payment of taxes, in payment of customs, in payment of everything. So that makes every form of money in America worth the same, be it silver dollars stamped, a piece of paper stamped, a piece of leather stamped, a conch shell stamped, a piece of wampum stamped, a razor blade stamped. It makes no difference what it is; in America it is worth 100 cents so long as the law stands. Outside of the United States, intrinsically, only gold is accepted as the standard or measure of value, and silver to the extent of its bullion value.

Mr. REYNOLDS. As the standard; but, at the same time, in China or any of the other countries that utilize silver, a person can get just as much in exchange for a greenback as he can for gold itself.

Mr. THOMAS of Oklahoma. Oh, yes; there is no doubt about that.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. In presenting a short time ago his figures respecting the total volume of currency in the United States at the present time, the Senator showed that $13,539,000,000 is now circulating.

Mr. THOMAS of Oklahoma. No; I did not say that. I beg the Senator's pardon. I did not say it is now circulating. That is the total amount of our stock of money; but there is only five billion and a little more in circulation. The total of thirteen and one-half billions includes both the money in circulation and that which we have in our storehouses, our reserves. At the Treasury Department there is a lot of money that is subject to being issued, but it is not issued yet. It could be issued, however. The Federal Reserve banks have a large store of money that they can put out at any time they desire. It is not in circulation. The amount in circulation on last Thursday was only $5,338,000,000. That is the amount of money in circulation; but the total amount we could circulate if we desired to do so is $13,500,000,000. It is not in circulation.

Mr. VANDENBERG. Is the balance of the $13,000,000,000 in physical existence?

Mr. THOMAS of Oklahoma. Oh, yes.

Mr. VANDENBERG. Where is it?

Mr. THOMAS of Oklahoma. I can go over these figures, if the Senator is interested.

The gold is all in the Treasury, theoretically; it is actually in the Federal Reserve banks, and in the mint, and in the strong boxes. It is not in circulation.

Gold certificates are hoarded. Most of them are scattered throughout the world. Federal Reserve banks hold some of the gold certificates in lieu of the gold they should have, but they do not have the gold, so they get these gold certificates, which serve the same purpose as gold, so far as being back of their gold certificates to the extent of 40 percent is concerned.

Of the standard silver dollars there are 540,000,000. Something over 29,000,000 are in circulation. The balance are in the Treasury in Washington, mostly. Some are scattered in banks, some in the Federal Reserve banks.

As to the paper money, I could give the amounts in actual circulation. The balance, not in circulation, is held in the Treasury or in Federal Reserve banks.

Mr. VANDENBERG. Let me ask the Senator this question; perhaps it will illuminate my point better than anything else.

The total stock of money has increased, apparently, from $8,000,000,000 plus to $13,000,000,000 plus in the last 4 years.

Mr. THOMAS of Oklahoma. That is correct.

Mr. VANDENBERG. In what type of money has that increase occurred?

Mr. THOMAS of Oklahoma. The Senator asks me the question, so I am forced to answer it.

Just before this administration came into power the banks were getting into bad shape for the want of actual money. The banks had on deposit 60 billion dollars of money, but they had in their vaults about only a billion dollars. The folks were getting scared and were drawing out their money. The banks owed them sixty billion, and had, altogether, a billion, so the banks had to send to Washington or to the Federal Reserve banks to get more money to put in their vaults, to take care of the demands for withdrawals, for hoarding.

Under the recent administration, the printing presses were run here in Washington day and night, three shifts, printing money to take care of what might be termed an emergency, and as the result of those over hours of printing money the total stock of money was materially increased. That was mostly in the form of national-bank currency, in the form of Federal Reserve bank currency, and in a new kind called "national currency."

Mr. VANDENBERG. When did that occur, chiefly?

Mr. THOMAS of Oklahoma. It was during the banking holiday, more than a year ago, the fall of 1932 and the spring of 1933.

Mr. VANDENBERG. If the Senator will permit me, what would be necessary to produce circulation in connection with the $13,000,000,000 supply which we are discussing?

Mr. THOMAS of Oklahoma. We are spending about $22,000,000 a day in running expenses of the Government. Those are figures I have, and they are authentic. That money is being spent in the form of checks, in the main. The Treasury pays no bills with money, as a rule. But the Treasury is each day writing checks for $22,000,000.

If the Treasury would undertake and establish a policy of paying out actual bills in payment of 600,000 salaries throughout the United States, paying the C.C.C. workers, and the expenses of the camps, paying the Army, Navy, and marines in money in the place of paying by checks, paying for the construction of the Boulder Dam, the Norris Dam, and the Muscle Shoals improvement, this vast amount of work that is going on throughout the United States—if we put out $22,000,000 in money in place of checks, we would pay out $600,000,000 a month, and in a few months we could put out as much as is necessary.

Mr. VANDENBERG. If the volume theory of money is correct, it would be possible to substantially pursue it without any new legislation. Is that correct?

Mr. THOMAS of Oklahoma. Absolutely. The pending bill, if passed, would not give anybody any power he needs that he does not now have. Under the present law the President has the power to handle all domestically mined silver. He did it under his proclamation of December 31 last, taking all domestically mined silver at 64½ cents. He could have taken it at 50 cents, he could have taken it at

a dollar, or he could have taken it at $1.29. So, under the present law the President has the power to handle domestically mined silver in any way he sees fit.

Under the same law, the President has the power to reduce the silver content in the silver dollar. He can bring it down to any size he desires. He could open the mint to the free coinage of gold and silver, fix the number of grains in a silver dollar, or fix the number of grains in a gold dollar, within the limits of the law. So today he has the power to open the mints to the silver of the world.

The President has the power, under existing law, to go into the markets of the world and buy silver. He is now doing it. At least, in his message to the Congress, sent here recently, there was what I took to be an admission that he had bought silver, and was buying silver, in the markets of the world. That is about all the power the administration wants with regard to silver. That is what this bill would give them.

Mr. VANDENBERG. What, in the Senator's judgment, would be the effect on the price index if the entire $13,000,000,000 supply were in circulation?

Mr. THOMAS of Oklahoma. I will give the Senator my opinion, which may not be worth much. It is my opinion that we should not begin to contemplate the placing of that much money in circulation. To answer the question of the Senator directly, if we should proceed to put that much money into circulation, it is my judgment, as a guess, that the buying power of the dollar would be less than 10 cents. It might not be that low immediately, but it would be down to that point very shortly.

Mr. VANDENBERG. Then, if it is the administration's objective to reach the 1926 price level, they have all the necessary monetary machinery, from the Senator's viewpoint, to accomplish that purpose, without any additional money legislation whatever?

Mr. THOMAS of Oklahoma. There is not a shadow of a doubt in my mind about that being true. Under the amendment we adopted last year, the administration has the power to issue $3,000,000,000 in Federal Reserve notes and buy $3,000,000,000 worth of bonds. That would place in circulation $3,000,000,000 of money.

The administration has the power to issue $3,000,000,000 of greenbacks and use those greenbacks in buying outstanding obligations, which might mean bonds just now being issued, bills current.

So the administration has $6,000,000,000 today, under existing law, which it could place in circulation, in addition to what we have in circulation now.

Under the existing law, the Federal Reserve Board, under the Comptroller's administration, has the power to go into the market and buy outstanding bonds and pay for those bonds with Federal Reserve notes. I do not know how many bonds are outstanding, but the total bonded indebtedness, so to speak, will soon be $30,000,000,000, not so much as that in long-term bonds; the great part is in short-term bills. But, for illustration, I will say there are $20,000,000,000 in bonds. The administration has the power to go into the open market and buy those bonds, paying for them with Federal Reserve notes, and that means that much more money in circulation.

The President has the power to take silver and put it in circulation. He has the power to buy silver and coin it into money and put that into circulation. So the President today has the power, without additional legislation, to place in circulation, conservatively, as much as $10,000,000,000. That is very, very conservative. That means over and above what is now in circulation.

It will not be necessary to put that much money into circulation. No one who presumes to understand the money question would urge that any considerable part of that be put into circulation. All we are asking is that more money be put into circulation instead of taking money out of circulation. It has been the policy for the past year to take money out of circulation instead of putting money into circulation.

I will give the facts. On March 9 last year, 1933, there was in circulation $7,538,000,000. On last Thursday there was in circulation $5,338,000,000. Make the subtraction, and we find that since March 9, 1933, we have taken $2,200,000,000 of money—actual money, the kind of money one can spend with a stranger—from circulation.

Mr. BAILEY. Mr. President, I suggest that the comparison with March 9, which was in a period of an extraordinary 10 or 15 days, is not a fair basis.

Mr. THOMAS of Oklahoma. I agree with the Senator from North Carolina.

Mr. BAILEY. If the Senator will compare the money in circulation——

Mr. THOMAS of Oklahoma. I was getting to that, if the Senator will permit me to proceed.

Mr. BAILEY. Take April 30; we have the data here; and then take October 30, 1920——

Mr. ADAMS. Mr. President, may I suggest a distinction there? My understanding of the tabulation which the Senator has is that it refers to money in circulation as the money which is passing from hand to hand, and excludes the money which is in the State banks and in the Federal Reserve banks. That is my understanding of the term "money in circulation" as used in those statistics.

Mr. THOMAS of Oklahoma. Mr. President, money in circulation is money outside of the Treasury. Money in the Federal Reserve banks is not money in circulation. Money in the banks of the Nation is money in circulation. All other money outside of the Treasury and outside of the Federal Reserve banks is money in circulation.

The suggestion made by the Senator from North Carolina is correct. On the 9th of March last year, after the banking holiday was over, the banks made demands on the Federal Reserve bank for a large quantity of money to protect themselves against runs. That is the reason why the circulation increased so greatly at that particular time. When the banks were reopened the anticipated runs did not occur, confidence came back, and the banks were paying interest on this money; so the banks began to send that money back to the Federal Reserve banks to end the payment of the interest. So far as the banks are concerned, my statement was correct, but not from the standpoint of effect.

Mr. President, a year ago we had rising prices, and everyone had a great deal of hope that good times were coming back right away. A year ago—that is, on May 31, 1933—we had in circulation $187,000,000 more than we have now. In other words, since a year ago we have taken out of circulation $187,000,000, and the circulation today is $187,000,000 less than it was a year ago, when prices were rising, and we thought we were getting out of trouble.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. The total volume of money has increased $3,500,000,000 in that period.

Mr. THOMAS of Oklahoma. That is true. The Senator is right; but this money is down in the Treasury being aged, and in the Federal Reserve vaults, where we cannot get to it. This gold is in a place where we cannot get to it. It is the money in circulation which counts.

Mr. President, the value of wheat is controlled by the number of bushels of wheat we know we have. The value of hogs is controlled by the number of hogs we have. The value of cotton is controlled by the number of bales of cotton we have, and the prospect of the crop this fall. The value of money is controlled, not by the general stock of money but by the number of dollars in circulation.

Mr. BANKHEAD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Alabama.

Mr. BANKHEAD. How was this money taken out of circulation?

Mr. THOMAS of Oklahoma. I will tell the Senator how that money was taken out of circulation; and I am forced to criticize the banking authorities of the Government when I tell the Senator how it was taken out of circulation.

The banking authorities, in my judgment, have pursued a too rigid policy with regard to the banks of the Nation. The banking authorities, through their examiners, have served

notice on the banks of the country that they must collect their notes, and the banks have proceeded to collect those notes where collection was possible. These banks in the main have owed the Federal Reserve banks; and the moment a bank made a collection from some of its customers, and had some money on hand, having no place to loan the money—and I will come to that later—there was nothing for the bank to do but to send the money to the Federal Reserve bank and pay its note. When it paid its note and sent the money to the Federal Reserve bank, the money was drawn out of circulation.

That is the reason why we have in circulation today $187,000,000 less than a year ago. The banks have forced the customers to pay. When the banks collected the money they would not again loan it. I am not blaming the banks. The individual banks owed the Federal Reserve banks, and they had to pay interest on the money they owed the Federal Reserve banks, and they could not loan the money they had; so the individual banks sent it up to the Federal Reserve banks and got rid of that much of their indebtedness on which they were paying interest. That is the reason why the money has gone out of circulation.

Mr. BAILEY. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. I desire to recall the Senator to his point of departure, in which he said that his effort was to stop the Treasury from taking money out of circulation; and he used the figure of $7,000,000,000 as of March 9. If he will refer to the circulation statement which he has there, he will find that the amount now is $5,393,000,000.

Mr. THOMAS of Oklahoma. On Thursday, the 31st of May, it was $5,338,000,000.

Mr. BAILEY. And it was only $6,000,000,000 on April 30, 1933. The Senator has that figure there:

Mr. THOMAS of Oklahoma. I have them all.

Mr. BAILEY. And on October 31, 1933, it was $5,698,000,000; so there is no great reduction.

Mr. THOMAS of Oklahoma. In the last 12 months there has been a reduction of $187,000,000. I will show the Senator how that runs.

In the past week the Treasury put $22,000,000 in circulation. In the week before that $28,000,000 went out of circulation. In the week before that $8,000,000 went out of circulation. In the week before that $7,000,000 went out of circulation. In the week before that $35,000,000 went into circulation. In the week before that $25,000,000 went out of circulation. The trend, however, was to take money out of circulation. That is what I am complaining of.

Mr. BAILEY. The coming in or going out of $100,000,000 or $200,000,000 of circulation is due to conditions of commerce rather than to any conduct of the Treasury.

On the other point, I should like to get the matter straight about the stock of money. The Senator from Michigan [Mr. VANDENBERG] asked why it had jumped by the sum of $3,000,000,000 since April 30, 1933. I think that appears on the face of the statement as being due to devaluing the gold dollar and simply increasing the figure. The amount of gold is the same, but the figure rose from four and one-half billion dollars to $7,000,000,000.

Mr. THOMAS of Oklahoma. The Treasury made a profit of approximately $2,800,000,000 on the devaluation of gold. That increased the general stock to that extent.

Mr. President, I am trying to get the Senate to understand, if I can, the difference between the pending bill and the amendment I introduced. Under the pending bill we add silver to our general stock of money, and the moment we get the silver it is valued at $1.29 an ounce—carried on the books at $1.29 an ounce.

Under my amendment we buy the silver at what it costs and add it to the general stock at what it costs us. If we get it at 50 cents, we put it in our stock and carry it at 50 cents. Under the terms of the original bill, when we buy 2,000,000,000 ounces of silver, we shall have gotten our monetary stock of silver up to 25 percent of the entire monetary stock. Its value may still be 45 cents an ounce.

Under my amendment, we keep on buying silver until we get two and one-half billion dollars' worth of silver in these stocks. Two and one-half billion dollars' worth of silver at 50 cents an ounce is 5,000,000,000 ounces of silver; and I am surprised to find the Senators coming from silver States agreeing to accept a bill limiting the possible number of ounces of silver in a bill to 2,000,000,000 when they could accept my amendment and have 5,000,000,000 ounces of silver purchased.

I do not come from a silver-producing State. My State does not produce any silver. The end is the same if the price goes up to $1.29 an ounce; but if we can buy this 5,000,000,000 ounces of silver at 50 cents and then later on the other nations learn that silver is to be made into money, and they learn that silver is good money, and the price of silver goes up to $1.29, we shall have 5,000,000,000 ounces of silver that will have cost us two and one-half billion dollars. If silver goes up to $1.29 an ounce, the 5,000,000,000 ounces will be worth about $6,000,000,000.

I am astonished that those who are likely to profit most from silver legislation are not willing to accept my suggestion.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. I simply desire to put a bit of responsibility for the errors of some of us from silver States upon a bill which the Senator from Oklahoma introduced a while back, which I understood involved plans somewhat similar to those of the present bill; and I am among those who favored that measure. The bill, as I recollect, provided that the purchases of silver should be at the rate of $50,000,000 a month, but should stop when the 1926 price level was reached.

Mr. THOMAS of Oklahoma. That bill provided, Mr. President, that if we bought an ounce of silver at 50 cents we should immediately issue certificates against it for $1.29, and put the $1.29 into circulation.

Mr. ADAMS. That is correct.

Mr. THOMAS of Oklahoma. This bill provides that if we buy an ounce of silver at 50 cents we shall put 50 cents in circulation instead of $1.29.

Mr. ADAMS. The difference is that under the Senator's bill it was compulsory to put the entire amount in circulation. Under this bill it is compulsory only to put in circulation the amount of the purchase price, and the balance is optional.

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. KING. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. The Senator knows that the Treasury of the United States may put into circulation the full $1.29 per ounce for every ounce of silver that is purchased.

Mr. THOMAS of Oklahoma. That is true; but when they do it, it is still token money, unless and until the silver in the silver dollar becomes worth a dollar. It is all token money until then.

Mr. KING. Under the bill to which the Senator refers the silver there purchased has just as much of the quality of token money as under the measure for which the Senator is contending.

Mr. THOMAS of Oklahoma. Under this amendment, if it shall go through, in the future a $1 silver certificate will be exchangeable for a dollar's worth of silver. It may be 1 ounce, 2 ounces, or 5 ounces, but it will be possible for an individual to go and exchange his silver certificate for a dollar's worth of silver. As I explained to the Senator from North Carolina, when silver is used as basic money throughout the world there will be an increased demand for silver and a decreased demand for gold. Increased demand for silver makes silver go up. Increased demand for gold makes silver go down. After a while, if those tendencies keep on working, they get together. Then we might establish a parity.

Mr. KING. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.



Mr. KING. I think the policy for which I believe the able Senator is contending, if I correctly understand him—and I do not pretend that I do—disparages silver.

The view which the President has taken, the view which those of us who support the bill take, is that silver is to be given the same prestige and the same validity as gold. It is to be lifted out of the humble place it has occupied by reason of demonetization. We contend that silver is worth $1.29 an ounce, the historic value. We do not want to treat it as bullion. We want to treat it as primary money, to use the Senator's expression, having the validity and the purchasing power of gold or gold certificates.

The Senator seems to chide some of us for supporting the bill and his position is that we should get 5,000,000,000 ounces of silver. We could not get 5,000,000,000 ounces of silver if we should search the world over. We will have difficulty, in my opinion, in getting the amount provided in the bill which has been submitted by the President. Long before we reach the maximum amount that is authorized, silver will have reached $1.29 an ounce, not only in the United States but throughout the world, and the purchasing power of the people of the United States and the purchasing power of the people of the world will have been augmented to that degree.

Mr. THOMAS of Oklahoma. We are all anxious to get silver up to $1.29 an ounce. That is our ultimate objective. My amendment will see to it that we get silver to $1.29 an ounce or else we will buy upward of 5,000,000,000 ounces of silver. The bill of the Senator from Nevada is trying to get silver to $1.29 an ounce, but under it we can only buy 1,000,000,000 ounces of silver. If that does not do the job it stops by limitation of law.

Mr. President, I have heard it said here this afternoon that this is a great silver bill. The Sherman Act was passed in 1890. It was repealed in 1893. There is more of a silver bill in the act repealing the Sherman Law than there is in the bill now before us. Let me read from the act repealing the Sherman silver purchase law. I am reading from the text, approved November 1, 1893:

> It is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money—

Let me emphasize those words "as standard money"—

> and to coin both gold and silver into money of equal intrinsic and exchangeable value.

That is the wording of the law which repealed the Sherman Silver Purchase Act. That was enacted by Congress and approved by the President November 1, 1893.

Mr. PITTMAN. Mr. President, may I ask the Senator from Oklahoma if that law is in effect now?

Mr. THOMAS of Oklahoma. No. It was repealed. This is the repealing section which I have read. I made the statement that even though this is a repealing section, there is more of a silver bill in the repealing section than there is in the bill now before us because it stated a silver monetary policy, and the bill now before us only states a "stocks-of-money" monetary policy.

Mr. PITTMAN. In what way did that statement change the status of silver in 1873?

Mr. THOMAS of Oklahoma. The repealing act only sounded well. I will admit that Congress was killing silver while it was complimenting silver to its face.

Mr. PITTMAN. In other words, the pronouncement of policy that it was standard money did not mean anything?

Mr. THOMAS of Oklahoma. Absolutely not, and neither does the similar provision in the bill now before us.

Mr. PITTMAN. There is little difference. Without calling it any name at all, what the Senator has read pronounced a thing something that was not anything. The bill repeats that silver is full legal tender.

Mr. THOMAS of Oklahoma. That was enacted into law last May.

Mr. PITTMAN. That is true enough, and it is reiterated in the pending bill.

Mr. THOMAS of Oklahoma. Then the reiteration does not change the status of silver. The bill does not change the status of silver. I stand by that statement.

Mr. PITTMAN. Another point: If we did have silver as legal-tender money and had no provision for a supply of silver, that also would be another vacant statement, such as the Senator just read.

Mr. THOMAS of Oklahoma. I am going to be here 5 years more if I live. I hope that the rest of the Senators will be here that long and longer. If we can lay the cornerstone of a silver bill in this Congress, we will have something on which to build. But if we pass this bill, which, in my judgment, on its face is the least effective of all the silver bills ever passed since the Congress convened in 1700, here is what I think will happen: The monetary system will not have changed. The bill does not presume to change it. When we come back next year, if times are not any better, we will be told, "Well, we tried to work out of this difficulty by manipulating money. We did everything with gold that we could think of, and it did not do any good. Then we did everything we could think of with silver and that did not do any good. It is evident we cannot help conditions by manipulating money." Then the advice will be, "Quit tinkering with the currency." That will be the advice we will get.

I am hoping to lay the cornerstone of a silver bill that will enable us to make silver into money. If we can do something to get the price of silver up, where the silver in a dollar is worth a dollar, and in that way bring up the price of gold, then when we meet next year with a parity almost established, we can get a conference with the other nations of the world and get a world agreement on money, following the suggestion of the distinguished Senator from Idaho [Mr. BORAH] that that is necessary—and I agree with him.

That is the reason why I want to make this a better bill. This is a silver bill. It talks about silver. We can do a lot under the bill, and we can do it now.

Unless we can get some policy provision in the bill that will make silver something more than simply token money, simply comparable to copper and nickel and paper, I can see no necessary value in the bill, if the bill is not amended. As it comes before the Senate it has the name "silver" attached to it; and because a lot of people want it, I shall vote for the bill, even though it is only a 3-percent or 10-percent or 12-percent silver bill. I am for a 100-percent silver bill, and this is not a 100-percent silver bill.

Mr. LONG. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. In line with what the Senator said, we have figured around here and used a lot of foolscap paper trying to get somebody in some way to remonetize silver. The ordinary man is not as well posted on this business as we are. The situation looks to me like a lot of children playing with a toy dollar. We have gotten nowhere. The President already has a great deal more power than the bill would give him.

Mr. THOMAS of Oklahoma. That is true. The bill does not take any power away, but it does not give any new power. Perhaps I ought to make the statement that the bill contains a provision which attempts to give the administration power to nationalize silver, but I doubt the validity of that provision. I doubt if the President and the Treasury Department can nationalize silver under that provision. In order to nationalize silver we must go out by force and take it. We can only take it if is necessary to be used for the public use. We have to pay what it is worth.

Silver, if it is made into money, real money, to be used for nothing else but money, is to be taken under the terms of the bill, and under the terms of the same bill silver is going to have no more value than nickel, no more value than any other metal that might be made into an alloy of pewter, such as zinc or copper, so far as money is concerned, because we can take those metals and put them in an

alloy and stamp them with the dollar mark, and they will be worth a dollar. That is all silver will be worth under the bill.

Of course, we could raise this alloy to be worth a dollar, and then it would be worth a dollar. If we could raise silver to be worth a dollar, it would be worth a dollar; but under this bill silver is no more important as money than any kind of an alloy that has the same wearing and durability qualities.

Mr. LONG. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator.

Mr. LONG. If the Senator will pardon me again, I understand that this House bill comes over here with section 8 in it, which was stricken out by the Senator from Nevada. The only thing this bill does is to remove the market for silver from the United States.

Mr. THOMAS of Oklahoma. I was about to point out some things that the bill does. It undertakes to give the administration power to nationalize silver. I will not say that it cannot do that, because in this country an administration edict is almost law, and the courts try to sustain it and do what they can; but if a contest should come on, I am not sure what the courts might hold. Unless silver is such a metal that we must have it to solve our money problem, we cannot take the silver of private individuals. The bill does not state that silver is that kind of a metal; under the bill it is not made that kind of a metal; and I am very doubtful if, under the nationalization section, the nationalization of silver will ever be undertaken.

Silver is different from gold. Gold was money—money of ultimate redemption. It was money, basic money, primary money, standard money, made so by the Constitution and by all the laws that have been passed from the time of the framing of the Constitution until now. So it was necessary to have gold, and to have more gold, and under that theory the President took the gold; but it will be noticed that as soon as the session of Congress opened this winter we passed an act validating the proclamations of the President, so that if his action in acquiring the gold was not legal we approved what he did, and it has the effect of law.

Mr. PITTMAN. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Nevada.

Mr. PITTMAN. I call the Senator's attention to the word "monetary." I think the word "monetary" might be interpreted to mean "money." I call attention to this language:

It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks—

The word "monetary" means "money"; and then, when we turn over here and see what money means, we find that "monetary stocks" means all the gold and silver owned by the United States. So it seems to me that that declaration as to "monetary stocks" means that all the gold and silver owned by the Government shall be our money.

Mr. THOMAS of Oklahoma. I hope that is true, and I hope those who manage the existing laws, and laws hereafter passed, will so construe it, and act accordingly; but the Federal Reserve System is the System which manages our monetary affairs. Every week the Federal Reserve Board issues a series of publications or leaflets, and those weekly bulletins list the monetary gold stock and nothing else. They carry gold as monetary metal. They do not carry silver as monetary metal. Evidently, under the opinion of the Federal Reserve banks, silver is not a monetary metal. It has no place in our system other than token money, the same as nickel, copper, or any other metal that might be stamped with a Government stamp.

Mr. ROBINSON of Arkansas. Mr. President, would the Senator like to suspend now?

Mr. THOMAS of Oklahoma. Yes; at the Senator's pleasure.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 620. An act for the relief of Catherine Wright;

S. 1430. An act for the relief of M. Thomas Petroy;

S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat);

S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended;

S. 2377. An act for the relief of A. E. Shelley;

S. 2692. An act relating to the record of registry of certain aliens;

S. 3170. An act to revise air-mail laws, and to establish a commission to make a report to the Congress recommending an aviation policy;

S. 3524. An act to amend an act of Congress approved February 9, 1893, entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes";

S. 3586. An act for the relief of George A. Fox;

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.;

H.R. 8687. An act to amend the Tariff Act of 1930; and

H.R. 9280. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands.

FOREIGN-TRADE ZONES—CONFERENCE REPORT

Mr. COPELAND. Mr. President, I ask that the Chair lay before the Senate the conference report on House bill 9322, which is on the table.

The PRESIDING OFFICER. The Chair lays before the Senate the conference report on the bill referred to by the Senator from New York, which will be read.

The report was read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9322) to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with amendments as follows: In lieu of the matter proposed to be inserted by the Senate amendment restore the matter proposed to be stricken out by the Senate amendment; and on page 2 of the House bill, strike out lines 7 to 10, inclusive, and insert the following:

"(e) The term 'public corporation' means a State, political subdivision thereof, a municipality, a public agency of a State, political subdivision thereof, or municipality, or a corporate municipal instrumentality of one or more States."

And on page 12, line 5, of the House bill, after "repeated", insert "willful."

And the Senate agree to the same.

H. D. STEPHENS,
ROYAL S. COPELAND,
CHAS. L. MCNARY,
Managers on the part of the Senate.

THOS. H. CULLEN,
JOHN MCCORMACK,
FRED M. VINSON,
ALLEN T. TREADWAY,
I. BACHARACH,
Managers on the part of the House.

Mr. COPELAND. I ask for the present consideration and adoption of the report.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the question is on agreeing to the report.

The report was agreed to.

WHY FEAR COTTON-CROP CONTROL?—ARTICLE BY SENATOR BANKHEAD

Mr. BANKHEAD. Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "Why Fear Cotton-Crop Control?" written by me and published in the June number of Nation's Business.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHY FEAR COTTON-CROP CONTROL?

(By JOHN H. BANKHEAD, United States Senator from Alabama)

Much criticism has been leveled at the cotton-reduction program. Objectors have assailed the efforts of voluntary reduction and also the semicompulsory reduction plan proposed in the Bankhead cotton-control bill. Practically all of these objections have come from theoretical economists and politicians who cannot engender any enthusiasm over the success of the present administration. Very little opposition has developed from those who know the cotton business or from newspapers, bankers, merchants, or others in the Cotton Belt.

Those who live by cotton and with cotton understand the need for a more reasonable relation of supply to the consumptive demands of the market. It has been thoroughly demonstrated that sentiment in the entire Cotton Belt on the necessity for such a reduction is as nearly unanimous as it has ever developed on any economic subject. When the importance of a fair price for cotton and its effect upon our national wealth is properly appreciated, it seems rather strange that the will of the people directly involved, in the light of their knowledge of what they need, should encounter criticism and resistance from politicians and theorists in other sections.

Cotton has been the largest factor in the increase of our national wealth as a result of foreign trade. A higher percentage of the annual cotton crop is sold abroad than any other industrial or agricultural commodity produced in the United States.

Exports of the United States from 1791 to 1933 totaled $150,000,000,000. In this period, merchandise exports exceeded merchandise imports by $36,600,000,000. That amount constitutes our net balance of trade from the time our Government was established. In the same period, exports of unmanufactured cotton totaled $30,000,000,000. From 1826 to 1933, inclusive, all exported cotton manufactured goods were valued at $3,750,895,000. Without cotton our balance of trade and the increase of our national wealth from foreign trade for 142 years would be only $2,849,105,000. Cotton has supplied 92 percent of the total amount constituting our balance of trade since our Government was established.

Normally we produce about 15,000,000 bales of cotton a year. Our domestic consumption is about 40 percent, or 6,000,000 bales. The balance finds buyers in foreign countries. In other words, 60 percent of our annual cotton crop brings new money to our country.

With the exception of a few industrial sections, the people on the farms and in the towns in the entire Cotton Belt depend upon cotton for their supply of money. Excluding the border States, it is probable that less than 15 percent of the industrial commodities bought by the people in the Cotton Belt are produced within that area.

Every mail every day carries checks to other sections of the country—chiefly to the industrial and financial centers outside the Cotton Belt—to pay for shoes, hats, clothes, farm implements, automobiles, radios, and all the other articles of general use and consumption.

COTTON HELPS OTHER SECTIONS

It should also be borne in mind that most of the mortgage indebtedness in the Cotton Belt is held outside of that section. Most of the life insurance companies who do business there are located in the East and North. Most of the railroad bonds and stocks and utility securities are owned elsewhere. The dividends, interest, and premiums flow out of the Cotton Belt. The money paid to farmers for their cotton trickles into the towns and then to the cities in that section and on to the industrial and financial centers elsewhere. A reasonable supply of purchasing power in the Cotton Belt stimulates the operation of industrial plants in other sections to produce commodities for sale to the cotton producers. As practically all of the money received from the sale of cotton moves each year into other sections, it is astonishing to find, in the industrial sections which are directly benefited by a good price for cotton, so little sympathetic interest in the welfare of the cotton producers.

It seems that the experience of 1931 and 1932, when the purchasing power in the Cotton Belt was practically destroyed, would have impressed them with the importance of a good price for cotton. I am at a loss to understand why, on an economic problem involving the welfare of such a large area, the representatives of the Republican Party in Congress have so unitedly opposed any program advanced by this administration looking to the rescue of agriculture.

In 1919 the farm price for the cotton crop was $2,034,558,000. In 1929 it was $1,200,000,000, in round figures. In 1931 it fell to $485,000,000, and in 1932 to $394,000,000.

Disaster and despair gripped the people of the South. The average farm price during these 2 years was 6 cents a pound. That was the market price when Mr. Roosevelt was inaugurated.

What was the reason for such a low price? Was it due entirely to the depression? Was the price out of line with the average index level of industrial commodities which the cotton producer must buy; and if so, why?

Accepting the pre-war period 1909–14, as representing a fair exchange price level between all commodities, and rating them at 100 percent, we find that the average price of industrial commodities bought by the farmers did not descend below 106 percent, while the price of basic agricultural commodities went down to 56 percent.

It is true that in all depressions the price of agricultural commodities goes down faster and further than do the prices of industrial commodities. The reason is found in the age-old trade law of supply and demand. The manufacturer estimates the cost of each unit he produces and sends his salesmen into the markets to find buyers at a price fixed by the manufacturer which gives him cost of production plus a reasonable profit. When he finds sales resistance and when it develops that effective demand for his products has decreased he does not continue to operate his plants at full capacity and offer in the markets for sale all the units that he can produce at any price they will bring. Good business prompts him to reduce production.

The units producing a particular industrial commodity are limited in number. They can act in accord. They gear the supply to fit the market demand.

The farmer plants his crop in the spring. He has no further control over his production. Two million cotton farmers scattered from Virginia to California, and occupying varying relations in life cannot voluntarily act in accord in the matter of gearing production to meet consumptive demand.

Each individual proceeds in his own way with his production. When his cotton is harvested he takes it to his local market and asks the buyer what he will give for it. He must sell all he has produced. He must take any price offered. He has no say whatever as to what price he will get for his commodity.

INDUSTRY DOESN'T RUN AT CAPACITY

Since industry can regulate and restrict production in the face of a developing depression, it is in position to put the brakes on and retard falling prices. The agricultural producer has no such power.

He must pile into the market places during a short period of the year the products of his entire year's work. In the absence of sufficient consumptive demand for the entire crop the farmer has no way to retard declining prices.

No sensible person can ignore the trade law of supply and demand. The high value of gold and diamonds is due to the scarcity. Leaves and the sands of the seas have no commercial value because of their countless numbers.

Those who exclaim, "Let nature take its course" in the matter of agricultural production blindly close their eyes and beckon to the gods of grief to overwhelm the tillers of the soil.

They insist that agricultural producers should clothe and feed the world by working long hours and cultivating their entire farm capacity, even though such action pauperizes the farmer.

I have heard none of these apostles who so vigorously proclaim in favor of personal liberty and the duty of the farmer to produce more than he can sell at cost insist that the farm-implement manufacturers, the fertilizer companies, and the steel corporations should operate their plants at full capacity and work their employees longer hours and full time and sell their products at whatever price they would bring in order to avoid economic waste.

LARGE ACREAGE PLANTED

The Agricultural Adjustment Act was passed in April 1933. As a result of the widely publicized statement of the declared policy of that act to restore agricultural prices to parity levels, and of the farmers' very great faith that President Roosevelt would bring about better prices for them, the area planted to cotton was increased about 4,000,000 acres. The carry-over of American cotton was then 13,000,000 bales—by far the largest in history. The consumption for the preceding 3 years had averaged about 12,000,000 bales. Production had averaged about 15,000,000 bales.

Every student of the subject recognized that it was necessary to reduce that great pile of surplus before cotton could take its normal place in the general price structure. It was then too late to take cotton land out of cultivation.

Before officials had been selected to administer the Agricultural Adjustment Act all cotton had been planted.

Under ideal weather conditions it was known that with another bumper crop of cotton the situation would be hopeless for a number of years.

To avoid that calamity a small group of cotton States' Senators, of whom I was one, sponsored the plan to plow up a substantial part of the planted crop and to pay the producers a reasonable price for doing so. Twenty-five percent, or 10,000,000 acres of young cotton, was destroyed. Good cotton weather continued, and on the remaining acreage as much cotton was harvested as was harvested the preceding year. Thirteen million new bales found their way to the market.

To those who protest against that destruction I beg to point out that every year every farmer destroys a large proportion of the cotton which comes up as a result of his planting. Chopping season destroys more cotton plants than were plowed up last year. The plow-up was merely an enlargement of the cotton-chopping practices.

If it is economically unsound to destroy living vegetation, how could we ever have had any farms? It was necessary to destroy all the trees on the land before it could be planted. The cry against destruction is whimsical nonsense.

While we did not obtain the reduction hoped for last year, we avoided a crop of 17,600,000 bales. That large quantity, added to the biggest known carry-over, would doubtless have resulted in a price of 3 or 4 cents a pound if there had been any market at all. And still we hear people insisting on letting nature take its course.

Increased consumption reduced the carry-over to 11,500,000 bales. The average carry-over for the pre-war period, 1909–14, was slightly more than 3,000,000 bales.

The necessity for a definite and certain reduction in production this year is obvious if the farmers are to get a price that will approach the cost of production.

INTENSIVE CULTIVATION WAS POSSIBLE

The Agricultural Adjustment Administration, in recognition of that fact, inaugurated a campaign to rent 40 percent of the 40,000,000 acres which were planted last year to cotton. All persons familiar with cotton farming knew that, even if that campaign was 100 percent successful, the number of bales which would be produced was left wide open, and depended upon many other factors.

We knew that millions of acres which had not been planted to cotton in recent years—much of it never planted to cotton—were being prepared for cotton cultivation this year.

We knew that, by the application of fertilizer, intensive cultivation, and the selection of the best cotton land, as many bales could be grown on 6 acres as are ordinarily grown on 10.

The fortunate part about our situation is the fact that the cotton farmers understand the operation of the law of supply and demand. Individually they cannot make that law effective.

It developed that more than 90 percent of them wanted Congress to give them machinery under which, collectively, the supply could be brought under control. Most farmers were willing to reduce their production if assured that all the others would do so in the same proportion. The sentiment of the cotton farmers in favor of a compulsory control bill was so nearly unanimous that only five Members of the House in the entire Cotton Belt from North Carolina to California voted against the bill.

Only two Senators from the real cotton-growing States voted against it. They were from border States and, I believe, recognized that an overwhelming majority of their cotton-growing constitutents favored the bill. They opposed it on other grounds.

A clamor has been set up that this is unjustifiable regimentation. What about industry under the code system? When a business is put under a code, whether by the will of a majority in that business or by the Government, every person engaged in that business is subject to the terms of the code. When the automobile code was adopted Henry Ford protested and refused to sign it. He stood upon his right of personal liberty—so eloquently portrayed by some of our orators. It is well known, however, that, although not in sympathy with the code, Mr. Ford literally complied with all its requirements. He was obliged to do so to avoid prosecution. We heard of no statesmen or editorial writers defending Mr. Ford's right to defy and ignore the code.

LIMITING THE TEXTILE INDUSTRY

In the cotton-textile industry the code reduced and limited the hours of operation and the number of spindles that could be operated. In short, that code almost automatically limited the number of units of production.

We have heard no eloquent appeals in behalf of those who did not choose to cooperate under that code. We have heard little about regimentation and socialism.

In the ice-making business, a new plant cannot be established anywhere without the consent of the Administrator. Production control of a necessity!

Many other illustrations could be given, such as the proration of oil quotas, but these are units of industry and not of agriculture. What a difference that makes to many people who never added anything to our wealth!

The Bankhead cotton control bill extends to the cotton producers the principles of the N.R.A. code. No new revolutionary or socialistic program is involved. The law is not the result of any activities by the Department of Agriculture. The demand for it came up from the cotton rows, and it was passed in the face of expressed reluctance by Secretary Wallace.

It was intended not solely to curb and bring into line the chiselers but also to protect the cooperative farmers from each other in the matter of overproduction which they knew would result from an acreage plan alone. Its machinery affords them self-government in their own business.

TWO-THIRDS MUST APPROVE LAW

If the law remains in effect next year, it will be because two-thirds of the producers have expressed themselves in favor of its continuance.

The law gives to 2,000,000 producers machinery under which they can regulate and control the marketing of cotton just as the stockholders have the power by vote to control the sales management of a steel corporation. A new principle as applied to agriculture? Yes; but a long-needed one! And I favor its continuance as a permanent policy for the cotton producers.

As the production line on a graph showing annual cotton production for 40 years moves up and down each year we find that the price line moves in an almost exactly opposite direction. When the farmer plants his cotton he can have no idea about what he will get for it when he takes it to market, because he does not know how much cotton all the farmers will produce.

His credit facilities are impaired because his merchant or banker does not know whether a bale of cotton, when harvested, will bring 6 cents a pound or 25 cents. If the line of production on the graph could be straightened out, the price line would automatically straighten out with it. The price of cotton would be stabilized at a place where it properly belongs in the general price level of commodities.

The principle involved is not essentially one of personal liberty. The real issue involved is the application of the age-old law that one should not use his own property to the injury of others.

An overwhelming majority of cotton producers have protested against that practice and invoked protection against unfair practice in interstate and foreign commerce. The antitrust law penalizes unfair sales competition in interstate commerce. Has personal liberty disappeared?

I observe that the practice of "closed shops", whether union or nonunion labor is involved, while compulsory on the minority, is not denounced as destructive of personal liberty.

Is it better to insist on the personal liberty and inalienable right to walk the streets without interference or to submit to traffic regulations for the general welfare?

The American Indians declined to submit to the established order of society and civilization. They could not understand that the general welfare of an advancing people required acquiescence in social, political, and economic organization controlled by the majority for the good of all. We have highly developed Anglo-Saxon intellectuals who entertain the Indian philosophy when individualism is involved.

FOREIGN INCREASES UNLIKELY

There is no cause for alarm based upon suggestions by those ignorant on the subject that the reduction of our abnormal surplus will stimulate production of cotton in foreign countries. The fact is that since 1925 there has been no material increase in production in any country except Russia. The area with suitable soil and climatic conditions adaptable to the production of cotton has been largely explored everywhere. We have a grade and staple of cotton which has little competition from other countries. Our chief exporting competitors are Egypt and India. Egypt raises a long-staple cotton and India an inferior grade of cotton. If other countries had the means of increasing cotton production they would not attempt it merely because of our temporary program for reducing our surplus. They know that when that plan has been accomplished we will go back to the normal production of fourteen to fifteen million bales a year.

Let me point out that cotton has heretofore led this country out of its depressions. The people in the Cotton Belt know how to handle their own situation. If abstract theorists and extreme individualists and hostile politicians will let us alone we will work out our own salvation.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. O'MAHONEY in the chair) laid before the Senate messages from the President of the United States, submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. MURPHY, from the Committee on Education and Labor, to which was recommitted the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education, vice George F. Zook, reported favorably thereon.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of E. P. Carville, of Nevada, to be United States attorney, district of Nevada, to succeed Harry H. Atkinson, term expired.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry cadets of the United States Military Academy to be second lieutenants in the Regular Army, with rank from June 12, 1934.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

TREATIES

Mr. PITTMAN. From the Committee on Foreign Relations, I report back favorably several treaties. I ask to have

the resolutions of ratification read and to have the treaties placed on the calendar.

The PRESIDING OFFICER. Without objection, the resolutions of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive K, Seventy-third Congress, second session, a supplementary extradition treaty between the United States and Sweden, signed at Washington, May 17, 1934.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive L, Seventy-third Congress, second session, a supplementary extradition treaty between the United States and Lithuania, signed at Washington on May 17, 1934.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive M, Seventy-third Congress, second session, a supplementary extradition treaty between the United States and Finland, signed at Washington on May 17, 1934.

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive O, Seventy-third Congress, second session, a convention on extradition signed on December 26, 1933, by plenipotentiaries of the United States of America and other republics of the Western Hemisphere represented at the Seventh International Conference of American States at Montevideo, Uruguay.

The PRESIDING OFFICER. The treaties will be placed on the calendar.

Mr. PITTMAN. I ask to have the injunction of secrecy removed.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS OF GRADUATING CLASS AT WEST POINT

Mr. SHEPPARD. From the Committee on Military Affairs I report back favorably the nominations for commissions in the Army of the graduating class at West Point. It is very necessary that these nominations be confirmed at once in order that the commissions may be ready when the cadets graduate.

I ask for the immediate confirmation of the nominations, and that the President be notified.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc, and the President will be notified.

FREEDOM OF THE PRESS

Mr. SCHALL. Mr. President, I ask that the clerk read the remarks which I send to the desk.

The PRESIDING OFFICER. Is it desired that all this matter shall be read at this time?

Mr. ROBINSON of Arkansas. I shall object to that in the order in which we are proceeding.

The PRESIDING OFFICER. Objection is heard.

If there be no further reports of committees, the calendar is in order.

TREATIES

Mr. ROBINSON of Arkansas. I suggest that the treaties go over for the day.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KING. Mr. President, I desire to advise our leader and the Senator from Nevada [Mr. PITTMAN] that when the treaty signed at Geneva in 1925 is under consideration, being a convention for the supervision of the international trade in arms and ammunition and in implements of war, I desire to offer a reservation to the treaty.

Mr. PITTMAN. I will state that it is the purpose of the Chairman of the Foreign Relations Committee, at the appropriate time, to ask for sufficient time to take up all these treaties.

Mr. ROBINSON of Arkansas. I think in a day or two an arrangement will be made to proceed to the consideration of the treaties under conditions which will afford opportunity for their final disposition.

Mr. KING. So that the chairman of the committee and our leader may know the character of the reservation, I will state that it is to the effect that nothing in the treaty shall affect the sovereignty or the right of Persia over and in and to the waters of the Persian Gulf.

Mr. COPELAND. Mr. President, may I ask the chairman of the committee whether the committee has disposed of the safety-at-sea treaty?

Mr. PITTMAN. No; that is in charge of a subcommittee, and they have not reported.

Mr. COPELAND. Is there some hope that the treaty may be reported at this session?

Mr. PITTMAN. I have just written to the members of the subcommittee asking them when they would be ready to report.

Mr. COPELAND. I thank the Senator.

COLLECTOR OF INTERNAL REVENUE

The legislative clerk read the nomination of Thomas C. Kasper to be collector of internal revenue, district of South Dakota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of Harry P. Hornby to be collector of customs for Customs Collection District No. 23, San Antonio, Tex.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. SHEPPARD. Mr. President, inasmuch as there is a vacancy in that office, I ask that the President be notified of the confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered.

BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

The legislative clerk read the nomination of Alvin A. Morrison, of Ohio, to be supervising inspector.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Edward Maurer, of Kentucky, to be supervising inspector.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read sundry nominanations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc, with the exception of the nomination of Tasker Howard Cairns to be postmaster at Radnor, Pa. I ask that that nomination be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, the nomination to which the Senator refers will be recommitted to the Committee on Post Offices and Post Roads.

Without objection, the other nominations of postmasters are confirmed en bloc.

IN THE ARMY

The legislative clerk read sundry nominations for appointments and promotions in the Army.

Mr. SHEPPARD. I ask that the Army nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the Army nominations are confirmed en bloc.

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas obtained the floor.

Mr. SCHALL. Mr. President, I send to the desk a statement which I should like to have read or inserted in the RECORD.

Mr. ROBINSON of Arkansas. I shall not object to the statement being inserted in the RECORD, but I do object to its being read.

The PRESIDING OFFICER. If there be no objection, the statement will be printed in the RECORD.

EDICT OF CODE STAR CHAMBER TO EVADE FREEDOM OF THE PRESS

Mr. SCHALL. Mr. President, I ask unanimous consent to print in the RECORD an article from the New York Herald Tribune of Sunday, May 27, 1934, entitled, "Press Freedom Held Menaced by Book Code."

The headline continues: "Publisher Fears Provision Will Suppress Works on Controversial Subjects—Hits Cheap-edition Rule—It Curbs Right of Distribution."

I ask that this be referred to the Judiciary Committee for their consideration in connection with my Resolution 248.

The Herald Tribune, in an interview with Alex L. Hillman, managing director of William Godwin, Inc., publishers, gives the information that a book-publishing code has been drafted under the N.R.A. here in Washington, and about to be promulgated, which in effect amends the copyright law, and suppresses the right to print books dealing with controversial matters of political, economic, religious, and social nature—"without special written permission of the code authority."

Since the Glenville edict against freedom of the press under the reign of George III—which was specially aimed against the expression of public sentiment favorable to the freedom of the American Colonies—we are today confronted under the codes of the N.R.A. with a drastic series of edicts against freedom of the press in America and the major violation of Thomas Jefferson's article I of the constitutional amendments.

History of dictatorships is repeating itself. Since the day Gutenberg set up his press to print the Bible in 1450, and Caxton began printing books at Westminister Abbey, 1477, every dictatorship, every tyrannical king, every monarch intent on curbing the will of the people, has laid the foundation of his imperial rule on keeping the people in the dark and curtailing the power of the press in disseminating the truth for public enlightenment.

Mussolini in Rome, Hitler in Berlin, the Soviet in Moscow, laid the foundation of their dictatorial power in control of the printing press. They did not set up an N.R.A. code authority. They accomplished the same end under other names, such as, Fascist, Nazi, or Soviet authority over publishers and the public press.

In England, immediately before the American Revolution, the ministry of George III tried to suppress the public press, books, and even the publication of parliamentary debates.

Two generations before the American Revolution, blind John Milton wrote the famous essay Areopagitica, a Speech for the Liberty of Unlicensed Printing.

That was under the second Stuart tyranny, in the reign of Charles II, when publishers were subject to license in order to publish a book, and the public press was subject to license under proclamations of the star chamber and the court of high commission.

What is the difference between a license from an N.R.A. code authority and a license from a star chamber or court of high commission?

Are the printing licenses under the star chamber of Charles II to be revived by the printing licenses under the code authority of Roosevelt, the second?

Only once before in American history, and that experience in violating article I of our Bill of Rights hastened a civil war, have those in power sought to throttle the press. But even the treatment of Garrison and Lovejoy 80 years ago was not supported by statesmen in Washington. Those violations of article I were simply local riotous acts. There was no Federal act sought to curb the press under a Federal code authority, or under any other Federal star chamber, until this administration hove in sight.

In the analysis of the proposed book code by the manager of the Godwin Publishing House it is stated:

> Without special written permission of the code authority, or of some agency duly designated for such purpose by it, no cheaper edition than the original regular trade edition of any copyright nonfiction book may be issued until 1 year after its publication date in the United States, nor may a popular reprint thereof, to retail at $1 or less, be issued until 2 years or more after date of its original publication, without such permission.

That covers all books discussing the "new slippery deal", the N.R.A., the A.A.A, the industrial collapse following the initiation of these bold experiments in June last, the policy of this administration, the collapse of the gold standard, the secrecy enshrouding the Treasury, the 7-billion deficit and 30-billion debt, and, indeed, any public question that may be voted on at the congressional elections of 1934 or 1936.

"Without special written permission of the code authority", no such publication can be issued at popular prices until 1 year after the original publication date; and if the popular reprint sells at $1 or less, it cannot be issued until 2 years after, without special written permission of the code authority.

Except without special written permission of the code authority, no political party could promulgate criticisms of this administration. There would be no more Darrow reports against the N.R.A. administration issued in popular book form. Moreover, the code authority would have control of books issued for public schools. No school board could buy popular-priced books for the young generation without a license from the code authority saying that the book was O.K.

Certainly, Charles II, James I, Henry VIII, and George III, and their star chambers and courts of high commission, would rise up in their coffins and call the code authority blessed if they could call up now and say, "Why did not our court ministers think of that? Why did not our government have a 'Crack-down' Johnson?"

It is called by Roosevelt, the second, a new deal, but history will undoubtedly mark it down as a perfidious "slippery deal." John Milton described it back in 1684 in his speech for the liberty of unlicensed printing. Mussolini put it into effect in 1925 as the foundation of Fascist rule of Italy. Hitler followed with his Nazi control of the German press. Soviet Russia swept all publishing under a Moscow code authority.

Green's History of the English People tells us that "the statute for the regulation of public printing" was passed in 1679. That is to say, this code authority for regulating public printing was a new deal in England 250 years ago. That is about the average antiquity of most of the bold experiments, though the main item, dictatorship, runs back a few thousand years B.C.

Says Historian Green:

> Galling to the Crown as the freedom of the press and the Habeas Corpus Act were soon found to be, Charles * * * moved cooly and resolutely forward on the path of despotism.

Green also says a little later:

> His death at the very moment of his triumph saved English freedom.

In this country Charles might not have died, but he might have been defeated in the fall elections.

After a few more kings, Green gets to the time of George III, and says:

> With Glenville's ministry began the political power of the press and the struggle with America.

Thus we note that when Moley and Tugwell, the witch doctors of the new deal, tell the public that we shall never go back to the ideas of '76, they mean that we shall never go back to the Declaration of Independence from imperial rule, and shall never go back to the freedom of the press demanded by article I of the American Bill of Rights. Moley, as editor of the magazine owned by Vincent Astor, the President's lord admiral, knows that his publications would receive the special written permission of the code authority.

But under code authority, and the Moley-Tugwell edict against the ideas of '76, what chance would a publisher have to get out a popular edition of the works of Washington and Jefferson—to say nothing of Jackson and Lincoln, or even Grover Cleveland and Theodore Roosevelt, much less get out a history of the Nation's rule of Roosevelt, the second, and his gracious Queen Eleanor.

The article from the New York Herald Tribune referred to by Mr. SCHALL is as follows:

[From the New York Herald Tribune, May 27, 1934]

PRESS FREEDOM HELD MENACED BY BOOK CODE—PUBLISHER FEARS PROVISION WILL SUPPRESS WORKS ON CONTROVERSIAL SUBJECTS—HITS CHEAP-EDITION RULE—IT CURBS RIGHT OF DISTRIBUTION, HILLMAN SAYS

A threatened abridgement of the freedom of the press in the proposed code of fair competition for the book-publishing in-

dustry was inveighed against yesterday by Alex L. Hillman, managing director of William Godwin, Inc., publishers, of 66 Fifth Avenue.

What Mr. Hillman fears will result in a suppression of the right to print books dealing with controversial matters of political, economic, religious, and social nature is the proposed section of the code dealing with reissues at cheaper prices.

"Without special written permission of the code authority", the section reads, "or of some agency duly designated for such purpose by it, no cheaper edition than the original regular trade edition of any copyright nonfiction book may be issued until 1 year after its publication date in the United States, nor may a popular reprint thereof, to retail at $1 or less, be issued until 2 years or more after date of its original publication, without such permission."

CLAIMS RIGHT OF DISTRIBUTION

Mr. Hillman took exception to this section at the meeting of the code body in Washington last Friday on the ground that it was a clear violation of the basic right of the fredom of the press, since that freedom extends, he said, to the right of distribution as well as to the right of printing.

"If my firm publishes a book, say, either for or against the National Recovery Act, and we are unable to sell it at the publication price of $3 but find that we can sell it at $1, why should we have to go to the code committee and ask permission to distribute it in that fashion? To do so would be to surrender the right of a free-born American citizen. We should have the right to distribute that book as we see fit. It is not like other merchandise. There is a constitutional guaranty protecting the right to print and to distribute it, just so it is not obscene or libelous."

Mr. Hillman said that the code should plainly exempt all books of a controversial nature in the realms of politics, economics, religion, or sociology from the limiting provisions.

DISCOUNT PROVISION OPPOSED

Another code provision which hits at the very life of the small publisher, Mr. Hillman said, is the one that would prohibit the giving by publishers of more than a 46-percent discount to jobbers or wholesalers, while retailers are given a 43-percent discount. This would allow only a 3-percent margin for the wholesalers to do business on and would force such an organization as the American News Co., which wholesales one-quarter of the trade books of the country, out of business, according to Mr. Hillman. The effect on the small publishers will be immediate, he said; they will be compelled to carry a large sales organization to compete with the big houses or be forced to the wall.

"The way it shapes up at present", said Mr. Hillman, "is that we will be forced to become big or be ruined. The codifiers seem to feel that it is fair competition for Appleton-Century to be capitalized for $2,500,000, as against our $75,000, but unfair competition for us to give a 2-percent discount under them."

Another provision of the proposed code which says that, unless 15 percent of the published price of a book can be obtained, the book shall not be sold, will work as a confiscation and destruction of books printed before the code was considered, according to Mr. Hillman.

The code is now under consideration by Robert Houston, Deputy Administrator, in Washington.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock p.m.) the Senate took a recess until tomorrow, Thursday, June 7, 1934, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 6, 1934

FOREIGN SERVICE OFFICER, CLASS 4, CONSUL, AND SECRETARY IN THE DIPLOMATIC SERVICE

Clinton E. MacEachran, of Massachusetts, to be a Foreign Service officer of class 4, a consul, and a secretary in the diplomatic service of the United States of America.

UNITED STATES DISTRICT JUDGE

Frank K. Myers, of South Carolina, to be United States district judge, eastern district of South Carolina, to succeed Ernest F. Cochran, deceased.

George Murray Hulbert, of New York, to be United States district judge, southern district of New York, to succeed Frank J. Coleman, deceased.

UNITED STATES ATTORNEYS

Fred A. Isgrig, of Arkansas, to be United States attorney, eastern district of Arkansas, to succeed Wallace Townsend, whose term will expire June 9, 1934.

Carlisle W. Higgins, of North Carolina, to be United States attorney, middle district of North Carolina, to succeed John R. McCrary, whose resignation is effective July 1, 1934.

George Philip, of South Dakota, to be United States attorney, district of South Dakota, to succeed Olaf Ridem, whose term will expire June 10, 1934.

UNITED STATES MARSHAL

Virgil Pettie, of Arkansas, to be United States marshal, eastern district of Arkansas, to succeed George L. Mallory, whose term will expire June 9, 1934.

Charles W. Robertson, of South Dakota, to be United States marshal, district of South Dakota, to succeed Chester N. Leedom, whose term will expire June 10, 1934.

William F. Burguson, of South Carolina, to be United States marshal, eastern district of South Carolina, to succeed Allen B. Kale, resigned.

Reuben Gosnell, of South Carolina, to be United States marshal, western district of South Carolina, to succeed Arthur N. Sifford, appointed by court.

MEMBER OF THE FEDERAL POWER COMMISSION

Clyde L. Seavey, of California, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1935, vice George Otis Smith.

COLLECTOR OF CUSTOMS

Charles J. Baker, of South Carolina, to be collector of customs for customs collection district no. 16, with headquarters at Charleston, S.C., in place of Frederick G. Davies.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 6, 1934

COLLECTOR OF INTERNAL REVENUE

Thomas C. Kasper to be collector of internal revenue for the district of South Dakota.

COLLECTOR OF CUSTOMS

Harry P. Hornby to be collector of customs for customs collection district no. 23, San Antonio, Tex.

SUPERVISING INSPECTORS, BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

Alvin A. Morrison to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

Edward Maurer to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

APPOINTMENTS IN THE REGULAR ARMY

George William Edgerly to be captain, Infantry.

TO BE SECOND LIEUTENANTS WITH RANK FROM JUNE 12, 1934

Corps of Engineers

1. Cadet Charles Francis Tank.
2. Cadet Thomas DeForth Rogers.
3. Cadet John Burroughs Cary.
5. Cadet Robert Erlenkotter.
6. Cadet John Heughes Donoghue.
7. Cadet Staunton Lindsley Brown.
8. Cadet Richard Moser Sieg.
9. Cadet Joseph Lemual Johnson.
10. Cadet Ferdinand Julian Tate.
11. Cadet Burton Blodgett Bruce.
12. Cadet Robert George MacDonnell.
13. Cadet Paul Carter Ashworth.
16. Cadet William Joslin Himes.
18. Cadet Rudolph Green.
21. Cadet Joseph Ochsenschlager Killian.
22. Cadet Thomas Heber Lipscomb.
23. Cadet James Edward Walsh.
25. Cadet John Page Buehler.

Signal Corps

17. Cadet Robert Beauchamp Miller.
19. Cadet Charles Francis Fell.

Coast Artillery Corps

14. Cadet Charles Leon Andrews.
24. Cadet Austin Wortham Betts.
27. Cadet Edward Walter Moore.
28. Cadet Seymour Irving Gilman.
29. Cadet Curtis Delano Sluman.
30. Cadet Byron Elias Brugge.

31. Cadet Robert Butler Warren.
33. Cadet Wilford Edward Harry Voehl.
34. Cadet John Jacob Stark.
40. Cadet George Bernard Dany.
41. Cadet Harvey Julius Jablonsky.
43. Cadet Peter Samuel Peca.
44. Cadet Lawson S. Moseley, Jr.
45. Cadet Richard Ringo Moorman.
47. Cadet James Oscar Baker.
48. Cadet Lewis Kaspar Beazley.
50. Cadet Severin Richard Beyma.
54. Cadet Theodore Frelinghuysen Hoffman.
62. Cadet Joseph Sylvester Piram.
65. Cadet John DuVal Stevens.
66. Cadet Yale Harold Wolfe.
69. Cadet Franklin Kemble, Jr.
71. Cadet Gersen Leo Kushner.
80. Cadet George Julius Weitzel.
81. Cadet Charles Wadsworth Hill.
85. Cadet Henry William Ebel.
87. Cadet Jack Edward Shuck.
88. Cadet David Belmont Ruth.
92. Cadet Robert Griffith Finkenaur.
98. Cadet Alexander James Stuart, Jr.
99. Cadet Harrison Francis Turner.
102. Cadet William Monte Canterbury.
103. Cadet Kenneth Riffel Kenerick.

Field Artillery

20. Cadet Charles Rea Revie.
26. Cadet Paul Henry Berkowitz.
32. Cadet Thompson Brooke Maury, 3d.
35. Cadet William Sebastian Stone.
36. Cadet Jonathan Owen Seaman.
37. Cadet Kermit LeVelle Davis.
42. Cadet Urquhart Pullen Williams.
46. Cadet Jean Paul Craig.
51. Cadet Thomas Leslie Crystal, Jr.
55. Cadet Miles Birkett Chatfield.
56. Cadet Howard Marshall Batson, Jr.
58. Cadet Charles Henry White, Jr.
59. Cadet Arthur B. Proctor, 3d.
60. Cadet William Jack Holzapfel, Jr.
61. Cadet Mathew Valois Pothier.
63. Cadet George Edward Adams.
67. Cadet John Farnsworth Smoller.
68. Cadet Craig Smyser.
72. Cadet Richard Edward Weber, Jr.
74. Cadet James Alexander Costain.
78. Cadet Robert Gardner Baker.
79. Cadet Ronald LeVerne Martin.
91. Cadet Peter James Kopcsak.
93. Cadet William Scott Penn, Jr.
96. Cadet Horace Lake Sanders.
100. Cadet William Dowdell Denson.
101. Cadet Percy Thomas Hennigar.
104. Cadet Richard Lee McKee.
106. Cadet Stacy William Gooch.
107. Cadet Clark Lynn, Jr.
108. Cadet Edward Flanick.
110. Cadet Harry Jenkins Hubbard.
111. Cadet Samuel Knox Yarbrough, Jr.
112. Cadet Joe Free Surratt.
114. Cadet William Milton Gross.
117. Cadet Gordon Graham Warner.
119. Cadet Edward French Benson.
121. Cadet Robert Carl Bahr.
122. Cadet Frank Carter Norvell.
125. Cadet Robert Hawkins Adams.
126. Cadet Donald Glover McLennan.
128. Cadet Theodore Gilmore Bilbo, Jr.
130. Cadet Berton Everett Spivy, Jr.
132. Cadet Kenneth Alonzo Cunin.
133. Cadet Lawrence Kent Meade.
134. Cadet Thomas Eugene Wood.
139. Cadet Thomas Clary Foote.
140. Cadet John Huber Squier.
141. Cadet Charles Bernadou Elliott, Jr.
142. Cadet James Richard Winn.
144. Cadet Daniel Henry Heyne.
147. Cadet Wilson Hawkes Neal.

Cavalry

38. Cadet Ellis Oakes Davis.
52. Cadet Frederic Wood Barnes.
53. Cadet William Beehler Bunker.
73. Cadet Robert Waight Fuller, 3d.
75. Cadet Charles Warren Schnabel.
77. Cadet Carl Delbert Womack.
83. Cadet Donald Oliver Vars.
90. Cadet Travis Ludwell Petty.
105. Cadet Jerome Edward Blair, 2d.
124. Cadet John Walker Darrah, Jr.
127. Cadet John Francis Franklin, Jr.
129. Cadet Perry Bruce Griffith.
145. Cadet Harry Evans Lardin.
155. Cadet Theodore Fiquet Hurt, Jr.
157. Cadet Dana Watterson Johnston, Jr.
159. Cadet John Monroe Hutchison.
161. Cadet Daniel Edward Still.
163. Cadet Richard Albert Smith.
167. Cadet James William Snee.
171. Cadet Joseph Aloysius Cleary.
173. Cadet William Starr Van Nostrand.
174. Cadet Raymond Judson Reeves.
178. Cadet William Harvey Wise.
183. Cadet Harvey Thompson Alness.
184. Cadet Paul Earl Johnson, Jr.
196. Cadet Karl Trueheart Gould.

Infantry

4. Cadet James Fuller Miller, Jr.
15. Cadet Walter Jackson Renfroe, Jr.
39. Cadet William Loveland Rogers.
49. Cadet John Hicks Anderson.
57. Cadet Karl William Bauer.
64. Cadet Almon White Manlove.
70. Cadet Henry Richardson Hester.
76. Cadet Harold Charles Davall.
82. Cadet Gene Huggins Tibbets.
84. Cadet George Francis Wells.
86. Cadet Paul Tompkins Hanley.
89. Cadet Leroy Carl Miller.
94. Cadet John dePeyster Townsend Hills.
95. Cadet Frank Willoughby Moorman.
97. Cadet Merlin Louis DeGuire.
109. Cadet Leo William Henry Shaughnessey.
113. Cadet Charles John Bondley, Jr.
115. Cadet Claude Morris Howard.
116. Cadet Dale Orville Smith.
118. Cadet Hudson Hutton Upham.
120. Cadet Albert Patterson Mossman.
123. Cadet Vincent Shaw Lamb.
131. Cadet Stilson Hilton Smith, Jr.
135. Cadet Fredric Carson Cook.
136. Cadet Lloyd Elmer Fellenz.
137. Cadet Joseph Michael Cummins, Jr.
138. Cadet Percival Stanley Brown.
143. Cadet Louis Lee Ingram.
146. Cadet Paul Burlingame, Jr.
148. Cadet Elvin Seth Ligon, Jr.
149. Cadet Charles Herbert Wood.
150. Cadet Jack Jerome Neely.
151. Cadet John Wentworth Merrill.
152. Cadet Charles Burton Winkle.
153. Cadet Herbert Marvin Baker, Jr.
154. Cadet George Rolfe Walton.
156. Cadet Thew Joseph Ice, Jr.
158. Cadet Daniel Murray Cheston, Jr.
160. Cadet Edmund Waller Wilkes.
162. Cadet Clifford Guldlin Simenson.
164. Cadet Arno Herman Luehman.
165. Cadet Paul Lawrence Barton.
166. Cadet Frank Joseph Caufield.
168. Cadet Ralph Emerson Bucknam, Jr.

169. Cadet Floyd Felice Forte.
170. Cadet James Dudley Wilmeth.
172. Cadet Stanley Holmes.
175. Cadet Harry Lester Hillyard.
176. Cadet Robert Hugh Bennett.
177. Cadet William Hutcheson Craig.
179. Cadet Richard Andrew Legg.
180. Cadet Ralph Doak McKinney.
181. Cadet Gerald Joseph Higgins.
185. Cadet John Thomas Hillis.
186. Cadet Charles Edward Johnson.
187. Cadet Robert Carson Kyser.
188. Cadet John Dixon Lawlor.
189. Cadet Russell William Volckmann.
190. Cadet Donald Linscott Durfee.
191. Cadet Victor Charles Huffsmith.
192. Cadet Sidney Thompson Telford.
193. Cadet Hallett Daniel Edson.
194. Cadet Edwin Rusteberg.
195. Cadet Albert Theodore Wilson, Jr.
197. Cadet Harold Webb Browning.
198. Cadet Herbert Hadley Andrae.
199. Cadet William Frederick Northam.
200. Cadet George Lowe Eatman.
201. Cadet John Berchman Stanley.
202. Cadet John William White.
203. Cadet John Stotsenburg Kromer.
204. Cadet Charles Edward Brown.
205. Cadet Nathaniel Plummer Ward, 3d.
206. Cadet James Buchanan Wells.
207. Cadet Donald Adams McPheron.
209. Cadet Thomas Hogan Hayes.
210. Cadet Robert Herbert Sanders.
211. Cadet Paul Lee Turner, Jr.
212. Cadet Arthur Lafayette Inman.
213. Cadet Stanley Joseph Donovan.
214. Cadet Henry Agnew Sebastian.
215. Cadet Harold Conly Brookhart.
216. Cadet Edward Messmore O'Connell.
217. Cadet Russell Walker Jenna.
218. Cadet Gerhard Leroy Bolland.
219. Cadet William Bentley Kern.
220. Cadet Louis Alfred Walsh, Jr.
221. Cadet James Frederick Harris.
222. Cadet George Horner Gerhart.
223. Cadet Thomas Andrew McCrary.
224. Cadet John George Benner.
225. Cadet Eugene Harrington Cloud.
226. Cadet Dale Emerson Huber.
227. Cadet Travis Tabor Brown.
228. Cadet Edwin Gantt Hickman.
229. Cadet John Elwood Mead.
230. Cadet Arthur Ferdinand Meier.
231. Cadet David Lyon Hollingsworth.
232. Cadet William Alexander Cunningham, 3d.
233. Cadet Edward Ernest Bruno Weber.
234. Cadet John Edwards Diefendorf, Jr.
235. Cadet Meade Julian Dugas.
236. Cadet Thomas Almon O'Neil.
237. Cadet Emory Alexander Lewis.
238. Cadet Samuel Alfred Luttrell.
239. Cadet William Joseph Mullen, Jr.
240. Cadet William Hammond Waugh, Jr.
241. Cadet Henry Neilson.
243. Cadet William Graham Barnwell, Jr.
244. Cadet Robert Hector McKinnon.
245. Cadet Oliver Prescott Robinson, Jr.
246. Cadet Dennis John McMahon.
247. Cadet James O'Hara.
248. Cadet Robert Nabors Tyson.
249. Cadet Joseph Edward Barzynski, Jr.
250. Cadet John Buchanan Richardson, Jr.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

Capt. Clyde Eugene Austin to Quartermaster Corps.
Capt. Hobart Raymond Gay to Quartermaster Corps.
Second Lt. Paul Russell Weyrauch to Field Artillery.

PROMOTIONS IN THE REGULAR ARMY

Clarence Chamberlin Wilson to be captain, Air Corps.
Byron Elihu Gates to be captain, Air Corps.
Marion George Pohl to be first lieutenant, Coast Artillery Corps.
John Archibald Sawyer to be first lieutenant, Coast Artillery Corps.
John Southworth Upham, Jr., to be first lieutenant, Infantry.
Wilson Carlisle von Kessler to be lieutenant colonel, Medical Corps.
Coleridge Livingstone Beaven to be lieutenant colonel, Medical Corps.
William Guy Guthrie to be lieutenant colonel, Medical Corps.
Frederick Frasier Black to be colonel, Infantry.
Delos Carleton Emmons to be lieutenant colonel, Air Corps.
Ittai Albert Luke to be major, Ordnance Department.
Elmer Karl Pettibone to be captain, Quartermaster Corps.
Thomas Hugh Young to be captain, Infantry.
Thayer Stevens Olds to be first lieutenant, Air Corps.
Samuel Leslie Myers to be first lieutenant, Cavalry.

REAPPOINTMENT IN THE OFFICERS' RESERVE CORPS

George Herbert Harries to be major general, Auxiliary Reserve.
John Miller Turpin Finney to be brigadier general, Auxiliary Reserve.

POSTMASTERS

ALABAMA

Charles W. Sarver, Athens.
Robert B. Vail, Bay Minette.
Elias B. Reid, Cherokee.
Evelyn Jones, Mentone.
Olis O. Goode, Rogersville.

ARKANSAS

Simpson A. Kemp, Hot Springs National Park.
Ida T. Mayo, McCrory.

COLORADO

William J. Murphy, Breckenridge.
Flora G. Hier, Castle Rock.
Glenn G. Ellington, Delta.
Agnes M. Padan, Fort Logan.
Lewis Hollenbeck, Salida.
Mary E. Dermody, Strasburg.

CONNECTICUT

Martin M. J. Murray, Falls Village.
Harry W. Potter, Glastonbury.
Willis Hodge, South Glastonbury.
Clarence Davenport, Washington.

GEORGIA

Rem B. Edwards, Crawfordville.
Elizabeth S. Maxwell, Lexington.
William H. Wood, Jr., Loganville.
George H. Busha, Toccoa.

HAWAII

Rose De Fries Austin, Aiea.

ILLINOIS

George A. Porter, Alexis.
Frank Dvorak, Algonquin.
Joseph L. Lampert, Alton.
Samuel J. Schuman, Astoria.
George A. McFarland, Avon.
Emma Zinschlag, Beckemeyer.
Vernard D. Snyder, Bethany.
Ruth M. McElvain, Broughton.
Carl J. Markel, Carpentersville.
Conrad C. Miller, Chadwick.
Charles J. Schneider, Columbia.
Lee C. Vinyard, East Alton.
Charles R. Bowers, Elmwood.
Edwin J. Heiligenstein, Freeburg.
Roy R. Pattison, Godfrey.

C. Mancel Wightman, Grayslake.
Warthen K. Kimball, Gurnee.
Leah Pearl York, Hartford.
Raymond J. Kelley, Huntley.
Lyle O. Kistler, Joy.
Mark J. Humphreys, Keithsburg.
George H. Wales, Lanark.
Henry J. Hosman, Lyons.
John A. Peters, Mason City.
John V. Barr, Mazon.
Benjamin B. Holston, Nashville.
Thomas J. Studley, Neponset.
John L. Mead, New Boston.
George G. Martin, Noble.
Mansford W. Blackard, Omaha.
Harry U. Hartzell, Orangeville.
Walter Hill, Pana.
Hugh J. Gorman, Peotone.
Marguerite A. Lamb, Port Byron.
Ben W. Sharp, Reynolds.
John H. Ryan, Richmond.
James Higgins, St. David.
Marcus M. Wilber, Sorento.
Hubert W. Darby, Tampico.
George Lyons, Tilden.
James Wheeler Davis, Troy.
James E. Heflin, Versailles.
Wilfred J. Brennan, West Chicago.
Floyd E. Madden, Willow Hill.
Zeno G. Stoecklin, Wood River.
Ernest F. Picker, Worden.
Elmer M. Bickford, Wyanet.
Frances I. Thurman, Yates City.

IOWA

Audra Pearson, Ainsworth.
Clarence N. Hildebrand, Belmond.
Vern Freeman, Clarence.
Fannie Hach, Clutier.
Lemuel S. Hill, Des Moines.
Herman J. Schroeder, Fort Madison.
Lilly B. Gibbons, Jefferson.
Daniel P. O'Connor, Lawler.
Ray O. Bass, Ogden.
Joseph P. Quinn, Riverside.
David A. McElliott, Ryan.

LOUISIANA

Harry Preaus, Farmerville.
Amy B. Griffin, Gilbert.
Owen R. Phillips, Glenmora.
Winnie H. Arras, Gramercy.
Overton Gauthier, Jennings.
Mrs. Leonard C. Davenport, Mer Rouge.
Florida I. Fagot, Metairie.
Auburtin H. Barre, Mooringsport.
William E. Brock, Natchitoches.
Thomas E. Barham, Oak Ridge.
Thelma L. Ellis, Sulphur.

MASSACHUSETTS

Minnie A. Barden, Agawam.
Parker E. Wilson, Bryantville.
Armand L. Bengle, Indian Orchard.

MICHIGAN

John Leon Breckenridge, Breckenridge.
Michael Leary, Calumet.
Roger J. Tobin, Channing.
Johanna Rosie, Macatawa.
Max A. Hill, Vicksburg.
Max E. Wilson, Waldron.
William G. F. L. Wentzel, Zeeland.

MONTANA

Ludwig S. Rigler, East Helena.
Charles A. Westphal, Forsyth.
Isbell S. McQuitty, Harlowton.
Marie D. Laramy, Malta.
Lawrence H. Tooley, Red Lodge.

NEBRASKA

Don Dey Ermand, Dalton.
Daniel F. Sheehan, Emerson.
Bryan J. Snyder, Fullerton.
George H. Looschen, Hooper.
Mary W. Morrow, Merna.
Marvin H. Lutt, Niobrara.
Matthew T. Liewer, Osmond.
Martin Sorenson, Plainview.
Paulus W. Barker, Rising City.
Charles O. Kocina, Verdigre.

NEW HAMPSHIRE

Arthur P. Varney, Alton.
Roy T. Hildreth, Bethlehem.
Stuart W. Heard, Center Sandwich.
Hazel J. Hayes, Rye Beach.
Edna C. Mason, Tamworth.

NEW YORK

Francis J. Sinnott, Brooklyn.
Frank Brancato, Clinton Corners.
Chester A. Miller, Oneonta.
Marion A. Carroll, Montrose.
Clarence A. Chamberlain, Orangeburg.
Ruth E. Perrin, Potsdam.

OKLAHOMA

William A. Jenkins, Beggs.
Phebe B. Bolin, Forgan.
Mike Craig, McCurtain.
Grover C. Diedrich, Marshall.
Frank B. Lucas, Ponca City.
Tom L. Pike, Weleetka.

OREGON

George A. Belloni, Coquille.
Kenneth E. Sturges, Linnton.
John D. Kennedy, North Portland.
Oscar E. Marvin, Wallowa.

PENNSYLVANIA

Joseph R. McCrum, Alexandria.
Arthur B. Clark, Altoona.
Oscar H. Stillwagon, Ambler.
James A. Patterson, Avella.
F. Joseph Roach, Bala-Cynwyd.
James P. Bryan, Beaver.
Harry E. Cuppett, Bedford.
Wilson I. Shrader, Berwick.
Harry D. Kutz, Bethlehem.
Orie A. Nary, Biglerville.
Elizabeth D. Bermingham, Blossburg.
George W. Goodley, Jr., Boothwyn.
J. Daniel Moore, Bridgeville.
Lewis M. Sutton, Camp Hill.
Francis P. Kelly, Carbondale.
Oliver F. Stolz, Carrolltown.
Martin A. King, Clarks Summit.
Jesse C. Yoders, Clarksville.
Grace Baker, Claysburg.
Daniel Leffler, Clearfield.
John A. McShane, Clifton Heights.
Daniel J. Frantz, Jr., Coal Center.
Joseph B. Roper, Coatesville.
Clarence W. Scheuren, Collegeville.
James P. Meaney, Conshohocken.
Herman L. Levy, Daisytown.
George T. Kirkendall, Dallas.
Charles L. Lehman, Devon.
Peter T. Dotey, Dingmans Ferry.
Robert Grant Furlong, Donora.
Sylvester M. Considine, Drexel Hill.
Clair F. Semelsberger, Duke Center.

Philip S. McDermott, Duquesne.
Antonio R. Minio, Edge Hill.
W. Fred Smith, Ephrata.
James Nevant, Farrell.
Dominick Franceski, Forest City.
Clara B. Dunmire, Foxburg.
Neale Boyle, Freeland.
C. Gaddis Howland, Gaines.
James W. Earley, Gilberton.
James N. Gardner, Glen Campbell.
Charles T. Bonner, Glen Riddle.
William L. Nolder, Grampian.
Carrie Stephens, Great Bend.
Wilmer F. Sowers, Green Lane.
Katharine Olive McCoy, Grove City.
Paul O. Holtz, Hastings.
Willard K. Allison, Hickory.
Harry A. McIntosh, Hollidaysburg.
S. Marple Lemmon, Honey Brook.
Amy G. Murray, Hop Bottom.
James O. Bergantz, Huntingdon.
William H. Solomon, Hyndman.
Bernard A. Devlin, Jenkintown.
John A. Eckert, Jersey Shore.
Frank J. Studeny, Johnstown.
Robert E. Holland, Kane.
John L. Clover, Knox.
Marjorie L. Samson, Lake Ariel.
Cornelius McCullough, Lansdowne.
William J. Cannon, Lansford.
James A. Sproull, Leechburg.
Fred Schneider, Leetsdale.
Wilbur G. Warner, Lehighton.
John C. Amig, Lewistown.
John A. Frazier, Liberty.
Lawrence B. Fink, Littlestown.
Stephen F. Payer, McAdoo.
Vernon J. McCarty, Marianna.
Helen T. Henrie, Meshoppen.
John C. Tritch, Middletown.
Ezra D. Parker, Mifflintown.
Frank W. Cross, Milford.
James F. Boran, Minersville.
John W. Klepper, Mortoursville.
William J. Burke, Mount Carmel.
James K. Wiley, Mount Union.
Joseph C. Clark, Natrona.
Samuel S. Ulerich, New Florence.
William G. Loy, Newport.
Penrose L. Young, Northampton.
Gerald H. Rickerson, North Warren.
Ralph B. Mushler, Norwood Station.
Fred Favo, Oakmont.
Nevin L. Wuchter, Orwigsburg.
James F. Dugan, Osceola Mills.
Eli R. Diller, Paradise.
William Leslie, Parkers Landing.
Russell W. Mosteller, Pen Argyl.
John J. Borntrager, Pennsburg.
Clair A. Wamsley, Phoenixville.
James H. Rattigan, Pottsville.
Marie E. Potteiger, Progress.
Paul Q. Barclay, Punxsutawney.
William J. Moran, Ralston.
Paul A. Martin, Roaring Spring.
William T. Collihan, St. Clair.
Archer L. Laws, Sayre.
Joseph F. Conrad, Scranton.
James A. Carney, Sharon Hill.
James D. Creary, Shenandoah.
John E. Blair, Shippensburg.
W. Fred Williams, Shippenville.
Joseph Murray Gilliland, Snow Shoe.
Gordon H. Fish, South Montrose.
Marie H. Bailie, Springdale.
William D. McIntire, Stoneboro.
Edmond J. Holleran, Susquehanna.
Alfred P. Smalley, Swarthmore.
Rosanna McGee, Towanda.
Llewellyn L. Childs, Townville.
John D. Cox, Tyrone.
Edgar S. Thompson, Upper Darby.
G. Frank Zerbe, Valley View.
Joseph P. Caufield, Verona.
Michael J. Winters, Villanova.
Stafford W. Parker, Wallingford.
James K. Bell, Warren.
Alfred R. Warner, Waynesboro.
Earl R. Young, Weatherly.
George D. Arner, Weissport.
Samuel H. Tschop, Windsor.
Charles E. Fereday, Woodville.
Francis G. Ackley, Wyalusing.
Emma R. Eakins, Wynnewood.
Frank A. Crippen, Youngsville.

SOUTH DAKOTA

William J. Nolan, Buffalo Gap.
William J. Gassen, Gregory.
Cleveland F. Brooks, Platte.

TEXAS

George W. Kidd, Brownwood.
Lon M. Peeples, Milano.

VERMONT

Walter H. Beckwith, Chelsea.
George H. St. Pierre, Island Pond.
Rosa M. Stewart, Tunbridge.
Albert C. Moore, Westminster.

VIRGINIA

Charles M. Hutcheson, Charlotte Court House.
Mary C. Lewis, Fort Eustis.
Paul Scarborough, Franklin.
Carolyn C. Bryant, Independence.
Frank L. Schofield, University of Richmond.
Alice H. Tyler, Warsaw.
William Nelson Page, Winchester.

WASHINGTON

Warren H. Perrigo, Arlington.
Frank O. Keith, Battle Ground.
Walter V. Cowderoy, Blaine.
Alex Huse, Cheney.
Nellie E. Merryweather, Concrete.
Joshua J. Peak, Davenport.
Floyd D. Tatman, Kalama.
David N. Judson, Oak Harbor.
Ralph H. Mitchell, Omak.
Paul Hamilton, Prosser.
Paul Rhodius, Sedro Woolley.
Eudocia B. Leech, Steilacoom.
Rufus B. Kager, Sultan.
Donald S. Farver, Tonasket.
George B. Day, Walla Walla.
Connie C. Wall, Winlock.

WEST VIRGINIA

Elmer O. Bowyer, Dundon.
Alice McCoy, Franklin.
William M. Boardman, Gary.
Edward J. Rush, Grant Town.
George W. Kilmer, Hedgesville.
Clarence C. Francisco, Iaeger.
Denny B. Browning, Logan.
Edward E. Williams, Mason Town.
Okey J. Garrett, Matoaka.
George E. Dunaway, Ranson.
Marmion S. R. Moler, Shepherdstown.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 6, 1934

(Legislative day of Monday, June 4, 1934)

The recess having expired, the House was called to order by the Speaker at 11 o'clock a.m.

PAUL JELNA

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3032) for the relief of Paul Jelna, with a Senate amendment, disagree to the Senate amendment, and request a conference with the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. HILL of Alabama, Mr. COFFIN, and Mr. GOSS.

CONFEDERATE CEMETERY, FAYETTEVILLE, ARK.

Mr. FULLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1358) to provide for the improvement of the approach to the Confederate Cemetery, Fayetteville, Ark., with an amendment.

Mr. SNELL. Mr. Speaker, reserving the right to object, it was announced yesterday that the first order of business this morning would be consideration of the conference report on the tariff bill.

Mr. FULLER. Mr. Speaker, I may say to the gentleman from New York that this is purely a local bill and should not take more than 5 minutes. I assure the gentleman that should controversy develop or there be any evidence that the bill will take any time for its consideration, I will withdraw my request.

Mr. SNELL. If it is a purely local matter about which there is no controversy, I shall not object.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Mildren Lee Chapter, United Daughters of the Confederacy, the sum of $3,200, or so much thereof as may be necessary, for the construction of a suitable hard-surfaced road from the end of the paved portion of East Rock Street, Fayetteville, Ark., and running along the unpaved portion of said street to the entrance of the Confederate Cemetery in said city, such road to be constructed under the supervision of the Secretary of War. No payment shall be made under this act until the city of Fayetteville has consented to the construction of such road.

Mr. FULLER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FULLER: Strike out all after the enacting clause and insert in lieu thereof the following: "That the Highway Department of the State of Arkansas is hereby authorized and directed to expend not to exceed $12,800 out of any sums heretofore or hereafter granted to such highway department under the provisions of title II of the National Industrial Recovery Act, in the construction of an 18-foot concrete pavement on approaches to the Confederate Cemetery and the National Cemetery at Fayetteville, Ark., as follows: (1) From Mill Avenue in said city east on East Rock Street to the east side of the Confederate Cemetery, a distance of approximately 1,300 feet; and (2) from West Fourth Street in said city south on Government Avenue extended to the main entrance of the National Cemetery just south of the southern limits of said city, a distance of approximately 1,060 feet."

Amend the title to read as follows:

"To provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery at Fayetteville, Ark."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9280. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4253) entitled "An act for the relief of Laura Goldwater."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 3170) entitled "An act to revise air-mail laws."

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 8781. An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 620. An act for the relief of Catherine Wright;

S. 1430. An act for the relief of M. Thomas Petroy;

S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat);

S. 2692. An act relating to the record of registry of certain aliens; and

S. 2377. An act for the relief of A. E. Shelley.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3032) entitled "An act for the relief of Paul Jelna", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SHEPPARD, Mr. LOGAN, and Mr. CAREY to be the conferees on the part of the Senate.

RECIPROCAL TRADE AGREEMENTS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8687) to amend the Tariff Act of 1930, with Senate amendments, and to consider the same en bloc in the House as in the Committee of the Whole.

Mr. TREADWAY. Mr. Speaker, reserving the right to object to ask the gentleman a question, does the gentleman intend to discuss the amendments, or simply ask for a vote? I should like to have a few minutes.

Mr. DOUGHTON. If an explanation of any amendment is necessary, I shall be pleased to make it.

Mr. SNELL. Mr. Speaker, I think the gentleman from North Carolina should tell the House what changes the Senate has made.

Mr. TREADWAY. Mr. Speaker, I should like to have 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. TRUAX. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 176]

Abernethy	Brooks	Connery	Fitzgibbons
Adair	Browning	Cooper, Ohio	Ford
Allgood	Bulwinkle	Corning	Foulkes
Andrews, N.Y.	Burke, Calif.	Crosser	Frey
Auf der Heide	Carley, N.Y.	Dear	Fulmer
Bacharach	Carter, Calif.	DeRouen	Gambrill
Bacon	Celler	Dickstein	Gasque
Bailey	Chapman	Dies	Goldsborough
Berlin	Chase	Disney	Green
Black	Church	Doutrich	Greenwood
Boland	Coffin	Eagle	Hancock, N.Y.
Bolton	Cole	Farley	Hartley
Brennan	Collins, Miss.	Fish	Higgins

Hoeppel	Lewis, Md.	Reid, Ill.	Thurston
Holdale	Ludlow	Sadowski	Waldron
Huddleston	McGugin	Shoemaker	Weideman
Jeffers	McKeown	Simpson	West, Tex.
Kee	McSwain	Sisson	Wilcox
Kelly, Ill.	Maloney, Conn.	Smith, Va.	Withrow
Kennedy, Md.	Marland	Smith, Wash.	Wolfenden
Koppleman	Muldowney	Smith, W.Va.	Wood, Mo.
Kvale	Norton	Stalker	Zioncheck
Lambertson	Peterson	Strong, Tex.	
Lea, Calif.	Ransley	Sumners, Tex.	
Lee, Mo.	Rayburn	Thompson, Ill.	

The SPEAKER. Three hundred and thirty-two Members having answered to their names, a quorum is present.

On motion by Mr. BYRNS further proceedings under the call were dispensed with.

PROCEDURE OF HOUSE

Mr. LUCE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LUCE. Mr. Speaker, Jefferson's Manual says that when any Member means to speak he is to stand up in his place uncovered and to address himself not to the House or any particular Member, but to the Speaker.

Fifteen years ago when I came here no Member ever broke this rule. No Member ever failed to follow the time-honored practice which came down to us through the centuries of addressing himself to the Speaker. Some one introduced the custom of also addressing himself to the Members of the House. This invasion of the time-honored dignified rule led me to confer with Speaker Longworth, who was even more severe in his criticism than I care to be. Later I brought the matter to the attention of the House and Speaker GARNER was equally emphatic in his comments upon the situation. At that time I found that the official reporters had put me down as saying "Mr. Speaker, ladies and gentlemen", which I did not say, because I had never broken the rule. My remonstrance has led to its omission in part from the RECORD, but still the words appear "Mr. Speaker, ladies and gentlemen", and some one the other day went so far as to say "Mr. Speaker, ladies and gentlemen, and friends." That took in the gallery.

I should like to know if in the Speaker's judgment the rule, which is not altogether clear, in that it refers to the first address made to the Speaker when seeking the floor, should be extended to cover all introduction, and if it is further the Speaker's judgment that the practice is an invasion of the dignity of the House and ought to be stopped?

The SPEAKER. The gentleman from Massachusetts [Mr. LUCE] has read from section 354 of the House Rules and Manual, which clearly states the rule. The Chair might also read clause 1 of rule 14, which has reference to decorum and debate:

> When any Member desires to speak or deliver any matter to the House, he shall rise and respectfully address himself to "Mr. Speaker", and, on being recognized, may address the House from any place on the floor or from the Clerk's desk, and shall confine himself to the question under debate, avoiding personality.

When the gentleman from Massachusetts [Mr. LUCE] presented this matter during Mr. Garner's Speakership, Mr. Garner ruled:

> The Chair is in entire sympathy with the remarks made by the gentleman from Massachusetts. It is supposed to be a slight upon the Chair, according to the expressions of former Speakers of the House, when Members address the Chairman of the Committee of the Whole or the Speaker and then address Members on the floor en masse.
>
> The Speaker represents the House of Representatives in its organization, and by addressing the Chair he addresses the entire Membership of the House.

There is not any question about the rule. The dignified method of procedure is to address the Speaker when the House is in session and to address the Chairman when the House is in Committee of the Whole, and thus the Member addresses the entire Membership. The rule provides very clearly what the mode of address should be. The Chair thinks the rule ought to be followed in the interest of dignity and decorum in the proceedings of the House.

Mr. BLANTON. Will the Chair permit a further suggestion? Even before the days of Jefferson's Manual and the House rules just referred to, back to the days of the Roman Caesars, they began by saying, "Friends, Romans, and countrymen."

The SPEAKER. That is too far back.

Mr. FOCHT. The gentleman's knowledge of Roman history seems to be confined to Mark Antony's address.

Mr. STUDLEY. That was in the forum, not in the senate.

The SPEAKER. The gentleman may settle that matter with the gentleman from Texas.

Mr. WOODRUM. Mr. Speaker, a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOODRUM. Is it not also a fact that in debate, for instance, and in colloquy between Members, under the strict and literal rules of the House, a Member has no right to interject himself into debate or make comments to a Member who is addressing the Chair or the committee of the House without first addressing himself to the Speaker or Chairman and asking whether or not the Member will yield and getting permission to have himself recognized?

The SPEAKER. That is the rule, and it should be adhered to.

Mr. FULLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. FULLER. May I inquire whether it is a violation of the rules and not in keeping with the dignity of the House and the position which we occupy on the floor of this House for a Member having a right to extend his remarks, as was done recently, to cast aspersion and reflection on the Speaker, the President of the United States, the Vice President of the United States, and other distinguished personnel of the Government in regard to patronage? [Applause.]

The SPEAKER. That is a matter for the Member who extends his remarks to take into consideration.

Mr. BOYLAN. Mr. Speaker, following the parliamentary inquiry a little further, may I direct the attention of the Speaker of the House to the fact that when Jefferson's Manual was written there were no gentlewomen Members of the House. From what I have read of the life and character of Thomas Jefferson, I believe that in writing the manual, if at that time gentlewomen were Members of the House, he would have prescribed as the proper manner to address the Chair as "gentlewomen and Mr. Speaker."

The SPEAKER. What is the gentleman's inquiry?

Mr. BOYLAN. The parliamentary inquiry is, I think "gentlewomen" should also be included in addressing the House. The form should be "Mr. Speaker and gentlewomen."

The SPEAKER. When a Member addresses "Mr. Speaker" it includes the gentlewomen as well as the gentlemen.

RECIPROCAL-TRADE AGREEMENTS

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 1, line 8, after "assisting", insert "in the present emergency."

Page 1, line 11, strike out "in the present emergency."

Page 2, line 9, after "finds", insert "as a fact."

Page 2, line 10, after "restrictions", insert "of the United States or any foreign country."

Page 2, line 11, strike out "or" and insert "and."

Page 2, lines 12 and 13, strike out "use of the powers herein conferred" and insert "means hereinafter specified."

Page 3, line 3, strike out all after "indirectly" down to and including "Cuba" in line 6.

Page 3, after line 15, insert:

"(b) Nothing in this section shall be construed to prevent the application, with respect to rates of duty established under this section pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an exclusive agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba: *Provided*, That the duties payable on such an article shall in no case be increased or decreased by more than 50 percent of the duties now payable thereon."

Page 3, line 16, strike out "(b)" and insert "(c)."

Page 3, line 25, strike out "section 336" and insert "sections 336 and 516(b)."

Page 4, line 4, after "act", insert ", or to any provision of any such agreement."

Page 4, line 4, strike out all after "act." down to and including "flour" in line 8, and insert "The third paragraph of section 311 of the Tariff Act of 1930 shall apply to any agreement concluded pursuant to this act to the extent only that such agreement assures to the United States a rate of duty on wheat flour produced in the United States which is preferential in respect to the lowest rate of duty imposed by the country with which such agreement has been concluded on like flour produced in any other country; and upon the withdrawal of wheat flour from bonded manufacturing warehouses for exportation to the country with which such agreement has been concluded, there shall be levied, collected, and paid on the imported wheat used a duty equal to the amount of such assured preference."

Page 4, strike out lines 16 and 17, and insert:

"(c) The authority of the President to enter into foreign trade agreements under section 1 of this act shall terminate on the expiration of 3 years from the date of the enactment of this act."

Page 4, after line 20, insert:

"SEC. 4. Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given in order that any interested person may have an opportunity to present his views to the President, or to such agency as the President may designate, under such rules and regulations as the President may prescribe; and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce and from such other sources as he may deem appropriate."

Mr. DOUGHTON. Mr. Speaker, I move to concur in all the Senate amendments to the bill.

The SPEAKER. The gentleman from North Carolina moves to concur in the Senate amendments.

Mr. DOUGHTON. Mr. Speaker, at a meeting of the Committee on Ways and Means on yesterday for consideration of the Senate amendments to House bill 8687, I was directed by the committee to move that the House concur in all amendments adopted by the Senate.

There are 14 amendments to the bill as it passed the House, all of which, except 3, are mere perfecting amendments or changes of language which carry no change in intent or purpose with respect to the provisions of the bill. In other words, they are merely clarifying amendments.

The first of the three amendments to which I have alluded where there is some change in the bill is on page 2, amendment no. 5, which makes the change conjunctive rather than disjunctive. In other words, two reasons must be found before the trade agreements can be entered into rather than one. It is a very simple change and anyone reading the amendment can easily understand its import.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. It is also true in connection with this amendment that it is thought it further strengthens the constitutionality of the bill.

Mr. DOUGHTON. It is really a limitation of power, as has been suggested by my good friend the gentleman from Kentucky [Mr. VINSON].

The next amendment I may refer to is on page 4, amendment no. 10, which refers to section 336 of the present tariff law. It does not repeal section 336 but only renders it inoperative as to those commodities with respect to which trade agreements are negotiated, and leaves it operative as to those commodities as to which trade agreements are not negotiated.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. The gentleman has referred to section 336. In this amendment the same treatment is applied to section 516 (b) of the tariff law as the House bill did to section 336. It is made inapplicable to those commodities that are covered in a foreign trade agreement.

Mr. DOUGHTON. Precisely; the gentleman from Kentucky is correct and I thank the gentleman for his statement.

Mr. BRITTEN. Mr. Speaker, a parliamentary inquiry.

It is evident from the colloquy going on on the other side of the aisle that the gentlemen who have this bill in charge think it is merely a Democratic measure. The Republican side would like to know something about it, even though we do not agree with what you are doing.

Mr. DOUGHTON. I did not yield to the gentleman. The gentleman does not seem to have very much regard for the rules of the House.

Mr. BRITTEN. I addressed myself to the Chair by a parliamentary inquiry.

Mr. DOUGHTON. If the gentleman wants to debate the matter, that is another question. I am endeavoring to explain the changes made by the amendments, as requested by the minority leader.

On page 6, section 4, amendment no. 14, which is very clear, provides:

Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given—

And so forth. This provides reasonable notice so that any interested parties may be heard, and it is for the purpose of giving a hearing to any individual or corporation that might be affected by any proposed trade agreement.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the distinguished gentleman from New York.

Mr. SNELL. Does the gentleman understand by that language that if, for instance, they were to have a trade agreement with Russia they would definitely state in the announcement that it was on pulpwood or coal or wheat or some other product, or would it simply refer to a general trade agreement with Russia?

Mr. DOUGHTON. The details, of course, would have to be made known upon inquiry; but when it is suggested that a trade agreement will be negotiated with the government of any country, that gives notice. It is generally known what commodities as to which that country would be interested in entering into an agreement.

Mr. SNELL. But when we consider a country that sends a great many different kinds of imports into this country, it seems to me it would be very indefinite. I think if you are going to make any announcement to the country you should say, "We propose to take up trade agreements on this, that, and the other thing", and then the industries of the country that are directly interested will have an opportunity to protest or to ask for a hearing.

Mr. DOUGHTON. I may say to the distinguished minority leader I have not the slightest doubt that the President will give due notice to any individual or any corporation that might be affected or might be interested in any trade agreement he proposes to negotiate. Of course, in the administration of any act we all know that the good faith of those in charge must be taken for granted; otherwise you could leave no discretion in anyone to administer any law.

Mr. SNELL. I appreciate that statement, but I should like to make it clear that it is the opinion of the chairman of the committee that at least the probabilities are that the administration will tell the country the articles which they propose to consider for trade agreements.

Mr. DOUGHTON. In further response to the gentleman from New York, I would not want to go that far, because I have no such authority——

Mr. SNELL. I said that this is the gentleman's opinion.

Mr. DOUGHTON. Opinions, as the gentleman knows, might not be worth very much.

Mr. SNELL. I think this is important so far as the country is concerned.

Mr. DOUGHTON. From my discussion of this matter with those interested and representing the administration, including the State Department, I have not the slightest doubt that every legitimate American industry and interest will be properly considered and given ample opportunity to present its objection to any trade agreement that may be proposed. This is my individual opinion, not speaking for the administration but speaking for myself alone.

Mr. SNELL. That is along the line of my contention, and it ought to be done.

Mr. RICH. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. RICH. If under the terms of this tariff measure reciprocal trade agreements are made with foreign countries, will those trade agreements be ratified by the Senate?

Mr. DOUGHTON. A man of the intelligence and diligence of my good friend from Pennsylvania should know that no such provision is carried in this bill.

Mr. RICH. I was under the impression; but the gentleman from Tennessee made the statement that in order to make it constitutional certain changes would have to be made. If that is the case, I think the law as written is unconstitutional. I cannot see how you can make it constitutional unless you have the Senate ratify it.

Mr. COOPER of Tennessee. If the gentleman from North Carolina will yield, I made no such statement. I said this was a clarifying provision that added strength to the legal phases of the bill and clarified certain constitutional views of it.

Mr. RICH. I did not mean to imply that the gentleman made that direct statement, but I was thinking of the constitutionality of the act, and I wanted to bring that out, because I believe the courts would hold it unconstitutional.

Mr. DOUGHTON. For years and years under Republican administration there have been trade agreements made with other countries without being ratified by the Senate.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. TREADWAY. I would like to ask the chairman of the committee, in view of the inquiries that have been made by the gentleman from New York, if it was not a fact that all during the hearings on this bill before the House Committee on Ways and Means it was absolutely impossible for us to secure from any officials of the Government any indication as to the nature of the transactions that were likely to be undertaken with foreign governments in exchanging products or goods? Did we secure the slightest information from the Treasury or from the State Department as to what reciprocal trade was likely to be had?

Mr. DOUGHTON. We did not, and for the simple reason that the administration in advance of the legislation, in advance of the enactment of this bill into law, would not be in a position to state what they were likely to do with respect to trade agreements with foreign governments. That would be presuming what the foreign governments might do when they assemble around the conference table.

Mr. TREADWAY. Under section 14, inserted by the Senate amendment, is there anything in it to show what would be the type of evidence on which the hearings would be based in its relation to any manufacturing industry in this country?

Mr. DOUGHTON. It says as plain as language can make it:

> Before any foreign trade agreement is concluded with any foreign government or instrumentality thereof under the provisions of this act, reasonable public notice of the intention to negotiate an agreement with such government or instrumentality shall be given—

And so forth.

Mr. TREADWAY. The President can seek advice. It is not in the nature of evidence; he is authorized to obtain advice and he can form his own conclusions.

Mr. VINSON of Kentucky. I call the attention of the gentleman from Massachusetts to the fact that in this section the privilege is given to the interested person to present his views to the President or to such agency as the President may designate. Consequently you have this broad power of the presentation of such evidence and such views as the person interested may see fit to make. If we had started to narrow or circumscribe that privilege, then, of course, I know the gentleman from Massachusetts [Mr. TREADWAY] would be the first one to object.

Mr. DOUGHTON. It not only provides in this amendment that reasonable notice shall be given, but it goes on and further says:

> And before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate.

The United States Tariff Commission, a bipartisan Commission, is supposed to know more about the effect of tariffs than any other organization or commission or agency in the United States, and the President is also required to seek information from the Department of State, the Department of Commerce, and the Department of Agriculture. Not only must notice be given but advice must also be sought from these different departments of the Government. It seeks to throw around this provision every possible safeguard, so that any interested party could be heard, and the President may obtain advice from all proper sources.

Mr. TREADWAY. Mr. Speaker, the gentleman is reading from the amendment, and that is all right; but is it not a fact that in the other branch there was such tremendous opposition to doing away with hearings and placing this power of treaty making outside of the other body's own rights, that in order to get the bill through the Senate at all, the advocates of the bill were obliged to make this very minor concession, that there should be hearings?

Mr. DOUGHTON. I think that is just a conclusion, and, so far as I know, there is no basis in fact for that conclusion. I do not know what took place in all the conferences that were had.

Mr. TREADWAY. If the gentleman will read the language of the protracted argument in the other branch, he will be convinced that this bill never could have passed the Senate without a sop of this kind being made.

Mr. DOUGHTON. I notice the enemies of the bill, like the gentleman from Massachusetts, diligently and earnestly endeavored to amend the bill and that they were unsuccessful, except where the administration and those who favored the bill were agreeable.

Mr. TREADWAY. Oh, we admit that. We have not any influence with the administration. The gentleman does not need to make that statement. We know that to be the fact; but I still say that in spite of the tremendous majority the Democratic Party has in both bodies, yet, in order to put this bill through the Senate, the friends of the bill were obliged to offer this sop of a hearing.

Mr. DOUGHTON. And I suppose that statement really pleases the gentleman.

Mr. TREADWAY. I am making a truthful and correct statement, and the gentleman knows it is correct.

Mr. DOUGHTON. By what standard does the gentleman establish its correctness?

Mr. TREADWAY. If the gentleman will read the debates in the Senate, he will see they could not have passed the bill in that body without some sop of that kind.

Mr. DOUGHTON. That is the gentleman's opinion, founded on no facts or evidence.

Mr. TREADWAY. Oh, absolutely. Read the RECORD; that is all I ask the gentleman to do.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield to the gentleman from Missouri.

Mr. LOZIER. Is it not a fact that hearings were not contemplated by James G. Blaine, the father of reciprocity——

Mr. TREADWAY. Oh, James G. Blaine never wanted any such legislation as this.

Mr. LOZIER. He was the father of the doctrine of reciprocity.

Mr. BANKHEAD. Mr. Speaker, I rise to a point of order. The distinguished gentleman from Massachusetts [Mr. LUCE], the colleague of the gentleman from Massachusetts [Mr. TREADWAY], invoked a decision from the Chair this morning with reference to observance of the rules.

Mr. TREADWAY. And one of them is not to address the Chair while standing in the well, as the gentleman from Alabama does at the present moment. I maintain the gentleman from Alabama is addressing the Chair from the well, and I make the point of order that the gentleman from Alabama is not in order, where he is addressing the Chair.

Mr. BANKHEAD. Mr. Speaker, I make the point of order that the injection of the remark just made by the gentleman from Massachusetts [Mr. TREADWAY] is out of order and should not go into the RECORD, because he has failed to observe the Rules of the House in first addressing the Chair and asking permission to interrupt, and I ask for a ruling on that point of order.

Mr. TREADWAY. I want the RECORD to show that the gentleman from Alabama was out of order when he called me to order, in that he was in the well of the House when he addressed the Speaker.

The SPEAKER. The point of order is sustained. In order to interrupt a gentleman on the floor, Members must first address the Chair, who will then ascertain whether the gentleman having the floor will yield for the interruption.

Mr. DOUGHTON. Mr. Speaker, I yield to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Speaker, if my Republican colleagues on the other side of the aisle will read the debate in the Senate in the Fifty-first Congress, they will find a complete refutation of the fallacious arguments they are now presenting against the pending reciprocity tariff bill.

Benjamin Harrison, a Republican, was then President and James G. Blaine was Secretary of State. Mr. Blaine was a man of outstanding genius, magnetic personality, and a superb master of statecraft. He was the high priest of the Republican Party, and for 30 years was the only man allowed to enter the Republican "holy of holies"; and, like David, permitted to eat the Republican shewbread. Mr. Blaine was the father and originator of the policy of reciprocity. Claiming that the pending McKinley tariff bill would not open a single foreign market to an American producer, on June 4, 1890, Mr. Blaine, then Secretary of State, wrote a lengthy letter to President Harrison submitting a report upon a custom's union adopted by the International American Conference, recommending reciprocal trade relations with South America. Thereupon Senator Hale, a Republican, offered a reciprocity amendment to that bill, which amendment evidently reflected the views of Mr. Blaine. As a class, Republicans supported this reciprocal amendment. Such legal giants as Hoar, of Massachusetts; Hale, of Maine; Edmunds, of Vermont; and Spooner, of Wisconsin, made speeches in favor of the reciprocity provisions of the proposed McKinley tariff bill.

Practically all the Republican Senators favored the doctrine of reciprocity and opposed an amendment offered by Senator Evarts, Republican, which would have required the President to "communicate to Congress the facts which he shall have ascertained", so that Congress might act thereon. This amendment was defeated. Only two Republican Senators, Dolph and Evarts, voted for it. Such Republican Senators as Aldrich, Spooner, Allison, Plumb, Cushman K. Davis, Platt, Ingalls, Hoar, Dawes of Massachusetts, Cullom, Edmonds, Frye, Hawley voted against the Evarts amendment, which would have required the President to submit the reciprocal agreements to Congress for ratification.

In that debate, Senator Hale, Republican, of Maine, said of reciprocity:

> It commits to the President, whom we know by his communications to the Senate is in favor of this movement, powers which I am entirely willing should be placed in his hands. That he will exercise them wisely and in the true interest of American labor no man who knows his present attitude and his past history can doubt.

In other words, in 1890 Senator Hale, Republican, had faith in President Harrison and was willing to vest in him the authority to negotiate reciprocal tariff agreements with foreign nations without requiring such agreements to be submitted to the Congress for ratification. I am sure that confidence was justified, and that every Member of Congress, Democrat or Republican, has the same confidence in Franklin D. Roosevelt, and the same willingness to trust him as the President of all of the American people to negotiate reciprocal trade agreements with foreign nations, which will open up foreign markets for the surplus products of our farms and factories.

It is a reflection upon the present, or any future President of the United States, whether he be a Democrat or a Republican, to assume for one moment that he would recklessly use the powers conferred by this act, or that he would enter into any trade agreement which would prejudicially affect any of our industries, or that he would make any reciprocal agreement without carefully weighing the arguments in favor of or against such agreement.

When the time comes for a President to exercise the powers and prerogatives conferred by this act, whether he be a Democratic President or a Republican President, he would, of course, make a thorough investigation and give the industry involved, whether it be agriculture or any other vocational group, an opportunity to present arguments and reasons, if any there be, why such trade agreement should not be made.

This bill gives the President great power, but the conferring of that power does not presuppose that the President would use the power in such a manner as to destroy any legitimate industry in America, and I assert that this would be true, whether the President is a Democrat or Republican.

For instance, take my good Republican friend, the gentleman from Massachusetts [Mr. TREADWAY]. If he were elevated to the Presidency, an office which he would well adorn [applause], when he sat in the seat of the mighty, when he was clothed with Presidential responsibility, when he stood face to face with his duty, when called upon to negotiate reciprocal-trade agreements authorized by the pending bill, he, though a militant Republican, would carefully consider the arguments for and against the application of this formula to any particular industry. In other words, official responsibility and grave public duties frequently make officials cautious and conservative, who, without that responsibility, might be radical and lacking in judicial poise. So I say, Mr. Speaker, that the granting of this power does not presuppose its abuse. I have confidence in whoever may occupy the exalted office of President of the United States, whether he be a Democrat or a Republican, when he stands face to face with duties and responsibilities incident to the administration of this act, he will perform that duty and discharge that responsibility as becomes a faithful public servant, motivated by a controlling determination to discharge with fidelity the responsibilities of his great office. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Speaker, I notice in the Democratic platform of 1932 the following statement:

> We advocate a competitive tariff for revenue, with a fact-finding Tariff Commission free from Executive interference.

During the debate at the other end of the Capitol—and I shall not mention any names, because I understand that according to our rules we may not mention a Senator's name—on page 10394 of the RECORD I find this statement. It was during the discussion as to the granting of power to the President, and the Senator said:

> The President now has the power, for we all know that he can control the Tariff Commission. Everybody knows it.

Well, that is rather a contradiction of the policy laid down in the Democratic platform. Of course, I did not know it. I do not think many Members of this House knew that such a statement could be made regarding Presidential control of the Tariff Commission, but according to this statement, "Everybody knows it."

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. CROWTHER. Yes; I yield.

Mr. SAMUEL B. HILL. Is that a statement of the Chairman of the Tariff Commission which the gentleman is quoting from?

Mr. CROWTHER. No. That is the statement of a Senator.

Mr. SAMUEL B. HILL. The Chairman of the Tariff Commission did make such a statement before the committee. The gentleman knows that

Mr. CROWTHER. Knowing him as I do, his making that statement does not surprise me in the least.

Mr. KNUTSON. Will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. KNUTSON. The gentleman must know that Democratic platforms were made to run on rather than to stand on.

Mr. CROWTHER. I thank the gentleman for the suggestion.

Mr. LEWIS of Maryland. Will the gentleman yield?

Mr. CROWTHER. Excuse me just a moment. Now, we had this argument as to whether it was proper to confer this power upon the President of the United States, no matter whether he be a Democratic or a Republican President. I remember very well in the Seventy-second Congress when we had our reorganization bill here, sent by President Hoover, and the Democrats then declared, "that that was too much power to confer upon any man." In this Seventy-third Congress there appears to be no limit to the powers conferred upon the President.

So you see it just depends upon whose ox is gored or whose cod is on the hook.

Now, this tariff bill and the Democratic tariff bill of 1932 ought to be printed in parallel columns.

Mr. WADSWORTH. Does not the gentleman mean Democratic platform?

Mr. CROWTHER. No; with the bill that was passed in 1932. I think I am right. Section 4 of that bill reads as follows:

SEC. 4. International Economic Conference: That the President is respectfully requested to initiate a movement for an International Economic Conference with a view to (a) lowering excessive tariff duties and eliminating discriminatory and unfair trade practices, and other economic barriers affecting international trade, (b) preventing retaliatory tariff measures and economic wars, and (c) promoting fair, equal, and friendly trade and commercial relations between nations; but with the understanding that any agreement, treaty, or arrangement which changes any tariff then in existence or in any way affects the revenue of the United States must first be approved by the Congress of the United States.

In the present bill the "approval of Congress" is eliminated, although in 1932 this policy was stoutly advocated by the Democrats, who were then, as now, in control of the House and Senate.

As I say, this 1932 proposal and the bill under consideration should be printed in parallel columns to show the wide degree of inconsistency my Democratic friends have developed in the short period of 2 years.

You gentlemen "point with pride" and we "view with alarm" amendment 14, providing for a hearing before an agreement is concluded. I will tell you what that is. That is merely an invitation to industry to have a front seat at its own hanging. That is all it is, and if a group of industries are involved, not one of them is quite sure who is to be the victim.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. CROWTHER. I yield.

Mr. SAMUEL B. HILL. Does the gentleman concur in the section he just read?

Mr. CROWTHER. I voted against that bill and the gentleman from Washington voted for it; but now the gentleman from Washington [Mr. HILL] is supporting the very opposite contention.

Mr. SAMUEL B. HILL. Then who is inconsistent?

Mr. CROWTHER. I voted against the entire proposition. [Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield two additional minutes to the gentleman from New York.

Mr. CROWTHER. Mr. Speaker, I do not want to be classed as one of the carping critics who think that nothing good has come out of this administration. Some of the policies that we have adopted have been meritorious and have, I believe, brought about a condition of benefit to the country. [Applause.] I do not believe it is within the power of any man to make an analysis and state what percentage of the benefit is due to natural causes or normal developments, and what percentage is due to the artificial shots in the arm that have been supplied by the Treasury of the United States. I know from past experience that it is dangerous to ramble in the realms of prophecy. I have done it heretofore and I have been taken to task several times; and I have had my statements read to me from the RECORD. It is dangerous procedure, but I will say that this reciprocal tariff bill is not even a noble experiment; it will prove to be one of the most futile ventures ever undertaken by the American Government. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, it is useless, of course, to go into any serious argument relative to the merits, or rather the demerits, of this measure for the House, with 3 to 1 Democratic majority, has passed the bill. It is water gone over the dam. I do wish, however, to call attention to a few defects which appear to me to be outstanding in a measure of this character.

The question of constitutionality has been raised. In the Senate a new amendment was inserted in order, as the advocates of the bill say, to try to strengthen it constitutionally.

When the bill was before the House an amendment was adopted on the recommendation of the gentleman from Massachusetts [Mr. MCCORMACK] limiting the time of operation of the bill to 3 years for the purpose, as was admitted at the time, of having the bill appear in the nature of emergency legislation, and in that way strengthen it against possible attack on the ground of unconstitutionality. These efforts to strengthen the bill against attack in the courts indicate its weakness and show on their face that the advocates of the bill realize they are dealing with a very difficult subject when they take away from Congress the power over taxation. This, in my opinion, is a very material defect in this legislation.

But, Mr. Speaker, permit me to say this: The bill is about to become a law, because, of course, it was on the "must" list of the President. I hope it will be executed in a very large degree by the author of the bill, the Assistant Secretary of State, Dr. Sayre. Dr. Sayre was before the Ways and Means Committee practically all of the time this bill was under consideration. While I have frequently criticized members of the "brain trust", and probably will criticize them in the future, I hope all of them may have the good, common sense of Dr. Francis B. Sayre. I am proud of the fact that his collegiate education was secured in my district [applause] and that he has a son at the present time in Williams College, a classmate of the son of my distinguished colleague, the gentleman from Washington [Mr. SAMUEL B. HILL]. These young men will be trained along the right line up in Williamstown, but I am afraid they will perhaps gather some of these inaccurate doctrines of tariff from their two distinguished fathers.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. JENKINS of Ohio. I do not think the gentleman wants to leave the impression that he is in favor of a transposition of the tariff relationships from the other departments of the Government to the State Department.

Mr. TREADWAY. Oh, not at all. I think that would be the least of my intentions; but I am gratified to think that a man possessed of the courtesy and the educational qualifications of Dr. Sayre is likely to be the one to administer a very unfortunate piece of legislation.

Mr. JENKINS of Ohio. Does not the gentleman also think that transposition from the other department to the office of the Secretary of State is one of the serious defects of the whole structure of the bill?

Mr. TREADWAY. Absolutely. I am opposed to the whole thing.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. SAMUEL B. HILL. The assumption of the gentleman from Ohio that jurisdiction is transferred to the Department of State is not justified by the text of the act.

Certainly there is nothing in the act that indicates it is to be transferred to the Department of State. The right to exercise the powers granted in this act lies in the President of the United States.

Mr. TREADWAY. The gentleman from Washington is accurate in that statement, but he realizes, of course, that in the multitudinous duties of the President of the United States he must have assistance in carrying out legislation, and, therefore, I think the gentleman from Ohio [Mr. JENKINS] is correct in his inference also that the carrying out of this bill will be largely in the hands of the State Department.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TREADWAY. Of course, this relationship as carried out between our country and other countries and the method of approach is always through the State Department.

Mr. SAMUEL B. HILL. Of course, the official avenue of approach to other countries in connection with this matter is through the State Department, so that of necessity the State Department will participate in these matters.

Mr. JENKINS of Ohio. Trade agreements cannot successfully be made under this bill or under any bill unless they are made through the Secretary of State or with their approval and consent.

Mr. TREADWAY. I think that is correct.

Mr. BEEDY. I wonder if the gentleman will elaborate for a moment to the House as to his meaning when he stated that this bill will be "executed" by Mr. Sayre.

Mr. TREADWAY. I may also use that word in its literal sense. I hope he will execute it. Perhaps the Democrats would prefer to have him administer it.

May I call attention to one serious difference from my viewpoint in the Senate amendments. On page 4, line 17, reference is made to the Senate amendment, mentioning section 516 (b) of the Tariff Act of 1930. That little reference itself seems very modest, but it has a very definite effect on the bill. It takes away from our manufacturers and producers the right of appeal to the Department for hearing on the classification of articles for the rates of tariffs to be assessed. It does away with this feature entirely and leaves no appeal, which is a very serious drawback.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Washington.

Mr. SAMUEL B. HILL. The gentleman will recall that in this act the President has authority to proclaim modifications of existing duties and other import restrictions or such other additional import restrictions, and so forth, and that the term "duties and other import restrictions" is defined to include the rates, form of import duties, and classification of articles. That covers the subject matter referred to in section 516 (b); that is, it relates to classification and rates of duty. If under this act the President is given authority when a trade agreement is entered into to change the classification of merchandise and hence the rate that goes along with that particular classification, what is the reason for having the inconsistencies that would exist if you retain section 516 (b) insofar as it applies to the commodities which may be the subject of various trade agreements?

Mr. TREADWAY. All I care to say in answer to the gentleman is that the entire purpose and intent of the bill, from our viewpoint, is to make it very much easier to secure foreign-made products as against American-made goods. That is simply another sop to the foreigner, taking away certain authority and certain rights that the American citizen has under the Tariff Act of 1930.

Mr. SAMUEL B. HILL. Will the gentleman yield?

Mr. TREADWAY. If the gentleman will make sure that I will have sufficient time so that I may finish my remarks, I yield.

Mr. SAMUEL B. HILL. The gentleman will have plenty of time. I think it is not a violation of confidence as to occurrences in the committee to state that Dr. Sayre stated to our committee in session yesterday that he had examined all of the cases arising under section 516 (b), and not in one single instance had such a charge been sustained. It seems to me almost conclusively established that the appraisers and collectors of customs are diligently on the job protecting the interests of the United States and the interests of Americans in the matter of classification and rates.

Mr. TREADWAY. I may also add that Dr. Sayre thought the cases involved had been trivial. That may be his judgment.

[Here the gavel fell.]

Mr. DOUGHTON. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. TREADWAY. The producer in this country knows whether his case is trivial or not from his own individual viewpoint, I should say, and what might be trivial in the view of the State Department might be extremely important to the producer up in New England.

Mr. COOPER of Tennessee. Will the gentleman yield?

Mr. TREADWAY. I yield briefly to the gentleman from Tennessee.

Mr. COOPER of Tennessee. May I remind the gentleman that the statement was that the court had found that these cases were trivial.

Mr. TREADWAY. I am not sure as to whom Dr. Sayre stated held that view, and I am perfectly willing to accept the gentleman's statement.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Kentucky.

Mr. VINSON of Kentucky. Of course, this act in its application to section 516 (b) of the Tariff Act of 1930 merely suspends the operation of that paragraph with respect to the goods that are the subject matter of the contracts and agreements. It does not take away any right unless the article is included in the foreign trade agreement.

Mr. TREADWAY. I have a list of objections, and all I will do is to refer briefly to those objections at this time. I shall not take all the time I would otherwise take in elaborating on each one.

The Senate bill and House bill do not materially differ. These changes are of some benefit, although I should not approve of the amendment relating to section 516 (b), nor do I think we are getting anything in the way of a concession by public hearings, because it is very, very indefinite.

Under the bill, the President has complete authority over all domestic industries dependent upon tariff protection. That is very evident from the fact that we have taken the power away from the Congress to have anything to do with the set-up of tariff matters. He has the power to say whether they shall continue to do business or give way to foreign products.

The Democrats have fought down amendments to insure agricultural products against decreased duties. I hope our friends will explain this matter to their constituents and to the farmers generally.

They have fought down amendments to prevent lowering of duties below foreign and domestic cost differentials, which is extremely important from the standpoint of maintaining domestic industries and the American standard of living. This matter was fought out on the floor of the House and Senate. The Democrats are absolutely on record as not being willing to allow a tariff differential to offset lower foreign production costs.

The Democratic-controlled Senate has surrendered its power of ratification of treaties. Under the terms of the bill, advance approval is given to all trade agreements negotiated by the President, regardless of how disastrous their effect may be upon domestic industry.

The Democrats are interested in building up foreign purchasing power, while that of our own people is constantly declining. They seek to grant foreign producers freer access to the domestic market, thus depriving our own workers of a means of livelihood.

Trade agreements mean lowered tariffs. Lowered tariffs mean less goods produced in the United States. Less goods produced in the United States means more unemployment.

The program for lowered tariffs is clearly inconsistent with the efforts to raise prices in domestic markets. Under the N.R.A. and A.A.A., domestic prices have been forced higher and higher, thus increasing the foreigner's competitive advantage, both in the domestic and foreign markets.

The President's authority under this bill lasts for 3 years, but agreements may be entered into the last day which may be good for 3 more years. So you are really setting up a 6-year program under the guise of an emergency.

I now yield to the gentleman from North Carolina.

Mr. DOUGHTON. May I ask my colleague if any standard has ever been set up or any process devised by which the cost of production of foreign-made goods and domestically made goods can be determined. My colleague will recall that the Chairman of the Tariff Commission stated emphatically that it is an absolute impossibility to reach any such conclusion correctly.

Mr. TREADWAY. We do know very certainly that the whole object of this bill is to reduce import rates on articles coming into this country in competition with ours, otherwise there would be no call for this reciprocal deal.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. REED of New York. There is one thought that has been overlooked, or at least has not been mentioned. A standard has been set up in this country, and a new standard, to determine whether an industry is efficient or inefficient. This is the new philosophy that many of our industries are inefficient.

Mr. TREADWAY. May I interrupt the gentleman there to ask did not the Secretary of Agriculture practically say that any small industry is inefficient, and that is the kind of industry we have in our country?

Mr. REED of New York. Exactly; and under this bill they are to be eliminated.

Mr. TREADWAY. The action which the House is about to take seals the doom of all small and so-called "inefficient" industries in the United States. Unfortunately for New England, most of our industries are run on a comparatively small scale, and hence our people are the ones most likely to suffer at the hands of those who will administer this bill. The philosophy of its sponsors is well stated by the Secretary of Agriculture, Mr. Wallace. During the hearings before the Ways and Means Committee the following colloquy occurred between the Secretary and the gentleman from New York [Mr. REED]:

Mr. REED. Well, would you favor lowering the tariffs on things Germany produces and ships to this country and which we produce here in our own country?

Mr. WALLACE. If Germany can produce them more efficiently than we can, it would be of benefit to our consumers, and our consumers certainly represent the eventually dominant interest in our population.

The delegation of tariff-making power to the President as proposed by this bill is directly contrary to the position taken by the Democratic Party in connection with the enactment of the present flexible tariff provisions, under which the President may raise or lower tariff duties under a formula laid down in advance by Congress. At that time the gentleman from North Carolina [Mr. DOUGHTON] expressed the view that the President's authority under the flexible provisions was "too much power and authority to lodge in any man who ever has been, is now, or ever will be President of the United States." Yet today he sponsors a measure that makes the President a dictator over the tariff, contrary to the Constitution of the United States, and without being restricted by any formula for rate making laid down in advance by Congress.

When the present bill was under consideration in the House last March I inserted in the RECORD a joint statement issued by Democratic members of the Finance Committee of the other body in connection with the 1930 tariff bill, in which they unanimously condemned the principle of permitting the President to pass upon tariff rates. They, too, have now completely reversed their position and have gone headlong in the other direction.

Reference has been made to the fact that the Republican Party in the past has stood for the principle of reciprocity. That is true. But the Republican Party has never advocated it to the extent that in order to secure foreign trade we should surrender the home market to foreign competitors. Nor has the Republican Party ever given the President complete control over the tariff. Whenever the President in the past has been given the authority to negotiate reciprocal treaties Congress has always retained the right of ratification both to the House and Senate. Even the Democratic tariff bill which was vetoed by President Hoover in the Seventy-second Congress retained this right. Moreover, whenever Congress in the past has given the President the authority to negotiate trade agreements without ratification by either body it has specified in advance the articles which could be made the subject of tariff bargaining and has fixed the concessions to be offered or retaliations to be imposed.

In conclusion, may I say that the responsibility for this legislation is clearly upon the Democratic Party? The Republicans have fought it every inch of the way. The vote in the House showed 99 Republicans against the bill and 2 for. On the Democratic side, 268 voted for the bill and only 11 against. In the other body the vote also was along party lines.

As I pointed out in my speech on the bill last March, the issue presented here, in the final analysis, is one of internationalism against nationalism, in which the administration has taken the part of internationalism. The Republican Party will welcome the opportunity to meet this issue before the American people in November.

Mr. DOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Speaker, supplementing the remarks I made a few minutes ago with reference to the attitude of the Republican Party toward the policy of reciprocity, I call to the attention of the gentleman from Massachusetts [Mr. TREADWAY], the position of Senator Hoar and Senator Dawes, two outstanding Massachusetts Republicans, who for many years represented Massachusetts in the United States Senate, and both of whom embraced, with the zeal of a crusader, the reciprocity doctrine formulated and eloquently advocated by James G. Blaine, the "plumed knight" of Republicanism. There were giants in those days, and the intellectual giants of the Republican Party in the Fifty-first Congress, after subjecting the policy of reciprocity to the acid test of reason, accepted it as sound and wholesome.

May I call the roll of some of the great Republicans who championed the doctrine of reciprocity? Senator Hale, from Mr. Blaine's home State of Maine; Senator Edmunds, of Vermont, one of the greatest constitutional lawyers America ever produced, and a Republican in whom there was no guile; Senator Hoar, of Massachusetts, a man of great learning and force of character, a grandson of Roger Sherman, who was a signer of the Declaration of Independence; Senator Hoar having represented Massachusetts for a longer period in the National Congress than any other Representative from that State; Senator Spooner, of Wisconsin, one of the stars of first magnitude in the constellation of constitutional lawyers whose intriguing, convincing, and compelling logic was irresistible; Senator Ingalls, whose intellectual stiletto was as sharp as a Toledo blade or a rapier forged in the hot furnace of Damascus; Senators Aldrich, Cullom, Frye, and many others who not only understood our Constitution but had the undoubted ability to construe and expound. All these and other great Republicans never challenged the constitutionality of reciprocal trade agreements.

The flower of the Republican Party in the Senate, the men who controlled the Republican Party at that time, both

voted and argued in favor of the wisdom, expediency, and constitutionality of a law vesting in the President authority to enter into reciprocal trade agreements with other nations.

No one will challenge the Republicanism of Senator John Sherman, who in the Fifty-first Congress, in supporting Blaine's reciprocity provision said:

> Congress has the absolute right, not only to impose duties, but to leave to the President or any other authority the determination of some facts upon the happening of which a duty may be either removed or levied.

Senator Pierce (Republican, North Dakota) said of the Hale amendment which embodied the Blaine reciprocity policy:

> The latitude given the President is wide, his discretion ample, his power sufficient without being dangerous.

Senator Aldrich, who for many years was Chairman of the Senate Finance Committee, and who made and unmade tariff laws, an uncompromising Rhode Island Republican, supported the reciprocity provision of the McKinley Act.

I repeat, James G. Blaine was the author and expounder of the doctrine of reciprocity, and his resistless logic and transcendent genius convinced the American people that the policy was not only workable but eminently sound.

Reciprocity was made an article of Republican political faith in four or five national Republican platforms, and not until the year of our Lord 1934 did the leaders of the Republican Party abandon the faith of their fathers and cast the policy of reciprocity into discard. In view of the traditional support and advocacy of reciprocity by the Republican Party for a generation, it is difficult to comprehend the apostasy of Republican leaders in these later days. It is difficult to escape the conclusion that Republican opposition to the reciprocity tariff bill is purely political. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, I want to address myself for a moment to the gentleman from Washington [Mr. SAMUEL B. HILL] and to recall an amendment which I offered during the consideration of this bill in the House under the 5-minute rule to strike out the proviso with respect to Cuba, which amendment was voted down. I claimed at that time that the proviso threw the bars down completely for Cuba and admitted her to the Union to all practical intents and purposes so far as the tariff is concerned.

I now notice the Senate has brought in an amendment which, in my judgment, in different phraseology, affects the same purpose that my amendment would have affected by specifically limiting the range of the raising or lowering of Cuban duties to 50 percent, the same as in all other cases.

Mr. SAMUEL B. HILL. I may say to the gentleman from Colorado that this Senate amendment was simply a clarifying amendment to state more definitely and specifically what the House bill carried.

Mr. MARTIN of Colorado. The language I wish to call attention to specifically is the last proviso in the Senate amendment:

> *Provided*, That the duties payable on such an article shall in no case be increased or decreased by more than 50 percent of the duties now payable thereon.

Mr. SAMUEL B. HILL. That is within the general provisions of the bill, but in order to make it absolutely clear and certain and clarify it in the minds of such gentlemen as the gentleman from Colorado and others, they put it in there in specific language.

Mr. DOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Speaker, in the short time allotted to me I do not intend to say a single word about the tariff or the general policy involved in this legislation. I do desire, however, to call the attention of the House, in all seriousness, to the implications of the last sentence of amendment no. 14:

> Before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce.

This is a mandatory provision proposed to be put in the statutes of the United States that the President of the United States, while exercising an Executive power extended to him by law, if this is to become law, shall, before exercising it, consult his own subordinates.

I have never seen a proposal of this kind placed in Federal legislation. I think it is not worth the paper it is written on. I think it is not within the power of the Congress to circumscribe the exercise of the Executive function in such fashion. The Congress may prescribe qualifications and conditions under which the Chief Executive may exercise power, but the Congress cannot, in my judgment, fetter the hands of the President to the extent of commanding him to consult his own subordinates before he performs his duty.

Consider a situation which might arise in this connection. Suppose the President proclaims a reciprocal trade agreement with a foreign country, and it should turn out afterward that he had failed to consult the Secretary of Commerce, is the agreement to be deemed illegal or is the President of the United States to be subject to impeachment? Surely, no Member of the House would regard such a thing seriously.

Articles of impeachment could not possibly stand under a situation of that kind, and yet the Congress of the United States is putting upon the statute books a provision of that kind.

Clearly, in my judgment, it is beyond the power of the Congress. If the President of the United States is to exercise power delegated to him by the Congress, then he may exercise it subject only to the will of Congress. I protest against this particular provision as being futile and contrary to our tenets of government.

Mr. DOUGHTON. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, I desire to reply to the remarks made by the distinguished gentleman from New York [Mr. WADSWORTH]. Anything that he says on the subject of the tariff, to my mind, represents the policies of the Republican Party, of which he is one of the very ablest members. He will probably be their candidate for President in 1936, provided he is willing to "make the sacrifice."

One of the main things that brought this country to the terrible conditions through which we have been passing for the last few years, was the high protective tariff policies of the party then in power, which enriched the favored few at the expense of the unprotected many. It was simply legalized highway robbery. One of the best informed men on the tariff question has stated that from 1921 to 1929 the tariff cost the people of this country on an average of approximately $4,000,000,000 a year—not $4,000,000, but four thousand millions of dollars—every year that rolled around. That was an average of about $35 per capita for every man, woman, and child under the American flag. Of that $4,000,000,000 he stated that only six hundred million went into the Federal Treasury, while $3,400,000,000 went into the pockets of the favored beneficiaries of this outrageous high protective tariff that was sapping the lifeblood from the masses of the American people, destroying our international trade, and bringing this country to wreck and ruin.

With the exception of a few dairy farmers and a few truck growers, the farmers got no benefit whatsoever from the tariff, and the dairymen and truck growers merely gathered the crumbs that fell from the banquet table. In order to pretend to the wheat growers that they were helping them by the tariff, they put a duty of 30 cents a bushel on wheat, and then raised it by Executive order to 42 cents a bushel, at the very time when wheat was selling for 10 cents a bushel more in Canada than it was in the United States; which shows that the tariff on wheat was ineffective. The wheat and corn growers got absolutely no benefit from the tariff. The cotton growers got none, for the reason that, like the wheat and corn farmers, they ship out more of their products than are shipped in. Yet, every one of these farmers was paying on an average of $35 a year for every man, woman, and child in his family.

It cost the average agricultural county in the United States more than a million dollars a year. No wonder our farmers became bankrupt. It was a system of economic slavery imposed upon a free and enlightened people by the Harding-Coolidge-Hoover regime, that has hardly a parallel in all the history of civilized society. Our farmers were soon bled white. The earnings of a lifetime were sapped away. The prices of farm commodities sank below the cost of production. Farms were foreclosed by the thousands. Young people, and even the older ones, left the farms to seek employment in industrial centers. The tariff had been raised so high that foreign nations could not trade with us. Since they could not sell us their goods, they could not buy the things which we produced. Our international trade languished and perished away, factory shelves became packed with high-priced goods that could not be shipped abroad. Our farmers had nothing to buy with—their resources were gone. Factories closed down and turned their workmen onto the streets, without employment and without bread. Hungry men, women, and children crowded into the bread lines that streamed down the streets of our cities. We were in the midst of the greatest depression this country has ever seen. Yet, what did the Hoover administration do to relieve it? Raised the tariff by Executive order, thereby piling additional burdens onto the backs of a distressed people who were already stumbling and fainting and falling under this cross taxation known as the "tariff" and upon which they and their children were to be crucified.

It is astonishing to hear the distinguished gentleman from New York [Mr. WADSWORTH], and other gentlemen on his side of the aisle, protest so vigorously against giving the present President of the United States the right to enter into agreements with other nations to reduce tariff rates and thereby restore our international trade, when they supported the measure to give their own President, Mr. Hoover, the right to raise the tariff and thereby complete the destruction of our international trade along with the impoverishment of our own people.

Personally, I should prefer to see Congress regulate these tariff rates, but the time has come when, if we are going to deal with other nations, we must let them deal with us. We cannot shut out everything they have to sell without provoking them into doing the same thing toward us. When they shut our foreign trade out, the American farmer pays the penalty, for our balance of trade has always depended on the amount of farm commodities which we export. The opposition complains that we are turning this power over to the President and the Secretary of State. If there are two men on earth to whom I would be willing to delegate the power to regulate our international trade, they are Franklin D. Roosevelt and Cordell Hull—those two great statesmen who are doing so much to restore prosperity, redeem our foreign trade, and to reestablish friendly relationships among nations of the earth. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that the time be extended for 5 minutes, in order that my colleague from New York [Mr. REED] may have an opportunity to speak.

The SPEAKER. Is there objection?

There was no objection.

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Speaker, first of all, I express my thanks to the Chairman of the Committee on Ways and Means for his courtesy in asking for additional time so that I may say at least a few words on this bill. I have been opposed to this bill, and I am opposed to it in its present form. I come from the State of New York. We have a large number of industries that are the lifeblood of small communities. What is true in New York State is also true in the northeastern States. If you will go into New England, you will find the whole of New England honeycombed with little industries, and the communities depend upon the pay roll of those industries to support everything of a social and economic character.

A new philosophy has been established so far as the program of our Government is concerned. That philosophy has been voiced in various publications and in public utterances by men who have been called "brain trusters." They believe that a group of officials in Washington should be set up as judges of what constitutes an efficient or inefficient industry. These men have recently stated that it is necessary to eliminate from our economic order the so-called "inefficient industries." Take, for instance, the recent publications with regard to manufactured goods that are coming into this country from Japan. Japan is laying down a first-class bicycle for about $3. She is laying down a first-class automobile in France for about $365. Labor in Japan is drawing a very small pay compared with what labor in this country receives. The women who work in the factories in Japan at the present time, according to official reports, are receiving 20 cents a day. Experts who have studied the question state that within just a very few years, because of the high pressure under which they work and the fact that they are improperly nourished, they are dying of cancer and tuberculosis and various kindred diseases. Yet we are asked to eliminate industries in this country that cannot compete without some tariff protection. This bill will give power to the administration to eliminate inefficient industries under the trade agreements.

Mr. SAMUEL B. HILL. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. In just a moment. The gentleman from Mississippi [Mr. RANKIN] has just referred to his opposition to a high tariff. I say frankly that I stand for a high tariff, for the protection of our women workers and our men workers in this country, and I am not willing to let any group of people here in the city of Washington, with no business experience, come into my district or any other part of the United States and say, "Here is an inefficient industry and we will enter into a trade agreement and eliminate it. We will eliminate the manufacture of light bulbs and many other industries that are inefficient", because Japan can produce them more cheaply than they can be produced here. Their standard of inefficiency applies to those industries that cannot exist without some protective tariff.

I do not care on what basis you put it, I am for protection, even to the extent of an embargo, if necessary, to protect the industries, the standard of labor, and our agricultural interests in this country. Where is the danger in this bill? It is not the President who is going to carry out this bill. That task is going to be assigned to a group of so-called "brain trusters", who are going to make a study of our industries and agriculture and they will then determine just what they will barter away in this country for products of foreign countries. A statement has been publicly made that many of the industries of New England are inefficient and that they ought to be destroyed. Yet today New England is one of the most economically sound areas in this country. She has specialized, she has had protection, but at the same time her industries are running, and some of the States have no bonded indebtedness. Many of them are succeeding in building up their schools, supporting their churches, and in keeping them open, and were it not for protection, of course, these industries would be destroyed, and because this bill permits the bartering away of those industries and industries in New York State, I am opposed to it. [Applause on the Republican side.]

Mr. DOUGHTON. Mr. Speaker, I yield the remainder of my time to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Speaker, the distinguished gentleman from New York [Mr. REED] referred to the Japanese situation. I remind him that under the leadership of our President, our condition with respect to Japanese produced goods is very materially improved. Prior to the devaluation of our dollar, one American dollar would buy five Japanese yen. Since the devaluation of the dollar, and at this time, one American dollar buys two yen. So I think if you will look that matter through you will see that a substantial benefit has accrued to American-produced goods with respect to Japanese competition, because of this present administration policy.

I was glad to hear my friend from New York [Mr. REED] fail to carry in his statement the assertion he made to the gentleman from Massachusetts [Mr. TREADWAY] with respect to the purported quotation from Secretary Wallace with regard to efficient industries. I think the gentleman inadvertently overspoke himself in that colloquy. In the debate on the bill it was charged by certain gentlemen that Mr. Wallace said that any industry that had a tariff is an inefficient industry, and therefore would go out of the window. I challenged that statement on the floor, and when the testimony upon which the statement was made was inserted in the RECORD, it did not justify the statement or the conclusion, and I say to my friend from New York that I should be glad to know in what statement or what speech or what paper Secretary Wallace ever said that all small industries are inefficient.

Mr. REED of New York. I ask the gentleman to read Mr. Wallace's book, America Must Choose.

Mr. VINSON of Kentucky. I have read it, and I say the printed words certainly do not bear out the conclusion of the gentleman from New York, who is always so accurate, splendid, capable vigorous, and persevering in his purposes. Secretary Wallace did not then nor does he now take the position that all small industries in this country are inefficient.

Mr. REED of New York. Will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. REED of New York. If I said that Mr. Wallace made the statement that all small industries were inefficient, then I will withdraw that statement.

Mr. VINSON of Kentucky. I am glad of that, because the gentleman is always so painstakingly accurate.

Mr. REED of New York. But I do not say that I made such a statement. I think the gentleman from Kentucky is laboring under a misapprehension. I know that he would not intentionally put those words in my mouth.

Mr. VINSON of Kentucky. I was listening very carefully.

With reference to the statement of the gentleman from New York [Mr. WADSWORTH] the gentleman complained with reference to amendment no. 14, which provides for the hearings, and the securing of information and advice by the President before final action. I thought that my friends on the Republican side were taking credit for the insertion of this amendment in the bill. I thought it was this amendment that they had fought so valiantly for in the consideration of the bill in the House. Certainly it was not a Democratic pen that said the President of the United States would have to do this. The Democrats of the House and Senate have complete and implicit confidence in the President of the United States without that amendment. That amendment came here in order to still the fears that our Republican friends would stir up in the hearts of industry. It provides that there shall be hearings, interested people shall have an opportunity to present their views, and that before concluding the President shall seek advice and information from certain activities of the Government, and further, "from such other sources as he may deem proper." When the distinguished gentleman from New York [Mr. WADSWORTH] says that nothing of this kind has ever been written into law, I refer him to section 336 of the tariff act, which compels the President to act upon the conclusions of the Tariff Commission before he exercises the power of lowering or increasing the tariff.

The SPEAKER. The time of the gentleman from Kentucky [Mr. VINSON] has expired.

Mr. DOUGHTON. Mr. Speaker, I yield the remainder of my time to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER of Tennessee. Mr. Speaker, the time has now come for the final passage of the bill H.R. 8687, which is really the capstone in the recovery program of our great President of the United States. Some 22 hours were consumed in general debate on this measure when it passed the House. Certainly, no good purpose can be served by further discussion of the measure at this time. It has come back to the House in substantially the same form as it originally passed this body.

The purpose of this measure can be stated in a sentence, and that is that it confers upon the President of the United States certain broad discretionary authority insofar as the regulation of our international trade is concerned, which compares with the same type of discretionary authority that has been vested in him with reference to our domestic affairs in this country. The measure, as it comes back to us, contains a number of clarifying amendments, all of which, in the opinion of those connected with the administration, strengthen the measure. I feel that there is more real hope for the American people in this measure than any measure that has been thus far passed as a part of the recovery program of our present administration. [Applause.]

Mr. DOUGHTON. Mr. Speaker, I move the previous question in my motion to concur in the Senate amendments.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from North Carolina [Mr. DOUGHTON] to concur in the Senate amendments.

The question was taken; and on a division (demanded by Mr. JENKINS of Ohio) there were ayes 154 and noes 53.

So the motion was agreed to.

On motion by Mr. DOUGHTON, a motion to reconsider the vote by which the motion was agreed to was laid on the table.

APPROPRIATION FOR EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. CARTWRIGHT]? After a pause. The Chair hears none, and appoints the following conferees: Messrs. CARTWRIGHT, WARREN, WHITTINGTON, TURPIN, and KELLY of Pennsylvania.

MEETING OF COMMITTEE ON THE JUDICIARY

Mr. RUFFIN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit during the session of the House for the remainder of this week.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

PULASKI MEMORIAL DAY—GEN. CASIMIR PULASKI, GEN. THADDEUS KOSCIUSKO, AND OTHER HEROES

Mr. SADOWSKI. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. SADOWSKI. Mr. Speaker, it is with a great deal of pleasure that I cast my vote in favor of Joint Resolution No. 36, authorizing the President of the United States of America to proclaim October 11, 1934, General Pulaski Memorial Day. I am proud of the fact that there was not a dissenting vote.

With the passage of this resolution the President will call upon the officials of the Government to display the flag of the United States on all the Government buildings and will invite the people of the United States to observe the day in schools, halls, and churches, with appropriate ceremonies, commemorating the death of Gen. Casimir Pulaski, the Polish patriot who fought and died for the cause of American independence.

Well representing Polish nobility, Pulaski is often referred to as "Count Pulaski" in historical works. He was born in Podolia, Poland, at a time when that nation was undergoing a severe internal political battle. With rapacious neighbors beginning to conspire against the freedom of this people, the boy Pulaski was consumed with an early desire to ward off danger, and evinced a keen interest in military

affairs at a very young age. Long before he reached his majority, Pulaski joined the guard of Duke Charles, and thus gained a rigorous and practical experience in the art of warfare.

In 1769 he joined his father, Joseph Pulaski, in what was termed "The Confederation of Bar", this confederation being a conjointure of Polish noblemen, each one of whom pledged his time, his fortune, and his life to the salvation of Poland. Casimir Pulaski and his brother, Francis, became the active leaders in the movement. The older leaders were soon dispersed, some going abroad; others were confined in dungeons. Pulaski's father was one of those confined in a dungeon prison, where he later died.

But despite this, Casimir carried on, and at the head of a small force of cavalry he performed heroic feats. With his brother he became a constant terror to the Russians, who were trying to capture him. Against overwhelming odds for 4 years this great patriotic organization under this great leader fought to oust the enemies of Poland from his country. But all their efforts proved fruitless. During this time one of General Pulaski's brothers was killed before his eyes, the youngest brother taken into captivity, and many of his countrymen were doomed to misery.

Gen. Casimir Pulaski was the leading spirit of his countrymen in this unequal struggle to preserve the country intact. Although but 25 years of age, he was the acknowledged leader and the hero of his countrymen. Heedless of his foe, which was much more powerful, he fought with a zeal and tenacity that made him renowned as a cavalry leader throughout the Continent of Europe.

General Pulaski not only lost his father and brother in this glorious attempt to save Poland from the first of her ignoble partitions, but his estates were confiscated and he was proscribed by King Stanislaus and had to travel to Turkey. Soon thereafter, in 1772, Count Casimir Pulaski issued his memorable manifesto, in which he said in part:

> I am not astonished that the enemies of my country resolved on her ruin, should direct their shares against those who most firmly resist their impetuosity, and that they should regard as such the brave Poles whom they have sacrificed and who are still repelling their most cruel attacks. * * * My destiny was clear, when at the age of 21, far from yielding to the amusements of youth, I regarded every moment as lost which was not employed in repelling the enemies of my country. * * * I have endeavored to mark my course by an invincible fortitude. Neither the blood of one of my brothers, which was shed by the enemy before my eyes, nor the cruel servitude of another, nor the sad fate of so many of my relations and compatriots has shaken my patriotism. * * *

Perhaps no better insight into the sturdy character of Pulaski, who is revered both in Europe and America, could be given than the above excerpt from his manifesto. He traveled to Turkey, but, repelled with the feeble notions of liberty entertained by the Sultan, he journeyed on to Marseilles, France, and from there to Paris. It was in the French Capital that he made the acquaintance of Benjamin Franklin and young America's struggle for independence. Benjamin Franklin, writing from Paris to General Washington on May 29, 1777, said:

> Count Pulaski, of Poland, an officer famous throughout Europe for his bravery and conduct in defense of the liberties of his country against the three great invading powers of Russia, Austria, and Prussia, will have the honor of delivering this into your excellency's hands.

General Pulaski landed in America the middle of July 1777, and after presenting his letters to Washington and Congress, waited for Congress to take action. In the meantime Washington's army passed through the streets of Philadelphia. Spurred by the sight of marching soldiers, Pulaski, restless and eager to aid our cause, decided not to wait for his commission, but to follow the army as a volunteer. In Europe a member of the nobility, an officer of distinguished prestige, in America a private in the ranks. Such was Pulaski. Not self, but service, was his life's motto.

The night of September 8, 1777, Washington assembled a council of war to decide which position the army should take in defense of Philadelphia. The upland, across the brook of Brandywine, was chosen. The army moved to this position at dawn. The enemy's attack was expected on the 11th, and about 9 o'clock of that day the red uniforms appeared. The battle started. The vanguard, under General Maxwell, retreated under heavy pressure. The rest of the army was stretched out lengthwise for a considerable distance along the brook. The right wing was under the command of General Sullivan, and the left wing, to the south, was under the command of General Armstrong.

General Wayne and General Proctor commanded the cannon and the artillery. Washington remained with the reserve, which was commanded by General Greene, and Pulaski was stationed by the side of Washington.

Upon the withdrawal of General Maxwell the British kept up fire, but did not attempt crossing the creek. Washington was about ready to strike a blow at the enemy, but first wanted to be convinced that the opponents' main forces were not circumventing him for an attack at the rear. To that end a detachment was sent out to explore the region. About 2 o'clock an orderly dispatched the news that the enemy could not be seen on any of the roads on the opposite side of the creek. An order of attack was about to be issued when a man in a cart was noticed waving his hat and striving to reach headquarters. The man turned out to be Squire Cheney, with the startling news that the main forces of the enemy has crossed the Brandywine to the north and were fast approaching the Army's rear.

Washington immediately directed the division of Sullivan, together with the brigades of Conway, Stirling, and Stephans to meet the enemy. They hurriedly arrayed themselves for battle, just as the British were spied on the road. Thereupon the British vanguard showed itself on the plain. The American artillery opened fire. Hessian riflemen were playing havoc with the American front ranks. At the same time a column of infantry rushed to the upland occupied by the Americans. The center was holding up under the bombardment but both wings were fleeing. The enemy then concentrated on the center which soon wavered. Chaos reigned.

At this juncture Pulaski secured Washington's permission to use his bodyguard, some 30 horse, and launched a furious attack at the pursuers. With great skill he wedged into the side of the pursuing column. Swinging their sabers from left to right, this small detachment brought confusion to the ranks of the enemy. The pursuit was momentarily checked. Pulaski's forces took shelter with General Greene's army, and together they held the enemy while the rear of the American Army retreated to Dillworth. There the road narrowed and the Americans gained a vantage point where they could withstand the onslaught of the enemy. Thus Washington's Army was saved.

Within 2 months after his arrival, on September 15, 1777, Congress elected Pulaski "commander of the horse, with the rank of brigadier."

General Washington's letter to Congress recommending the appointment of Pulaski read as follows:

> This gentleman has been, like us, engaged in defending the liberty and independence of his country and has sacrificed his fortune and his zeal for these objects. He derives from hence a title to our respect that ought to operate in his favor as far as the good of the service will permit.

Shortly afterward, Washington's army was saved from an almost inevitable destruction at Warren Tavern, near Philadelphia, only by the warcraft of Pulaski. He also engaged in the Battle of Germantown. On the day of the Battle of Germantown he was sorely disappointed and mortified. There were but four regiments of cavalry raised and not one of them completed. Three of them only, such as they were, had joined General Washington's Army, and on the day of the battle, guards were furnished out of those regiments to attend on the Commander in Chief and on other generals. This was a matter of deep regret and bitter chagrin.

When General Washington had taken his winter quarters at Valley Forge, the cavalry were sent over into New Jersey

on account of forage and for other service on that side of the Delaware. Pulaski made his headquarters in Trenton.

Weary of the lapse in activity subsequent to these previous battles and dampened by the pettiness of the command under which he was stationed, as well as the tardy tactics of Congress in carrying out his suggestions for the improvement of the infantry, Pulaski expressed a wish to return to Europe. Washington persuaded him to remain, however.

In March 1778 he asked permission from General Washington and Congress to organize an independent corps, later to be known throughout the Colonies as the "Polish Legion." In equipping it he is said to have spent $50,000 of his own funds. These horsemen, among other arms, bore the famous Polish lances, a new weapon on this continent. Rated as the most expert horseman in the American cavalry, his service in leading and inspiring the cavalry was of inestimable value. From the time Pulaski took command it became a notable weapon of offense and defense. It is entirely possible that without it the cause of independence would not have been won.

Then followed the Battle of Charleston, S.C., when the city was sieged by 900 British troops from General Prevost's army. Although not altogether successful in his assault, Pulaski held the city 2 days until the arrival of reinforcements.

Probably Pulaski's most distinguished service was rendered in the siege of Savannah, Ga., although this move was made contrary to the sound advice of Pulaski who pled a delay of a number of days due to their unpreparedness. Pulaski was here made commander of the entire cavalry, both French and American. During the battle their scheme failed. The French became entangled and their Admiral D'Esaing was wounded. Chaos resulted in the ranks. Hoping to rally the men and regain order, Pulaski rushed into the thick of the battle. Leading his men in a desperate charge, he received a wound in his right thigh and was carried from the field of battle fatally wounded. Pulaski died 2 days later while on board the brig *Wasp*, leaving Savannah Harbor on the way to Charleston. According to his friend and companion in arms, Capt. Paul Bentalou, he was buried at sea, and funeral services were held afterward in the city of Charleston.

In this manner, at the age of 31 years, ended the life of one of the most active and greatest patriots of his time. A man well born, of handsome physique and liberal education, who abandoned a life of ease and complacency for a career of unnumbered hardships and much bitterness. His was a proud and magnanimous personality, but he had to contend with petty men and the crudeness of a Nation in its genesis. His corps of lancers and light infantry, which were recruited mostly in Baltimore, has since become famous under the name of "Pulaski's Legion." He is known as the founder of the American Cavalry. Pulaski, like Washington, could have chosen the easy course. They were both men of large means. But they recognized the responsibility of wealth and rank.

An equestrian statue, which stands between Thirteenth and Fourteenth Streets on Pennsylvania Avenue, Washington, commemorates this hero of two hemispheres.

The splendid funeral honors paid by the citizens of Charleston to the memory of the brave Pulaski, the united regrets of the people and of the Army at the loss of an officer no less beloved than he was useful, and the last tribute of respect offered to his memory by Congress have already evinced the sensibilities and gratitude of our Nation. The gallant son of Poland had enthusiastically espoused the cause of America. He served that cause with zeal, ardor, and fidelity.

Pulaski died as he had lived—a hero, but an enemy of kings. Since the time of Pulaski others have come from his native land to mix their blood with the blood of other peoples to make one common country and to build a single destiny. Many Americans of Polish extraction have offered their lives in defense of this country on many battlefields—in the Civil War, the Spanish-American War, and in the great World War. The blood of Pulaski still flows in the blood of his countrymen.

To the memory of Pulaski, William K. Palmer dedicated these beautiful words:

> Columbia! He died for thee
> Cheerfully, and for liberty!
> Honored forever more
> On this Atlantic shore
> Palms for Pulaski! Palms!

GEN. THADDEUS KOSCIUSKO

At this time I also want to say a few words on another Polish hero—one of the greatest heroes of the Revolutionary War—a man deserving the praise of every American citizen for the part he played in the war for our independence—Gen. Thaddeus Kosciusko.

General Kosciusko was born February 12, 1746, of an ancient and noble family at the Chateau Mercez-Wczyzua, a dependence of Sienniewicze, near Brezesc, Litenski. In those days to be the son of a nobleman meant to be born to arms, and at the early age of 18 he was graduated from the cadet college at Warsaw, where he proved to be a brilliant student. He was selected by the King and sent to France for a still higher education. As an engineer he studied first at Versailles and then Paris, afterward going to Brest and other ports. Kosciusko also visited England. After 7 years spent in study abroad, he returned to Poland to receive his commission as a captain and was placed in charge of the fortifications and restorations at Kracow.

Early in 1776, when he was on duty near the castle of Somowice, in a manor of that name belonging to a rich nobleman, he fell deeply in love with the daughter, Louise. The haughty parents rejected with scorn this poor nobleman, and an elopement was the consequence. The lovers had escaped in the night and were well on their way to a distant town, where they planned to be married, when the father with his armed soldiers overtook them. A combat ensued, Kosciusko defended himself and his lady love with lion-hearted courage, but one against so many could not prevail. He sank wounded to the ground and was left for dead by the father, who carried his daughter off in triumph. When Kosciusko awoke to consciousness all that he found of his beloved was a handkerchief stained with his blood. Forty years later when he died, his body was found covered with grievous wounds, and that handkerchief was found next to his heart where it had rested during the struggle of our Revolution, during the glorious triumphs in battles for his country's life, during his second visit to America, and during his long years of exile in France.

After the loss of his fiancee, he resigned his commission in the Polish Army. He pledged his share of his parental estates as security for the loan which enabled him to journey to Paris. Here the news of the fight of the Colonies for independence kindled his imagination, and he determined to go to the aid of America—a Polish knight errant in the cause of liberty. He obtained a letter from Benjamin Franklin and journeyed to America, where he sought the camp of Washington. General Washington was at once taken by his dash and placed him on his staff as an aide. On learning that he had had a scientific education, General Washington commissioned him Chief Engineer on October 18, 1776, with the pay of $60 per month and the rank of colonel. In the spring of 1777 he joined the northern army where his ability as an engineer was of invaluable use in the campaign against Burgoyne. His fortifications at Van Schaick and elsewhere, his able judgment in the choice of battle grounds, contributed much to the skillful retreats and firm stands of the Continental Army before Burgoyne's rash advance. He was ordered by General Gates to erect fortifications in the defense of Saratoga, and this task was accomplished with great brilliancy and speed. For a long time the defense of the Hudson had been of paramount importance; the brief respite gained by the defeat of Burgoyne rendered this a favorable moment to make it impregnable. West Point was chosen for its commanding position, and its fortification was finally conferred—over the head of the French engineer, Radiere—upon Kosciusko.

General McDougall wrote to General Washington:

Mr. Kosciusko is esteemed to have more practice than Colonel Radiere and his manner of treating the people is more acceptable than that of the latter.

The map of West Point made by Major Villefanche at the time shows 11 forts at that strategic position, but how many of them were built by Kosciusko is difficult to say. He probably had the direction of all of them. He gave so much satisfaction to the people at West Point that General Parsons and Governor Clinton joined in desiring that he be continued there, and Washington in a dispatch says:

To his care and sedulous appreciation the American people are indebted for the defenses of West Point.

Little is now left of his fortifications, but the monument erected on the elevated parade ground called "Kosciusko's Garden" to his memory by American youth will remain a grateful tribute forever. That America today can regard West Point with pride is, in large measure, due to Kosciusko, who first suggested for a national military school the spot where it now stands.

In September 1778 Kosciusko acted as second to General Gates in a duel fought at Yorktown with General Wilkinson. This duel caused much hard feeling among all concerned and very nearly resulted in a duel between Kosciusko and Col. John Carter, the second of Wilkinson.

In August 1780 Washington offered Kosciusko the appointment of engineer in the army of the south, under General Gates, which he accepted with thanks. But before he could reach there, his old friend had been defeated at Camden and deprived of his command.

General Nathaniel Greene had been appointed as his successor. While awaiting Greene's arrival, Kosciusko spent some time in Virginia among the planters. He saw there the Negroes at close quarters and was brought face to face with the horrors of slavery. It was then that, with his keen susceptibility to every form of human suffering, he acquired that profound sympathy for the American Negro which 17 years later was to dictate his parting testament to the New World. Upon leaving America from his second visit, he gave Jefferson his power of attorney and wrote out the will in which, more than half a century before the Civil War, the Polish patriot advanced the cause of emancipation:

I, Thaddeus Kosciusko, being just in my departure from America, do hereby declare and direct that should I make no other testamentary disposition of my property in the United States, hereby authorize my friend Thomas Jefferson to employ the whole thereof in purchasing Negroes from among his own as any others and giving them liberty in my name, in giving them an education in trades or otherwise, and in having them instructed for their new condition in the duties of morality which may make them good neighbors, good fathers or mothers, husbands or wives, and in their duties as citizens, teaching them to be defenders of their liberty and country and of the good order of society, and in whatsoever may make them happy and useful, and I make the said Thomas Jefferson my executor of this.

T. Kosciusko.

Fifth Day of May 1798.

There was difficulty in putting this testament into effect, as Jefferson was of advanced age at the time of Kosciusko's death. It was never carried out; but in 1826 the legacy went to found the Colored School of Newark, the first educational institute for Negroes in the United States, and which bore Kosciusko's name.

Upon Kosciuszko's death, William K. Palmer wrote the following:

His dust in Poland rests—
His urned heart a shrine!
Poland! He is thy son!
Columbia! Also thine!

Kosciusko was present through the whole campaign of the Carolinas, and was regarded with strong affection and admiration by General Greene. True to his ideals, at the Battle of Eutaw Springs he restrained a carnage which outraged his feelings, and he is said personally to have saved the lives of 50 Englishmen. When the campaign changed to one of guerilla warfare, he fought as a soldier, not as an engineer. At length Charleston fell, and in December 1782 the American Army entered the town in triumphal procession, in which Kosciusko rode with his fellow officers, greeted by the population and cries of "welcome."

Peace soon followed. Kosciusko had fought for 6 years in the American Army. He had become an American landowner by virtue of a grant by Congress. He was elected a member of the Society of the Cincinnati, whose motto, "Omnia reiinquit servare republicam", his own life so perfectly illustrates. General Greene wrote of Kosciusko as follows:

Colonel Kosciusko belonged to the number of my most useful and dearest comrades in arms. I can liken to nothing his zeal in the public service, and in the solution of important problems, nothing could have been more helpful than his judgment, vigilance, and diligence. He was fearless of every danger. He never manifested desires or claims for himself, and never let any opportunity pass of calling attention and recommending the merits of others.

Congress belatedly conferred upon Kosciusko the rank of brigadier general with an acknowledgment of its "high sense of his long, faithful, and meritorious services."

Soon after this Kosciusko returned to Europe with his fast friend, Count Niemcewicz, the Polish poet, who was his college companion, was his aid while in the American Army, was his fellow prisoner in Russia, returned with him to America, and later joined him when an exile in France.

Kosciusko lived quietly on his paternal estate in Poland for the next 4 years, but when in 1788 the Diet authorized the expansion of the Polish Army, his talents were pressed into service of his country and he was commissioned a major general. The Polish constitution passed on May 3, 1791, amidst an outburst of national rejoicing, swept away many of the old abuses. Poland reformed would have been an insurmountable barrier to Russia's designs of conquest. Catherine, seeing this, forced the few nobles she held in her hand to distrust the liberal constitution. In 1792 she declared war on Poland and the Russian Army crossed the frontier. The only Polish General who possessed practical experience of war was Kosciusko.

During the 3 months of desperate fighting Kosciusko figured as one whose bravery and skill time after time preserved the army. Kosciusko's name was covered in glory in the fight at Dubienka, on the banks of the Bug, on July 19, 1792. The Battle of Dubienka was but a week old when the King abandoned himself to the reactionary schemes of Catherine and the Confederation of Targowicz. Kosciusko was made a lieutenant general in recognition of his valor, but the army was ordered to cease hostilities and recalled to Warsaw. Honor forbade the Polish officers to retain commissions in a service that was no longer truly national, but virtually controlled by Catherine and those who were playing into her hands. In his resignation to the King, Kosciusko, in a few laconic words, laid down his command. "Since", his note runs, "the changes in national conditions are contrary to my original oath and convictions, I have the honor to request Your Royal Majesty for the favor of signing my resignation."

When the Russian Army entered Warsaw the Polish Army was reduced to small divisions and scattered throughout the country, thus rendering it powerless. Kosciusko left the country by way of Galicia, but the Austrian Government, alarmed at the popularity of Kosciusko, gave him 12 hours in which to quit the country. He then journeyed to Leipzig and on to France to ask that country's assistance for his beloved Poland. He arrived in France when the European coalition was being formed, and seeing that no help could be obtained from this country, he remained in seclusion during his visit.

When he returned to Leipzig in the summer of 1793 the condition of Poland was lamentable. Secret patriotic societies were being formed by the youth of Poland and Polish delegates journeyed to Leipzig to ask Kosciusko to become the leader of this movement. The great moment of his life had now arrived, and Kosciusko reentered Poland as the champion of her freedom.

On the morning of March 24, 1794, Kosciusko attended Mass in the Capuchin Church, where the priest blessed his sword. At 10 o'clock he walked quietly to the town hall.

Dense throngs had filled the market place. At the head of his soldiers, Kosciusko stood before the crowds on the spot now marked by a memorial tablet. As far as his gaze reached he saw his countrymen and countrywomen with eyes turned up to him as to a deliverer. Many wore his portrait and carried banners with the inscriptions: "Freedom or Death", "For Our Rights and Liberty", and "Vivat Kosciusko."

Drums rolled and the army took the oath of the rising, and then, in a dead silence, Kosciusko stepped forward. With bared head, with eyes lifted to heaven, and his hand resting on his sword, the new dictator of Poland took his oath:

I, Thaddeus Kosciusko, swear in the sight of God to the whole Polish Nation that I will use the power intrusted to me for the personal oppression of none, but for the defense of the boundaries, the regaining of the independence of the Nation, and the firm establishment of freedom. So help me God and the innocent passion of His Son.

He ordered the act of the rising to be read. This act was in part founded upon Kosciusko's remembrance of the American Declaration of Independence. For the first time in Poland, thousands of nobles and peasants side by side signed their adherence to the act. The levy of the military forces, the arrangements for the taxation, and the necessary business of the rising were at once commenced, and Kosciusko spent the rest of the day in these affairs and in his correspondence. On the same day he sent out four proclamations: 1 to the Army, 1 to the citizens, 1 to the Polish clergy, and 1 to the women of Poland. He begged for men, weapons, horses, and provisions for the national army. His appeals soon found response. On the 1st of April he left Kracow at the head of a small army to take the field against the Russians, who were about to attack General Madalinski.

On April 4, 1794, 3 days later, the famous Battle of Raclawice was fought. This great victory over Russia was won by the peasants who, armed with scythes, Kosciusko at their head, swept like a hurricane upon the Russians, carrying all before them. Upon the battlefield, before all the army, he flung off his uniform and donned, in honor of his peasant soldiers, their dress, the sukmana, which henceforth he always wore. The moral effect of this victory was enormous and enabled Kosciusko to realize his dream of an army of the people.

Although Kosciusko had to raise an army, secure money, ammunition, provisions, and horses, he neglected nothing that would insure the success of the rising. Shortly he came forward with his civil reforms. He abolished serfdom, he requested churches and convents to contribute all silver not absolutely necessary for their services to the national treasury, he begged the loyalty of the Greek Orthodox, and enlisted the aid of the Jews. He governed single-handed until May of that year.

The nation, the King, were in his power, but he remained always a simple soldier. Instead of decorations for conspicuous service, he offered rings, snuff boxes, and watches. But this did not last.

On the 7th of June Kosciusko was confronted by the Russian army, to whose assistance the Prussian forces unexpectedly arrived in the night. The overwhelming numbers of the enemy and their superior machines of war carried the day against the Poles. Kosciusko's horse was shot from under him and he himself was wounded. The Poles fought with desperate valor; but retreat was ordered by Kosciusko. The Poles retreated in perfect order while the provisional government of Poland negotiated with France, Austria, and the Porte. But every diplomatic means failed. After this defeat and the defeat of the Poles at Kracow, Kosciusko pushed on to Warsaw. The Russian and Prussian armies advanced on Warsaw. On the 13th of July 1794, the Russian and Prussian armies were seen from the walls of the city. Kosciusko's army numbered 26,000, of which only 16,000 were regulars, while the enemy totaled 41,000 regulars and 235 cannon. Day after day the Poles fought in defense of their city.

During the time of the siege Kosciusko never removed his clothes. His very presence seemed to inspire the soldiers and the civilians alike. Finally the armies of the enemy were no longer seen before the city he had saved. There was no public triumph but Masses were sung in every church in the city.

The triumph, however, was but temporary. The Prussians soon returned. Russia sent a new and powerful army, and Austria also invaded the country. Kosciusko, fighting desperately against Russia and Prussia, had no army to send against this third enemy. The days of the rising were now numbered.

On the 10th of October 1794 the Battle of Maciejowice was fought. For hours the enemy was kept at bay, but superiority in numbers and skill proved irresistible. In the hottest part of the engagement Kosciusko had three horses killed under him. Mounting again, and at the head of his principal officers, he made a grand charge into the midst of the enemy. Again his horse was killed, and most of his officers; others were taken prisoners. At last, exhausted and bleeding, he was wounded by the lance of a Cossack. The great man lay senseless among the dead. Finally he was recognized despite the plainness of his uniform. He was still breathing. His name even now commanded respect. The Cossacks made a litter of their lances and carried him to the general, who ordered that his wounds be dressed and that he be treated with the respect his distinguished position merited.

As soon as he could be carried he was ordered by the tigress Catherine to be brought to St. Petersburg, where she condemned him to prison for the rest of his days. He was confined in a dungeon in the castle "Gregory-Orloff", where he remained 2 years as a state prisoner and until the death of Catherine on November 6, 1796. Her son, Paul, then set him free with the words, "I have come to restore your liberty. I have always pitied your fate, but during my mother's rule I could do nothing to help you."

Kosciusko requested, that if he were released, that all the prisoners scattered in Russia and Siberia also be given their release, and this was granted by Paul, who, in turn, required him and the leading Poles to take an oath of allegiance to himself.

While Kosciusko had been in prison the Third Partition was carried out by Russia, Austria, and Prussia. Poland had ceased to exist as an independent state.

Kosciusko's wounds were still open and unhealed when he was set free. He at once started to England. The whole of London made haste to visit him and he found himself a great hero. He was loaded with presents by the ladies, all of which he returned to the donors. With gaping wounds, unable to walk, and with a mind ill at ease, he did not care for or enjoy the festivities of the great and gay. After staying in England a week he began his journey to America on June 18, 1797. Two months were taken in the journey before his arrival in Philadelphia—his second visit to America. He wrote General Washington of his arrival and, Washington, from Mount Vernon, replied, congratulating him on his safe arrival and welcoming him to the land "whose liberties you have been instrumental in establishing." Although invited by Washington to visit him at Mount Vernon, Kosciusko was never able to accept this invitation.

He traveled from Philadelphia to New Brunswick and from there to New York, where he visited General Gates at Rose Hill. Before leaving New York he received from Congress a grant of 500 acres in recognition of his military services. This property was located on the extreme western border of the United States military lands, the site of the present city of Columbus, Ohio. Kosciusko, whose convalescence was slow, spent nearly all of his time reclining on a sofa, sketching and painting in water colors and India ink. After his visit with General Gates he returned to Philadelphia, where he often saw Thomas Jefferson. Jefferson wrote to General Gates:

I see Kosciusko often. He is as pure a son of liberty as I have ever known, and of that liberty which is to go to all, not only to the few and rich alone.

After receiving a package of letters from France some time in March 1798, Kosciusko made arrangements to sail suddenly for Europe. He gave no explanation for the suddenness of his return. By the end of June of that year Kosciusko reached Paris. His arrival centered upon him the gaze of the whole world. Sympathy for himself and the Polish cause he heard expressed on all sides. At the news of his return the Polish legions awakened to renewed life. In 1800 Kosciusko wrote his Maneuvers of the Horse Artillery, which was sent to America, where it was translated and published. A copy of this was presented to Thomas Jefferson.

About this period Kosciusko became acquainted with a Swiss family by the name of Zeltner, and he moved to their home, at Berville, near Fontainbleau. In 1806 Napoleon, from Berlin, requested the services of Kosciusko as leader of the revolting Poles, but Kosciusko, with little faith in Napoleon, refused this command.

During 1814 Kosciusko communicated with Czar Alexander I frequently in Paris on the independence of Poland, and in a personal interview this was promised to the general.

Alexander stated that with a little patience this would be accomplished. The question of Poland was also before the Congress of Vienna as one of the most pressing problems of the stability of Europe. Kosciusko journeyed there to discuss this with the Czar, but he derived little satisfaction. In May 1815 Russia, Austria, and Prussia signed an agreement for a new partition of Poland. The Czar had betrayed Kosciusko's confidence. Kosciusko refused all offers of office and honor in the newly partitioned Poland. He chose a voluntary exile with his friend Zeltner, former Landvogt of Lugano, who was the Ambassador of Switzerland to the French Republic.

While France was under the banners of a republic many Poles served in the army in Italy. They found in the Casa Di Loretto the sword of Sobieski, the lion-hearted King of Poland, who had saved Christendom from the invasion of the Turks at the great Battle of Vienna, and sent it to Kosciusko as the only man living worthy of such an inheritance.

On October 17, 1817, a voluntary exile in Switzerland, Thaddeus Kosciusko died. The eighteenth century was prolific in great men, but in the long list there were no other two whose characters excited so much admiration, whose deeds called forth such eloquent eulogies from philanthropists, scholars, and statesmen in every country, as were accorded to Kosciusko and Washington. Even in his exile Kosciusko was faithful to Poland—her purest and the greatest of her Poles. And his greatness was the greatest in that it was not his own personal greatness alone—it was the greatness of Poland. There was in Europe no man whose fame was more brilliant, whose patriotism was purer, and whose character for fierce bravery, gentle acts, and virtuous conduct throughout his life was more unsullied, than Thaddeus Kosciusko.

Kosciusko, though honored mostly for his heroic deeds in war, should nevertheless be as greatly honored for his other attributes. He was generous to a fault and never turned a beggar down. In fact, what little money he had in this world was given away to the poor and needy. While living with the Zeltners, Kosciusko rode every day long distances into the Jura Mountains to hunt up cases of charity among the poor peasantry. He never passed a poor man without stopping to give him a few cents, the lowest he ever gave, as he usually gave one or two dollars. His horse soon became used to his master's ways and stopped every time he saw a poor man. On one occasion he sent young Zeltner to carry a message and told him to ride his horse. Young Zeltner soon found that he could not get the horse past a poor man until he had opened his purse and before he got home he found himself entirely out of cash. Kosciusko lived an exemplary life and was one of the strongest characters in history.

An artist of no little ability, the Aquatint, printed in colors, of Thomas Jefferson, is considered one of the finest portraits of Jefferson.

The letter of Kosciusko to Count Segar shows his great love for his country:

When the Polish Nation called me to defend the integrity, the independence, the dignity, the glory, and the liberty of the country, she knew well that I was not the last Pole and that with my death on the battlefield or elsewhere Poland could not, must not, end. All that the Poles have done since then in the glorious Polish legions and all that they will still do in the future to gain back their country sufficiently proves that albeit we, the devoted soldiers of that country, are mortal, Poland is immortal.

Kosciusko's life and record is that of the greatness of the truly great. His deeds will live forever, not only in the hearts of his own countrymen but also in the hearts of every American who loves his country, for the great part Kosciusko played in our fight for independence.

OTHER HEROES

At this time it is well to point out that Kosciusko and Pulaski were not the only Poles who took part in America's struggle for freedom in the Revolutionary War. There was Col. Michael Kowacz, Lieutenant Colonel Botzen, Maj. John Jolereski, Capt. Joseph Baldeski, M. Kotkowski, Litowski, Maciej Rogowski, John Zielinski, John Kwiryn Mieszkowski, Lts. August Krystyn, George Elholm, Michael Grabowski, George Uzdowski—Navy, Capt. Felix Miklasiewicz, and Maurice Bieniowski, Jerzmanowski, Krassowski, and Tarlecki, who also served as officers. Besides these Poles there were a great many who served as privates in the Continental Army.

Daniel Liczko, a naval lieutenant in Holland's Navy, and an early settler, was a Pole. The Poles worked with the Hollanders as farmers, laborers, and merchants, and through their conscientious efforts, added to the wealth of this colony. Peter Stuyvesant, the famous Governor of New Holland, knowing well the qualities and virtues of the Poles, in 1659 brought in as many as possible, settling them around Fort Orange.

They were loyal and fought for the defense of New Holland from the attacks of the English. Dr. Alexander Carol Kurcjiusz (Kurtius) founded the first high school in New York; in 1659 he founded an academy in New Amsterdam. It was a Pole who founded and conducted the first high school in the largest city of America.

Olbracht Zaborowski, a Polish nobleman, settled in New Amsterdam in 1662. He later became the owner of a vast acreage of land along the Passaic River. He became well versed in the Indian language and acted as a sort of judge in the disputes between the white settlers and the Indians, and later he became one of the first judges in New Jersey. This is one of the best known and most famous families in America. As years went by the name gradually changed from Zaborowski to Zabriskie. There are many descendants of this famous family living today.

In 1774 Jacob Sadowski helped in surveying the land in the State of Kentucky. Jacob and Joseph Sadowski, with a crew of 40 people, founded the city of Harrodsburg, the oldest city in Kentucky. Jacob Sadowski was the first white man, after the French and the Spaniards, to navigate the Cumberland, Ohio, and Mississippi Rivers to New Orleans in a small rowboat.

Karol Blaszkowicz, a noted surveyor, was the first to map the sea coast of New England. Even today his work is regarded as having been excellently accomplished.

It was Peter Strawnicki, a rich banker in Amsterdam, who gave financial aid to the United States when America was young and its treasury was empty. He was one of the wealthiest men in the country at that time, owning some 5,000,000 acres of land in New York and Pennsylvania.

There were such learned men as Kajetan Wegierski, Juljan Ursyn Niemcewicz, and others. Adam Kurek was the founder of one of the first brass bands in America and wrote many compositions. Juljan Fontana, a noted musician and friend of Frederick Szopen (Chopin), came here as well as the great sculptor, Henry Dmochowski (Sanders), Alexander

Sengteller and Alexander Raszewski, steel engravers. Joseph Podbielski, the noted translator of Polish works into English; Paul Sobolewski, poet and journalist; Adam Gurowski, a noted author; Dr. Ludwig Szpaczek, Dr. R. Thomain of New York, Dr. Henry Kolussowski of Washington, all took part in our early colonial life. The Polish clergy were also represented in America. Around 1800 we find Father Kossack, a Jesuit, Father Boniface Krakowski, and Father Francis Dzierozynaski. This was long before there were any Polish parishes established.

In 1854, Rev. Father Leopold Moczygeba brought over 100 families, who, after suffering great privations, finally established a settlement at Panna Marja, Tex. This settlement was so named in honor of the Blessed Virgin Mary. They even brought with them the cross and the bells from the village church in their own country to peal the glory of God in this new land. This is the oldest Polish parish in the United States.

Col. Casimir Gorowski achieved fame as an engineer in Canada and held high offices. He built the first bridge at Niagara Falls. The lands of Louisiana and Utah were surveyed by Joseph Truskolaski; and Capt. Karol Radziminski helped to establish the boundary line between the United States and Mexico.

The first polytechnical school in America was founded by Leopole Boech. Joseph Karge, Arthur Grabowski, and Joseph D'Alfons became the most noted among the professors of America's institutions of learning. Maj. Henry Glowacki, of Batavia, N.Y., became one of the outstanding attorneys. Dr. Felix Wierzbicki gained renown as the author of the first historical book written on California.

Much could be said about the other Polish heroes of the Revolutionary War, but it is best expressed by the four lines dedicated to them by John A. Joyce, the American poet:

> Polish heroes in their might
> Fought in freedom's holy fight,
> Brilliant as the stars at night
> To maintain the pure and right.

There were about 400 Polish settlers in the colony established by Capt. John Smith. Of this number but 60 survived through the severe winters of 1609 and 1610. These Poles were honest and industrious. Captain Smith said at that time: "The English settlers never knew what a day's work was except the Dutchmen and the Poles." The overseers of the colonies praised the Poles highly for their industry and tried to get more of them to come to Virginia.

When the right of vote and the right of voice in the first Parliament in America, the House of Burgesses at Jamestown, was denied the Poles by English overseers, they unanimously protested and a strike followed. The authorities were finally forced to yield, and the court records of the Virginia Co. of London, under the date of July 31, 1619, show the following decision:

> Upon some disputes of the Polonians resident of Virginia it was now agreed that they shall be enfranchised and made as free as any inhabitant there whatsoever. And because of their skill in making pitch and tar and soap ashes, shall not die with them, it is agreed that some young men shall be put unto them to learn their skill and knowledge therein for the benefit of the country thereafter.

So even before the arrival of the *Mayflower* the Poles had raised the question of political liberty and equality and were successful in the first fight for this cause on American soil.

The Poles likewise aided in bringing Texas into the Union in the revolution of the Texans against Mexico. Many Poles were killed in the memorable massacre of Colonel Fannin's detachment at Goliad, Tex. One of them, the valiant Piotrowicz, commanded the artillery section. In the War with Mexico, 1846 to 1848, the Poles again played a prominent part. Those who are particularly well known as the result of this war are Capt. Karol Radziminski, Capt. Napoleon Koscialkowski, Sgt. Ignatius Szumowski, and many others.

In the early colonial days the Colonies were settled mostly by the English. The Poles were very few in number at that time; however, we find very many interesting figures of Polish extraction taking an active part in developing America and giving to this new land of liberty the art, culture, and learning that they had brought with them from their native country, Poland. The Americans of Polish extraction may well be proud of their history in this new Nation.

Poland was known as the "bulwark of Christianity in Europe" and has often been called "The Knight Among Nations." America was yet unknown and undiscovered when Poland had universities and led the world in education, science, and culture. No country in Europe enjoyed such freedom as existed in Poland. They had freedom of religion and freedom of speech. It was for this reason that the neighbors of Poland became frightened and set out deliberately to destroy that nation. They were afraid that it would lead the subjects in their own countries to revolution and to demand the same measure of freedom and liberty that the citizens of Poland enjoyed. Very few Poles came to America previous to the partition of Poland. They were contented and satisfied to live in their native country.

However, we find some of them settled in America even long before the arrival of the *Mayflower*. The English Government, in cooperation with the Virginia Co. of London, brought over many skilled Polish workers for the express purpose of manufacturing ship necessities for export to England, and glass and trinkets for Indian trade.

During the Civil War about 4,000 Poles served in the Union Army and about 1,000 in the Confederate Army. At this time there were about 30,000 Poles in America. Gen. W. Krzyzanowski organized one of the first companies of militia in Washington. Maj. A. Raszewski formed two companies of the Thirty-first Infantry in the State of New York. They wore Polish uniforms at first and were known as the "Polish Legion." In Cincinnati the Poles, under Maj. Maurycy Weselewski, also formed their own company in the Twenty-eighth Infantry of Ohio. The greatest number of Poles who saw service in the Union Army came from the States of New York, Missouri, Ohio, Illinois, and Wisconsin.

The Poles were the first to give up their lives in the Civil War. Thaddeus Strawinski, an 18-year-old student, was killed in the attack on Fort Sumter. The first Union officer to fall on the field of battle was Capt. Konstanty Biedowski on May 10, 1861. Gen. Wlodzimierz Krzyzanowski is without doubt the most famous of the Poles who took part in this bloody war. He rose from the ranks to the position of general. He took part in the Battles of Cross Key, June 8, 1862; Bull Run, 1862; Chancellorsville, May 1863. In July 1863 he was at Gettysburg. He also was instrumental in stopping Gen. Stonewall Jackson. He fought many victorious battles in Tennessee but was always humane and kind in his treatment of Confederate prisoners and toward the people in the Confederate territory where he was in charge.

In 1867, after the United States Government had purchased Alaska from Russia, General Krzyzanowski was appointed as the first Governor. He held Federal positions in Panama and New York. He died in New York January 31, 1887. The men under his command idolized him. As a token of love and respect they presented him with a beautiful sword with the following inscription thereon:

> In deep respect to our beloved commander, from the officers and men of the Second Brigade, Third Division, Third Army Corps.

One of the best-known Union Cavalry leaders was Joseph Karge. He took part in many brilliant military exploits. Congress gave him the rank of brigadier general in recognition of his leadership and bravery. After the war he went back to the profession of teaching and held the chair of professor of languages and foreign literature at Princeton University. He became one of the best-known educators of his time. He died December 27, 1892.

Other famous Poles who took part in the Civil War were Capt. Alexander Bielaski, adjutant to General McClernand, Capt. Joseph Gloskowski, Lt. Julius S. Krzywoszynski, who received honorable mention for meritorious service and gallant conduct. Lt. Wladyslaw A. Wrotnowski, engineer, was killed in action at Fort Hudson in Louisiana, May 27,

1863. Captain W. Kossak, engineer, was a member of General Grant's staff. General Sherman said of him that his plan of the battle of Shiloh was—

The best I have ever seen and his fortifications during the siege of Corinth, Miss., were excellent.

Col. Emil Shoening, Lt. Col. George Sokalski, Capt. Louis Zychlinski, Capt. Teofil Michalowski, Capt. Edmund Zalinski (later professor at the Massachusetts Institute of Technology), Capt. Peter Kiolbassa, Capt. Maurice Kraszynski, Capt. Edmund Hulanicki, Capt. Thaddeus C. Hulanicki, Capt. Edward Antoniewski, Capt. Edward Radniecki, Lt. Karol Borowski, and Adjutant Wladyslaw Leski may be found among the famous Union officers.

The Poles also gave meritorious service to the Confederacy. Among them were Gen. Kasper Tochman, Col. Vincent Sulakowski, who was also a great engineer, Lt. Col. Hipolit Oladowski, Capt. Peter K. Stankiewicz, Capt. Leon Jastrzembski, Col. Arthur Grabowski, who later became mayor of Baton Rouge, La.

The Poles fought valiantly and bravely in the Civil War. Many of them were veterans who had seen service in the Polish uprisings in their battles for the liberty of Poland. There were about 165 Polish officers in the Union Army and about 30 in the Confederate Army. In the Spanish-American War about 85,000 Poles saw service in the United States Army. This represented about 10 percent of the total Polish population in the United States.

The war records contain numerous Polish names cited for bravery and merit. Of the first 100,000 soldiers who enlisted and volunteered for service in the World War, 40,000 were Poles. The total number of Poles serving in the United States Army during this great conflict amounted to 300,000. The first American soldier to lay down his life was Sgt. John J. Czajka, killed in action November 13, 1917, while leading his patrol of men of Company A, Twenty-sixth Infantry. Two Poles, one a Chicagoan and the other from Milwaukee, captured the first German prisoner taken by the American Army. Sgt. Michael Ellis (Eliasz) captured single-handed 10 machine guns and 60 prisoners.

Besides those who saw service in the American Army, 25,000 Poles enlisted as volunteers in the Polish Army of France. Throughout the history of America the Poles have always proved themselves to be faithful and loyal to the extreme. Although they number only 4 percent of the total population of the United States, the casualty list contains 12 percent of American soldiers of Polish extraction who gave their lives for America on the fields of France.

Without any doubt it was this great loyalty and patriotism of the Poles to the United States which caused this country, and that great Democratic leader, President Woodrow Wilson, to include in his 14 points the mandate that Poland shall be free and independent, with access to the sea.

There are today over 5,000,000 hard-working people of Polish extraction contributing by their efficient and conscientious labor to the development of national resources and to the progress of industry and to the growth of America. They are not rich in money. Their richness lies in their industriousness, loyalty, and that great love of the United States of America that will be an everlasting monument in the hearts of their children after the riches of others will be gone and forgotten.

WHAT WE HAVE ACCOMPLISHED

Mr. BUCK. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BUCK. Mr. Speaker, as the present session of Congress is drawing to a close, I desire to take this opportunity to make a brief survey of the progress which has been accomplished by this administration and this Congress. At a later date I hope to comment upon what our future progress should be.

When this administration came into office the country lay stunned, sickened by a prolonged deflation which had adversely affected purchasing power, the value of farms, homes and other real estate, all classes of business, transportation, securities, and even the well-being of government itself. We were beneath a heavy cloud of gloom and despair; confidence had been destroyed; banks were closed; business was prostrate. What has been done to meet this complex crisis must be judged by results. It is not my belief that national recovery is as yet complete, but one has only to look back to those days of March 1933 and compare them with the present situation to realize that under the wise leadership of our President, Franklin D. Roosevelt, a remarkable progress toward national recovery has been made.

The whole program of the administration and of Congress has been one of relief. Relief which will lead to a cure. It is in that light that all our legislation, our expenditures of money and our delegation of powers to the President must be looked upon. We had to start with the relief of banks through the Emergency Banking Act. We followed with legislation to better the credit conditions of farmers and home owners and we have, through direct grants of money, through Public Works allotments, and through loans to industries, endeavored and to a great measure succeeded in putting back to work, millions of unemployed, whose wages in turn have been spent for consumption goods. Thus we have "primed the pump" of both industry and agriculture.

The two outstanding legislative accomplishments of the first session of Congress were the National Industrial Recovery Act and the Agricultural Adjustment Act, both of which I voted for and the latter of which, as a member of the House Committee on Agriculture, I had a share in framing. Among agricultural measures, this Congress has also provided for the reorganization of the Farm Credit Administration, consolidating all branches into one system; has put crop-production associations on a permanent basis and has vastly extended the Federal farm loan system. The aim of the Congress has been to increase prices of farm products and while the administration has not yet reached its goal of parity with 1926 prices, no one can deny that there has been a very considerable increase in the income of the average American farmer.

We must not forget that Congress has also turned its attention to other matters. It settled a 15-year-old dispute of what to do with Muscle Shoals by creating the Tennessee Valley Authority. The beneficial effects which will follow the successful operation of this Authority in curbing the greed of the power trusts have scarcely been shown as yet, but they are bound to be an ultimate result of this legislation. We passed a bill guaranteeing bank deposits in the first session of this Congress. In this session we have passed a bill making available money to buy up assets of closed banks in order to pay off depositors. In the first session we passed a bill which will hereafter prevent the issue of fraudulent securities. In this session of Congress we have passed a bill which will hereafter regulate stock exchanges throughout the country and prevent the victimization of thousands of Americans who have heretofore been led like lambs to the slaughter. We created the Home Owners' Loan Corporation with the purpose of relieving distressed home owners. Because of the necessity of building this organization from the ground up, there was some little delay in getting its operations started, but already thousands of cases of distressed home owners have been relieved. In this session we have passed the Housing Act, designed to insure loans for construction of homes and for renovation of old houses. We have also authorized the Reconstruction Finance Corporation to make direct loans to small industries, as well as to the banks and railroads which could previously borrow from it. In every line of industry and agriculture we have endeavored to give relief and aid and to place the protecting arm of the Government over those who have been suffering and cannot otherwise obtain adequate financial help.

When we come to direct relief, this Congress will be remembered, first, for its appropriation of $500,000,000 under the Wagner-Lewis Act; for the money spent in creating the Civilian Conservation Corps, which has been doing wonderful work in reforestation; and for the Civil Works Adminis-

tration, which was established when these direct relief appropriations seemed insufficient to carry the unemployed through last winter. This second session of Congress has appropriated an additional $950,000,000 to carry on these works until industry and agriculture together can absorb the total number of our unemployed. Yet you must note that all this activity which has taken place and all the benefits which have accrued to the country have been accomplished with an expenditure far less than President Roosevelt believed possible in January of this year. The deficit at the end of this fiscal year will be several billion dollars less than the President predicted when he opened this session of Congress. This in itself is indicative of recovery in the Nation's finances and in the Nation's business activities outside of the Government.

Perhaps it will more clearly emphasize the benefits that the country is receiving from the congressional program if I briefly refer to expenditures which have been made in my own congressional district, the Third California. For instance, benefit payments to wheat farmers under the A.A.A. received there amount to $142,248.99, divided among five counties, as follows:

Napa	$3,460.71
Sacramento	61,820.95
San Joaquin	32,811.62
Solono	17,320.91
Yolo	26,834.80
Total	142,248.99

It may also be appropriate here to point out the Public Works allocations and other Government financial aid that I have been able to secure for the Third District. The history of this is interesting. The first session of this Congress reappropriated all unallocated appropriations back into the Treasury and instead intrusted a lump sum of $3,300,000,000 to the Public Work Administration to be used where most needed for relief of unemployment. It was therefore necessary for each Representative to be alert and vigilant in order to secure even the reassignment of appropriations previously made but canceled by this act of Congress. I secured the following outright appropriations for the Third District:

Sacramento River flood control	$2,000,000
Deepening of San Joaquin River Channel	990,000
New causeway connecting Vallejo and Mare Island	980,000
Magazines, Mare Island Navy Yard	325,000
Extension of Dike No. 12, Mare Island	250,000
Improvement of power plant, Mare Island	150,000
Dredging and filling new quay wall, Mare Island Navy Yard	125,000
Distributing and service lines, Mare Island Navy Yard	180,700
Miscellaneous shore work, Mare Island	523,943
Post-office building at Lodi, Calif	63,750
Post-office building at Woodland, Calif	69,900
Total	5,663,293

In addition to the above outright appropriations, I have obtained the following allocations of money from Public Works Administration for projects in the Third District on the basis of 30-percent outright grant and 70-percent loan, to be repaid by the district affected:

American River Flood Control District	$195,000
Grant Union High School, North Sacramento	164,000
Stockton Port District, cotton compress	230,000
Stockton Port District, dredging and dock improvements	224,000
Sacramento County buildings	49,000
Total	862,000

I have obtained the following Reconstruction Finance Corporation loans for public bodies in the Third District for the purpose of refinancing their obligations. While these obligations must be repaid to the Reconstruction Finance Corporation, the effect of the loans is to materially reduce overhead expenses and in many cases reduce the personal obligations of the public districts involved:

Reclamation District No. 1000	$1,609,000
Naglee-Burk Irrigation District	675,000
Carmichael Irrigation District	47,500
Banta-Carbone Irrigation District	600,000
Total	2,931,500

Other applications are pending on which I hope to have favorable action taken and, in common with all the members of the California delegation, I am hoping that a way will be found to approve and provide money for a start on the construction of the Central Valley water project.

In addition to the shore work for Mare Island listed above, I have been able to secure both construction and repair work, which has kept the yard busy at all times. Two destroyers have already been assigned the yard and work is in progress on them. The fleet will return to the Pacific waters in November and the yard will again enjoy a maximum load of repair work. Additional construction work for the yard has been promised me, so that the citizens of Vallejo may look forward to relatively less unemployment than any navy yard in the United States.

While the Army has not fared as well as the Navy in Public Works allotments, I have constantly kept before the War Department the availability of Mather Field in the development of our national air-force program. A definite place has been given to Mather Field in the plans of the Air Force. This Air Force development plan has not yet been approved by the War Department or authorized by Congress chiefly because a board headed by Newton D. Baker has been appointed to consider the whole question of a long-time program for the Army, and aviation in particular. I am satisfied that a period of development will follow the present inactivity, and when that time comes I expect to be instrumental in rehabilitating Mather Field. I have touched upon these allocations of the public funds primarily because they show to what an extent our district has benefited from the Roosevelt administration and the activities of Congress. Throughout this Congress I have been a consistent supporter of the administration and I intend to continue that support if I am returned to Congress.

Mr. Speaker, I have not time here, nor do I think it the place to speak of all of my personal activities. The Members of this House know well enough the important place that the Committee on Agriculture holds and the tremendous amount of work which that committee has done in the past two sessions. As a member of that committee my time has been fully occupied. Through that membership I was able to pass the act amending the Perishable Commodities Act, strengthening it in the interest of producers and honest distributors of fruits and vegetables. I was also able to obtain in the agricultural appropriation bill the restoration of funds for predatory animal and rodent control, which is of great importance to our sheep and poultry raisers, and to secure an increase in the funds for Mexican border quarantine control, a matter of vast importance to California in keeping out insect pests. I was on the subcommittee that finally drafted the sugar bill, and was the original author of the amendment to the Bankhead bill which protected the California cotton industry by providing that no State should be limited to an allotment of less than 200,000 bales of cotton. I must pass over numerous other activities.

Most of the accomplishments of a Congressman do not appear in the CONGRESSIONAL RECORD. It is what he is able to accomplish in his committee or in appearing before others that is of the most benefit to his constituents, for instance: As a result of my appearance before the Committee on Ways and Means, the bill taxing wines contains a schedule which I proposed, making a saving of 6 cents a gallon on dry wines and a larger saving on sweet wines under the amount proposed by the Treasury Department. This means hundreds of thousands of dollars to the wine manufacturers and grape growers of California, whose production last year was in excess of 50,000,000 gallons. In these and other ways which it is not appropriate to record here I have faithfully performed my duties as the Representative of the Third District. I have kept the promise I made to my constituents, that if they elected me I would work as hard for them after election as I was working then to secure election. When I return to California and am asked what I have done, I can point with satisfaction to my record, for which no friend of mine is required to apologize.

It is true that our work is not complete, but we have kept our pledge to try to alleviate human misery by putting the unemployed to work, even though we had to use the entire resources of the United States in our war on unemployment. The people of the United States intend to see that the gains we have made shall not be lost, that the work we have started shall be completed, and they know that it can only be completed by the return of loyal supporters of the administration, who will have the confidence of our President, Franklin D. Roosevelt.

TARIFF AND THE MATCH INDUSTRY IN THE UNITED STATES

Mr. BEEDY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD on the tariff bill.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BEEDY. Mr. Speaker, let me cite a concrete illustration of the apprehension which established business feels for its future when this bill giving the President absolute power to fix tariff rates and conclude trade agreements has been passed.

In my district we have a match factory. It is located in the little town of Dixfield and gives employment to a great many people. Little thinking that any such power would ever be vested in one man as is proposed in the pending bill, this company enlarged its plant last year and gave employment to additional men and women. Already this industry feels keenly the competition from abroad. The present tariff law is entirely inadequate to protect the American market against the cheap-match imports from abroad. Last year, for example, one-half the entire American supply of matches came from abroad. Almost 2,900,000 gross of boxed matches came into this country from Japan in 1933.

The question now confronting the match industry is, Will the President or somebody delegated by him to decide the issue decide that the match industry in America is an inefficient industry? Will the President follow the policy advocated by the gentleman from Mississippi [Mr. RANKIN] and cut down the tariff rate on matches upon the theory that this will restore international trade? If so, the match factories of America must close. Tens of thousands of people will be thrown out of employment. The match factory in my district could no longer carry on.

I am thankful that the Senate asserted enough legislative independence to amend the House bill by providing that reasonable public notice of an intention to negotiate a foreign-trade agreement shall be given in order that interested persons may have an opportunity to present their views and that before concluding such an agreement "the President shall seek information and advice with respect thereto from the United States Tariff Commission", and so forth. This is an amendment along the lines of sanity. But I still protest placing the power to decree life or death for any American industry in any one person. No one man under our form of Government ought to have the power to close out industry in this country and open our markets wide to foreign imports at the cost of ruined industries and increased unemployment in this country.

On the 14th of May last the Portland Evening Express, of Portland, Maine, published a brief editorial presenting what appeared to me to be most astonishing figures and facts. I shall insert this editorial in my remarks in order that other Members of this House and the public may be fully informed as to the dangers under this bill which confront the American match industry. This industry is but typical of hundreds of others which must go if the theory of the Democratic Party is to be substantiated in practice.

The United States Tariff Commission has been expostulated with by the American Match Institute, representing the American match industry, which feels itself aggrieved by the Commission's indifference toward appeals for relief from destructive foreign competition, principally Japanese.

The institute points out that one-half of the American supply of matches last year came from abroad. That means more when the figures are translated into their equivalent—13 trainloads of 50 cars each, each car laden with 300,000 gross of boxes of matches. Of these, says the institute, 2,892,299 gross of boxes of matches were imported in 1933 from Japan. The 10-year average, 1923–32, of Japanese match imports was but 215,300 gross per annum, the 5-year average, 1928–32, was but 130,000 gross; the 1933 imports were then approximately 1,345 percent greater than the 10-year average and 2,225 per cent greater than the 5-year average.

This is surely an alarming influx of imports from a single Japanese industry, an influx that may, under present rulings and interpretations of the tariff acts, continue to swell until the American match industry is stifled. The match industry, now more than ever hampered by code restrictions, has asked that all importers of matches be licensed and required to file their prices with the code authority; it has asked that an equalization fee be levied so that the selling price may be brought to some sort of comparable level. Its letter to the Tariff Commission says: "We requested nothing more than a fair and reasonable adjustment of an utterly impossible and unsound condition. No other government in the world would long tolerate a similar situation."

This is undoubtedly true. No other government would tolerate a tariff law that should permit an important industry to be crushed. It is all very well to reestablish world trade and to make some sort of basis for foreign-debt payments; but when we permit foreign nations to supply half the matches used in the United States, when we permit a single country like Japan to increase its exports of matches to the United States by 2,225 percent in a single year, it is time to crack down and to do something, not big and noble, but merely fair and equitable, for our American industry. While the Tariff Commission is acting, it might not be a bad plan for consumers to scrutinize carefully the matches they buy to see if those important words, "Made in America", are on the containers.

The Democratic theory is that to promote international-trade recovery we must sacrifice the American market to further importation of cheap foreign goods. Thus, say the Democrats, foreign producers may increase their sales to us and realize more money with which to purchase more merchandise for themselves; a beautiful theory. But under this scheme the destruction of a certain percentage of American industry is certain. Increased payments of American money by American importers for foreign products is also certain. Whether foreign manufacturers will use any of the added moneys thus realized for the repurchase of goods in this country is entirely problematical.

This bill would give new life to the trade of other nations at a sacrifice of the lifeblood of our local industries. It never should become law.

TOBACCO INDUSTRY

Mr. CLARK of North Carolina. Mr. Speaker, I call up House Resolution 420, and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 420

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9690, a bill to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman from North Carolina yield for a question?

Mr. CLARK of North Carolina. I yield.

Mr. MARTIN of Massachusetts. Mr. Speaker, although personally I am very much opposed to the compulsory feature of this legislation, believing it to be unsound and unnecessary, the House has already established the precedent in the case of cotton, and is, therefore, I think, entitled to consider this legislation.

It is not the purpose of the minority to demand any time on the rule. We are perfectly willing that the gentleman should move the previous question and adopt the rule without debate.

Mr. CLARK of North Carolina. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was adopted.

Mr. FULMER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 9690, with Mr. UMSTEAD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. FULMER. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. KERR].

Mr. KERR. Mr. Chairman, this bill is offered in the interest of more than 400,000 tobacco growers in the several tobacco-raising States of the Union.

The Committee on Agriculture was impelled to ask for this legislation in order to protect the contract growers of different types of tobacco. We were able to fix a parity price for our tobacco during the last crop year, which price enabled the tobacco growers of the country to receive for their product for the crop year just past more than twice as much as they received the prior crop year. In terms of dollars and cents, the tobacco growers of the country received $109,000,000 more for their crop of tobacco last year than they did in the crop year 1932–33.

In order that the Department of Agriculture could secure this price the tobacco growers had to enter into contracts with the Department whereby they agreed to reduce their acreage and their poundage 30 percent for the crop year of 1933–34. This action was taken to meet the complaint always made in time of low tobacco prices that the tobacco growers of the country were raising too much tobacco.

This contract arrangement has proved satisfactory, but the Department of Agriculture, as well as the contract growers of tobacco, feel that it is absolutely necessary to enact this law in order to protect them in their endeavor to reduce acreage and production and thereby secure a profitable price for their tobacco.

Had I the time, Mr. Chairman, I should like to tell of the value of the tobacco crop to this country. It has enabled us to keep up our exports and to make the balance in favor of American trade for the last 3 or 4 years when all other trade balances had gone down. The tobacco interest is the source of great income to the country. I think my colleagues will be surprised when I tell them that just a few years ago something like 85 percent of the miscellaneous tax receipts of this country were raised from tobacco.

The farmers who have entered into these contracts are apprehensive that, unless the Government protects them in their genuine and earnest endeavor to carry out the reduction program, that prices will be lower and the program destroyed. It is necessary that they be given protection against the tobacco grower who has refused to enter into a contract with the Government to reduce his acreage. If the outside grower is allowed to do as he pleases, he will engage in the production of tobacco to such an extent that it will destroy the program. Invariably at a time of unsatisfactory prices the growers are faced with the statement that they raise too large a crop for domestic consumption and for export; and it is a fact that you can raise too much. The truth is that last year we produced 250,000,000 pounds of flue-cured tobacco in the four Southern States more than the market could use. By keeping production down we hope to be able to absorb this overproduction of last year and so keep our prices profitable to the man who grows the tobacco.

This bill provides for a sales tax on tobacco grown by those who have not entered into a contract with the Government to reduce their acreage or their production. The tax runs from 25 percent to 33⅓ percent of the sale price of the different types of tobacco which come within contract agreements.

This is not a prohibitive bill. This bill does not prohibit any man from growing tobacco. It simply requires a man who has not entered into a contract to reduce his acreage to pay a tax. Further, the bill gives these outside men 60 days within which to enter into contracts with the Department and thus bring themselves within the program and become entitled to the benefits which will flow from proper cooperation of the tobacco farmers. If he does not enter into a contract then he has to pay a sales tax ranging from 25 to 33⅓ percent; but even in such a case he will get more for his tobacco than he would without the reduction program, because of the limited crop to be grown by 90 percent of his neighbors and the other tobacco producers of the country who have sincerely entered into these contracts with the Department.

Mr. WADSWORTH. Will the gentleman yield?

Mr. KERR. I yield to the gentleman from New York?

Mr. WADSWORTH. May I ask the gentleman this question: If the imposition of this sales tax to the extent of 25 or 30 percent is still to leave unprotected the producer who is outside of the contract category, of what avail will be the tax in deterring the extra production of tobacco?

Mr. KERR. Of what avail it will be?

Mr. WADSWORTH. If the man can pay the tax and get more money than he had before, why should he not go on planting and pay the tax?

Mr. KERR. We allow him to come in in 60 days and share with the contract growers. Of course, the price of his tobacco will be less than if he shared with the contract growers.

Mr. WADSWORTH. I can understand that, of course. I might have misunderstood the gentleman. I understood him to say that even the man who paid the 25-percent tax would be better off than he would be were this scheme not in effect at all.

Mr. KERR. Certainly, but by staying out he may bring down the price of all tobacco; because if he stays out and they pyramid the production of tobacco, it would of necessity bring down the price of all tobacco.

Mr. WADSWORTH. If he stays out he pays a 25-percent tax?

Mr. KERR. Yes.

Mr. WADSWORTH. And still he would make money?

Mr. KERR. He would make more than he would if 90 percent of his neighbors had not reduced their crop.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I should be glad to yield the gentleman some of my time to answer questions from this side of the aisle.

Mr. KERR. I shall be glad to answer any questions of my colleagues.

Mr. HOPE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BLANCHARD. Will the gentleman yield?

Mr. KERR. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. If the principle which was applied in the cotton bill is right and the principle of this bill is right, the gentleman would make the statement it is logical to extend the same principle to every basic agricultural commodity produced in this country? Would the gentleman go that far in connection with the advocacy of such legislation?

Mr. KERR. If the facts and circumstances involved in the others are similar to that existing in connection with the production of cotton and tobacco, I should agree with the gentleman.

Mr. DONDERO. Will the gentleman yield?

Mr. KERR. I yield to the gentleman from Michigan.

Mr. DONDERO. Can the gentleman tell me what percentage of the tobacco growers of the Nation are in favor of this legislation?

Mr. KERR. I tried to make it clear by saying it is safe to assert here, and I boldly assert, that more than 90 percent of the tobacco growers are asking for this legislation.



Mr. CAVICCHIA. Will the gentleman yield?

Mr. KERR. I yield to the gentleman from New Jersey.

Mr. CAVICCHIA. Those who are under contract have agreed to restrict their production by 30 percent, as I understand the report. This tax will apply only to these people if they produce over 70 percent?

Mr. KERR. If they overproduce the amount allotted to them, it will apply to them as well as to the man who did not come under the contract.

Mr. CAVICCHIA. If they produce 80 percent, do they pay the tax on the 80 percent or on the 10-percent overproduction?

Mr. KERR. On the 10-percent overproduction.

Mr. CAVICCHIA. The noncontract grower will pay on the entire output?

Mr. KERR. He will pay on the entire amount marketed.

Mr. KLOEB. Will the gentleman yield?

Mr. KERR. I yield to the gentleman from Ohio.

Mr. KLOEB. The gentleman makes the statement that 90 percent of the tobacco growers of the country have requested this legislation. By what authority does the gentleman make that statement?

Mr. KERR. By authority of the Agricultural Department, which has investigated this matter and has been in contact with most of the tobacco sections of the country.

Mr. KLOEB. Has there been inquiry made of the northern tobacco growers?

Mr. KERR. I think so.

Mr. KLOEB. If so, what association?

Mr. KERR. I think so, but I cannot tell the gentleman what particular association.

Mr. KLOEB. May I ask the gentleman this further question? The bill under subsection (b) on page 4 exempts Maryland tobacco, and Virginia sun-cured tobacco, and cigar-leaf tobacco. Why does it exempt those tobaccos?

Mr. KERR. Because they do not grow too much of those particular types. Those tobacco growers do not want this protection and they do not grow more than the market demands.

Mr. KLOEB. But will not this bill disrupt the entire market?

Mr. KERR. No. That is a different type of tobacco. The tobacco produced in Maryland and Virginia, as well as the cigar leaf tobacco, is an entirely different kind of tobacco, and the growers of these tobaccos do not want to come under this act. They produce a very small percentage of the total output of tobacco.

Mr. HOPE. Will the gentleman yield?

Mr. KERR. I yield to the gentleman from Kansas.

Mr. HOPE. This bill proposes to put a tax on tobacco grown in excess of a certain quantity, on the theory, I assume, that otherwise there will be an overproduction of tobacco this year?

Mr. KERR. That is correct. There may always be an overproduction of tobacco and will always be an overproduction if the price of the tobacco gets very high.

Mr. HOPE. Does the gentleman think that without this bill there will be an overproduction this year?

Mr. KERR. Unless this law is passed preventing those who are noncontract growers from raising tobacco, and it will have a tendency to do that, notwithstanding they can grow some tobacco and still get more for it than they would unless their neighbors have gone into the contract, there will in my opinion be overproduction.

Mr. HOPE. Is it not a fact that practically all of the tobacco has been planted at the present time?

Mr. KERR. No; it is not. Probably half of the crop has been planted at the present time.

Mr. HOPE. As I understand, in planting tobacco you have to buy your plants and make arrangements to get them in advance of planting time. Does not the gentleman think that everyone who intends to grow tobacco this year has already made his arrangements for planting?

Mr. KERR. I do not think so, because from my own experience I have seen tobacco planted in my country, down in North Carolina, late in June; and when there was a good season, they would make the finest type of tobacco.

Mr. HOPE. The gentleman thinks that if we pass this bill, even at this late date, it will result in a decrease in the amount of tobacco planted?

Mr. KERR. I am confident of it and I think this feeling is shared by all the tobacco growers who are endeavoring to carry out the program of this country to decrease production and thereby vouchsafe unto the producers fair prices for their products.

Mr. HOPE. I have been informed that the Department of Agriculture has advised growers they will not be required to make as large a reduction in their planting as was originally contemplated, which would indicate that the Department does not believe there will be an overproduction of tobacco.

Mr. KERR. It looked at one time in the South, that on account of an intense drought they would not be able to plant what they had contracted to plant and therefore the right was extended to them to plant a little more tobacco, but it has turned out that our crop has been planted and we have met the requirements of the law and of our contract with the Government and that we have down there all the tobacco we ought to plant.

Mr. HOPE. They did raise the limit, did they not?

Mr. KERR. They raised the limit, but that limit was not taken advantage of by the growers of flue-cured tobacco of Georgia and South Carolina, who had already planted their tobacco, or by the North Carolina growers of tobacco.

Mr. HOPE. May I ask the gentleman what is going to be the effect of the exemption of every grower who produces less than 2,000 pounds? Will not this largely nullify the effect of the bill?

Mr. KERR. The gentleman, I am sure, wants me to frankly answer that question. I agree with the gentleman, and I may state that that was put in the bill by the committee. The committee considered this bill a long time, as the gentleman knows, and considered it very conscientiously, and that provision was put in by the committee. I do not think it should have gone in.

Mr. STUDLEY and Mr. DONDERO rose.

Mr. KERR. I yield first to the gentleman from New York.

Mr. STUDLEY. Does this bill apply to the producers of tobacco in New York as well as to other producers of tobacco?

Mr. KERR. I think it does.

Mr. STUDLEY. There is a large tract in New York, especially around Syracuse, that produces this tobacco.

Mr. KERR. Yes; I think those gentlemen want to come under the contract.

Mr. DONDERO. What is the percentage of acreage the gentleman expects to reduce by this bill?

Mr. KERR. We expect to reduce 30 percent of our acreage, based on an acreage basis of 3 years, 1931–33.

Mr. DONDERO. It is the percentage of reduction I wanted to know particularly.

Mr. KERR. Not only that, but the Department afterward thought that the reduction of acreage would not reduce the crop sufficiently, and so they went back and horizontally cut the poundage of our tobacco.

Mr. HAINES. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. HAINES. Mr. Chairman, I think the gentleman is mistaken when he says this applies to tobacco grown in New England and in New York State, because that is the cigar type of leaf tobacco.

Mr. KERR. If that is true, I thank the gentleman for the correction. I know it does apply to Connecticut tobacco and the Connecticut growers have come under this plan.

Mr. HAINES. That is a cigar type of tobacco.

Mr. KERR. Yes; that is exclusively the cigar type of tobacco.

Mr. HAINES. Then it does not come under the bill?

Mr. KERR. Yes; I think it comes under the bill.

Mr. HAINES. And they have signed up to reduce their acreage?

Mr. KERR. Yes; they have signed up to reduce their acreage.

Mr. HAINES. I may say to the gentleman I have been in the cigar business for more than a quarter of a century and I am somewhat familiar with the tobacco business. There is a need for the cigar type of tobacco of certain grades, and I think the committee has gone entirely wrong in this matter of trying to reduce the acreage of cigar types of tobacco.

Mr. KERR. The committee and the Department of Agriculture did not undertake to make it apply to any type of tobacco unless those growers wished it to so apply.

Mr. HAINES. On page 4 of the bill, beginning with line 6, you exempt cigar leaf tobacco, and this certainly would include Connecticut tobacco.

Mr. KERR. My impression is that the tobacco raised in the Connecticut Valley is included.

Mr. HAINES. I think the committee is entirely wrong.

Mr. DREWRY. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. DREWRY. What method does the Secretary of Agriculture use to determine when he shall issue the proclamation about the tax?

Mr. KERR. When at least 66⅔ percent of the growers of that particular type wish it.

Mr. DREWRY. How does the Secretary get at the wishes of these growers? Do they write him letters, or what is the method pursued?

Mr. KERR. The Secretary is supposed to canvass the situation.

Mr. DREWRY. In other words, the Secretary makes a survey?

Mr. KERR. Yes.

Mr. ARENS. Mr. Chairman, will the gentleman yield?

Mr. KERR. I yield.

Mr. ARENS. Is not the purpose of the bill to tax those who have not contracted previously 30 percent in order to induce them to come under the contract?

Mr. KERR. Yes.

Mr. ARENS. And if they come under the contract, they will reduce their acreage and thereby prevent overproduction?

Mr. KERR. Yes.

Mr. ARENS. And by doing that, you raise the price of all tobacco, and those who do not consent will get as much for their tobacco after they pay the tax.

Mr. KERR. They will get more perhaps.

Mr. ARENS. The gentleman says that 90 percent have asked for this legislation.

Mr. KERR. That is the estimate after a careful survey by the Agricultural Department.

Mr. ARENS. The gentleman says that 90 percent have signed the contract and there are some who have not signed and have not asked for it.

Mr. KERR. Those not signing the contract have not asked for it, but 90 percent of the tobacco growers have come in under it.

Mr. ARENS. Have 90 percent of the growers signed it?

Mr. KERR. One hundred percent in some localities.

Mr. KNUTSON. Will the gentleman yield?

Mr. KERR. I yield.

Mr. KNUTSON. Could not the same object be accomplished by plowing under every third row of tobacco?

Mr. KERR. That would be a destruction of property, and we do not want to do it in that way.

Mr. BAKEWELL. Will the gentleman yield?

Mr. KERR. I yield.

Mr. BAKEWELL. The gentleman says that 90 percent have agreed.

Mr. KERR. Ninety percent of the tobacco growers. This is the estimate of the Agriculture Department.

Mr. BAKEWELL. A similar statement was made when the Bankhead cotton bill was up, but it turned out that it meant 90 percent of the replies were favorable. Now, I should like to know whether this means 90 percent of all the growers or 90 percent of the replies.

Mr. KERR. The estimate is 90 percent of all the growers. I think I can safely make that statement in regard to my own State of North Carolina.

Mr. DOWELL. Will the gentleman yield?

Mr. KERR. I yield.

Mr. DOWELL. Is it not a fact that to a large extent the price of tobacco is fixed by the Tobacco Trust?

Mr. KERR. Well, I am not prepared to say that. When the crop is small, they pay a great deal more for it.

Mr. DOWELL. Is it not true that last year there was a suit in the Supreme Court of the United States involving the salaries of the president of the American Tobacco Co. of $2,500,000, and also there was involved the salary of five vice presidents from half a million to a million and a half dollars each. Of course, those unreasonable salaries ought not to be paid in any company, and the ones who are receiving those salaries are receiving them for the purpose of buying tobacco as cheaply as possible and selling it as high as it can be sold, and that constitutes the basis for their salaries.

Mr. KERR. I do not know on what basis they fix the salaries.

Mr. DOWELL. The salaries and the additional bonus are based on the value of their services, and the value of their services is the value to the stockholders of the company. Is there anything that can be done in this bill to affect the exorbitant salaries that are being paid out of the profits derived from the producers of tobacco?

Mr. KERR. I think if we can control production they will have to pay more for their tobacco, and they will not receive such large salaries.

Mr. CARPENTER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. KERR. Yes.

Mr. CARPENTER of Kansas. Is this bill similar to and drawn along the same lines as the Bankhead cotton control bill?

Mr. KERR. It is; but we think it is an improvement over the Bankhead cotton bill.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I think we all remember that only a few weeks ago we passed the Bankhead Compulsory Control Cotton Act. I opposed that bill on the floor and stated that I was basing my opposition to the principles involved in the bill, and that I would oppose the bill just as strenuously even though it affected products in my district. I rise today, more than for any other reason, to reiterate that statement, because the bill before us affects a product of my district. I represent a district that raises a lot of tobacco, two counties in particular. I also live adjoining districts where the chief crop is tobacco. I feel I have been a fairly good prophet, because in the few remarks that I made against the Bankhead control bill I predicted it was the initial step toward a complete regimentation of the farming industry. We have had to wait only a few weeks to see step no. 2. I do not know how much longer we will have to wait until it is completed.

I was back in Ohio the other day and happened to pick up one of the leading newspapers in southwestern Ohio, a district in the heart of the tobacco-growing industry. It was a daily paper published in Dayton, Ohio. That paper carried an editorial commenting upon the failure of the Bankhead cotton control bill in these few weeks since it has been a law. The paper commented upon it from the angle that it had increased unemployment in the South. I do not know whether the paper exaggerated it or not, and I am giving it just as stated in the editorial, wherein it said that one-third of the share croppers and laborers in the cotton fields in the South were now on the highways hunting jobs.

I was not satisfied there was a universal demand from the cotton producers for the cotton-control bill, and I am not at all convinced that there is a 90-percent demand for this bill, as my colleague from North Carolina [Mr. KERR] just said. I have taken it upon myself to investigate that particular point, and I am informed by each and every Congressman who represents that large tobacco section in south-

western Ohio that not a single letter has come to him from a single tobacco producer in that vast section which produces thousands and thousands of acres of tobacco each year. Where they get the 90-percent demand I do not know, but it does not come from Ohio.

As to the necessity for the bill, if the voluntary control under which we have been operating has benefited the tobacco growers in the last year to the extent that this report indicates, that is, that they received $109,000,000 more than they did for the 1933 crop, we ought to be satisfied with the present program. It is also said in the report that was prepared on the bill:

> There appears to be no opposition to the measure and there has been filed with the committee a large petition from growers of every locality which raises tobacco, requesting the immediate passage of this measure.

I desire to inform the Members of this House that there was considerable opposition in the Agricultural Committee to this bill. The vote for its report was 13 to 5. The gentleman from North Carolina [Mr. KERR] said that the Agricultural Department had endorsed the measure. The only endorsement made by the Agricultural Department of this measure is contained in the printed hearings, on page 8, where there is a letter signed by Mr. Henry Wallace, Secretary of Agriculture, and I say to you that it is a very weak endorsement if you can consider it an endorsement at all. One paragraph reads:

> My opinion of the proposed legislation is that it does not seek to compel involuntary compliance, but does permit noncooperatives to grow tobacco, and taxes them in an amount which would result in bringing their net income to an amount which they probably would have received in the absence of any adjustment program. If this can be accomplished in a practical manner, I can see no objection to some such emergency measure.

I do not take that letter to be an endorsement of this program, and I do differ violently with the first part of the paragraph, in which he says that it does not seek to compel involuntary compliance. It does not do anything else. The purpose of the bill, and the only purpose of the bill, is to compel those people who have not joined in the voluntary cooperative plan to join. In other words, it lays a prohibitive tax of 25 percent upon them if they do not join, and I say to you that it will work as a compulsory measure. I have the same objection to it from that standpoint that I had to the Bankhead cotton-control bill.

Mr. KLOEB. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. Yes.

Mr. KLOEB. The gentleman has read the provision in subsection (b), on page 4, exempting Maryland tobacco, Virginia sun-cured tobacco, and cigar leaf tobacco from the operations of this act. Most of the tobacco grown in the territory described by the gentleman in the Maumee Valley in Ohio is filler cigar tobacco, is it not?

Mr. MARSHALL. I am not an expert, although the first dollar that I ever made in the world was raising an acre of tobacco.

Mr. KLOEB. I think it is true. That is cigar filler tobacco, and therefore would come within the provisions of this act.

Mr. MARSHALL. In answer to the question I will say that in committee I raised the question about not having received any information in regard to this bill, and it was alleged there that the section I represent and which the gentleman represents was not affected by this bill. I called the Department of Agriculture and contacted the Tobacco Section, and they told me that 98 percent of the farmers down there had signed the voluntary cooperative contract and would be affected by this bill; that they are affected by it.

Mr. KLOEB. I think clearly they are.

Mr. MARSHALL. Yes; I think so.

Mr. DIRKSEN. Will the gentleman yield for a question?

Mr. MARSHALL. I yield.

Mr. DIRKSEN. I want to ask what proportion the Maryland and Virginia sun-cured and leaf tobacco bears to the total?

Mr. KLOEB. Oh; I do not have that information.

Mr. WOODRUFF. Will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. WOODRUFF. I wish to call to the attention of the gentleman a provision on page 7 commencing in line 6, the proviso, which reads as follows:

> That no such person shall be entitled to receive warrants unless he shall agree with the Secretary of Agriculture to cooperate in the reduction programs of the Agricultural Adjustment Administration in such manner as the Secretary shall prescribe.

My friend from Ohio is thoroughly familiar with the several attempts made by the Department, through proposed legislation, to complete the enslavement of the American farmer. The last attempt openly made is now before the Senate of the United States in what is known as the "Smith bill." That particular bill proposes to give to the Secretary of Agriculture complete control of every acre of the farm and every product the farmer raises, whether it is a basic commodity or otherwise, provided always the farmer receives in any degree whatsoever from any source whatsoever, for the growing of any crop whatsoever, one penny in payment from the Treasury of the United States in the way of benefits under the Agricultural Adjustment Act. I want to call to the attention of the people interested in this bill the fact that while this particular provision has not as yet been written into any law of this land, and that no farmers of the country have as yet been completely enslaved, if this provision is left in the bill, every tobacco grower who receives one penny's benefit from this bill will be completely enslaved. He will be completely at the mercy of every whim, every desire of the baron on the hill, the Secretary of Agriculture, and the tobacco growers of the country will have been thrown back to the conditions of feudalism.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. MARSHALL] has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. MARSHALL. I am sorry that a bill of such vast importance as this, which affects such a vast number of the citizens of the United States is brought up today without any knowledge or any warning that such measure would come before the House at this time, giving no one any particular opportunity, giving the Membership no opportunity to advise themselves in regard to the measure.

Mr. FULMER. Will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. FULMER. I would like to make a statement in reply to the gentleman from Michigan [Mr. WOODRUFF]. The bill to which he has referred has not passed the Senate.

Mr. WOODRUFF. And I am happy to agree with the gentleman, and to say that I hope it never will pass that body.

Mr. FULMER. I wish to say to my friend that if the bill does pass, whether this bill passes or fails to pass would not have anything to do with the bill to which the gentleman referred.

Mr. WOODRUFF. No; but I am calling attention to the provision in this bill which enslaves any farmer in this country who accepts any of the benefits granted by the bill.

Mr. FULMER. The farmers will only be required to comply with the voluntary program. Any farmer who does not want to come in does not have to come in.

Mr. WOODRUFF. Will the gentleman from Ohio [Mr. MARSHALL] yield so that I may again read the proviso?

Mr. MARSHALL. If I may have a little more time, I will be glad to yield.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. WOODRUFF. I do not have the floor.

Mr. VINSON of Kentucky. Will the gentleman read the entire paragraph?

Mr. WOODRUFF. No. I want to read the proviso, because that is what I am discussing.

Mr. VINSON of Kentucky. But the proviso certainly refers to further warrants under paragraph (b) on page 6.

Mr. WOODRUFF. Yes; I know all about that, but I want to call to the attention of the gentleman from Kentucky exactly what this proviso is.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. MARSHALL] has again expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman from Ohio 3 additional minutes.

Mr. WOODRUFF. Will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. WOODRUFF. The proviso states:

That no such person shall be entitled to receive warrants unless he shall agree with the Secretary of Agriculture to cooperate in the reduction programs of the Agricultural Adjustment Administration in such manner as the Secretary shall prescribe.

I wish to remind the House that under the Agricultural Adjustment Act the Secretary of Agriculture can issue any regulation he sees fit, and it has all the power of law. If we are to judge as to what will be done by what the Agricultural Department has by proposed legislation asked the power to do, we can properly assume that if that particular provision is retained in this law it will enslave every tobacco grower in this country who even hopes to get any benefit from this bill.

Mr. FULMER. Will the gentleman yield to me?

Mr. MARSHALL. Yes; I yield.

Mr. FULMER. I just want to state to the gentleman that 90 percent of the tobacco growers are now cooperating with the Department of Agriculture under the voluntary program, and the other 5 or 10 percent can come in and get the benefits or remain out, and this bill would not have anything to do with the folks who remain on the outside.

Mr. MARSHALL. My answer to that is that they can remain out if they want to pay a penalty of 25 percent. In other words, if they sell $1,000 worth of tobacco and give $250 to the Government, they can stay out; but I say they cannot stay out and survive.

It is an absolute control of tobacco production; and I want to warn the members of the majority party in this House that although they have been pasing legislation without giving it consideration, passing it merely because it was advocated by certain administration leaders, the time is coming when you will find that the agricultural interests of the country will feel they are getting deeper and deeper into the mire each day; that while they have been willing to go along with voluntary cooperation, they will not stand for compulsory control and complete regimentation of the agriculture of this country. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOILEAU].

Mr. BOILEAU. Mr. Chairman, it seems to me that when all the tobacco growers of the country want a certain piece of legislation there must be some benefits for them in the legislation they advocate.

Various representatives of the growers and producers of tobacco appeared before the subcommittee. Not a single witness came before this committee who did not state that this bill, if enacted into law, would be of material help to the tobacco growers of the Nation. With this almost unanimity of opinion it seems to me we should scrutinize any suggestion that this bill might be detrimental to the interests of the farmer. The farmers and those who speak for the farmers all seem to believe it will be helpful to them; and unless someone can point out why it would not be beneficial to the farmers, it seems to me that the bill should have the unanimous support of the membership of the House.

Bear in mind that at the present time about 90 percent of the producers of tobacco in this Nation are cooperating in the voluntary plan submitted by the Agricultural Adjustment Administration. About 90 percent of the tobacco farmers of this Nation are now receiving benefits from the A.A.A. It is because of the fact they believe in the Agricultural Adjustment Administration program that they have voluntarily signed up to cooperate and to receive the benefits that flow from that cooperation.

Mr. Chairman, I call attention to the further fact that this bill will not be applicable to the producers of those types of tobacco not embraced in the voluntary plan. So this bill will not alter the situation of a person who lives in a section of the country where there is no tobacco-reduction program in force. The bill provides that only such types of tobacco as are now or may hereafter be embraced in the contracts or agreements with producers shall be subject to the provisions of the bill. There are certain types of tobacco which are not now covered by these voluntary agreements. It must be borne in mind that there are a large number of types of tobacco. I believe I can safely say there are between seventy and a hundred different types of tobacco produced in this country. These various types of tobacco, however, are classified into seven or eight broader classifications. So there are about seven distinct classifications of tobacco produced in this country. Unless the producers of these various types of tobacco signify their desire to have an agreement or a contract put into effect for their benefit they will not receive cash benefits and will not be subject to this tax or to the provisions of the bill.

This bill is not in any sense a compulsory control of production of tobacco. It does contain a provision, however, that those farmers who desire to cooperate voluntarily shall receive the benefits of this act and it does provide that those who do not voluntarily cooperate shall not have the benefits of the higher price brought about as a result of the cooperation of the 90 percent of the growers who have signed these contracts. Ninety percent of the producers have agreed to reduce their production approximately 30 percent; they will have their income reduced to this extent; this is the price they are paying in cooperation. It has been proved that higher prices have resulted because of this cooperation. So it is only fair that those who do not reduce their production should have their income reduced by a proportionate amount, and for this reason the tax is levied to put the noncooperator in just the same position as the fellow who signs up. In other words, you, a farmer, living on one side of the road, not desiring to cooperate, can plant all the tobacco you want, but you will have to pay your price, and that price is the tax of 30 percent, that being the average figure when it is all worked out. In the case of the farmer across the road from you who wants to cooperate, who wants to help in this great movement, who says, "I will do my share not by paying taxes but by reducing my production 30 percent", can operate on that basis. Both of you will get about the same for your tobacco whether you cooperate voluntarily or subject yourself to the tax proposed in this bill.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. MARSHALL. I take it from the gentleman's statement he believes that because some 90 percent of the farmers have signed these contracts that that is an indication they are for the program and endorse it and want it. Does not the gentleman know that quite the reverse is true? That is absolutely the case in my section of Ohio; the reverse of that proposition is true. The fact of the matter is they are joining up because they have to. For instance, if you are a hog producer and do not join, you do not get anything for your hogs; you do not get anything that the Government is paying.

As a concrete illustration, I know a farmer who took a hog down to market weighing over 500 pounds.

Mr. BOILEAU. I do not want hogs confused with tobacco.

Mr. MARSHALL. It is the same principle. The farmer got $3.25 for his 550-pound hog after he paid a processing tax of $12. That man did not join up because he wanted to. In other words, under the theory of that bill, for the man who does not join the price on hogs has been lowered to the extent he gets nothing.

Mr. BOILEAU. In addition to the price he gets at the market for his hog he gets a cash benefit or consideration from the Agricultural Adjustment Administration on account of his reduction, but I do not want to get into a dis-

cussion of that program. I want to stick to the tobacco proposition.

May I say that I have the highest regard for the gentleman's opinion. I know he is honest, capable, and sincere in any proposition he puts forth, but he and I just simply have different views with reference to what this bill will do toward helping the farmers. We have the Agricultural Adjustment Administration program. The gentleman from Ohio stated that although 90 percent of the tobacco growers had signed up in connection with this proposition that was no indication that the same 90 percent felt this was the right way to handle the proposition.

I cannot agree with the proposition. I will say that 90 percent are taking their licking in a reduction of production. They are taking their licking by producing less and it is only fair if they are taking that licking in order to increase the price of tobacco that the chiseler across the street should not get an advantage by doing the very thing that the cooperators are trying to prevent.

Mr. MARSHALL. If they are taking a licking we ought to get rid of the law entirely.

Mr. BOILEAU. They are paying their penalty and in return they are getting a better price, and they are getting other concessions. They are doing their share. They are cooperating as far as they are able in getting better prices for all the tobacco producers, and they should not be penalized for the benefit of those who refuse to cooperate and the chiselers who desire to continue to grow all the tobacco they can and continue to demoralize the tobacco market by creating an oversupply.

[Here the gavel fell.]

Mr. FULMER. I yield 5 minutes to the gentleman from North Carolina [Mr. WARREN].

Mr. WARREN. Mr. Chairman, in the very brief time allotted to a discussion of this measure it is impossible to go into all its details, and I do not intend to do so at this stage of the proceedings.

The district represented by my colleague from North Carolina, Mr. KERR, and the district represented by myself are the largest raisers of flue-cured or bright-leaf tobacco in the world. In those two districts are located the two largest bright-leaf tobacco markets. It is a commodity and a subject that we are, of course, deeply interested in, because it is the main cash crop of a large section of the State of North Carolina, and in the production of which thousands of our farmers are engaged.

Tobacco is one of the most costly crops that is produced anywhere. Last year just before the season opened on about September 1, with the farmers expecting a price somewhere near a parity, as sought by the bills that we passed last year, after the warehouses had been open for about 10 days we were astounded to find that the crop was selling for around 8 cents or 9 cents a pound, which was certainly considerably less than the cost of production. The farmers of North Carolina are a conservative people, and they met this unexpected situation with a courage and resolution and determination that excited the admiration and deep interest of all of our people. In their distress they turned to the established agencies of their Government—there was no threat of violence, and they declared that they would act in harmony with a program for their relief.

The Governor of North Carolina, Hon. J. C. B. Ehringhaus, in a bold stroke and without legal authority, issued a proclamation closing up all the warehouses in our State. In this he was supported 100 percent by the warehousemen. This proclamation was quickly followed by a similar one from the Governors of South Carolina and Virginia. We then came on here to Washington—and when I say "we", I mean the Members from tobacco-growing districts from the States affected, the Governor of North Carolina, and representatives of the other Governors and committees of tobacco farmers selected by their own mass meetings. We called upon the Agricultural Adjustment Administration and there presented our case. Not a harsh word was used. It was a solemn, serious gathering that came to Washington to save the tobacco farmer from almost complete destruction. A plan was worked out. We knew that the basis of any plan would call for the reduction of acreage for 1934. A tentative reduction contract was drawn. We were told to go back home, and if the farmers would sign it, then we could look for the maximum relief that might be possible.

Returning home, a great campaign was initiated, and in a few days from 90 to 95 percent of all farmers growing tobacco had signed the reduction contract. A wave of enthusiasm swept the Tobacco Belt, and never before have I seen such an exhibition of cooperation on the part of our farmers. After the sign-up had been successfully completed the Agricultural Adjustment Administration imposed a processing tax on the tobacco companies, and after many heartbreaking delays an agreement was finally entered into with the companies that guaranteed to the grower the parity price promised in the Agricultural Adjustment Act.

Shortly after the warehouses reopened there was a different story to tell. Gloom was dispelled and gave way to joy, and an entirely different attitude and outlook permeated the very atmosphere in the Tobacco Belt. To my mind it has proved up to this time to be the most conspicuous achievement of the Agricultural Adjustment Administration. Great credit must be given to the sympathetic aid of the Secretary of Agriculture, Hon. Henry A. Wallace; George N. Peek; Chester C. Davis; J. B. Hudson; and to Mr. Hudson's very able and brilliant assistant, Mr. J. Con Lanier, who probably knows as much about the subject as any man in the country.

Now, as the gentleman from Wisconsin has so clearly stated, all this bill seeks to do is to give justice and protection to the 90 or 95 percent who have signed the agreement. They have penalized themselves by signing a contract to reduce their acreage by 30 percent, and the 5 percent who did not sign and cooperate ought not to have the opportunity to destroy the 95 percent. There is a provision in the bill whereby the small farmer who did not sign can be allotted a small acreage if he will cooperate with the program, and for next year it is up to the tobacco growers themselves whether or not they wish the provisions continued.

I admit that legislation of this nature has been far away from the views many of us have heretofore held. I wish that it was not necessary. If it is termed by some as "bad legislation", then our answer is that we justify it on the grounds of a great emergency that threatens destruction to the grower. It is again thrown up to us that it is regimentation; and if it is, then it is a regimentation that is desired and asked for by those who desire to be regimented. When the contract was signed the grower was told he would be protected, and we come now to the Congress and ask that this protection be given them and that the program they themselves have entered into be not destroyed. [Applause.]

Mr. FULMER. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. CHAPMAN].

Mr. CHAPMAN. Mr. Chairman, this measure was designed for the protection of that host of tobacco growers who have signed a contract with the Federal Government for the curtailment of their crops this year, and is being supported by every Representative who is a true friend of the growers affected by it. As the Representative of the largest burley tobacco producing district in the world and the district containing the largest burley tobacco markets in the world, I think I can express the wishes of those who have signed this agreement with the Government, insofar as burley tobacco growers are concerned. The gentleman from North Carolina [Mr. WARREN] has just spoken from the standpoint of the producers of bright, or flue-cured, tobacco. I speak for the other principal type that is included in the provisions of this bill.

Tobacco growing is the hardest work known to farm life. In addition to that the production of tobacco extracts more fertility from the soil and depreciates the value of farm land more than the production of any other crop. From the time the seed is put in the plant bed until the consumer buys the finished product the only man who comes in contact with tobacco throughout the entire process of planting, cultivat-

ing, harvesting, curing, and marketing—the only man who comes in contact with it directly or indirectly who does not receive his adequate proportion of the consumer's dollar is the man who bends his back in the heat of a broiling sun from early morning until the hour when the mocking bird calls and the fireflies light the evening shadows, and spends practically the entire year in producing, harvesting, and marketing his crop.

I may say to the gentleman from Ohio who just spoke that the type of tobacco produced in the vicinity of Dayton is not affected at all by this bill, and we who represent districts where our people depend on tobacco for a livelihood, for money to pay their taxes and insurance, to buy the necessaries and comforts for their families, and to buy shoes for their children to wear to school, stand unanimously for this legislation.

In Kentucky tobacco is our basic product and the basis of whatever prosperity we may hope to enjoy. Not only the tiller of the soil, but every landowner, merchant, banker, lawyer, doctor—men in every walk of life—depend primarily upon the tobacco crop for whatever prosperity they hope for. It is frequently a forlorn hope.

The Government has a real stake in the tobacco crop. It takes its toll from the product of the tobacco growers' soil and toil in nearly half a billion dollars paid annually into the coffers of the Federal Government. That tax ought to be reduced substantially. Recently two or three hundred of the most substantial and outstanding citizens of Kentucky, most of them from the historic and eminent district of which I am the Representative, came to Washington pleading for a reduction of that unjust tax—the only existing tax on a farm product in America—and made the most magnificent impression any delegation has made during the decade that has elapsed since I entered this House.

I hope that the tax will be reduced—I have introduced a bill to that effect in this Congress as well as in the Seventy-second—but, whether it is or not, this bill will bring relief which the tobacco growers deserve, and if there is any group of farmers on this continent entitled to Government protection that group consists of those who on the hillsides and in the valleys produce the tobacco upon which our Government collects nearly half a billion dollars in revenue.

We in Kentucky who have fought the battle of the tobacco growers for years have been shocked indescribably by the utter folly and asininity of a certain little coterie of demagogues who have sought to place a State tax on cigarettes in addition to the tax of 6 cents a package which the Federal Government already collects. If they had any knowledge of taxation they would know that in those States which have a State tax the annual per capita consumption of cigarettes is less than 50 percent of the per capita consumption in the 48 States of the Union. Their efforts have been puerile and futile. When I think of what they would do to the backbone of Kentucky's citizenry, I feel like quoting Isaiah: "Woe is me; woe is me."

When the Agricultural Adjustment Act was pending, the distinguished Chairman of the Committee on Agriculture, the gentleman from Texas [Mr. JONES], and his capable associates, were exceedingly generous and cordial to those of us who sought an amendment to the act which resulted in increasing the parity price of burley tobacco from 10 cents to 16.3 cents, which added millions of dollars to the bank accounts of the burley tobacco producers.

When the plan was under consideration, my colleague from Kentucky [Mr. VINSON] and I made half a dozen trips to Washington trying to help work out a plan to obtain a satisfactory price and the best possible plan for the benefit of the tobacco growers and the hoped-for prosperity of Kentucky citizens. We did not get all for which we hoped and asked, but I went home upon the request of outstanding citizens and tobacco farmers, after the Agricultural Adjustment Administration gave me one of the first contracts that came from the printing press and launched the campaign for the sign-up of the acreage and poundage reduction to prevent a continuance and inevitable increase of the surplus which is hanging like a sword of Damocles over the head of every producer of Kentucky's principal money crop. I continued in that campaign until the necessity of my return to this session of Congress.

More than 90 percent of the burley growers signed that agreement to cooperate with the Government in this great movement designed by this great administration to assist in their emancipation from economic bondage.

I believe that practically 100 percent of that more than 90 percent of burley tobacco growers are heart and soul in favor of this legislation. I have no hesitancy in presuming to speak for them, because I am constantly in close touch with them. They are my friends, correspondents, and associates through years of battling for justice and right for the people in the bluegrass and the highlands who produce the leaf that brings solace to millions of human beings. They need this protection and deserve it. They feel, and as one of them I feel, that we ought to enact this legislation which we believe will make it impossible for the man who refuses to cooperate, the man outside who would not unite in this great movement of this great administration of our great and inspiring President, Franklin D. Roosevelt, for the benefit of the farmers, to milk his neighbor's cow through a crack in the fence.

We have had experience with cooperative movements before. We know how they can spread tobacco territory when they think it will be profitable. They will plant burley in land that is naturally unsuitable for its cultivation.

This administration has promoted a wonderful program of recovery. It has given the American people what they wanted—action. Already we have seen beneficial results; but the burley-tobacco-producing section of Kentucky has received as little benefit as any part of the United States.

We come here and ask you for this relief for the protection of those men and women who are cooperating loyally with the Government in this great beneficent plan.

I stand on a resolution adopted unanimously by a mass meeting of representative growers from all burley-producing States at the Kentucky State Capitol, which I had the honor of addressing during the sign-up campaign, and which resolution is one of a set of resolutions which I had the honor of drafting:

> We pledge ourselves to do our utmost to induce the Agricultural Adjustment Administration to use every legal power at its command to make effective the reduction program, to give support and aid to those growers who participate in the program by signing the reduction agreement, and to protect them against any form of discrimination in favor of those who do not sign, in order that all the financial benefits may go to those who sign the reduction agreements.

Today we present a united front. The representatives of the tobacco-producing sections affected by this bill, interested in this bill, acting unanimously, come to you, our colleagues from other sections of America, and call upon you with whom we have stood when your citizens were in peril, to stand by our people now. Let us enact this bill into law and grant deserved protection to those who have joined in this great cooperative movement of our Government, a protection which we know our people deserve—a protection to the merchants and bankers and business men, to the mothers and fathers and children, to the homes and firesides of thousands who depend, as their fathers before them depended, upon tobacco as their money crop. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, some question was provoked by the discussion that has been had on this bill thus far and one of the things that is in my mind at the present time is this. There is, apparently, unanimity on the part of the tobacco producers in favor of this bill, and the gentleman from North Carolina talks about 90 percent being for it. I wonder whether the gentleman means 90 percent of all those who signed contracts are in favor of this bill, and if that is the case, what proportion is this 90 percent of the entire number of tobacco producers, because, apparently, all of them have not signed such contracts.

Mr. CHAPMAN. More than 90 percent of the tobacco growers in the sections affected by this legislation have signed and so far as the Burley Belt is concerned, I may say that they are practically unanimous for this legislation.

Mr. DIRKSEN. What is the proportion of the number of signed contracts to the total number of tobacco producers?

Mr. CHAPMAN. More than 90 percent.

Mr. DIRKSEN. Another question which was raised by the gentleman from Wisconsin is the question of compulsion under this bill. It seems to me there is no difference whether you achieve compulsion by indirect means or whether you achieve it directly. I recall the colored man at the front during the war who said, "I do not want to go up there to the front and fight; I have nothing against those Germans"; and the officer said, "Well, we will put you up where the fighting is and you can take your choice."

This seems to be the case here. Under the terms of the bill they do not make you come in, but you are going to pay from 25 to 33 percent if you do not come in. So they achieve compulsion by indirection.

Mr. CHAPMAN. It is not a matter of compulsion; it is a matter of protection for more than 90 percent of the tobacco growers.

Mr. DIRKSEN. There is also a limitation in this bill as to varieties, and I understand that sun-cured tobacco of Virginia, Maryland tobacco, and cigar-leaf tobacco represent a small proportion of all the tobacco raised, and therefore for all practicadl purposes the implication is that this will apply to all the tobacco industry.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I come from a part of the country that for much over 100 years has produced a very considerable amount of tobacco. Last spring business began to pick up and the farmers were moving the crops that they had accumulated for a year or two, and the Department came on, under the A.A.A., and put on a processing tax and stopped the processes of trade.

And the farmers were obliged to let a considerable part of their crop spoil as a result. If we go on with this sort of thing and put more tax on the producers—and every time you have a surplus you put a tax on the producer—the producer is the payer of the tax in the long run, and every time you put the tax on, and there is a surplus, it cannot possibly raise the price. So by this operation you are putting a tax on the producer and raising the price to the consumer a little bit, but the net result is an injury to the producer. There is no possibility of working the farmer out of his economic condition as the result of this sort of thing.

I went over and begged the Secretary of Agriculture not to place a tax in my territory, but it went on, and the result was what I expected.

Mr. BYRNS. Will the gentleman yield?

Mr. TABER. Yes.

Mr. BYRNS. I am sure the gentleman will agree with me that the chief difficulty with the farmer is that he has produced a surplus and our foreign markets have to a certain extent been cut off.

Mr. TABER. No; I do not think that is the chief difficulty. I think the chief difficulty is that by improper economic operations and speculative orgies the channels of trade have been clogged.

Mr. BYRNS. The gentleman knows that for a number of years the farmer's prices have been declining, and that it did not begin with the speculative period—it has been declining for 10 or 12 years. But I want to ask the gentleman this question. The gentleman speaks of the tax which he says will be paid by the producer. If the tax is effective, if it serves to reduce the surplus and increase the price of the product in the hands of the producer, does not the gentleman think it will operate to his advantage, and prove to be a profit to him in the end, and that is the whole purpose of the bill?

Mr. TABER. I do not think it will increase the price to the farmer. I think he will be hurt by this.

Mr. BYRNS. Those who have given the matter study in my section of the country think otherwise.

Mr. TABER. And the farmers in my section think the other way.

Mr. BYRNS. Well, the passage of the bill will demonstrate which is right.

Mr. TABER. I do not believe under any circumstances that the restrictions in the bill will work out.

Mr. BYRNS. I am sure the gentleman will agree with me that it will reduce the surplus and enable the farmer to get a better price for his product. How are you going to reduce the surplus unless you induce the farmer to cut his acreage?

Mr. TABER. By the operation which will create conditions so that the normal consumption can be restored; that is the only way you can successfully do it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. TABER. I yield.

Mr. BANKHEAD. What is the type of tobacco raised in the gentleman's section?

Mr. TABER. It is tobacco used on moderate price cigars.

Mr. BANKHEAD. Wrapper tobacco.

Mr. TABER. Yes.

Mr. BANKHEAD. Are the producers of that tobacco cooperating with the Department of Agriculture in the crop-reduction program?

Mr. TABER. A very large number of them have been paid a very small sum in comparison with the tax that they have had to pay.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Speaker, the Kerr bill under consideration, in my judgment, is desirable and necessary both as a matter of justice and protection to that large host of tobacco growers who are trying honestly to cooperate with their Government in an effort to stabilize the tobacco-growing industry. The welfare of this industry is of vital concern to the welfare of North Carolina and a large portion of the South. I come from a section of North Carolina that has been growing tobacco much longer than I can remember. I feel that I am familiar with every phase of the tobacco grower's problem. I also happen to represent the largest tobacco-manufacturing district in the United States. I therefore think that I can speak with some authority regarding the tobacco situation, from the planting through the manufacturing process. Whether you know it or not, the growing of tobacco involves perhaps more hard labor, drudgery, and toil than any other farming operation. There are few things that the Government could do of greater economic importance than to place this great tobacco-growing industry on a substantial financial and economic basis. In view of the splendid cooperation between at least 90 percent of the growers and the Government, it would be tragic if the Government did not use every reasonable means within its power to insure the success of the program outlined. The Congress owes it to the tobacco grower to protect him in his contracts with the Government which were entered into at the request of the Agricultural Adjustment Administration. The grower has not only signed away certain rights for the year that has just passed, but he has also signed away rights for the year that is ahead of us.

I recognize that many thrusts have been made against this measure because of the quasi-compulsory feature involved which some like to call "regimentation." I also appreciate and am familiar with the old stock argument that it destroys individual liberty. However, those who know the conditions under which the tobacco growers have lived on an average of 3 out of every 4 years will not be misled by these choruses. Liberty can mean little to a man who is bound in economic slavery.

The Kerr bill, in my judgment, represents a splendid plan on the part of the Government to lead the growers into an effective organization for their own protection and welfare.

As I see it, its main purpose is to insure cooperation among the cooperators. I think it is fair, sound, and will prove effective in insuring the success of the voluntary acreage reduction program. Of course, all of us realize that, as a permanent scheme, we cannot continue to reduce production. Much better will it be when we can expand our markets for our products and encourage greater production. It will always be hard for me to accept as sound economics the subsidizing of decreased production. One of the attractive features of this bill is that it does not work a serious hardship on the few who, for one good reason or another, have not been able to secure a contract with the Government. On the other hand, it rightly penalizes the chiseler and the man who thinks only of his own welfare. Under proper regulations by the Agricultural Adjustment Administration the small grower and the tenant can also be protected. By the mechanics of the bill the effort is made to strike a happy balance between the contract grower and the noncontracting grower. It penalizes, by way of a reduction of the income to the noncontracting grower, in the same proportion as the contracting grower by voluntary agreement penalizes himself through a reduction of planted acerage. The contracting growers throughout my State almost unanimously favor this bill, and I sincerely trust that the Members of Congress interested in this great agricultural undertaking will support this measure.

I cannot fail to call attention of the members of the Committee on Agriculture to a gross error which appears in the report. On the first page, and in the first paragraph, the report says that the growers of flue-cured tobacco received, during the year 1933, $109,000,000 more than they received in 1932, and the inference is that this great increase was due almost entirely to the efforts of the Agricultural Adjustment Administration. I would not for a minute discount the fine efforts made by the tobacco section of the Agricultural Adjustment Administration toward increasing the price of tobacco to the growers. The facts, however, are that in 1932 the flue-cured crop amounted to only 376,000,000 pounds, which sold for an average of 11.6 cents, making a total income to the growers of $43,616,000. In 1933, 735,000,000 pounds of flue-cured tobacco was produced, which brought an average of 15.2 cents rather than the 17-cent parity price fixed by the Agricultural Adjustment Administration. The 1933 crop was almost double in amount the 1932 crop and at least a third better in quality. If true parity prices, as defined by the Domestic Allotment Act, had been paid the growers for this crop, they would have received approximately $140,000,000 rather than the $111,000,000 which was paid to them. I am giving these figures so that the Membership may know that the tobacco growers have not received any special benefits during the year 1933 from the Federal Government. It should be said, however, that during 1934 a considerable amount in the way of rental and other benefits derived from the processing taxes will be paid to the growers in consideration of their cooperation with the Government.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. SABATH. I am greatly impressed with the gentleman's interest and in his explanation of the bill. I realize the fine interest that he has always taken in every measure designed to aid the tobacco farmers, and especially those living in his home district. But will he not explain what effect this measure will have on the consumers of tobacco throughout the country?

Mr. HANCOCK of North Carolina. In my opinion it will have practically no effect whatever upon the consumers. The price of the manufactured product has in the past varied but slightly in relation to the price of the raw product. There are many other factors involved which influence the price. The price of the raw product, with tobacco as with many other commodities such as cotton and wheat, plays but a minor part in the price of the finished or manufactured product. To illustrate—tobacco is sold by the farmer for 15 cents a pound, and after processing by the manufacturer is sold to the consumer for about 15 cents an ounce. As we all know, in a cotton shirt that sells from a dollar and a half to $2, there is only about 15 to 20 cents' worth of raw cotton. But since my good friend from Illinois has raised this question, I want to call to the attention of the House that there is on the calendar a bill known as the "Vinson bill", which will carry more substantial relief to the consumers of this country than any measure which has been proposed in Congress for many years. Time will not permit me to go into an extended discussion of this measure. The Vinson bill, however, proposes to reduce the present excessive and unconscionable tax on tobacco products by a horizontal cut of 40 percent. Tobacco is the only product of the farmer that continues to bear both a prohibition and a war tax.

You will probably be astounded to know that the tax on a pound of tobacco used in the manufacture of cigarettes, for which the grower receives between 15 and 20 cents a pound, pays to the Government in excise taxes approximately $1.08 a pound. The Government is today collecting 6 cents on every package of 20 cigarettes sold in this country, which amounts to a total of $21.90 per year on every smoker who uses a package of cigarettes a day. May I suggest to every Member of the House that they secure a copy of the Vinson report on this bill. I also wish that every Member interested in correcting this gross injustice would take the time to read the hearings conducted by the Honorable FRED M. VINSON, chairman of the subcommittee of the Ways and Means Committee. If the Government would take its foot off of the neck of the tobacco grower, his market would be immediately expanded, and it is doubtful whether there would be any necessity for a curtailment of acreage. Through increased consumption there would be a greater demand for tobacco, with better prices to the growers. In addition to the great benefits which would accrue to the growers, in whose welfare I am principally interested, more than 35,000,000 smokers and users of tobacco products in the United States would be benefited, by way of a reduction in taxes, in the sum of $10 to $35 a year, depending upon the amount of State taxes placed on tobacco products. With the passage of the Vinson bill the consumers—I want to say to my good friend from Illinois—would be saved approximately $150,000,000 per year. The tobacco industry has borne the brunt of excise taxes for many years, and common ordinary justice demands that Congress expedite the consideration and passage of this bill. During the past 10 years the taxes collected on tobacco products has amounted to more than $2,000,000,000. In the final analysis, this is a tax on the land of the growers.

Mr. HOLMES. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. HOLMES. The gentleman referred to the tobacco growers or the tobacco manufacturers as contributing this tax. It is the consumers of the products, the cigars and cigarettes, who pay the tax.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. HANCOCK] has expired.

Mr. FULMER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. HOLMES. I may have misunderstood the gentleman, but I understood the gentleman to say that the grower and manufacturer were contributing these taxes.

Mr. HANCOCK of North Carolina. Here is my answer to your question. First comes the Federal tax, next the State tax, next the manufacturer's operating cost, and then the farmer.

Mr. HOLMES. But the consumer pays that tax.

Mr. HANCOCK of North Carolina. Of course I catch your point. This tax in a sense, as all other taxes and duties, is finally absorbed by the consuming public. This same principle would apply even to income taxes. But to my way of reasoning the tax amounts to almost a direct levy on the farmer's land.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. HANCOCK] has again expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. CARPENTER].

Mr. CARPENTER of Kansas. Mr. Chairman, I recognize the sincerity and earnestness with which the gentlemen representing the tobacco-growing part of this country are pressing this measure in behalf of their constituents. They are representing their constituents according to what their judgment dictates is for their best interests. I asked the author of this bill a few moments ago if this bill was similar to and in line with the Bankhead cotton bill. He said it was, except that in his judgment it was improved over that bill. As I said when the Bankhead cotton bill was before this House, that ordinarily when a measure of this kind is brought up which affects only one part of the country, the general attitude of most Members is that if they want it and it only affects them to let them have it. However, in my judgment, this is merely the second step in establishing the Department of Agriculture and the Secretary of Agriculture as the landlord over all the farms in this country. As I have heretofore stated on this floor, I am in favor of any voluntary means of regulating agriculture surplus or any other kind of surpluses in this country, but I am not for any compulsory plan included in this and in the cotton-control bill.

You may ask me what would be my plan to take care of the surpluses. My reply is, that my plan would be for the Government to set a minimum price for domestic consumption upon all our agricultural products and then provide or build Government warehouses where the surpluses could be stored. These warehouses could be built or supplied by the P.W.A. funds or any other emergency funds and operated by the Government to permit the farmers to store their surplus in these Government warehouses. Such warehouses could be furnished and maintained with very little expense to the Government, almost infinitesimal with the amount that is being collected by processing and other taxes and being spent by the Government according to the present methods in payment of nonproduction of agricultural products.

If such a plan was adopted we would, in cases of drought or other shortage as in the days of Egypt, always have available wheat, foods, and supplies on hand for the country, and we would not run the risk entailed from plowing under and destroying crops, food products, and other surpluses.

My principal objection to this sort of legislation is that the next step would be to bring in a similar bill in regard to wheat and that would affect me directly. Then, the next progressive step would be similar legislation in regard to corn, and then hogs, and then cattle. The farmers out in my country are now objecting to the processing tax on hogs. Their experience has been that instead of increasing the price of hogs it has decreased the price of hogs to the producers. A great deal of working capital of the farmers in my country is raised from the production of hogs, and the present condition of the hog business is the worst thing that we have to combat out there today. The great fear in my country, which is a large cattle-producing country, is that a processing tax may be placed upon cattle. I am absolutely opposed to such a tax, and I am objecting and letting my objections be known in every way possible to such a tax. The price of cattle, and especially heavy cattle, is better now than it has been for several years. Such fact has brought a great deal of encouragement to the cattle industry. All of this without any processing tax or governmental interference in this business. Therefore, the cattlemen arise with fear and trembling every morning as they face the hot sun and the prospects of a drought condition, for fear a processing tax will be placed upon cattle, and that such tax, according to their experience with hogs, will result in the price of cattle being reduced to the farmer and the cattleman.

The reason I am now speaking is, that when the time comes that the Department of Agriculture is the boss of all the farmers, my constituents will not say, "Where were you when this was going on? Why did we not hear from you? Did you sit idly by with your mouth closed when you voice your opposition and sympathy so loudly now out in the district"? In my judgment, such legislation is clearly unconstitutional. To avoid constitutional restrictions, such legislation is based upon an emergency. What emergency is there in this country that is greater than the Constitution? The Constitution was supposed to be emergency proof, and by tearing down these constitutional provisions that have constituted the protection for the individual, the farmer, the laborer, and those in all occupations, the rich and poor alike, the emergency in the future will be a great deal more serious than the emergency at present. As I stated, when discussing the Bankhead cotton bill, this bill may have some temporary measure of success, but if it does, I therefore fear its success more than I do its failure.

Mr. FULMER. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. GASQUE].

Mr. GASQUE. Mr. Chairman, I want to take this occasion to express my appreciation to the honorable Secretary of Agriculture, Hon. Henry A. Wallace, for the interest he has taken in helping the tobacco growers of the South and especially in my section of the State.

Since I can remember we have been hearing "fairy stories" about the Department of Agriculture aiding the farmers. As far as Mr. Wallace was concerned this was no fairy story.

Just after the passage of the Agricultural Adjustment Act, I took up the matter of parity prices with Mr. Wallace, and in a short while he promised to place a processing tax on tobacco for the benefit of the growers, provided that they would cooperate with him in reducing their acreage. I assured him that I knew that our farmers would do this and he assured me that the processing tax would be placed on tobacco.

Secretary Wallace's efforts in behalf of the southern farmers, not only the tobacco growers but the cotton growers as well, will stand out in history as a memorial to this great man who heads the Department of Agriculture. In future history Mr. Wallace's name will stand out preeminently among those who have befriended or aided the agricultural interest of the South.

The bill before us today, which has been proposed by my colleague [Mr. KERR] proposed to legalize a statute and to further carry out the efforts made by the Secretary. This bill will mean, if it is enacted into a law, millions of dollars to our farmers in the future. In the past years, the farmers, the tobacco growers of the South, have been robbed to make the manufacturers rich. South Carolina, Georgia, North Carolina, and a part of Virginia grow practically all of the cigarette tobacco that is grown in America, and, as you know, almost everyone now smokes cigarettes. We are paying enormous sums into the Treasury as a tax on these cigarettes. We are hopeful of getting this tax reduced through the Vinson bill which is now in Congress. In the meantime we would protect the farmers and limit this acreage and production so that a surplus of flue-cured tobacco will not be raised, but only enough to take care of the legitimate trade. I hope that those of you who do not live in a tobacco area will support this bill as it means lifeblood to the grower of the flue-cured, bright tobacco.

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from Kentucky [Mr. VINSON].

Mr. VINSON of Kentucky. Mr. Chairman, the gentleman from Kansas just stated that this bill would affect only a particular part of the country. I wonder if the gentleman from Kansas knows that 19 States of the Union produce tobacco. I wonder if the gentleman from Kansas knows that there are more commercial tobacco farms in the United States than there are commercial wheat farms, a product in which he is so much interested.

There are 432,000 tobacco farmers in the United States. Taking into consideration the landlord and his family, the tenant and his family, it is a very conservative estimate to say that 3,000,000 people, 3,000,000 citizens of the United States depend upon the price of tobacco for a livelihood. This is not an inconsiderable part of our citizenship.

For years, and at a time when the Federal Government has been gathering into its coffers millions and millions and

millions of dollars from tobacco taxes to stem the tide of depression, the tobacco farmers of this country have had to sell their product at less than the cost of production. More than $2,250,000,000 has gone into the Treasury of the United States in the depression years.

And yet the farmers produce the tobacco for less than cost of production. This year burley tobacco brought 10.5 cents. In 1932 it brought 12.6 cents. In 1931 it brought 8.4 cents. Each one of these years the price received was below the cost of production.

The distinguished gentleman from Illinois [Mr. SABATH] inquired about the increased price to the consumer, were the farmer to get a fair price, and it was a pertinent question. Let me say to the gentleman that in the tobacco tax reduction hearings we were told that the actual price the farmer receives for his product is not an element of importance in the price the consumer pays. The 10-year average price for burley in the years 1919 to 1929 was 23 cents plus. The 10-year average for flue-cured tobacco during the same period was 24 cents plus. This, I submit, is conclusive proof of the need for an increase in the price to the tobacco farmer. Give him a profit; let him sell his commodity for something above the cost of production. It need not increase the price of the manufactured product to the consumer.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. VINSON of Kentucky. I yield.

Mr. SABATH. Mr. Chairman, I have no objection to the farmers making a profit; in fact, I would like every farmer in the United States to make a profit on everything he produced. I am interested, of course, in the consumer. I think the consumer is overcharged, due to expensive handling methods in many instances, and to the outrageously high cost of advertising, and to the desire for profit on the part of a few people, such as those who control the Duke Co. and other large corporations manufacturing tobacco, men who accumulate millions to enable their daughters to buy foreign titles.

Mr. VINSON of Kentucky. I have no quarrel whatever with my friend from Chicago in respect of that proposition. I want to call the gentleman's attention, and the attention of the committee, to the fact that when burley and flue-cured tobacco sold for 23 cents and 24 cents a pound standard-brand cigarettes sold for the same price at which they sell today.

Just one further word, Mr. Chairman; I wish that I were able to speak to a bill that I think would meet the approbation of the gentleman from Chicago. It is a tobacco-tax reduction bill which is pending on the calendar. I happen to have the honor to have introduced it. The bill was reported by the Ways and Means Committee, and provides for a 40-percent horizontal reduction, which passes the entire tax reduction to the consumer. In other words, if this tax-reduction bill were enacted into law, the standard brands selling at 12½ cents a pack or two for a quarter would be selling for 10 cents and the 10-cent cigarette would sell two for 15 cents. At these prices there would be no added profit per unit in the so-called "cheap" cigarettes or the standard-brand cigarettes, no added profit per unit to the manufacturer, but there would be a saving to the consumers of cigarettes in the United States of $150,000,000 per year. It is true there would be some loss to the Treasury the first year, but during the second and subsequent years the loss would be made up because of increased consumption of cigarette tobacco and other tobacco products. Operating along well-known lines of economics, increased consumption would raise the prices of tobacco.

The present tax is a war and prohibition tax. Before the war the tax was $1.25 per 1,000 cigarettes. During the war it was raised first to $1.65 and then to $2.05 per thousand. It was not until after the ratification of the eighteenth amendment that the tax was increased from $2.05 to $3 per 1,000, practically 50 percent. Tobacco is the only farm-grown product on which there is an excise tax. Tobacco is the only farm-grown product on which there is both a processing tax and an excise tax. The burden of the tax is a thing that is unheard of in any tax language. Nobody can defend it. The only thing that can be said for it is that we need the money. I submit that if the Vinson bill—if I may be privileged to refer to it as such—is passed, substantial benefits indeed will accrue to the grower, in the long run there will be no material effect on the Treasury; there will be no increased profit per unit to manufacturers; and it will mean a saving of $150,000,000 a year to the consumers of cigarettes.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I have enjoyed the able speeches that have been made in behalf of this bill. I admire the earnestness and sincerity with which the various gentlemen have spoken in defense of the industry in which they are vitally interested. As I listened to the speeches today I wondered if it would not be worth while to turn back the pages of history about 315 years to a legislative meeting held down in Jamestown, Va.

The first legislative assembly met in Virginia in 1619, and the first bill that they passed was a bill fixing the price of tobacco. They fixed the price at 3 shillings per pound for the best grade and 19 pence per pound for the second grade. In 1628 the price of tobacco was 3 shillings 6 pence per pound in Virginia. As the result of the legislation cultivation increased so rapidly that the price in 1631 had fallen to 6 pence per pound.

The next step came by legislative enactment restricting the amount grown. They restricted the amount to 1,500 plants per pole and they also put a provision in the law that no mechanic should grow tobacco or work in the soil at all. This legislation was enacted, of course, to try to raise the price. The result was that the price fell in 1639 to the point where it was only 3 pence per pound.

Next a law was passed providing that half of the good tobacco should be destroyed; that the crop of 1640 should not be sold for less than 25 pence per pound. Then they enacted a severe penalty. If they did sell for less than 25 pence per pound, they must forfeit the whole crop. This did not maintain the price.

In 1645 tobacco was worth 1½ pence per pound and in 1665 only 1 pence per pound.

They then came to the conclusion in Virginia that the trouble with the fixing of the price and the restricting of the acreage was that it did not cover a sufficient area. So they proposed that a treaty should be entered into. Virginia, Maryland, and Carolina entered into a treaty to restrict the production of tobacco.

In 1683 the price was so low that interested persons petitioned the legislature to stop planting for 1 year in order to increase the price. The legislature refused to grant the petition, and the farmers became so incensed because of the low price that they organized into gangs and went out and destroyed tobacco throughout the country. Finally the situation became so acute, the legislature having denied the petition to reduce the acreage and maintain the price, that it finally enacted a penalty clause that any person who assembled with a group of eight persons and went out to destroy tobacco should be pronounced a traitor and suffer the death penalty. After some 315 years we are here paying no attention to the experience of the past.

The same situation existed years ago in other countries with reference to the currency question. John Law tried his experiment. Finally France adopted his scheme of inflation. Then 70 years later along came the French assignats, backed up by the church property of France. The people would pay no attention to the experience under the scheme of John Law. They said that conditions were different.

Now, conditions are not so different today. Here you are attempting to do the same thing that failed in Virginia. This plan of price fixing and reduction of acreage has been carried on in different countries for centuries. You are going ahead with a plan which will dislocate business. You will injure business. Every time you make a move to correct one situation you throw some other part of the economic machinery out of gear.

Reference has been made here to the hog-processing tax. While you have tried to benefit the farmer in the West who sells his hogs alive, take 95 percent of the farmers in New York, New Jersey, Massachusetts, Rhode Island, Maine, and Vermont, all of these Eastern States and many of the Middle Western States, and you are forcing the farmer to pay a processing tax when he kills, dresses, and markets his hogs.

I am not here violently fighting this bill, except to say that I know the farmers of my country want to be free American citizens. They do not want to be regimented. They do not want a man to come from Washington and say, "You are going to put some wheat in here; you are going to put potatoes over there", and tell them what they must do. The farmers of my district have never come to the Federal Government for aid. They are not asking aid now on account of the drought, yet up in New York State our crops have been severely impaired by the drought. The vegetables are destroyed. I doubt if the farmers will come to the Federal Government and ask for relief. All they ask of the Federal Government is to let them alone and stop piling up these taxes.

You have given the President, or the administration, power to handle something like $6,000,000,000. You brought in a census bill here yesterday that would have put 100,000 people on the pay roll. This was unnecessary and uncalled for. Soon there will be a bill in here for $500,000,000 more. Some day these bills will have to be paid and the taxpayers will have to pay them. This bill is not going to benefit the tobacco men. It will only serve to dislocate the industry. You are not going to restrict people from putting in tobacco, because more people are going to raise tobacco, and the harder up the farmers get the more acreage they will put into tobacco. Up in my country, when the price of tomatoes drops, what happens? Next year they double the acreage. Whenever the price falls they put in more acreage hoping to realize enough even with a lower price to pay their taxes.

I think this regimentation should stop. I think the biggest thing this Congress can do is to stop these expenditures and get back to constitutional government and let the economic laws work out the way they always have and always will.

Mr. Chairman, I yield back the balance of my time.

Mr. FULMER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill was considered before a subcommittee of the Committee on Agriculture, of which I am chairman. I may state to the committee that we had extended hearings and we had a full list of witnesses from practically every tobacco-growing State of the Union, and up to this time we have not heard of any witness opposing this legislation, neither have we received a telegram or letter from anyone opposing it.

The difference between the President's voluntary program—and this bill, which is in line with that program—and the operations of the Federal Farm Board is that they tried to fix a price on farm products without having anything whatsoever to do with controlling production. I want to say to you that unless you can control production there is no way on the face of the earth to fix a price or to demand a fair price.

Under this legislation we propose to grant to 90 or 95 percent of the tobacco growers what they have requested to protect them in carrying out the voluntary program. I may say to you, Mr. Chairman, if the farmers of this country were able to organize and control their own business in acreage planted, marketing, and price fixing, they would not be coming before the Congress today and asking this assistance on the part of the Congress.

I may also say to my good friend Mr. REED of New York, who just finished speaking a moment ago, that we would be able to leave the farmers free and independent and they would be able to take care of their business if the other fellows would let them alone, but Congress has passed tariff legislation for every large industry of the country and passed practically every other bill that well-organized groups have wanted that would permit them to monopolize and fix prices both buying from and selling to farmers. Just yesterday in the papers we read where the Federal Trade Commission found, after an investigation of the cottonseed-oil industry of this country, under a trade-practice rule endorsed by the Federal Trade Commission under the Republican Party, they had monopolized and fixed prices and robbed the cottonseed people of the South out of millions of dollars. The Commission has now canceled these trade-practice rules and turned some of these parties over to the Department of Justice, or they should be turned over to the Department of Justice.

Mr. Chairman, this bill is entirely in line with the Bankhead cotton-control bill. Many of the amendments carried in the bill were taken from the Bankhead bill. We have tried to be absolutely fair to every type of farmer, small and large, as well as tenant farmers. I am sure if the bill is administered in line with the purpose and the intent of the bill that it will mean much to all farmers. We find in the cotton States and in the tobacco States that ninety-odd percent of the producers who want to do the very thing that they could not do in the past, that is, to cooperate so as to be able to secure a square deal, are being prevented from doing so by about 5 to 10 percent of the producers who refuse to cooperate. There are a number of farmers, and, perhaps, the large farmers in these States, who refuse to cooperate. These fellows want to stay on the outside and reap any increase in price that may be brought about by the cooperation of the ninety-odd percent of farmers. In the meantime they increase their acreage and new farmers come in so as to take advantage of any increased price. In the next place a great many farmers who come in under the voluntary program, being able to buy additional fertilizer, thereby increasing their production, have an unfair advantage over the average farmer that is unable to buy extra fertilizer.

You can see that all of this is unfair and will tend to break down the whole program. The Government is spending millions to help farmers and unless we have this type of legislation we might just as well put these millions in a "rat hole." Many members object to this type of legislation, stating that this type of legislation is too drastic. I want to state here and now that these bills offer the best solution that has been proposed and if we fail under these bills you can look for more drastic legislation than we have ever dreamed of.

I cannot understand, Mr. Chairman, why any Congressman from any State or any district which does not grow tobacco could stand up here and argue against this bill and even vote against it. If the tobacco producers want this legislation which will make the voluntary program a success and you can make the cotton South and the tobacco States of this country prosperous by putting money into the pockets of the farmers in these sections, it will mean everything to the other sections of the country. I was delighted to hear the speech of the gentleman from Wisconsin a while ago, because it was sane and it was fair.

The bill has for its purpose the protection of the bona fide tobacco growers who have entered into a contract with the Agricultural Department to reduce their acreage and poundage allotment of tobacco to be grown by them for the crop year of 1934. The Agricultural Department, by reason of authority conferred in it by the Agricultural Adjustment Act of 1933, was enabled to fix a minimum price of 17 cents upon 250,000,000 pounds of flue-cured tobacco bought by the domestic tobacco manufacturers, and this price, together with the benefit payments which were also paid to the other types of tobacco, enabled the growers to receive more than $109,000,000 more for the 1933 crop than they had received for the crop of 1932.

The crop of flue-cured tobacco raised in the year of 1933 was largely in excess of the demand for this type of tobacco in the world's market, and in order to meet the excuse for low prices of all types of tobacco, namely (that there was excessive overproduction of this great agricultural commodity), it became necessary for the Agricultural Department to enter into a contract with the tobacco growers and its beneficiaries to reduce the crop of tobacco raised in the year 1934. The tobacco farmers and all types of growers

who had been the beneficiaries of the regulations and price-fixing power of the Agricultural Department whole-heartedly undertook to cooperate with the Agricultural Department, and more than 90 percent of these tobacco growers have entered into a contract to reduce their production of tobacco during the crop year of 1934, 30 percent of the average acreage production for the crop years of 1931, 1932, and 1933. These contract growers who have enthusiastically entered into this program with the Agricultural Department are demanding that they be protected from all noncontract growers who declined to reduce their acreage or poundage and who can by their unwillingness to cooperate with their fellow farmers and the Agricultural Department wreck the program and defeat the purposes of the law. It is in order to invoke the protection of these bona fide contract signers, who have observed both the spirit and the letter of the law and the rules and regulations prescribed by the Agricultural Department, that this measure is proposed.

EXPLANATION OF THE BILL

Section 1 is a definition of the several words and terms as they appear in the bill.

Section 2 declares the policy of the bill, which is to promote orderly marketing of tobacco in interstate and foreign commerce, and to enable producers of tobacco to stabilize their markets against undue and excessive fluctuations, and to prevent unfair competition and practices in putting tobacco into the channels of interstate and foreign commerce, and to more effectively balance production and consumption of tobacco and to relieve the present emergency with respect to tobacco.

Section 3 refers to the levying and assessment of a sales tax on all types of tobacco which come under the operation of this act, of not less than 25 percent or more than 33⅓ percent of the price for which said tobacco is sold, which was grown and marketed by noncontracting tobacco growers who do not participate in the adjustment program of the Agricultural Administration. This tax applies to all tobacco harvested in the crop year 1934–35 except Maryland tobacco, Virginia sun-cured tobacco, and cigar-leaf tobacco, and tobacco grown by growers who produce less than 2,000 pounds of tobacco a crop year. No type of tobacco which comes within the operation of this act, nor the producers thereof shall be required to pay the aforesaid sales tax unless the Secretary of Agriculture shall determine that the persons who own, rent, share crop, or control two-thirds of the land engaged in the production of any particular type of tobacco favor to levy an imposition of the said tax thereon. This section further provides that the Secretary of Agriculture shall proclaim such determination to levy and assess the tax on the sale of tobacco at least 60 days prior to the next succeeding crop year, and the tax shall thereafter apply to the tobacco of such type harvested during the crop year next following the date of such proclamation.

Section 4 refers to those who are exempt from the taxes imposed under this act.

Section 5 provides that the Secretary of Agriculture is authorized and directed to issue to each contracting producer nontransferable tax-payment warrants (each such warrant to be expressed in pounds of tobacco of a particular type), and this warrant held by a contracting producer upon surrender of the same to the agent or tax collector of the Government shall be accepted by said collector and the Secretary of the Treasury in payment of the tax on any sale made by a contracting producer of the type of tobacco specified in the warrant, not exceeding the amount covered by such warrant.

The Secretary of Agriculture is further authorized to issue in any county further warrants covering the amount of tobacco of any type not in excess of 5 percent of the amount of tobacco of such type covered by warrants issued to all contracting parties in the said county, to persons engaged in the production of tobacco of such type in such county as to whom the Secretary determines that no equitable allotment of tobacco acreage or production is possible under tobacco-reduction contracts offered pursuant to the Agricultural Adjustment Act. This is to enable those bona fide tobacco producers who have no base acreage to grow some tobacco and vouchsafe unto themselves a market crop. The warrants issued to this class of growers under the rules and regulations prescribed by the Secretary of Agriculture shall also be accepted by the collector and the Secretary of the Treasury in payment of the taxes assessed against the tobacco producers under this act. This section further authorizes the Secretary of Agriculture to make rules and regulations protecting the interests of share-croppers and tenants in the issuance of tax payment warrants under this act.

Section 6 of this act provides how the Bureau of Internal Revenue, under the direction of the Secretary of State, shall collect the taxes paid by the sellers of tobacco, and further provides that these taxes are to be paid into the Treasury of the United States. This tax can be easily collected by a warehouseman or any other party who is an authorized agent of the Secretary of the Treasury or the Bureau of Internal Revenue.

Section 7 authorizes the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to prescribe such rules and regulations as he may deem needful for the collection of the tax imposed under this act, and further authorizes the Secretary of Agriculture to make such rules and regulations as he may deem necessary to carry out the powers vested in him by this act.

Section 8 requires all persons having information in respect to tobacco produced or sold to disclose said information to the Commissioner of Internal Revenue, and further provides that any person who willfully fails or refuses to make such a return or who shall willfully make a false return shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $1,000 or imprisonment not to exceed 1 year, or both.

Section 9 authorizes that no tax-payment warrant issued in accordance with this act shall be transferred either in whole or in part, and further provides that any person who acquires a tax-payment warrant from another person or who transfers a tax-payment warrant to another person, or who violates any provision of this act, shall be subject to a fine or imprisonment as therein imposed, and further provides, that any person with intent to defraud, forge, make, or counterfeit any tax-payment warrant or any stamp, tag, or other means of identification, or make any false entry or statement in the application for said warrant, and so forth, shall be guilty of a misdemeanor and be subject to a fine and imprisonment as therein set forth.

Section 10 refers to the appropriations of the administrative expenses and the method of the selection of employees and the payment of the compensation to them, as well as provides for other expenses in the administration of this act.

Section 11 refers to the matter of refund of taxes and the time within which the payment of same shall be made, or suit to recover therefor.

Section 12 provides that in the event any section of this bill shall be held invalid that the other part thereof shall not be affected thereby.

Section 13 provides when the tax levied in this act on any type of tobacco shall be discontinued and terminated.

Section 14 provides that any producer of tobacco who has not become a contracting producer may enter into contract with the Secretary of Agriculture within 60 days after the date of enactment of this act and come within the provisions of the same.

Section 15 provides that the Secretary of Agriculture may establish quotas for the importation of any cigar-leaf types of tobacco into continental United States which may come in competition with such type of tobacco to which the tax herein provided is applicable. These quotas to be allotted to the importers of such tobacco by the Secretary of Agriculture—he having due regard for the respective amounts of tobacco imported within the crop years 1932–33 and 1933–34 by said importers.

Section 16 authorizes the Secretary of Agriculture to fix an import-tax rate on cigar-leaf tobacco which exceeds the quota allotted to importers. This is done to further protect the American growers of cigar-leaf tobacco and make it im-

possible for foreign importers to take advantage of domestic reduction of this type of tobacco.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS. Mr. Chairman, there does not seem to be any real or serious opposition to this bill, and I am not going to take the time of the committee to discuss it.

I come from a district which, I am satisfied, is one of the largest, if not the largest, tobacco-producing congressional districts in the country. My district not only produces more tobacco, but it produces better tobacco than any other district in the country. [Laughter and applause.] In my district there is produced the dark-fired type and also the burley type of tobacco in considerable quantities. A few weeks ago representatives from the two dark-fired tobacco cooperative associations met in the city of Hopkinsville, Ky., and after a discussion of the Kerr bill, passed resolutions unanimously urging that the bill be passed in the interest of the tobacco growers.

As has been stated, more than 90 percent of the tobacco growers have entered into a voluntary agreement with the Government for a reduction of their crop. I think it is the duty of the Government to protect this group of 90 percent of the tobacco growers who have entered into such an agreement.

Of course, we know that unless some protection is afforded, those who have declined to enter into this agreement will increase the acreage of their crops, because they will know that the price of tobacco will be increased; and, in addition to this, there will be those who have no acreage base, who, feeling it will be more profitable in the future to grow tobacco, will put out a crop of tobacco, and in this way those who have voluntarily entered into this agreement will be penalized, I may say, by those who have refused the offer and the request of the Government to sign this agreement.

This measure does not prevent any tobacco growers who have declined to enter into this agreement from continuing to produce tobacco.

It does not prevent any person who has not been growing tobacco in the past from growing tobacco in the future. It simply says to them, "You will not sign the voluntary agreement, and therefore a tax will be imposed on you to the extent you would have to reduce your acreage if you signed the agreement." In other words, the whole plan is to put them on the same basis, and put them under the same conditions as the more than 90 percent of tobacco growers have voluntarily placed themselves in the interest of better prices.

Mr. JOHNSON of Minnesota. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. JOHNSON of Minnesota. I have a neighbor who spent 6 weeks in Denmark lately and he told me that the Danish farmers had cut down their production 25 percent on hogs and butter fat because the English market fell down. I am with you on this bill.

Mr. BYRNS. There is no question, I will say to my friend from Minnesota, that when conditions have been brought about whereby there will not be a large surplus of farm products, we will have greater prosperity throughout the whole country. It is necessary to increase the purchasing power of the farmer, and this can only be done by giving him a reasonable value for his products.

Mr. JOHNSON of Minnesota. If you or I have an oil well they will regulate that, but they would not let us regulate our own business.

Mr. BYRNS. It is sometimes very hard to get anything for the farmer.

[Here the gavel fell.]

Mr. FULMER. I yield 3 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, I rise for the purpose of making a few observations suggested by the remarks of my friend, the gentleman from New York [Mr. REED], who, in discussing inflation or expansion of our currency spoke of the issue of assignats during the French Revolution. May I say that those assignats were first issued in 1790 by the French National Assembly after it had appropriated, or confiscated, the church lands throughout the nation. Instead of selling these wrongfully acquired properties at sacrificial prices then prevailing as a result of the unsettled state of affairs, the French National Assembly issued bonds secured by these properties, which bonds were assigned to the purchasers. Bonds or assignats of the value of only 400,000,000 francs were first issued. These were well secured by the confiscated church property and readily sold at their par value. Later, when the revolutionary government confiscated the property of the Emigres or Royalists who fled the country, France continued to issue these assignats far in excess of the value of the confiscated properties, until there were outstanding 46,000,000,000 francs of these securities plus many forged notes amounting to many million francs.

As a result of these reckless issues of unsecured bonds their value declined until in March 1796, a louis d'or (24 francs) bought 7,200 francs in assignats. Soon thereafter these assignats were withdrawn from circulation and exchanged at their face value for territorial mandates, another makeshift paper money which in time became practically worthless and was turned into the Government in exchange for taxes or public lands. The system of assignats and territorial mandates was abolished in 1797.

These assignates and territorial mandates were nothing more or less than bonds issued against confiscated properties. When originally issued the assignats were well secured and worth par, but when they were issued in quantities largely in excess of the value of the lands supposed to secure their payment, their value rapidly declined.

I make these observations because the experience of France with assignats and territorial mandates is not an argument against the legitimate, reasonable, controlled, and normal expansion of the currency of this county. [Applause.]

The CHAIRMAN. There being no further general debate, the Clerk will read the bill for amendments.

The Clerk read as follows:

Be it enacted, etc.—

DEFINITIONS

SECTION 1. As used in this act—

(a) The term "person" includes an individual, a partnership, association, joint-stock company, corporation, or a firm, and imports the plural as well as the singular, as the case demands.

(b) The term "Commissioner" means the Commissioner of Internal Revenue.

(c) The term "collector" means the collector of internal revenue.

(d) The term "tobacco" means any type or types of tobacco specified in any agreement between the Secretary of Agriculture and a contracting producer.

(e) The term "sale" means the first bona fide sale of each pound of tobacco harvested subsequent to the enactment of this act.

(f) The term "tax" means the tax imposed by this act upon the sale of tobacco.

(g) The term "contracting producer" means any person who (pursuant to the provisions of the Agricultural Adjustment Act) agrees in writing with the Secretary of Agriculture to plant not more than the number of acres of tobacco, and/or to market not more than the number of pounds of tobacco, permitted in such agreement.

(h) The term "crop year" means the period May 1 to April 30.

(i) The term "Maryland tobacco" means the kind of air-cured tobacco classified as type 32 in the United States Department of Agriculture, Bureau of Agricultural Economics, Service and Regulatory Announcements No. 118.

(j) The term "cigar leaf tobacco" means all leaf tobacco classified in classes 4, 5, and 6 in the United States Department of Agriculture, Bureau of Agricultural Economics, Service and Regulatory Announcements No. 118.

(k) The term "Virginia sun-cured tobacco" means all sun-cured tobacco classified as type 37 in the United States Department of Agriculture, Bureau of Agricultural Economics, Service and Regulatory Announcements No. 118.

Mr. TRUAX. Mr. Chairman, I move to strike out the last word. While I expect to vote for this bill, I am not doing so with any great confidence in its success. The present plan of attemping to control production by reducing acreage is the most idiotic and fallacious plan that was ever adopted in any country, and it has failed everywhere it has been tried, as it is eventually bound to fail here. What has it done for hogs—the processing tax? The market yesterday

in Chicago, top, was $3.60 a hundred. It was more than that 1 year ago. My 12-year-old boy can go out today and survey the garden and back yard and see the plants there, the seedlings, the onions, the lettuce, and everything else drying up, and he knows that we are going to have no crop this year. We are not going to have any corn crop. The farmers will have to cut their hay, as I said the other day, with a safety razor or a lawn mower.

We are not going to have anything, and yet today the Department of Agriculture and the A.A.A. insist on going on with this damnable program of reducing acreage. What is going to happen? I will tell you, and I am going to make a prophesy right here today. This drought is going to burn everything up in the Middle West. The farmers will have nothing to sell. The speculators and the hijackers and gamblers will reap the harvest of their lives. They will jack up the price to the consumers. The consumers in the cities will be penalized to the extent of millions of dollars, and already you have had to appropriate $500,000,000 for the relief of drought-stricken farmers in 15 States, and that does not begin to come into our section of the country at all. When you get into Ohio and Indiana and Illinois you are going to have to appropriate $500,000,000, if you are going to give our farmers their share. Plow under is the program of Mr. Wallace. It is fortunate, my friends, that these quintuplets that we hear about every day up in Canada were not born in this country, because Mr. Wallace would say probably that there are two too many, and he would probably want to plow under two of the five.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. BROWN of Kentucky. Does not the gentleman think that the World's Fair committee in inviting that family down here is doing it in conflict with the agricultural program?

Mr. TRUAX. I think the gentleman is correct. We have tobacco growers in 10 or 11 counties in Ohio. I have not received a single line from any of them demanding this bill. I understand that my colleagues on both sides of this House have heard nothing from them, but if the tobacco growers, through their representatives and our distinguished floor leader, think that this will help them down in their States, I am for it, because we all know that these farmers certainly need help.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. TRUAX. Yes.

Mr. MARSHALL. I have asked the gentleman to yield in order to have an explanation of his remarks. The gentleman says that he is going to vote for the bill. I agree with the argument that the gentleman has made, but I am going to vote against it.

Mr. TRUAX. Mr. Chairman, I was accused a few days ago by my good friend from Texas [Mr. JONES], and I am sure that he meant it in the right way and not the wrong way, of bawling like a sick calf, so in response to that I say that whenever I bawl, I bawl for the farmers who are bankrupt, who are losing their farms and homes. I have supported every measure that he has brought out while Chairman of the Agricultural Committee, and I am going to continue here today. I am going to give him a chance, because I know that away down in his heart on some of this legislation he does not think a whole lot more of it than I do. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

The Clerk read as follows:

DECLARED POLICY

SEC. 2. It is hereby declared to be the policy of Congress to promote the orderly marketing of tobacco in interstate and foreign commerce, to enable producers of tobacco to stabilize their markets against undue and excessive fluctuations, to prevent unfair competition and practices in putting tobacco into the channels of interstate and foreign commerce, and to more effectively balance production and consumption of tobacco, and to relieve the present emergency with respect to tobacco.

Mr. DEEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 3, between lines 20 and 21, insert the following:

"SEC. 2B. The Secretary of Agriculture is authorized and directed to establish official standards of classification for tobacco by which its type, grade, size, condition, or other characteristics may be determined, and to provide for inspection and grading of tobacco under such official standards at all public markets for tobacco where he determines, after investigation and public notice, that such inspection and grading are necessary to determine the relative value of the grades and to stabilize markets against undue excessive price fluctuations. The Secretary of Agriculture is further authorized to license inspectors and samplers, to provide for certification of grades upon inspection, and to prescribe such rules and regulations as may be necessary to carry out the provisions of this section. Any violation of this section or of any regulation issued under this section shall be punished by a fine of not more than $1,000 or by imprisonment for not more than 6 months, or both. There is hereby authorized to be appropriated such sums as may be necessary to provide the inspection and grading service herein authorized."

Mr. HOPE. Mr. Chairman, I make the point of order that the amendment is not germane to the bill.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman reserve his point of order?

Mr. HOPE. Yes.

Mr. DEEN. Mr. Chairman, I should like to be heard on the point of order. On page 3, section 2, of the bill in which the declaration of policy is set out, in lines 14 and 15, we find the following language:

To enable producers of tobacco to stabilize their market against undue and excessive fluctuations.

In my judgment this is a good bill and ought to pass. I am for it. There are some other bills pending that ought to be passed, but perhaps there is nothing that ought to be done for the tobacco growers of the country that is more important than the passage of this amendment that I have offered. It simply provides that the Secretary of Agriculture shall be authorized to provide for inspection and grading of tobacco under such rules and regulations as he may prescribe, and he is authorized to license inspectors and growers, who shall grade the tobacco throughout the Tobacco Belt, so that it may be placed on the market and sold, not on a haphazard basis as heretofore and as now exists, but in a businesslike method, after having been graded by the Federal Government.

It also provides that the Secretary of Agriculture is authorized to pay for the grading and inspection of tobacco out of funds in the Treasury not otherwise appropriated.

Mr. Chairman, as an illustration, I notice that every year the growers of tobacco in my district and in the southern part of Georgia, which grows more than half the tobacco in Georgia, carry their tobacco to the warehouses where bids are offered by the buyers, and their tobacco moved to various warehouses the same day, and the price offered to the growers varied anywhere from 40 to 100 percent. As a further concrete illustration, one grower received a bid of 7 cents per pound for a truck load of tobacco in the morning, and on the afternoon of the same day the tobacco was offered for sale on the floor of another warehouse in the same city, where the tobacco brought 15 cents a pound. That policy of buying and selling tobacco is, in my judgment, unfair to the growers. The Federal Government ought, at least for a year or two, to establish a policy of grading and inspecting the tobacco so that the growers will be given a square deal.

I hope, Mr. Chairman, that the committee will accept the amendment. I also want to add that the distinguished leader on this side of the House, Mr. BYRNS, has a bill pending providing for the grading of tobacco, but I cannot agree with one provision of the bill, which provides that the cost of this grading and inspection shall be paid by the tobacco companies or the buyers. In my judgment, that is a bad policy to begin with, because it may perhaps unduly influence buyers against the growers. The growers ought not to have to pay for the grading. I do think that the Federal Government ought to be authorized, through the

Secretary of Agriculture, to carry out the provisions of this amendment for at least 1 or 2 years. I hope the committee will accept my amendment. I believe the amendment is germane to the bill.

Mr. HOPE. Mr. Chairman, I renew my point of order.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. HOPE. I do not care to make any extended argument on the matter. It seems to me it is very apparent that an amendment which provides for grading and classifying tobacco is not in order on a bill of this kind which does not deal with that subject in particular.

Mr. DEEN. Mr. Chairman, I should like to ask a question. Wherein is the amendment not germane? Will the gentleman be more specific as to his point of order against the amendment?

Mr. BYRNS. Mr. Chairman, may I be heard?

The CHAIRMAN. The Chair will hear the gentleman from Tennessee.

Mr. BYRNS. Mr. Chairman, I am in favor of the idea of the gentleman from Georgia [Mr. DEEN] with reference to grading, I will say in explanation to him, but I would be opposed to any power given to the Secretary of Agriculture to establish his own rules and regulations with reference to the grading of tobacco or any other crop. I do not think that power ought to be vested in the Secretary of Agriculture, and permit him to establish grading and inspection without any limitation of law.

Now, Mr. Chairman, on the point of order: Here is a bill that relates solely to the reduction of acreage. The gentleman from Georgia offers an amendment which undertakes to provide for the grading of tobacco after it is produced. The amendment goes further and directs the Secretary of Agriculture to prescribe regulations under which the grading and inspection shall be had. It goes further and provides an authorization for money to be appropriated to pay the inspectors and the cost of the inspection. It does occur to me that the point of order made by the gentleman from Kansas [Mr. HOPE] is well taken. I can see nothing in the amendment which in any sense is germane to the bill which we are now considering.

The CHAIRMAN. Does the gentleman from Texas [Mr. JONES] desire to be heard?

Mr. JONES. Yes, Mr. Chairman; I should like to be heard just a moment.

There is a bill now on the statute books which provides for the grading and classing of the different types of tobacco. I understand it is not sufficient to do the work right, but that subject involves a great many things that this bill does not undertake to cover at all. That is a measure which should be amended and should be amended in complete form.

The amendment offered by the gentleman from Georgia, while general in its nature, brings in a wide variety of activities, wholly unrelated to this bill. As I understand the parliamentary rules, they are to the effect that if any part of an amendment is subject to a point of order, it vitiates the entire amendment, and clearly this goes into a field that is not covered by the bill. It may have some features that could be tied on to this particular bill, but it certainly has some features that cannot be so construed.

I understand the same question came up on the Bailey amendment to the cotton bill, and it was ruled not to be in order by the Chair on that amendment on that bill, which is very similar to this bill now pending.

As the gentleman from Tennessee [Mr. BYRNS] stated, I am very much in favor of grading and standardizing products. I think that is the only way to have proper marketing and distribution of them, but it is an entirely different subject, or at least launches into a field that goes far beyond the scope of this particular bill.

Mr. MAY. Will the gentleman yield?

Mr. JONES. I yield.

Mr. MAY. I should like to propound this inquiry: As I understand this bill, its whole design and purpose is to enable the producers of tobacco to market the tobacco at a profit?

Mr. JONES. The design and purpose of this bill is to control the amount of the production. Incidentally, that is done for the purpose of accomplishing the object to which the gentleman refers. All of these other provisions are incidental and ancillary to that purpose. The whole purpose is to control the amount of production of tobacco. There is a bill pending to amend the grading and standardizing act. I think the gentleman's colleague or former colleague, Mr. SPENCE, is the author of the other measure.

Mr. MAY. Will the gentleman yield for a further question?

Mr. JONES. I yield.

Mr. MAY. If it is simply to regulate the production of tobacco, and will not result in an increased price. In view of the debates on this bill, the bill would be useless?

Mr. JONES. That, of course, is the sole purpose of the bill.

Mr. MAY. If by separating tobacco into three grades, the top grade will sell for more money than the entire offering of tobacco would bring if sold ungraded, would not the amendment offered by the gentleman from Georgia be germane to the bill and be a proper part of the legislation?

Mr. JONES. A great many elements might enter into the price. The fact that grading might affect the price does not make that subject germane to a bill which endeavors by an entirely different method to accomplish the purpose stated by the gentleman.

Mr. BROWN of Kentucky. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Kentucky.

Mr. BROWN of Kentucky. Mr. Chairman, unless section 2 of the bill which purports to set out the policy of the Congress means absolutely nothing, then there can be no question as to the germaneness of the amendment offered by the gentleman from Georgia. Section 2 makes this declaration of policy:

SEC. 2. It is hereby declared to be the policy of Congress to promote the orderly marketing of tobacco in interstate and foreign commerce, to enable producers of tobacco to stabilize their markets against undue and excessive fluctuations, to prevent unfair competition and practices in putting tobacco into the channels of interstate and foreign commerce, and to more effectively balance production and consumption of tobacco, and to relieve the present emergency with respect to tobacco.

There is no practice anywhere that tends so much to defraud the farmer out of the fair market value of his product than the present practice in the sale of tobacco. As the gentleman from Georgia has said, it is nothing unusual for the same pound of tobacco to sell for 10 cents in the morning and for 15 cents in the afternoon. I received a letter from a tobacco farmer in my district citing an instance of this kind which occurred in the sale of tobacco this year. A basket of tobacco in one line in the forenoon was bid at $8 a hundred. Before the tobacco was tagged, the farmer slipped it over to the end of the other line and the same buyer bought it for $18 a hundred.

Now, if we are sincere in wanting to give the tobacco farmer a break in establishing a fair price for his product, there is no question but what this is one of the best things we can do to accomplish this purpose.

I want to call another thing to the attention of the committee: This bill will go to the Senate. Here we are haggling and quibbling over the germaneness of this amendment, when the Senate can put this amendment in the bill, send it back to us, and we will swallow it. Why can we not do something for the farmers ourselves instead of waiting for the Senate to do it?

Mr. DEEN. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Georgia.

Mr. DEEN. Mr. Chairman, may I ask the gentleman from Kentucky [Mr. BROWN] if it is not true that the main purpose of this bill is to raise the price of tobacco for the grower. Supporting and upholding this purpose is the principle of assessing a tax to control the crop of the non-

contractors. That being a subordinating and supporting principle and influence, is it not true, in the gentleman's opinion, that we ought to add the additional means which has been proved the best way of raising the price for the producer, that of proper grading? Acreage control and grading are the two underlying essential principles which ultimately will bring a profitable price to the grower.

Mr. BROWN of Kentucky. There is no question but what the purpose back of this bill is to enable the tobacco farmer to get a decent and a fair price for his product. Whatever will help bring this about falls within the declared policy of the bill.

Mr. JONES. Mr. Chairman, answering the statement of the gentleman from Georgia and likewise the argument of the gentleman from Kentucky, the declaration of policy is set out for the purpose of showing that it affects interstate commerce in order to assure jurisdiction of this particular question. It does not go into the question of grading or standardization of tobacco in any sense.

Mr. FLANNAGAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Virginia.

Mr. FLANNAGAN. Mr. Chairman, I agree with the statement made by the gentleman from Kentucky. I am in sympathy with him; but there is now pending what is known as the "Byrns bill", a bill which has been carefully prepared and which provides for the grading of tobacco. I believe we should deal with this question by passing that bill, for it has been considered by experts and those who know something about the tobacco question.

Mr. HOPE. Mr. Chairman, will the Chair hear me further on the point of order? Apparently those who contend that the amendment is germane do so on the theory that the declaration of policy contained in section 2 of the bill is broad enough to include it.

Mr. Chairman, I submit that the declaration of policy is nothing more or less than a stump speech. If anything covered by the declaration of policy is germane, then it would follow that you could put almost anything relating to tobacco and its production and marketing into this bill.

The determination of whether or not the amendment is germane must rest on the legislative features of the bill and not on the declaration of policy. I think it is very clear that this bill has for its sole purpose the regulation of the production of tobacco and the taxing of all production in excess of a certain permitted amount. Certainly under these circumstances an amendment providing for grading and classifying of tobacco is not germane.

The CHAIRMAN. The Chair sustains the point of order.

Mr. WADSWORTH. Mr. Chairman, I move to strike out the last word of section 2.

Mr. Chairman, as I view it, this bill is just one more of those steps which, the first having been taken, must follow inevitably. The administration started out to control, or, rather, to put it I think more accurately, to restrict the productive capacities of the American people and their soil, a thing which few governments have ever attempted to do and no government has ever succeeded in doing, largely because such an attempt is in violation of human nature and physical nature.

The administration started first with the attempt to control the production of wheat by inviting farmers to sign a voluntary contract to reduce their acreage, tempting them with a certain sum of money per bushel to pay for refraining from cultivating the soil which awaits cultivation, the money to be raised by a processing tax. There is already grave doubt that the wheat-control program can be made a success. No government, I may suggest, can anticipate acts of God, and the drought in the Middle West has completely upset the plans and specifications of the all-wise supermen of our bureaucracy.

Next came the hog-control program, coupled with corn control. This subject has been discussed upon the floor here. The gentleman from Ohio [Mr. TRUAX] led me up to high hopes when he denounced that sort of a program, and dumped me off the cliff when he said he was going to vote for this bill. The hog program has already broken down. That might just as well be admitted. The processing tax on hogs has not benefited the hog producer one single nickel. Instead it has hurt the industry and is resulting today in a decreased price of hogs in every stockyard of the country. The tax is being paid by the producer and is not being paid by the consumer, who is showing that element of "consumer resistance" which no government can overcome.

We have gone into the cotton field and resorted to compulsion in a desperate endeavor to reduce the amount of cotton which may be raised and sold and thus increase its price. I myself have heard the Secretary of Agriculture deplore resort to compulsion in the matter of control of agricultural products. He stated it had been resorted to in the case of cotton upon the particular occasion I was listening to him, and hoped it would go no farther, but he was afraid it would have to be resorted to in reference to tobacco.

Already we have quotas on sugar. The element of compulsion lies under these quotas. We have told the people of Hawaii how many tons of sugar they may send here. We have told the people of our Puerto Rico Territory how much they can produce. We are telling our own beet-sugar people how much they may produce. Now, another great field of agriculture is invaded with the long arm of the Federal Government, and at the end of that arm is a mailed fist enclosed in the velvet glove of legislation such as this.

How far are we going in this program? We have already tackled wheat, hogs, corn, sugar, cotton, and now tobacco. All of these efforts show the hand of compulsion. We are moving in the direction of telling the farmers of this country how they shall earn their living.

[Here the gavel fell.]

Mr. COCHRAN of Missouri. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I particularly address myself to the gentleman from New York [Mr. WADSWORTH], and the gentleman from New York [Mr. REED].

It is one of the duties of an opposition party to subject the policies of the party in power to searching criticism. In doing this it performs a valuable service to the Nation. For if the criticism is sound, it leads to the modification of unsound policies.

But the opposition has another duty as well. It is to propose a program of its own that aims at great constructive results. The Republicans may well pay attention to such utterances as that of Charles H. Tuttle, former Republican candidate for Governor of New York, in a recent address to a local New York Republican club. Mr. Tuttle starts with the assumption that the American people have definitely turned their backs upon "a social and economic order dominated and exploited by ever-augmenting aggregations of wealth and inspired by an insatiable thirst for profits."

Therefore the great body of Republican voters would not accept a leadership that would proceed as if nothing had happened and nothing had been revealed between the years 1929 and 1932. So Mr. Tuttle calls for a program that carries hope for the betterment of the average man and that rejects "the chaotic individualism that spiraled down to the greatest economic smash in our history."

The question is how to work out such a program. There is competent opinion as to how it can be done. But can that opinion find expression in the Republican national leadership?

I have just read an editorial from the great independent newspaper, the Kansas City Star. That newspaper supported Mr. Hoover.

I say that that newspaper sounds the proper keynote to the people of this country today. If you want to destroy, offer constructive suggestions as to what should be done to take the place of that which you would destroy.

Some Republicans are continually criticising, but what are they doing in the way of offering constructive suggestions as to how to end this depression?

Mr. McGUGIN. Will the gentleman yield?

Mr. COCHRAN of Missouri. I have but a minute. The gentleman from Kansas well knows the value of the newspaper from which I have read. He knows very well the power behind that newspaper not only throughout the State of Missouri, but in his own State and district.



May I say that it would be well for the Republicans of this House to follow the suggestion found in the editorial I have just read. [Applause.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

IMPOSITION

SEC. 3. (a) There is hereby levied and assessed on the sale of tobacco with respect to which the tax is applicable a tax at the rate of 33¼ percent of the price for which such tobacco is sold: *Provided, however,* That if the Secretary of Agriculture determines and proclaims that the declared policy of this act is best effectuated thereby, the rate of tax shall, for such period as the Secretary of Agriculture designates, be at such lower rate (not less than 25 percent of the price for which such tobacco is sold) as he may prescribe.

(b) The tax provided for by subsection (a) of this section shall be applicable to all tobacco harvested in the crop year 1934–1935, except Maryland tobacco, Virginia sun-cured tobacco and cigar leaf tobacco. Thereafter whenever the Secretary of Agriculture determines that the persons who own, rent, share crop, or control two-thirds of the land customarily engaged in the production of any particular type of tobacco favor the levy of the tax thereon and that the imposition of the tax thereon is necessary for the orderly marketing of such tobacco in interstate and foreign commerce and to effectuate the declared policy of this act, he shall proclaim such determination at least 60 days prior to the next succeeding crop year, and the tax shall thereafter apply to tobacco of such type harvested during the crop year next following the date of such proclamation.

(c) The provisions of this act shall be applicable to the United States and its possessions, except the Philippine Islands, the Virgin Islands, American Samoa, the Canal Zone, and the island of Guam.

Mr. JONES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: Page 4, after line 20, insert: "The tax provided for by subsection (a) of this section shall not apply to any tobacco harvested after April 30, 1936."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. FULMER. Mr. Chairman, I move that all debate on this section and all amendments thereto now close.

The CHAIRMAN. The gentleman from South Carolina moves that all debate on this section and all amendments thereto now close.

The question was taken, and the motion was agreed to.

The Clerk read as follows:

EXEMPTIONS

SEC. 4. (a) No tax shall be imposed under this act—

(1) Upon the tobacco harvested by any publicly owned experimental station or agricultural laboratory; or

(2) Upon tobacco grown by growers who produce less than 2,000 pounds of tobacco per crop year.

(3) Upon tobacco harvested prior to the crop year 1934–35.

(b) Under such rules and regulations as the Commissioner, with the approval of the Secretary of the Treasury, may prescribe, every person who, at the time the tax becomes applicable with respect to any type of tobacco, holds for sale (or use in the manufacture or production of an article intended for sale) any tobacco of such type harvested prior to the crop year 1934–35 shall cause such tobacco to be tagged, stamped, or otherwise identified as tax-exempt tobacco.

Mr. PARKER. Mr. Chairman, I move to strike out the last word. I want to say that I am greatly disappointed at the action of the committee in refusing to accept the amendment of the gentleman from Georgia [Mr. DEEN]. Last year Georgia produced $6,000,000 worth of tobacco. In other words, the producers sold the tobacco grown in Georgia for 11½ cents a pound, which amounted to $6,000,000. It should have brought $10,000,000.

All of that tobacco was produced in four congressional districts in the southern part of the State—the districts represented by Mr. COX, Mr. CASTELLOW, Mr. DEEN, and myself. If this bill is enacted without the amendment offered by the gentleman from Georgia [Mr. DEEN], it will amount to little. It will only mean that we will have less tobacco for the manufacturers to steal from our constituents who produce it.

I have gone to these tobacco warehouses and seen one of my constituents bring in two sheets of tobacco grown by the same man, putting one sheet on the floor here and another on the floor there; and the same buyer will pay twice as much for one sheet of the same tobacco as he will pay for the other.

If the purpose of this bill is not to raise the price of tobacco and give the producer a living wage for his work in growing that crop, then I do not know why we are considering the bill at all or why we should attempt to pass it.

If that is the purpose of it, I want to say to you that there certainly can be no better way to get a higher price for tobacco than by having it graded, so that the producer knows when he takes it to the warehouse what it ought to bring. If he does not know whether he should get 10 cents or 20 cents a pound he cannot refuse to sell when the auctioneer offers him a certain price.

The fact that somebody else has introduced a bill which is not on the calendar that will take care of this situation if enacted into law beggars the question.

The bill introduced by the gentleman from Tennessee [Mr. BYRNS] is a good bill. This being true, why not incorporate it into this bill? Why take two bites at a cherry? If the amendment of the gentleman from Georgia is all right, if it embodies the same principle that is embodied in the bill of the gentleman from Tennessee, which we may or may not vote on, why cannot we incorporate the legislation in this bill and be sure of passing it now? Why should we come back and pass another bill?

Mr. BYRNS. Will the gentleman yield?

Mr. PARKER. I yield.

Mr. BYRNS. I have no pride of opinion in my bill, but I will say that my bill, like the amendment of the gentleman from Georgia, would be ruled out of order if it was offered, and, therefore, it is not possible under the rules of the House and parliamentary procedure to offer it. That is the explanation.

Mr. PARKER. The gentleman helped the chairman arrive at that conclusion by the remarks he made. I think the amendment was germane and clearly in order.

[Here the gavel fell.]

Mr. McGUGIN. Mr. Chairman, I have said on a number of occasions in the last few days that the Democratic Party 2 years ago had as good a platform as any party ever had with which to go before the country. The truth is that that platform carries two provisions, which, if lived up to, would do as much for tobacco, in my judgment, as it would be possible for the Congress of the United States to do. In the first place tobacco is the one outstanding commodity of which the producer is absolutely within the clutches of monopoly. I do not care how much you undertake to regulate production or control prices, in the end the price which the farmer receives for tobacco is going to be controlled by the most outstanding and unconscionable monopoly in the United States. The way to meet monopoly is to prosecute it and dissolve it, if necessary.

Mr. SABATH. Mr. Chairman, will the gentleman yield?

Mr. McGUGIN. No. In that platform we find the following plank:

We advocate strengthening and impartial enforcement of the antitrust laws, to prevent monopoly and unfair trade practices, and revision thereof for the better protection of labor and the small producer and distributor.

Mr. SABATH. Mr. Chairman, I make the point of order that the gentleman is not addressing himself to the amendment.

The CHAIRMAN. The gentleman from Kansas will proceed in order.

Mr. McGUGIN. I am going to proceed just as the gentleman before me proceeded upon his motion, which was a pro forma motion. The carrying out of that section, by enforcing the antimonopoly laws, would do some good for the tobacco producers.

Let us see about the policy of restricting production. Again the Democratic Party had a most splendid paragraph on that section, and I can most highly commend it. I quote:

We condemn the extravagance of the Farm Board, its disastrous action which made the Government a speculator of farm products, and the unsound policy of restricting agricultural products to the demands of domestic markets.

This is the platform of the Democratic Party 2 years ago. "We condemn the unsound policy of restricting agricultural products to the demands of domestic markets"—yet this bill and the Bankhead cotton bill and every piece of recent farm legislation is based upon the policy of reducing production of farm products to American consumption.

I can go along with my friend from Texas [Mr. JONES] on the proposition that agriculture has not had a fair shake, selling on an open market and buying on a closed market, but the policy which you are following now does not correct that wrong or start to correct it. Wherein do you equalize the spread between farm and industrial prices by cutting down the cotton production?

To carry out this policy and reduce cotton production down to American consumption, you would have to reduce cotton production 60 percent, and then you would have to apply a processing tax or some other policy to force up the price. There is no way of forcing up the price of a commodity of which we produce a surplus. It is an unsound policy to try to reduce production of American farm products to American consumption, and if this Congress today were keeping faith with those two planks of the Democratic Party, first enforcing the antimonopoly laws and then not try to reduce farm production to American consumption, we might be making headway, but instead of enforcing the antimonopoly laws, what do we find? The setting up of the N.R.A. and giving to monopoly the sheltering hand of Government protection from prosecution.

Mr. SABATH. Is not the gentleman familiar with the hearings of the Federal Trade Commission; does he not know that they are investigating the activities?

Mr. McGUGIN. You do not need any investigation to find the tobacco monopoly. Every newsboy knows that there is a tobacco monopoly. All that is needed is for the Department of Justice to start prosecution.

Mr. SABATH. They are taking testimony and starting prosecutions against monopoly.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

The Clerk read as follows:

SEC. 5. (a) In addition to rental or benefit payments which under any provision of existing law the Secretary of Agriculture is authorized to make in connection with agreements with producers providing for reduction in the acreage or reduction in the production for market, or both, of any basic agricultural commodity, the Secretary of Agriculture is hereby authorized and directed to issue (in each crop-year wherein any type of tobacco is harvested to which the tax is applicable) to each contracting producer nontransferable tax-payment warrants (each such warrant to be expressed in pounds of tobacco of a particular type). Upon surrender of any warrant by any contracting producer to the collector, it shall be accepted by the collector and the Secretary of the Treasury in payment of the tax on any sale by such contracting producer of the type of tobacco specified in the warrant not exceeding in amount the amount of tobacco covered by such warrant. Any contracting producer shall be entitled to receive such warrants covering amounts of any type of tobacco produced by him equal (1) to the number of pounds of tobacco of such type which such contracting producer is permitted to market under any agreement between him and the Secretary of Agriculture, or (2) to the number of pounds of tobacco of such type which the Secretary of Agriculture estimates may be produced on a percentage of a base acreage, which percentage and base acreage shall be determined as provided in any agreement between the Secretary of Agriculture and such contracting producer.

(b) The Secretary of Agriculture may issue in any county further warrants, covering an amount of tobacco of any type not in excess of 5 percent of the amount of tobacco of such type covered by the warrants issued to all contracting producers in such county, to persons engaged in the production of tobacco of such type in such county as to whom the Secretary determines that no equitable allotment of tobacco acreage or production is possible under tobacco-reduction contracts offered pursuant to the Agricultural Adjustment Act: *Provided*, That no such person shall be entitled to receive warrants unless he shall agree with the Secretary of Agriculture to cooperate in the reduction programs of the Agricultural Adjustment Administration in such manner as the Secretary shall prescribe. Warrants issued under this subsection shall be accepted by the collector and the Secretary of the Treasury, upon surrender thereof by the person to whom issued, in payment of the tax on any sale by such person of the type of tobacco specified in the warrant not exceeding in amount the amount of tobacco covered by such warrant.

(c) Upon application therefor, the warrants provided for by subsections (a) and (b) of this section may be issued by the Secretary of Agriculture, or his duly authorized agent, in such manner, at such time or times, at such place or places, and in such form as the Secretary of Agriculture may prescribe.

(d) Any tax-payment warrant erroneously issued shall be void upon demand in writing for its return made by the Secretary of Agriculture to the person to whom such warrant was issued.

(e) The right to a tax-payment warrant under this section shall be evidenced in such manner as the Secretary of Agriculture may by regulations prescribe.

(f) The Secretary of Agriculture may make regulations protecting the interests of share-croppers and tenants in the issuance of tax-payment warrants under this act.

Mr. BOILEAU. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 6, line 5, after the parentheses, strike out the period, insert a colon and the following: "*Provided*, That no such person shall be entitled to receive warrants unless he shall agree with the Secretary of Agriculture to cooperate in the reduction program of the Agricultural Adjustment Administration in such manner as the Secretary shall prescribe"; and on page 7, line 6, after the word "act", strike out the proviso down to and including the word "prescribe" in line 10.

Mr. BOILEAU. Mr. Chairman, I call the attention of members of the committee to the language on page 7 beginning in line 6 and ending in line 10. That language, in my opinion, is in that place because of the fact that it was not brought to the attention of the committee that it is in that particular part of the section.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. In just a moment. I want to make this brief statement. That language should properly be on page 6 right after the word "type" in line 5, and my amendment merely strikes out the proviso beginning on page 7, line 6, down to line 10, and inserts that same language after the word "type", in line 5, on page 6.

Now, that is very important, because where that provision is now, it provides that no person shall be entitled to receive warrants unless he shall agree with the Secretary of Agriculture to cooperate in the reduction programs of the Agricultural Adjustment Administration, in such manner as the Secretary may prescribe. That language in its present position applies only to a very few farmers, because it is connected with subsection (b). Subsection (b) of that section provides that an extra 5 percent can be allotted among the farmers, and its provision refers only to that extra 5 percent that is distributed among the farmers, only those persons are required to agree to abide by the regulations of the Agricultural Adjustment Administration.

I believe that any person who gets these tax-payment warrants certainly should do nothing less than show a willingness to cooperate in this program. If they want to get these tax-payment warrants, and they are entitled to them, certainly they should be willing to agree that they will comply with the rules and regulations provided by the A.A.A. You may call it regimentation, but I call it common sense. If people are to get the benefits of the act, they should abide by the rules and regulations and should cooperate.

Mr. VINSON of Kentucky. Will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. VINSON of Kentucky. If I understand the gentleman, the language which the gentlemen seeks to transpose, according to his statement, refers, as it stands in the present bill, to the persons referred to in subparagraph (b)?

Mr. BOILEAU. That is my understanding.

Mr. VINSON of Kentucky. If we transpose that language and place it in paragraph (a), what it does is to make the bill compulsory.

Mr. BOILEAU. I would not say it makes it compulsory. It would provide that any person who got the tax-payment warrant would sign an agreement with the Secretary of Agriculture that he will cooperate in the reduction programs of the A.A.A., and I want to say that nothing less should be expected of him.

Mr. VINSON of Kentucky. The gentleman will admit that it makes it compulsory? One of the major differences between the Bankhead bill and this bill is the compulsory

feature. If the gentleman transposes the language to paragraph (a), the gentleman makes it a compulsory proposition. As it is written, the provision applies only to those who are included in the 5 percent outside the agreement.

Mr. BOILEAU. I would say it makes it as compulsory as the Bankhead bill. I will agree with the gentleman to that extent. If a man gets these warrants, he then agrees to comply with the reduction programs of the A.A.A. I believe he should go that far. If he is to get the benefit of these tax-payment warrants, he should be willing to cooperate to the fullest extent. Let me say further to the gentleman from Kentucky that this language only puts into the written law what the farmers have already agreed to in these reduction programs. It only puts into the law what 90 percent of the farmers have already agreed to.

Mr. VINSON of Kentucky. There is nothing in the reduction contracts that deals with any tax payments.

[Here the gavel fell.]

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BOILEAU. Under the agreements that the cotton producers have already signed, they have agreed to control the production of cotton. Is that not a fact?

Mr. FULMER. Under regulations of the Secretary of Agriculture.

Mr. VINSON of Kentucky. But there is nothing in those contracts that provides for the payment of any excess tax.

Mr. BOILEAU. But these contracts provide that they must reduce their production 30 percent. This bill provides that those people who do not sign will have their tobacco taxed. If a person signs an agreement to reduce his production, and if he lives up to that agreement, there will be no tobacco produced by him that will be subject to the tax. Is that not a fact?

Mr. FULMER. Yes.

Mr. BOILEAU. If a farmer signs an agreement to reduce his production 30 percent, and if he lives up to his agreement—he must sign that agreement before he can get the benefits of this act—and if he lives up to his agreement, there is no tax imposed on any of his tobacco.

Mr. FULMER. No.

Mr. BOILEAU. This bill with my amendment would be no different than it now stands with reference to the compulsory features. There would be no difference in the bill in its present form and as I offered to amend it so far as any compulsion is concerned. If a person lives up to his agreement he will not have to pay a tax. No person should expect to get the benefits of this act unless he lives up to the agreement. Everyone who gets these warrants should sign an agreement that he will comply with all the rules and regulations and cooperate in the Agricultural Adjustment program set out by the Department of Agriculture. I believe it is essential and it is fair, and I do not believe there should be a man on the Democratic side of the House who should object to it, because if you object to this it means you are apprehensive that some people will deliberately violate their agreements, that some farmers are deliberately going to try to cheat the Government and other farmers, and you will be tolerating that action. There should not be a dissenting vote on the Democratic side of the House. I believe this language would have been put in the place I suggest had it been brought to the attention of the committee, as I believe the committee would have wanted that language in the bill, and it was put in its present place entirely through a mistake.

Mr. FULMER. Subsection (b) provides that the Secretary can allot a total of 5 percent to new farmers and to farmers who cannot qualify under the voluntary agreement. Then this proviso was inserted solely for the purpose of having these people who receive a part of that allotment agree to qualify along with those who came into the voluntary program. It does not apply to the farmer who has already joined in the program, but simply gives to the Secretary of Agriculture the right to bring the other fellow under the same rules and regulations that apply to those in the voluntary program. It was carried in the Bankhead bill.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. BOILEAU. If it is desired to have this provision apply to some farmers, why not have it apply to all?

Mr. FULMER. We want all the tobacco farmers brought into this program, for 5 percent could destroy the tobacco-growing industry.

Mr. BOILEAU. This amendment will not in any way harm the bill; it will not prejudice the farmer who signs an agreement and who lives up to it.

Mr. FULMER. How about the fellow who is already in?

Mr. BOILEAU. Neither the fellow who is already in nor the fellow who may come in in the future.

Mr. FLANNAGAN. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. FLANNAGAN. This amendment would not in any way affect the people who sign an agreement and who live up to it. Is not this a fact?

Mr. FULMER. Mr. Chairman, the amendment offered by the gentleman from Wisconsin would tend to disturb the orderly arrangement whereby the Department of Agriculture will be able to force the man who comes in after the passage of this bill to comply like the farmer who volunteered before the passage of this bill.

I hope the amendment will be voted down.

Mr. BOILEAU. Mr. Chairman, if the gentleman will yield further, is it not a fact that a similar provision was put in the Bankhead bill and was included in the sugar bill—and by similar I mean of the same purport?

Mr. TREADWAY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in the interest of the tobacco growers of the Connecticut Valley. I hold in my hand a brief filed with the Subcommittee of the Committee on Agriculture on April 21 of this year by the New England Tobacco Growers' Association, Inc. The first paragraph, if I may be permitted to read it, is as follows:

> The directors of the New England Tobacco Growers' Association, Inc., at a meeting called for the purpose of discussing the Kerr bill voted 17 to 11 to oppose the passage of the bill, and filed a copy of their vote with the Members of the House and Senate from the Connecticut Valley.

That vote still stands as the only official record of the New England Tobacco Growers' Association, Inc., regarding the Kerr bill. Aside from one or two telegrams that is the last message that I have had from the group of tobacco growers in what is known as the "Connecticut Valley", which, as the gentleman knows, extends into the district I represent in Massachusetts.

This brief calls attention to what to them appeared to be defects in the language of the bill and indicates that if those changes were made that very likely they would be favorable toward the bill. I have heard nothing further from this organization since April 21; and I would be glad to have further information as to whether or not the changes in the Kerr bill desired by the Connecticut Valley tobacco growers have been made, whether the objections raised by my constituents at that time have been considered?

Mr. FLANNAGAN. I may say to the gentleman from Massachusetts that since then the growers from the Connecticut Valley have agreed upon an amendment which was accepted by the subcommittee and which is incorporated in the bill.

Mr. TREADWAY. Then, may I further call attention to these statements:

This was at another meeting of this same organization—

> Those present agreed that if the Kerr bill becomes law it should provide that exemptions from the tax on outdoor tobacco be made only under the outdoor acreage reduction contract.

Is there any provision of this nature in the bill?

Mr. FLANNAGAN. I do not think those growers ever came in under the voluntary plan.

Mr. TREADWAY. The gentleman thinks they would be exempted anyway?

Mr. FLANNAGAN. Yes.

Mr. TREADWAY. They also said:

Those present agreed that no exemptions from the tax should be made because of the small acreage grown.

I assume that would mean a farmer who uses certain areas of his farm land for tobacco growing perhaps as a little side issue, where tobacco growing does not take up all the occupational use of his farm.

Mr. VINSON of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Certainly; I am looking for information; and I think there are several other Members from adjoining sections who are very much interested in these details.

Mr. VINSON of Kentucky. Referring to the small-acreage farmer, section 4, on page 5 of the bill, specifically exempts a farmer where the amount of tobacco grown is less than 2,000 pounds per crop-year.

Mr. TREADWAY. How many acres would that mean?

Mr. VINSON of Kentucky. I do not know about Connecticut, but in the burley sections it would be something like 3 acres.

Mr. FLANNAGAN. It would not be more than 2 acres, probably.

Mr. VINSON of Kentucky. I think it would probably be something like 3 acres.

Mr. KERR. Mr. Chairman, if my colleague will permit an interruption, referring to page 4, subsection (b) exempts what is known as "cigar leaf tobacco."

Mr. TREADWAY. That brings up the question of definition, of course. Is that clearly understood?

[Here the gavel fell.]

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. KERR. I understand that practically all tobacco grown in Connecticut is known as "wrapper tobacco" for cigars?

If the gentleman will turn to subsection (b) it is provided that the tax provided for by subsection (a) shall be applicable to all tobacco harvested in the crop year 1934–35, except Maryland tobacco, Virginia sun-cured tobacco and cigar-leaf tobacco.

Mr. TREADWAY. That necessitates a definition on somebody's part as to exactly what cigar-leaf tobacco may be.

Mr. KERR. I may say further for the information of the gentleman that the gentleman from Connecticut [Mr. KOPPLEMANN] was very much interested in the construction of this bill and proposed the amendment which is embodied in section 16 of the bill. That section covers the importation of cigar tobacco which comes in direct conflict with the cigar tobacco grown in Connecticut. Section 16 provides that after a quota or allotment is made by the Government for the importation of this type of tobacco, the Government shall fix a tax so as to not discriminate.

Mr. TREADWAY. May I call attention to another matter?

Those present agreed that the bill should not be applied to one type of cigar tobacco unless it is applied to all other competing types.

Is that point covered?

Mr. FULMER. I may say that under the administration of this bill any type of tobacco that does not require control of production will be exempted. If the time should come when even those under this bill should not be controlled, that type of tobacco will be protected.

Mr. TREADWAY. May I call attention to a telegram received a day or two later reading as follows:

Unless Kerr bill is passed and proclaimed effective before May 1, 1934, it will not be effective in 1934.

In other words, the tobacco raised in that area would not be covered by the bill unless the bill were enacted into law before May 1. That is nearly a month and a half ago, and I assume this may apply to tobacco raised in other regions, but would not apply to tobacco up there in the Connecticut Valley. Frankly, I am very much confused about this bill, and I am somewhat confused as to the attitude of the growers in my section, and would be very glad to have any enlightenment that the committee may be able to give me.

Mr. FULMER. What time is the tobacco harvested in the gentleman's section?

Mr. TREADWAY. I should say they gather the crop possibly the latter part of September.

Mr. FULMER. They will be covered under this bill.

Mr. TREADWAY. Some do not seem to think so. Of course, their information may not be correct.

Mr. FLANNAGAN. Did the gentleman say the tobacco was planted around the 1st of May?

Mr. TREADWAY. That is the planting time in our territory. Probably all of the tobacco is fairly well up now or I assume it is.

Mr. FLANNAGAN. May I say that we had several people before the committee from Connecticut, and probably some from Massachusetts. Mr. Cochran, of Connecticut, appeared with them. I believe the committee adopted all of the recommendations made by the Connecticut committee. The Connecticut growers did not want the small tobacco grower exempted from the operation of the bill.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

The Clerk read as follows:

COLLECTION OF TAXES

SEC. 6. (a) The taxes provided for in this act shall be paid by the seller and collected by the Bureau of Internal Revenue under the direction of the Secretary of the Treasury. Such taxes shall be paid into the Treasury of the United States.

(b) All provisions of law, including penalties (except sec. 1121 of the Revenue Act of 1920), applicable with respect to the taxes imposed by section 600 of the Revenue Act of 1926, and the provisions of section 626 of the Revenue Act of 1932, shall, insofar as applicable and not inconsistent with the provisions of this act, be applicable in regard to all taxes imposed by this act.

Mr. DEEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, may I call the attention of the chairman of the committee to the language in the bill on page 4, beginning with line 6, as follows?—

The taxes provided for by subsection (a) of this section shall be applicable to all tobacco harvested in the crop year 1934–35, except Maryland tobacco, Virginia sun-cured tobacco, and cigar-leaf tobacco.

Does not the committee think it is perhaps not wise to permit the exemption for these States on this particular type of tobacco? Does not the committee think it is a bad precedent for the reason it will be impossible to explain this exemption to the other States that grow tobacco? For instance, in my own district there are perhaps eight to twelve or fifteen thousand growers who will not understand why this tax was not made applicable to the State of Maryland, or to Virginia, or to the tobacco grower in Virginia of this particular type of tobacco.

Mr. FULMER. The tobacco grown in Maryland is a different type of tobacco than that grown in the gentleman's State or in my State. They do not grow nearly a sufficient amount of that type of tobacco to take care of the demand. That also applies to the sun-cured tobacco raised in Virginia. For a number of years they have been producing a less quantity of that type of tobacco than the demand required. Naturally they are not under the voluntary plan and they will not come under this one.

The pro forma amendment was withdrawn.

The Clerk concluded the reading of the bill.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. UMSTEAD, Chairman of the Committee

of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes, pursuant to House Resolution 420, he reported the same back to the House with an amendment adopted by the Committee.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the adoption of the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. HOPE) there were—ayes 66, noes 44.

Mr. HOPE. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 206, nays 143, answered "present" 1, not voting 80, as follows:

[Roll No. 177]

YEAS—206

Adair	Darden	Johnson, W.Va.	Richards
Adams	Dear	Jones	Robertson
Arens	Deen	Keller	Robinson
Arnold	Delaney	Kennedy, Md.	Rogers, Okla.
Ayers, Mont.	Dickinson	Kerr	Romjue
Bacharach	Disney	Kleberg	Rudd
Bailey	Dobbins	Kloeb	Ruffin
Bankhead	Dockweiler	Kniffin	Sabath
Beam	Doughton	Lambeth	Sanders, La.
Beiter	Doxey	Larrabee	Sanders, Tex.
Bland	Drewry	Lea, Calif.	Sandlin
Blanton	Driver	Lesinski	Scrugham
Bloom	Duffey	Lewis, Colo.	Sears
Boehne	Duncan, Mo.	Lewis, Md.	Shallenberger
Boileau	Durgan, Ind.	Lindsay	Shannon
Boland	Eagle	Lozier	Sinclair
Boylan	Edmiston	McClintic	Smith, Va.
Brown, Ga.	Ellzey, Miss.	McDuffie	Snyder
Brown, Ky.	Faddis	McFarlane	Spence
Brown, Mich.	Farley	McGrath	Strong, Tex.
Brunner	Fernandez	McKeown	Stubbs
Buchanan	Fitzpatrick	McReynolds	Sullivan
Bulwinkle	Flannagan	McSwain	Swank
Burch	Fletcher	Maloney, Conn.	Sweeney
Byrns	Ford	Maloney, La.	Tarver
Caldwell	Foulkes	Martin, Colo.	Taylor, Colo.
Cannon, Mo.	Frey	Martin, Oreg.	Terry, Ark.
Cannon, Wis.	Fuller	May	Thom
Carden, Ky.	Fulmer	Mead	Thomason
Carmichael	Gasque	Miller	Thompson, Tex.
Cartwright	Gavagan	Milligan	Truax
Cary	Gilchrist	Monaghan, Mont.	Turner
Castellow	Glover	Montague	Umstead
Chapman	Greenwood	Murdock	Underwood
Chavez	Gregory	O'Connell	Utterback
Claiborne	Haines	O'Connor	Vinson, Ga.
Clark, N.C.	Hamilton	O'Malley	Vinson, Ky.
Colden	Hancock, N.C.	Oliver, Ala.	Wallgren
Cole	Harlan	Oliver, N.Y.	Warren
Colmer	Hart	Owen	Weaver
Condon	Hastings	Palmisano	Werner
Connery	Healey	Parker	West, Ohio
Cooper, Tenn.	Henney	Patman	West, Tex.
Cox	Hildebrandt	Pierce	Whittington
Cravens	Hill, Ala.	Polk	Williford
Crosby	Hill, Knute	Prall	Williams
Cross, Tex.	Hill, Samuel B.	Ramsay	Wilson
Crosser, Ohio	Imhoff	Ramspeck	Withrow
Crowe	Jacobsen	Randolph	Wood, Ga.
Crump	Johnson, Minn.	Rayburn	Zioncheck
Cullen	Johnson, Okla.	Reece	
Cummings	Johnson, Tex.	Reilly	

NAYS—143

Allen	Busby	Connolly	Dunn
Andrew, Mass.	Cady	Cooper, Ohio	Eaton
Ayres, Kans.	Carpenter, Kans.	Corning	Edmonds
Bakewell	Carpenter, Nebr.	Crowther	Eicher
Beck	Carter, Calif.	Culkin	Eltse, Calif.
Beedy	Carter, Wyo.	Darrow	Englebright
Biermann	Cavicchia	De Priest	Evans
Blanchard	Christianson	Dingell	Fiesinger
Britten	Clarke, N.Y.	Dirksen	Focht
Buck	Cochran, Mo.	Ditter	Foss
Burke, Nebr.	Cochran, Pa.	Dondero	Gifford
Burnham	Collins, Calif.	Dowell	Gillespie
Gillette	Lambertson	Nesbit	Swick
Goodwin	Lamneck	O'Brien	Taber
Granfield	Lanzetta	Parsons	Taylor, S.C.
Gray	Lehlbach	Peavey	Taylor, Tenn.
Greenway	Lehr	Perkins	Terrell, Tex.
Guyer	Lemke	Pettengill	Thomas
Hancock, N.Y.	Ludlow	Peyser	Thompson, Ill.
Hartley	Lundeen	Powers	Tinkham
Hess	McCarthy	Rankin	Tobey
Hoeppel	McFadden	Ransley	Traeger
Hollister	McGugin	Reed, N.Y.	Treadway
Holmes	McLean	Richardson	Turpin
Hope	McLeod	Rogers, Mass.	Wadsworth
Jenckes, Ind.	McMillan	Sadowski	Wearin
Jenkins, Ohio	Mapes	Schaefer	Welch
Kahn	Marshall	Schuetz	Whitley
Kelly, Ill.	Martin, Mass.	Schulte	Wigglesworth
Kelly, Pa.	Meeks	Secrest	Wolcott
Kennedy, N.Y.	Merritt	Seger	Wolfenden
Kenney	Millard	Snell	Wolverton
Kinzer	Mitchell	Somers, N.Y.	Wood, Mo.
Knutson	Morehead	Stokes	Woodruff
Kocialkowski	Mott	Strong, Pa.	Young
Kurtz	Musselwhite	Studley	

ANSWERED "PRESENT"—1

Ellenbogen

NOT VOTING—80

Abernethy	Dickstein	Jeffers	Reid, Ill.
Allgood	Dies	Kee	Rich
Andrews, N.Y.	Douglass	Kopplemann	Rogers, N.H.
Auf der Heide	Doutrich	Kramer	Shoemaker
Bacon	Fish	Kvale	Simpson
Berlin	Fitzgibbons	Lanham	Sirovich
Black	Frear	Lee, Mo.	Sisson
Bolton	Gambrill	Lloyd	Smith, Wash.
Brennan	Goldsborough	Luce	Smith, W.Va.
Brooks	Goss	McCormack	Stalker
Browning	Green	Mansfield	Steagall
Buckbee	Griffin	Marland	Sumners, Tex.
Burke, Calif.	Griswold	Montet	Sutphin
Carley, N.Y.	Harter	Moran	Thurston
Celler	Higgins	Moynihan, Ill.	Waldron
Chase	Hoidale	Muldowney	Walter
Church	Howard	Norton	Weideman
Coffin	Huddleston	Parks	White
Collins, Miss.	Hughes	Peterson	Wilcox
DeRouen	James	Plumley	Woodrum

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Steagall (for) with Mr. Andrews of New York (against).
Mr. Woodrum (for) with Mr. Bolton (against).
Mr. Peterson (for) with Mr. Bacon (against).
Mr. Lee of Missouri (for) with Mr. Muldowney (against).
Mr. DeRouen (for) with Mr. Doutrich (against).
Mr. Brooks (for) with Mr. Fish (against).
Mr. Carley of New York (for) with Mr. Chase (against).
Mr. Jeffers (for) with Mr. Rich (against).
Mr. Griffin (for) with Mr. Goss (against).
Mr. Gambrill (for) with Mr. Higgins (against).
Mr. McCormack (for) with Mr. Plumley (against).
Mr. Sirovich (for) with Mr. Luce (against).
Mr. Douglass (for) with Mr. Moynihan of Illinois (against).
Mr. Kopplemann (for) with Mr. Simpson (against).

General pairs:

Mr. Allgood with Mr. James.
Mr. Celler with Mr. Frear.
Mr. Browning with Mr. Waldron.
Mr. Lanham with Mr. Thurston.
Mr. Rogers of New Hampshire with Mr. Stalker.
Mr. Smith of West Virginia with Mr. Reid of Illinois.
Mr. Mansfield with Mr. Buckbee.
Mr. Goldsborough with Mr. Kvale.
Mr. Hughes with Mr. Shoemaker.
Mr. Montet with Mr. Collins of Mississippi.
Mr. Parks with Mr. White.
Mr. Sutphin with Mr. Dies.
Mr. Black with Mr. Lloyd.
Mr. Walter with Mr. Sisson.
Mrs. Norton with Mr. Griswold.
Mr. Harter with Mr. Church.
Mr. Hoidale with Mr. Kee.
Mr. Williford with Mr. Marland.
Mr. Sumners of Texas with Mr. Berlin.
Mr. Dickinson with Mr. Brennan.
Mr. Burke of California with Mr. Fitzgibbons.
Mr. Huddleston with Mr. Moran.
Mr. Smith of Washington with Mr. Weideman.
Mr. Auf der Heide with Mr. Abernethy.

Mrs. McCARTHY changed her vote from "aye" to "no."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider the vote by which the bill was passed was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate insists upon its

amendments to the bill (H.R. 8781) entitled "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes", disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. HAYDEN, Mr. McGILL, Mr. SCHALL, and Mr. FRAZIER to be the conferees on the part of the Senate.

CONTROL OF CHINCH BUGS

Mr. BUCHANAN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J.Res. 352) to provide funds to enable the Secretary of Agriculture to cooperate with States in the control of chinch bugs.

The Clerk read the title of the resolution.

Mr. TABER. Mr. Speaker, reserving the right to object, there are a few Members on this side who would like a minute or two to talk on this bill.

Mr. BUCHANAN. How much time would the gentleman want?

Mr. TABER. About 10 minutes altogether.

Mr. BUCHANAN. Then, Mr. Speaker, I shall also ask unanimous consent that all debate on this joint resolution be closed in 20 minutes.

Mr. BYRNS. Mr. Speaker, may I ask my friend from Texas if this matter cannot go over until in the morning? We have been here a long time, and I think the gentlemen understood we were to get away shortly. If this measure is taken up and one or two other matters considered, we will be here until 6 o'clock.

Mr. BUCHANAN. In reply to my colleague and majority leader, I may state that unless this appropriation is made and the money made available within the next 5 or 6 days we might just as well not make the appropriation, and the corn crop of the principal corn-producing States of the Union will be destroyed by the chinch bug. This is an emergency measure.

Mr. BYRNS. I may say to the Members of the House that I hope they will all stay here, because otherwise we will have another roll call.

The SPEAKER. Is there objection to the request of the gentleman from Texas for the present consideration of the bill?

There was no objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas that all debate on the joint resolution close in 20 minutes?

There was no objection.

The Clerk read the bill, as follows:

Resolved, etc., That to enable the Secretary of Agriculture to apply such methods of control of chinch bugs as in his judgment may be essential to accomplish such purposes, in cooperation with such authorities of the States concerned, organizations, or individuals, there is hereby appropriated and made immediately available $1,000,000: *Provided*, That this appropriation shall be used for expenditures of general administration and supervision, purchase, and transportation of materials used for the control of chinch bugs, and such other expenses as in the discretion of the Secretary of Agriculture may be deemed necessary, including the employment of persons and means in the District of Columbia and elsewhere and rent outside the District of Columbia: *Provided further*, That the cooperating State shall be responsible for the local distribution and utilization of such materials on privately owned lands, including full labor costs: *Provided further*, That, in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for chinch-bug control in any State until such State has provided the necessary organization for the cooperation herein indicated: *Provided further*, That procurements under this appropriation may be made by open-market purchase notwithstanding the provisions of section 3709, Revised States: *And provided further*, That no part of this appropriation shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed.

With the following committee amendment:

Page 1, line 7, strike out the words "and made immediately available" and insert "out of any money in the Treasury not otherwise appropriated, to remain available until December 31, 1934, the sum of."

The committee amendment was agreed to.

Mr. BUCHANAN. Mr. Speaker, this appropriates $1,000,000 on the recommendation of the President of the United States, approved by the Budget, to save the corn crop of seven States from the ravages of the chinch bug. The money is only for the Federal Government to buy the material and pay for the transportation of it to the farmers who will do the work themselves of fighting the chinch bug.

We made an appropriation for the Northwest to fight the grasshopper, and if we give an appropriation to one section of the country to fight an insect we ought to give it to another section of the country to fight the insects.

There are 11 States invaded by the bugs, the worst invasion we have ever had in the history of the country. In 1884 the chinch bugs destroyed the entire corn crop in several States. They are now in the wheatfields, they are now in the oatfields and grassland, and the weather has dried up the grass, wheat, and oats so the bugs are unable to feed, and then they will go into the cornfields and take that crop. This amount ought to be appropriated and appropriated promptly.

Mr. TRUAX. Will the gentleman yield?

Mr. BUCHANAN. Yes.

Mr. TRUAX. Are these 11 States in the drought area?

Mr. BUCHANAN. In the entire Central West.

Mr. TRUAX. In our State we have no cornfields for them to go to.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. DOWELL].

Mr. DOWELL. Mr. Speaker, I want to concur in what was said by the chairman of the committee. It seems to me that it is very essential that we stop the invasion of this chinch bug now. I think the amount provided in this resolution should be given to the Secretary of Agriculture so that we may use it to stop the invasion of these insects. As was stated by the chairman, they take everything green that comes in their path. They are just now entering the cornfields, and unless something is done to stop them we will not have a thing left, even what is left by the drought. [Applause.]

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I hope this appropriation will pass. We need it because the corn crop is all that is left. They come from the wheatfields into the cornfields. Another thing, the winter was mild and did not kill the chinch bugs. This appropriation is mighty important to the farmers in this area.

Mr. TABER. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Speaker, it is said that the Lord helps those who help themselves. The Congress ought to do the same thing so far as Congress has the ability which the Lord is said to have. The bill provides help for those who are willing to help themselves, for the States that have provided some way of handling an infestation of insects such as the chinch bug, which we now have in the West. This infestation follows exceedingly dry weather. The present chinch-bug infestation extends from Oklahoma and then follows to the northeast, up through Kansas, Missouri, some parts of Iowa, Illinois, and Indiana. The farmers will do the work necessary to be done under the bill, the States will supervise it, and the expense is comparatively small so far as the Federal Government is concerned. I hope the legislation will be speedily enacted.

Mr. BUCHANAN. Mr. Speaker, I yield 1 minute to the lady from Kansas [Mrs. McCARTHY].

Mrs. McCARTHY. Mr. Speaker, I shall not need more than a moment to impress upon you the fact that this legislation must be passed immediately, or it will be of no avail. These chinch bugs are multiplied by millions. As one representative of the Department of Agriculture stated today before the Committee on Appropriations, in one of those fields which they treated with creosote they killed 60,000,000 chinch bugs. They had counted a small portion and weighed them and then multiplied the total weight, so that you can see it is a very great menace. The remedy proposed

will be unavailing after the chinch bugs get past the crawling stage. When their wings are developed there is no way to stop them. This is the worst chinch-bug infestation that has occurred in our area in 50 years.

Mr. BUCHANAN. Mr. Speaker, I now yield to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Speaker, I rise only to offer an amendment to this bill—that one-half of the money be spent to exterminate the bugs down in the Department of Agriculture. [Laughter.]

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to; and the joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to—

Mr. DIES (at the request of Mr. THOMASON), for today and the remainder of the week, on account of illness.

Mr. SUTPHIN, for 1 day, on account of official business.

Mr. BACON (at the request of Mr. REED of New York), on account of illness.

Mr. FERNANDEZ, for 10 days, on account of important official business.

LEAVE TO INTRODUCE A BILL AND FILE REPORT

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to have until midnight tonight to introduce a bill and file a report.

The SPEAKER. Is there objection?

There was no objection.

PROCESSING TAX ON HOGS

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

The SPEAKER. The gentleman from Virginia asks unanimous consent for the present consideration of the bill H.R. 9829, which the Clerk will report.

The Clerk reported the title of the bill.

Mr. LAMNECK. Mr. Speaker, I reserve the right to object.

Mr. FLANNAGAN. Mr. Speaker, I will take only a moment or two to make a short explanation. The object of the bill is, first, to relieve the small farmers producing two or three hogs per year, and who are not engaged in the hog business, from the payment of the processing tax. In the second place, it is to centralize the collection of the processing tax on hogs in the peanut area. Down in the peanut area there are hundreds of individual farmers who are producing hogs, and under the present law the tax is imposed upon these hog raisers because of the fact that processing under the act is defined as slaughtering. The amendment with reference to these hogs imposes the tax upon the packer to whom the farmer sells the hogs.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. FLANNAGAN. Yes.

Mr. SNELL. As far as I am concerned I am opposed to all of it, but is there any reason if we are going to exempt part of them, why we should not exempt all?

Mr. KNUTSON. Will the gentleman yield?

Mr. FLANNAGAN. I yield.

Mr. KNUTSON. Where do you draw the line? How many hogs are you exempting?

Mr. FLANNAGAN. Eight hundred pounds, live weight.

Mr. KNUTSON. That is on the hoof?

Mr. FLANNAGAN. Yes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. KELLER. Well, reserving the right to object, what is this idea of excluding the peanut areas?

Mr. FLANNAGAN. It does not exclude them. It centralizes the collection of the tax on those hogs. Under the present law, all the farmers who produce hogs in the peanut area have to pay a tax. It simply makes a collection agency of the packing houses in those areas. In other words, the packing houses instead of the farmers will pay the tax.

Mr. KELLER. Does that apply to the corn areas, too?

Mr. FLANNAGAN. Yes.

Mr. KELLER. Just so it is fair, I am in favor of it.

Mr. WADSWORTH. Reserving the right to object, will the gentleman repeat to some of us on this side what this limitation is?

Mr. FLANNAGAN. Eight hundred pounds, live weight.

Mr. WADSWORTH. Is that to be applied merely to those hogs that are slaughtered and sold by the farmer to his neighbor or to his entire crop?

Mr. FLANNAGAN. It is 800 pounds live weight. It applies alike to all farmers.

Mr. WADSWORTH. And can he sell the dressed carcasses from 800 pounds live weight?

Mr. FLANNAGAN. Yes, sir.

Mr. WADSWORTH. That is about three hogs?

Mr. FLANNAGAN. Well, depending upon the weight. I should say that is about right.

Mr. WADSWORTH. You are giving them very, very little relief.

Mr. FLANNAGAN. That is better than we have now. It is the best we could get through, and it will be of inestimable benefit to thousands and thousands of farmers in this country who just raise one or two hogs.

Mr. WADSWORTH. It is the opening of the gate, I suppose, to final repeal. Does the gentleman intend to permit this bill to be open to amendment?

Mr. FLANNAGAN. No; I hope that no amendments will be offered. The Committee on Agriculture has considered the bill and it is the best we can get. We have a chance to get this passed. It will be a great thing for thousands and thousands of farmers.

Mr. BRITTEN. Will the gentleman yield?

Mr. FLANNAGAN. Yes.

Mr. BRITTEN. Does this bill give any preference to the farmers in the peanut area?

Mr. FLANNAGAN. No, sir.

Mr. JENKINS of Ohio. Reserving the right to object, what effect will this have on such a condition as this: In my district, about 2 weeks ago, a man sold a hog which weighed 400 pounds for 2.75 cents a pound. That would be about $11. The hog brought $11. The Government took $9 and he took $2 home with him.

Mr. FLANNAGAN. This relieves him of the processing tax.

Mr. REED of New York. Reserving the right to object, when you say that this is the best bill you could get at this time, just what do you mean by that? This Congress is here.

Mr. FLANNAGAN. I meant I had to get unanimous consent to call it up, and if I had placed the poundage higher than 800, there would have been objection.

Mr. MOTT. Reserving the right to object, who does the gentleman know of that will object to raising this minimum?

Mr. FLANNAGAN. I know of at least 15 or 20 who would have objected. I have been working on it for several months, and we have gotten it as high as we can at this time.

Mr. MOTT. What is the ground of those objections?

Mr. FLANNAGAN. Well, it is useless to go into that. I just know they are going to object, and the small hog raiser will get no relief.

Mr. MOTT. I think that is a legitimate question. I asked the gentleman if he knew the grounds of the objections on the part of those people?

Mr. FLANNAGAN. They think it will destroy the hog program.

Mr. BLANTON. Practically all of us represent some small hog raisers. This bill must be passed to protect them. We are all interested in passing this bill. It benefits all of our small farmers who raise two or three hogs for sale. Farmers are forced to diversify. They must raise a few hogs. Let us all stay here long enough this evening to

insure the passage of this bill, either tonight or the first thing tomorrow.

Mr. JONES. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. JONES. I would like to state to the gentleman that under the present act every man has exempted what he uses for himself and his household. Then he has the further exemption of 300 pounds, dressed weight. This would practically double that exemption. I think we have a chance to secure final passage of this character of amendment. If the gentleman is going to insist on offering further amendments, I think the bill had better be withdrawn.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read, as follows:

Be it enacted, etc., That subsection (b) of section 15 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following new sentence: "No tax shall be required to be paid on the processing, during any calendar year, of hogs by the producer thereof for sale by him if the amount so processed in such calendar year is not in excess of 800 pounds, live weight."

SEC. 2. (a) Paragraph (4) of subsection (d) of section 9 of the Agricultural Adjustment Act, as amended, is repealed.

(b) Paragraph (7) of subsection (d) of such section 9 is amended to read as follows:

"(7) In the case of any other commodity, the term 'processing' means any manufacturing or other processing involving a change in the form of the commodity or its preparation for distribution or use, as defined by regulations of the Secretary of Agriculture; and in prescribing such regulations the Secretary shall give due weight to the customs of the industry."

SEC. 3. This act shall take effect on the day following the date of its enactment.

Mr. SNELL. Mr. Speaker, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. SNELL: Page 1, line 9, strike out "800" and insert in lieu thereof "2,000."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 69, noes 110.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bill be withdrawn.

Mr. MOTT and Mr. BLANCHARD objected.

The yeas and nays were ordered.

Mr. BYRNS. Mr. Speaker, if the House should take a recess now, would this roll call be the first order of business tomorrow?

The SPEAKER. It would.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I want to inform the House that it is expected that tomorrow at the earliest possible moment the so-called "Lozier census bill" will be taken up, and after that I hope very earnestly that it will be possible to call the Consent Calendar. I have been promising many Members upon the floor that it will be taken up. Each day they have asked about it. There are bridge bills and other bills of great importance on the Consent Calendar. We have now had 3 days devoted to the consideration of general legislation, and I think the Members are entitled to have the Consent Calendar called tomorrow. In order to do so the House must take a recess.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8687. An act to amend the Tariff Act of 1930; and

H.R. 9260. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 620. An act for the relief of Catherine Wright;

S. 1430. An act for the relief of M. Thomas Petroy;

S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat);

S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended;

S. 2377. An act for the relief of A. E. Shelley;

S. 2692. An act relating to the record of registry of certain aliens;

S. 3170. An act to revise air-mail laws and to establish a commission to make a report to the Congress recommending an aviation policy;

S. 3524. An act to amend an act of Congress approved February 9, 1893, entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes";

S. 3586. An act for the relief of George A. Fox; and

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House take a recess until 11 o'clock tomorrow.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.) the House stood in recess until tomorrow, Thursday, June 7, 1934, at 11 o'clock a.m.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, June 7, 10 a.m.)

Continuation of the hearings on oil bills.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule III,

Mr. THOMASON: Committee on Military Affairs. S. 2043. An act to amend the act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes"; without amendment (Rept. No. 1890). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. H.R. 7257. A bill authorizing the President of the United States to extend the time for awarding decorations to participants of the World War; without amendment (Rept. No. 1891). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. S. 3493. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931; without amendment (Rept. No. 1893). Referred to the House Calendar.

Mr. RAYBURN: Committee on Interstate and Foreign Commerce. H.R. 9761. A bill to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.; with amendment (Rept. No. 1894). Referred to the House Calendar.

Mr. DEROUEN: Committee on the Public Lands. H.R. 9788. A bill to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof; with amendment (Rept. No. 1895). Referred to the Committee of the Whole House on the state of the Union.

Mr. VINSON of Georgia: Committee on Naval Affairs. H.R. 55. A bill to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba; with amendment (Rept. No. 1896). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUCHANAN: Committee on Appropriations. House Joint Resolution 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs; with amendment (Rept. No. 1897). Referred to the Committee of the Whole House on the state of the Union.

Mr. McKEOWN: Committee on the Judiciary. H.R. 9865. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1898). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. THOMASON: Committee on Military Affairs. H.R. 1122. A bill for the relief of Uldric Thompson, Jr.; with amendment (Rept. No. 1892). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PATMAN: A bill (H.R. 9855) to regulate the value of money in pursuance of article I, section 8, paragraph 5, of the Constitution of the United States; to create a Federal monetary authority; to provide an adequate and stable monetary system; to prevent bank failures; to prevent uncontrolled inflation; to prevent depressions; to provide a system to control the price of commodities and the purchasing power of money; to restore normal prosperity and assure its continuance; and for other purposes; to the Committee on Banking and Currency.

By Mr. WILSON: A bill (H.R. 9856) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, as amended; to the Committee on Flood Control.

By Mr. RAMSPECK: A bill (H.R. 9857) to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, and acts in amendment thereof, approved July 3, 1926, and May 29, 1930, as amended; to the Committee on the Civil Service.

By Mr. WOOD of Missouri: A bill (H.R. 9858) to provide homes and farms for the tenant farmers of the United States, and for other purposes; to the Committee on Agriculture.

By Mr. CARMICHAEL: A bill (H.R. 9859) to amend section 24 of an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at or near Muscle Shoals in the State of Alabama, and for other purposes", approved May 18, 1933; to the Committee on Military Affairs.

By Mr. HANCOCK of North Carolina: A bill (H.R. 9860) to finance the construction, repairing, and improving of homes and small business properties, provide employment, and stimulate industry; to insure investments in thrift and home-financing institutions; to improve conditions with respect to home-mortgage financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes; to the Committee on Banking and Currency.

By Mr. CROSSER of Ohio: A bill (H.R. 9861) to amend the Railway Labor Act approved May 2, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; to the Committee on Interstate and Foreign Commerce.

By Mr. IGLESIAS: A bill (H.R. 9862) to amend the Revenue Act of 1926, as amended, to exempt persons traveling between Puerto Rico and the continental United States from the payment of a stamp tax on steamship tickets; to the Committee on Ways and Means.

By Mr. McKEOWN: A bill (H.R. 9865) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. CULLEN: Resolution (H.Res. 422) providing for additional compensation to certain employees of the House of Representatives; to the Committee on Accounts.

By Mr. HARTLEY: Resolution (H.Res. 423) for the relief of the city of Newark, State of New Jersey, and for other purposes; to the Committee on the Judiciary.

By Mr. DOUGHTON: Joint resolution (H.J.Res. 365) to amend the Settlement of War Claims Act of 1928, as amended; to the Committee on Ways and Means.

By Mr. MEAD: Joint resolution (H.J.Res. 366) to simplify the administration of air-mail routes and contracts; to the Committee on the Post Office and Post Roads.

By Mr. WOODRUM: Concurrent resolution (H.Con.Res. 42) to print and bind the proceedings in Congress and in Statuary Hall upon the acceptance in the Capitol of the statues of George Washington and Robert E. Lee, presented by the State of Virginia; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. McCARTHY: A bill (H.R. 9863) for the reinstatement of Harding Palmer in the United States Army; to the Committee on Military Affairs.

By Mr. WEST of Texas: A bill (H.R. 9864) for the relief of Era I. Sexton and minor children; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4995. By Mr. LINDSAY: Petition of the Triangle Ink & Color Co., Inc., Brooklyn, N.Y., opposing Senate bill 2926; to the Committee on Labor.

4996. Also, petition of W. D. Huntington, New York City, urging consideration of the revised Wagner labor-disputes bill in the next session of Congress; to the Committee on Labor.

4997. Also, petition of the Turner Halsey Co., New York City, requesting reconsideration of tax on coconut oil at this session of Congress; to the Committee on Ways and Means.

4998. Also, petition of Samuel Wildman, New York City, opposing tax on coconut oil; to the Committee on Ways and Means.

4999. Also, petition of the Jacobs Bros. Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor bill; to the Committee on Labor.

5000. Also, petition of the Callahan Can Machine Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor disputes bill; to the Committee on Labor.

5001. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N.Y., opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

5002. Also, petition of the Burton-Dixie Corporation, S. R. Vannaman, superintendent, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5003. Also, petition of the Burton-Dixie Corporation, Frank Buck, eastern sales manager, Brooklyn, N.Y., protesting against the passage of Senate bill 2926; to the Committee on Labor.

5004. Also, petition of the Burton-Dixie Corporation, F. O. Swanson, production manager cotton felt division, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5005. Also, petition of Francis Brewster, vice president, Asia, New York City, opposing the Wagner labor bill; to the Committee on Labor.

insure the passage of this bill, either tonight or the first thing tomorrow.

Mr. JONES. Will the gentleman yield?

Mr. MOTT. I yield.

Mr. JONES. I would like to state to the gentleman that under the present act every man has exempted what he uses for himself and his household. Then he has the further exemption of 300 pounds, dressed weight. This would practically double that exemption. I think we have a chance to secure final passage of this character of amendment. If the gentleman is going to insist on offering further amendments, I think the bill had better be withdrawn.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The Clerk read, as follows:

Be it enacted, etc., That subsection (b) of section 15 of the Agricultural Adjustment Act, as amended, is amended by adding at the end thereof the following new sentence: "No tax shall be required to be paid on the processing, during any calendar year, of hogs by the producer thereof for sale by him if the amount so processed in such calendar year is not in excess of 800 pounds, live weight."

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(b) Paragraph (7) of subsection (d) of such section 9 is amended to read as follows:

"(7) In the case of any other commodity, the term 'processing' means any manufacturing or other processing involving a change in the form of the commodity or its preparation for distribution or use, as defined by regulations of the Secretary of Agriculture; and in prescribing such regulations the Secretary shall give due weight to the customs of the industry."

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Mr. SNELL. Mr. Speaker, I offer an amendment.

The Clerk read, as follows:

Amendment offered by Mr. SNELL: Page 1, line 9, strike out "800" and insert in lieu thereof "2,000."

The SPEAKER. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. SNELL) there were—ayes 69, noes 110.

Mr. SNELL. Mr. Speaker, I ask for the yeas and nays.

Mr. JONES. Mr. Speaker, I ask unanimous consent that the bill be withdrawn.

Mr. MOTT and Mr. BLANCHARD objected.

The yeas and nays were ordered.

Mr. BYRNS. Mr. Speaker, if the House should take a recess now, would this roll call be the first order of business tomorrow?

The SPEAKER. It would.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I want to inform the House that it is expected that tomorrow at the earliest possible moment the so-called "Lozier census bill" will be taken up, and after that I hope very earnestly that it will be possible to call the Consent Calendar. I have been promising many Members upon the floor that it will be taken up. Each day they have asked about it. There are bridge bills and other bills of great importance on the Consent Calendar. We have now had 3 days devoted to the consideration of general legislation, and I think the Members are entitled to have the Consent Calendar called tomorrow. In order to do so the House must take a recess.

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Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

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H.R. 9280. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

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S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat);

S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended;

S. 2377. An act for the relief of A. E. Shelley;

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S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

RECESS

Mr. BYRNS. Mr. Speaker, I move that the House take a recess until 11 o'clock tomorrow.

The motion was agreed to; accordingly (at 5 o'clock and 45 minutes p.m.) the House stood in recess until tomorrow, Thursday, June 7, 1934, at 11 o'clock a.m.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Thursday, June 7, 10 a.m.)

Continuation of the hearings on oil bills.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule III,

Mr. THOMASON: Committee on Military Affairs. S. 2043. An act to amend the act of May 22, 1928, entitled "An act to authorize the collection, in monthly installments, of indebtedness due the United States from enlisted men, and for other purposes"; without amendment (Rept. No. 1390). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. H.R. 7257. A bill authorizing the President of the United States to extend the time for awarding decorations to participants of the World War; without amendment (Rept. No. 1891). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. S. 3493. An act to revive and reenact the act entitled "An act authorizing H. C. Brenner Realty & Finance Corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near a point between Cherokee and Osage Streets, St. Louis, Mo.", approved February 13, 1931; without amendment (Rept. No. 1893). Referred to the House Calendar.

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Mr. VINSON of Georgia: Committee on Naval Affairs. H.R. 55. A bill to authorize the Secretary of the Navy to make a long-term contract for a supply of water to the United States naval station at Guantanamo Bay, Cuba; with amendment (Rept. No. 1896). Referred to the Committee of the Whole House on the state of the Union.

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Mr. McKEOWN: Committee on the Judiciary. H.R. 9865. A bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1898). Referred to the House Calendar.

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By Mr. WILSON: A bill (H.R. 9856) to amend the act entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes", approved May 15, 1928, as amended; to the Committee on Flood Control.

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4999. Also, petition of the Jacobs Bros. Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor bill; to the Committee on Labor.

5000. Also, petition of the Callahan Can Machine Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor disputes bill; to the Committee on Labor.

5001. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N.Y., opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

5002. Also, petition of the Burton-Dixie Corporation, S. R. Vannaman, superintendent, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5003. Also, petition of the Burton-Dixie Corporation, Frank Buck, eastern sales manager, Brooklyn, N.Y., protesting against the passage of Senate bill 2926; to the Committee on Labor.

5004. Also, petition of the Burton-Dixie Corporation, F. O. Swanson, production manager cotton felt division, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5005. Also, petition of Francis Brewster, vice president, Asia, New York City, opposing the Wagner labor bill; to the Committee on Labor.

5006. Also, petition of the Durable Goods Industries Committee, Washington, D.C., opposing the enactment of the Wagner labor disputes bill at this session of Congress; to the Committee on Labor.

5007. Also, petition of the Indian Rights Association, Philadelphia, Pa., concerning Senate bill 3645; to the Committee on Indian Affairs.

5008. By Mr. MARTIN of Massachusetts: Petition of the Society for Propagating the Gospel Among Indians and Others in North America, urging passage of the Wheeler-Howard bill; to the Committee on Indian Affairs.

5009. By Mr. RUDD: Petition of the Brooklyn Eastern District Terminal, Brooklyn, N.Y., opposing the Wagner labor disputes bill; to the Committee on Labor.

5010. Also, petition of Francis Brewster, vice president, Asia, New York City, opposing the Wagner labor bill in its present form; to the Committee on Labor.

5011. Also, petition of the Jacobs Bros. Co., Inc., Brooklyn, N.Y., opposing the Wagner labor board bill; to the Committee on Labor.

5012. Also, petition of the Burton-Dixie Corporation, Frank Buck, eastern sales manager, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2936); to the Committee on Labor.

5013. Also, petition of the Seabrook Bedding Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5014. Also, petition of the Turner Halsey Co., New York City, favoring the repeal of the tax on coconut oil; to the Committee on Ways and Means.

5015. Also, petition of the National Building Granites Quarries Association, New York City, favoring the passage of House bill 9696; to the Committee on Ways and Means.

5016. Also, petition of the Callahan Can Machine Co., Inc., Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

5017. Also, petition of the Manufacturers Trust Co., Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

5018. Also, petition of the Gleason-Tiebout Glass Co., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5019. Also, petition of the Scranton & Leigh Coal Co., Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5020. By Mr. SADOWSKI: Petition of the Oil and Gas Producers Association of Michigan; to the Committee on Ways and Means.

5021. By the SPEAKER: Petition of the Ukrainian Workingwomen's Educational Society, supporting House bill 7598; to the Committee on Labor.

SENATE

THURSDAY, JUNE 7, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day, Wednesday, June 6, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 1358) to provide for the improvement of the approach to the Confederate Cemetery, Fayetteville, Ark., with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 9690. An act to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes; and

H.J.Res. 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs.

HOUSE BILL REFERRED

The bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

CONTROL OF THE CHINCH BUG

The joint resolution (H.J.Res. 352) to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs was read twice by its title and referred to the Committee on Appropriations.

Mr. GLASS subsequently said: From the Committee on Appropriations I report back favorably without amendment House Joint Resolution 352, appropriating a million dollars to arrest the progress of the chinch bug in the Western States. It has been approved by the Director of the Budget for the President and is immediately needed. So I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the joint resolution will be read.

The joint resolution was read, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That to enable the Secretary of Agriculture to apply such methods of control of chinch bugs as in his judgment may be essential to accomplish such purposes, in cooperation with such authorities of the States concerned, organizations, or individuals, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to remain available until December 31, 1934, the sum of $1,000,000: *Provided*, That this appropriation shall be used for expenditures of general administration and supervision, purchase and transportation of materials used for the control of chinch bugs, and such other expenses as in the discretion of the Secretary of Agriculture may be deemed necessary, including the employment of persons and means in the District of Columbia and elsewhere and rent outside the District of Columbia: *Provided further*, That the cooperating State shall be responsible for the local distribution and utilization of such materials on privately owned lands, including full labor costs: *Provided further*, That, in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for chinch-bug control in any State until such State has provided the necessary organization for the cooperation herein indicated: *Provided further*, That procurements under this appropriation may be made by open-market purchase notwithstanding the provisions of section 3709, Revised Statutes: *And provided further*, That no part of this appropriation shall be used to pay the cost or value of farm animals, farm crops, or other property injured or destroyed.

INVESTIGATION OF RELATIONSHIP BETWEEN CONTRACTORS AND EMPLOYEES

Mr. WALSH. Mr. President, for the information of the Senate, I desire to state that the following members of the Committee on Education and Labor have been appointed a subcommittee under Senate Resolution 228 (agreed to on the calendar day of May 30, 1934), authorizing an investigation of the relationship existing between certain contractors and their employees engaged in the construction of public projects in the United States:

Mr. WALSH, of Massachusetts, chairman; Mr. COPELAND, of New York; Mr. MURPHY, of Iowa; Mr. THOMAS, of Utah; Mr. WALCOTT, of Connecticut, and Mr. DAVIS, of Pennsylvania.

PAYMENTS OF JUDGMENTS AND CLAIMS AND SUPPLEMENTAL ESTIMATES

The VICE PRESIDENT laid before the Senate eight communications from the President of the United States, together with accompanying letters and related papers from the Director of the Bureau of the Budget, transmit-

ting, pursuant to law, the following matters, which, with the accompanying papers, were severally referred to the Committee on Appropriations and ordered to be printed:

A supplemental estimate of appropriation pertaining to the legislative establishment, under the Architect of the Capitol, for maintenance of the Senate Office Building, fiscal year 1935, amounting to $31,800 (S.Doc. No. 195);

Schedules of claims, amounting to $212,001.18, allowed by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund (S.Doc. No. 197);

Records of judgments rendered against the Government by district courts, as submitted by the Attorney General through the Secretary of the Treasury, amounting to $18,518.60 (S.Doc. No. 198);

Estimates of appropriations submitted by the several executive departments and independent offices to pay claims for damages to privately owned property, amounting to $16,920.08, which have been considered and adjusted and require appropriations for their payment (S.Doc. No. 201);

A list of judgments rendered by the Court of Claims, which have been submitted by the Attorney General through the Secretary of the Treasury and require an appropriation for their payment, amounting to $193,143.43 (S.Doc. No. 196);

Schedules of claims allowed by the General Accounting Office, covering judgments rendered by the district courts against collectors of customs, amounting to $6,105.40 (S.Doc. No. 194);

An estimate of appropriation required by the Department of the Interior for the payment of a claim allowed by the General Accounting Office, amounting to $130.13, for return of funds of deceased patients, St. Elizabeths Hospital (S.Doc. No. 199); and

A supplemental estimate of appropriation required for the Treasury Department, amounting to $11,866.27, for the payment of claims allowed by the General Accounting Office for interest on amounts withheld from claimants by the Comptroller General of the United States (S.Doc. No. 200).

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution adopted by the Legislature of the State of Louisiana, which was referred to the Committee on Public Lands and Surveys:

Senate Concurrent Resolution No. 6

By Messrs. A. Sidney Nunez and Charles A. Byrne

Concurrent resolution petitioning and memorializing the President of the United States and the United States Congress to establish a national memorial park on the battlefield of Chalmette in commemoration of the Battle of New Orleans

Whereas the Battle of New Orleans on January 8, 1815, definitely destroyed all hopes of the victorious British to undo the American Revolution and to encompass the United States by British domination from Canada to the Gulf and made secure the American control of the Mississippi outlet to the sea and all of the Louisiana Purchase; decided the destiny of the South, the Floridas, and the Middle West; and made possible the extension of our boundaries to include Texas, the Southwest, California, and the Oregon country; and

Whereas this battlefield typifies the indomitable courage, resourcefulness, enterprise, skill, and fearlessness of the true American spirit in the face of an overwhelming army, and should express the sentiments and high purpose of the whole Nation for living generations to comprehend, respect, and emulate according to the concepts, principles, and deeds of our forefathers, and worthily to transmit to future generations untarnished and undefiled our splendid heritage; and

Whereas the said battlefield is rapidly being occupied by industrial and port developments, which are attended with present and larger future enhancements in land values and with almost ruthless obliteration of objects of great historic interest to all parts of the Nation and to all future generations, much to the discredit of the vision and patriotism of the present generation; and

Whereas to identify that part of the battlefield on which the actual battle occurred, the Legislature of Louisiana in 1852 purchased the site on which the Chalmette Monument is located, and in 1907 transferred it to the United States, and the city of New Orleans in 1868 donated to the United States the Chalmette National Cemetery site, both sites comprising approximately 29 acres and an area totally inadequate to commemorate the importance of this historic battlefield; and

Whereas the War Department in 1931 authorized a survey to be made, the results of which were later included in a message from the President of the United States to Congress, recommending the expenditure of $468,000 for the purpose of acquiring all of the area adjacent to and embracing the Jackson breastworks and that part of the battlefield on which the actual battle occurred; and

Whereas there now exists an unemployment emergency affecting the entire Nation, which makes necessary a great public-works program, and since this project is a most worthy part of that program and one which will give employment to a large number of the unemployed of our State: Therefore be it

Resolved, That the Legislature of Louisiana, assembled in regular session this 24th day of May 1934, do hereby petition, memorialize, and urge the President of the United States and the United States Congress to authorize the establishment of a national memorial park on the battlefield of Chalmette and to acquire the necessary acreage to provide a park commensurate in size with the importance of the said battlefield and one which will properly commemorate the memory of our immortal hero, Gen. Andrew Jackson, and the men who fought under him to preserve this Nation for the American people; be it further

Resolved, That it is also recommended that this proposed national memorial park be made a Federal Public Works project, so as to provide employment to those of our citizens who presently are unable to procure employment owing to the existing economic conditions affecting the entire Nation, and that House Report No. 8625, introduced by Congressman J. O. FERNANDEZ, and Senate bill 3577, introduced by Senator JOHN H. OVERTON, authorizing the establishment of the said national park, and now pending before Congress, be duly adopted; be it further

Resolved, That copies of these resolutions be transmitted to Hon. Franklin Delano Roosevelt, President of the United States; to the United States Congress; the Senators Huey P. Long and John H. Overton and to the Louisiana congressional delegation; to Mr. Harold L. Ickes, Secretary of the Department of the Interior and Public Works Administrator; to Mr. Arno B. Cammerer, Director of National Parks, Buildings, and Reservations, of the Department of the Interior; and to Mr. Verne Chatelain, Chief Historical Division, of the Department of the Interior.

JNO. B. FOURNET,
Lieutenant Governor and President of the Senate.
ADLER J. GELLENDER,
Speaker of the House of Representatives.
OSCAR K. ALLEN,
Governor of the State of Louisiana.

The VICE PRESIDENT also laid before the Senate a telegram in the nature of a petition from Jos. J. Miller, president of the Twenty-ninth Ward Democratic Club, of Philadelphia, Pa., on behalf of the club, praying that Congress do not adjourn the present session until all of the legislation recommended by the President is enacted into law, and also that a central United States bank be created and Federal Reserve privately owned banks be abolished, which was referred to the Committee on Banking and Currency.

He also laid before the Senate the petition of E. A. Tippins, on behalf of certain unemployed persons of Seminole County, Fla., praying for the enactment of unemployment relief legislation, especially the extension of aid and work to the heads of families, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the common council of the city of Milwaukee, Wis., favoring the enactment of legislation to relieve the delinquent-tax situation through discount operations of member banks of the Federal Reserve System, which was referred to the Committee on Finance.

He also laid before the Senate the petition of L. H. Johnson and sundry other citizens of Minneapolis, Minn., praying for the prompt passage of the so-called "Patman bill", providing cash payment of the balance due World War veterans on their adjusted-service certificates, which was ordered to lie on the table.

He also laid before the Senate a telegram signed by members of the Texas Good Roads Association, Houston, Tex., favoring the making of appropriation in pending legislation of at least $200,000,000 for highways as provided in the so-called "Cartwright bill", which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from the executive committee of the Brotherhood of Railway Steamship Clerks, Freight Handlers, and Express Station Employees, Wabash Railway, of St. Louis, Mo., praying for the passage of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which was ordered to lie on the table.

Mr. ROBINSON of Arkansas presented a telegram from Walter Parker, of New Orleans, La., relative to the so-

called "commodity exchange control bill", which was referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3705) to extend the boundaries of the Grand Teton National Park in the State of Wyoming, and for other purposes, reported it without amendment and submitted a report (No. 1286) thereon.

Mr. BAILEY, from the Committee on Claims, to whom were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd. (Rept. No. 1272);

H.R. 529. An act for the relief of Morris Spirt (Rept. No. 1273);

H.R. 1306. An act for the relief of Clarence A. Wimley (Rept. No. 1274);

H.R. 1308. An act for the relief of John Parker Clark, Sr. (Rept. No. 1275);

H.R. 1345. An act for the relief of John Parker Clark, Jr. (Rept. No. 1276);

H.R. 1354. An act for the relief of C. V. Mason (Rept. No. 1277);

H.R. 1792. An act for the relief of Michael Petrucelli (Rept. No. 1278);

H.R. 2038. An act for the relief of Jeanie G. Lyles (Rept. No. 1279);

H.R. 3791. An act for the relief of Gustav Welhoelter (Rept. No. 1280);

H.R. 5584. An act for the relief of William J. Kenely (Rept. No. 1281);

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress (Rept. No. 1282);

H.R. 7893. An act for the relief of Ralph LaVern Walker (Rept. No. 1283); and

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased (Rept. No. 1284).

Mr. BAILEY also, from the Committee on Claims, to whom was referred the bill (H.R. 434) for the relief of Bernard McShane, reported it with an amendment and submitted a report (No. 1285) thereon.

Mr. LOGAN, from the Committee on Civil Service, to which was referred the bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes, reported it with an amendment and submitted a report (No. 1287) thereon.

Mr. PITTMAN, from the Committee on Foreign Relations, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 574. An act for the relief of Lillian G. Frost (Rept. No. 1288); and

H.R. 5357. An act for the relief of Alice M. A. Damm (Rept. No. 1289).

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on today, June 7, 1934, that committee presented to the President of the United States the following enrolled bills:

S. 620. An act for the relief of Catherine Wright;

S. 1430. An act for the relief of M. Thomas Petroy;

S. 1731. An act for the relief of Marion Von Bruning (nee Marion Hubbard Treat);

S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended;

S. 2377. An act for the relief of A. E. Shelley;

S. 2692. An act relating to the record of registry of certain aliens;

S. 3170. An act to revise air-mail laws and to establish a commission to make a report to the Congress recommending an aviation policy;

S. 3524. An act to amend an act of Congress approved February 9, 1893, entitled "An act to establish a Court of Appeals for the District of Columbia, and for other purposes";

S. 3586. An act for the relief of George A. Fox; and

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON:

A bill (S. 3752) granting a pension to Mary Harrington Niblack; to the Committee on Pensions.

A bill (S. 3753) granting to the Water Project Authority of the State of California, a body politic and corporate of said State, certain lands, and for other purposes; to the Committee on Public Lands and Surveys.

By Mr. McKELLAR:

A bill (S. 3754) for the relief of C. T. Mingle; to the Committee on Post Offices and Post Roads.

By Mr. BULKLEY:

A bill (S. 3755) for the relief of H. A. Taylor; to the Committee on Claims.

By Mr. NEELY:

A bill (S. 3756) authorizing the Brookewell Bridge Co. to construct, maintain, and operate a toll bridge across the Ohio River at or near Wellsburg, W.Va.; to the Committee on Commerce.

By Mr. WAGNER:

A bill (S. 3757) for the relief of Harriet V. Schindler; to the Committee on Claims.

By Mr. WHEELER:

A bill (S. 3758) for the relief of Robert D. Baldwin; and

A bill (S. 3759) for the relief of Charles E. Dagenett; to the Committee on Indian Affairs.

By Mr. PITTMAN:

A bill (S. 3760) to authorize the President to transfer to the Government of Haiti without charge to that Government certain property of the United States in Haiti; and

A bill (S. 3761) to authorize an annual appropriation of $10,000 to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History at Mexico City; to the Committee on Foreign Relations.

By Mr. HARRISON:

A joint resolution (S.J.Res. 135) to amend the Settlement of War Claims Act of 1928, as amended; to the Committee on Finance.

SALLY D. THOMAS

Mr. GLASS submitted the following resolution (S.Res. 262), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Sally D. Thomas, widow of Madison Thomas, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ELSA M'GUIRE

Mr. BARKLEY submitted the following resolution (S.Res. 263), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Elsa McGuire, widow of E. E. McGuire, late an assistant clerk to the Committee on the Library, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Kean	Reynolds
Ashurst	Couzens	Keyes	Robinson, Ark.
Austin	Cutting	King	Russell
Bachman	Davis	La Follette	Schall
Bailey	Dickinson	Lewis	Sheppard
Bankhead	Dieterich	Logan	Shipstead
Barbour	Dill	Lonergan	Smith
Barkley	Duffy	Long	Steiwer
Black	Erickson	McCarran	Stephens
Bone	Fess	McGill	Thomas, Okla.
Borah	Fletcher	McKellar	Thomas, Utah
Brown	Frazier	McNary	Thompson
Bulkley	George	Metcalf	Townsend
Bulow	Gibson	Murphy	Tydings
Byrd	Glass	Neely	Vandenberg
Byrnes	Goldsborough	Norbeck	Van Nuys
Capper	Gore	Norris	Wagner
Caraway	Hale	Nye	Walcott
Carey	Harrison	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hatfield	Patterson	White
Coolidge	Hayden	Pittman	
Copeland	Johnson	Pope	

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO], occasioned by illness, and the absence of the Senator from Florida [Mr. TRAMMELL], who is necessarily detained from the Senate.

Mr. FESS. I desire to announce that the Senator from Delaware [Mr. HASTINGS], the Senator from Rhode Island [Mr. HEBERT], the Senator from Pennsylvania [Mr. REED], and the Senator from Indiana [Mr. ROBINSON] are necessarily absent.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Ninety Senators have answered to their names. A quorum is present.

CONFEDERATE CEMETERY, FAYETTEVILLE, ARK.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 1358) to provide for the improvement of the approach to the Confederate Cemetery, Fayetteville, Ark., which were to strike out all after the enacting clause and insert:

That the Highway Department of the State of Arkansas is hereby authorized and directed to expend not to exceed $12,800 out of any sums heretofore or hereafter granted to such highway department under the provisions of title II of the National Industrial Recovery Act, in the construction of an 18-foot concrete pavement on approaches to the Confederate Cemetery and the National Cemetery at Fayetteville, Ark., as follows: (1) From Mill Avenue in said city east on East Rock Street to the east side of the Confederate Cemetery, a distance of approximately 1,300 feet; and (2) from West Fourth Street in said city south on Government Avenue extended to the main entrance of the National Cemetery just south of the southern limits of said city, a distance of approximately 1,060 feet.

And to amend the title so as to read: "An act to provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery at Fayetteville, Ark."

Mrs. CARAWAY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

FINANCIAL STATEMENT OF SENATE RESTAURANT

Mr. TOWNSEND. Mr. President, I ask unanimous consent to have printed in the RECORD the financial statement of the Senate restaurant from March 1, 1933, to May 31, 1934.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Financial statement of the Senate restaurant, Mar. 1, 1933, to May 31, 1934

Mar. 1, 1933, deficit	$1,540.74
May 31, 1934:	
Food profit	20,371.36
Cigar profit	1,564.70
Actual food and cigar profits	21,936.06
Actual cash on hand as of May 31, 1934	21,711.98

SENATE RESTAURANT, UNITED STATES CAPITOL,
J. E. MEANEY, *Manager.*

THE SCHOOLS IN LOCAL REVIVAL—ADDRESS BY C. R. MANN

Mr. NORRIS. Mr. President, I ask unanimous consent to have printed in the RECORD a radio talk June 5, 1934, by Mr. C. R. Mann, a noted leader in educational matters, on the subject The Schools in Local Revival.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE SCHOOLS IN LOCAL REVIVAL

Most of the previous talks in this series of radio discussions on reviving local government have dealt with financial aspects of the problem. They have told, for example, how various communities have reduced salaries and have struggled to cut out wastes and unnecessary duplications in public service in order to reduce expenditures; and have waged pay-your-taxes campaigns in order to increase income. We have thus been shown how by such devices as these it is possible to maintain essential public services within available resources even though income is sharply reduced.

The topic of this broadcast is the schools in local revival. If we were to treat it from the point of view of the previous broadcasts, the story is soon told. For, by and large, schools have taken their share of the budget cuts that have been made. In some cases these cuts have reduced school expenditures to zero. Then, either schools have been closed, so that several million children had no chance for schooling; or teachers have worked without pay. In other cases, where the cut has not been so drastic, some teachers have been let out, and schools have carried on as best they could with worn-out equipment to care for increasing numbers of pupils who came back to school because they could find nothing else to do. In short, though the financial debacle has put the teachers on short rations, their devotion to the children has kept the school system in operation with relatively little change.

If temporary budget cuts and meager material subsistence were all that school men and women had to endure, the situation would not be serious. For the struggle for existence is a perennial source of discipline and of strength. But the sad fact of the past few years is the increasing evidence of the weakening of the faith of the people in their schools. In pioneer days the building of a school was one of the first concerns of every newly settled community. The little red schoolhouse became, like the Stars and Stripes, a symbol of American aspiration. But now not only a scattered community here and there but even whole States permit their schools to close for lack of support because debt service and road building are regarded as prior claims on such resources as they have.

Of similar significance are the organized drives of taxpayers' associations to reduce school budgets, cut out the fads and frills, and return to the good old days when the three R's were good enough schooling for anyone. Only recently a well-known and prosperous banking house refused to renew some school bonds of a solvent residential community unless they would reduce teachers' salaries and cut out music and art, though the town could well afford to maintain both.

The emergency relief work of the Federal Government has brought to light much evidence of the growing distrust of the people for current schooling. For example, the C.C.C. camps, by making a detailed inventory of hundreds of thousands of unemployed young men, have brought to light some of the specific reasons why the public question the value of present-day schooling for these thousands of young men. A recent editorial in Happy Days, a weekly newspaper written by the C.C.C. for the C.C.C., contains an editorial on this subject. After describing the sense of futility that haunted the enrollees before enlisting in the camp, that editorial ends with these words: "Here we are in the C.C.C. We're 300,000 fellows out of work, unfit to handle a job, to vote intelligently, to choose a wife, or to raise children. Yet, in 10 years, most of us will have made a stab at all of them. And we'll have made a mess of it! Is America going to let our kids grow up to be the impractical, untrained, and ignorant drifters that we are?"

How many Americans are now asking this same question? Probably most of those who are employed in the school system are not inclined to take it seriously. But this C.C.C. enrollee is 1 of 10,000,000 unemployed. They all know the pangs of hunger in the midst of plenty. They are familiar with the fear of losing a job that haunts the 45,000,000 artisans who work for wages. In addition, many other millions are wondering how men who are products of our schools could be so illiterate economically as to lead or be led into such a depression as this. They note also the steady increase of racketeering, of bootlegging, and of kidnaping by men and women whose schooling was presumably designed to help them become law-abiding citizens rather than lawless drifters. No; we protected pedagogues must not make the mistake of ignoring the seriousness of this question. Millions are asking it in all sincerity.

What can be done about it? School teachers know even better than does the public that conventional schooling does not meet the needs of a large proportion of the pupils, particularly at the high-school level. But they are not allowed to do anything effective about it. If a school allows controversial subjects, such as public ownership of public utilities, to be freely discussed in schools, pressure is brought by big business on the school board to stop it. If high-school youngsters are encouraged in school to find out how municipal government is actually run instead of learning from a book a paper theory of government, local politicians apply pressure to stop it. If the superintendent protests against padding of the pay roll with salaries for the sisters and the cousins and the aunts of school-board members, the school board will get him. If a few graduates of the school fail to meet

requirements for admissions to college, pressure from angry parents soon forces the return to conventional paths. So the school teachers, though many of them know better; yield to one after another of these vociferous minority groups and the school program retains its traditional content and form which experience has shown offends none but the children, who cannot speak for themselves.

Recently the board of education in a well-known city invited a small group of educators to consult with them about their schools. The town was facing bankruptcy. The budgets for all public services had been cut to the bone. The question was, Can the school budget be cut further without serious educational injury to the children? After careful investigation the consultants recommended a reduction in the number of subjects required of students and the introduction of activity programs that would tend to make the pupils do more work and the teachers less. By these changes the educational value of the work would be increased and the cost reduced some 10 percent. The proposals were rejected by the school board. The reduction in teachers' work would have made superfluous some teachers who were friends of members of the school board and the activity programs would have made their program look queer when compared with the conventional programs of neighboring towns. The best interests of the children were of secondary importance.

So long as such conditions persist schools will continue to turn out economic illiterates, dependents, and drifters who will surely help little in local revival. If you like that sort of thing, then you need do nothing about it. But if you want your children to have a better chance in life than you had, you better get busy and help break the vicious circle in which the teachers and the taxpayers have been chasing each other around for lo these many years, the former saying we cannot give better schooling until we have more money and the latter retorting we won't give you more money till your schooling is worth more.

Numerous schools have tried and are trying to break this vicious circle by giving better schooling for less money. For example, on the college level the University of Minnesota established 2 years ago what it calls the general college. Under the conventional college system it has been the habit there to weed out three or four hundred freshmen annually because of their failure to measure up to traditional academic standards. That flagrant waste of youthful energy and of public money at last so arrested the attention of the faculty that it voted to scrap its ordinary requirements and offer these students a chance to come to grips with current problems that bear directly on the struggle for existence. During the first year over 500 students were enrolled in the college. Instead of failing as they would have done under the old curriculum, most of them became enthusiastic workers in lines that interested them vitally. The responsibility for learning was transferred from the teacher to the student. They made good. The cost to the State of Minnesota for this more vital instruction is much less than is the cost of the conventional instruction.

Another significant example of effective efforts of schools to give better schooling at less cost is the experiment which the State of Nebraska is making with two- and three-teacher rural high schools. Ordinarily in such high schools the content of the curriculum is limited to the subjects which the teachers can teach. In Nebraska any high school can secure from the State university extension department correspondence courses in whatever subjects any student desires to study. The student attends high school regularly and devotes a portion of the school time to the correspondence course under supervision of the high-school teacher. In this way opportunity is given each student to work at something in which he is vitally interested. The students take the responsibility for their own learning and become interested workers, instead of discouraged drifters. And, as in the case of the Minnesota experiment, the cost of such instruction is about half the cost of conventional instruction.

More such experiments as these would soon break that vicious circle. But such dynamic schooling cannot become general if schools are constantly repressed by minorities who fear their vested interests may suffer if the public knows too much. So look into your local situation. Find out if your schools are slaves of tradition and vested interests, turning out impractical, untrained, ignorant drifters, or whether they have defied tradition and the pressure of minority groups and are honestly trying to help children grow into constructive citizens. No school can achieve this latter end and become a vital factor in local revival without the vigorous support of public opinion. The outcome rests in your hands.

FEDERAL BANKRUPTCY ACT—ADDRESS BY HON. CHARLES M. JOHNSON

Mr. BAILEY. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address on the proposed amendment to the Federal Bankruptcy Act providing for the refinancing of the debts of local government units, by the Honorable Charles M. Johnson, State treasurer of North Carolina.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Public debt is acknowledged to be one of the most outstanding of our present-day economic problems. It is one of the primary causes of the social and economic revolution through which we are passing. If I may, I would define credit as the measure of ability to pay a debt which might be incurred, but it has been frequently and abusively regarded as mere ability to incur a debt without due regard to probable ability to pay. We have often heard the use of the term "unlimited credit." This term has undoubtedly passed out of the vocabulary of sound business and will remain out for some time to come. Nevertheless, when we review the conduct of high finance through the 10-year period prior to 1930, this term "unlimited credit" was indiscreetly and, sad as have been the effects, literally applied.

With respect to local government debt in North Carolina, we are not occupying a very envious position. We have many counties, cities, and towns now in default in the payment of principal and interest on their bonds. Although our State is not the only one confronted with similar difficulties, we should not minimize the gravity of our situation by exercising a feeling of unconcern because some of our sister States are in as deep as we. It is our problem to solve, with the least possible sacrifice of future credit, and without blot on the name of our great State.

Two main factors have contributed to this condition. First, for a number of years leading up to the depression there was a ready market for the sale of State and local government bonds, in most cases at a price above par. The investors sought them generally because they fell within the classification of tax-exempt securities. The only collateral furnished with these bonds was a recital in the bonds themselves that the full faith and credit of the governmental unit issuing them was pledged to the payment of principal and interest at maturity. Further information about their true value was meager, and obviously they were sold in many instances through high-pressure tactics, the seller shielding himself behind the legal doctrine, "Let the buyer beware."

Second, local government units enjoyed a wide credit margin by reason of the fact that their bonds were readily marketable. It would be unjust and erroneous to suggest that their bonds were issued with intent to defraud investors or with any intent to abuse public credit. Nevertheless, such an abuse of credit was committed, not altogether by the incurring of debt beyond ability to pay, but by failure to adequately provide for the cost of carrying this debt along with the increasing costs of governmental functions largely incident thereto.

I think the greatest blunders made in the administration of local government—and these are directly responsible for the condition in which so many local units find themselves today—were unbalanced budgets and laxity in the collection of revenues. Had there been balanced budgets and rigid enforcement of tax collections coincident with public demands for improvements and conveniences, public reaction would have been in opposition toward further incurring of debt, and our troubles of today would have been greatly minimized.

Of course, excessive issuance of bonds or abuse of public credit are not the only causes of the difficulties in which so many of our local units find themselves. Collapse of industry, unemployment, and deflation in property values are also contributing factors. Extensive refinancing and readjustment of local government debt has now become imperative, and this presents one of the most formidable problems which we must solve. There are many complex conditions to be considered in its undertaking, and for the purpose of considering these conditions I would place our local governmental units, which are in financial difficulties, in one of two main classes.

First. Units which, with a reasonable extension of time, will be able to pay their debt in full, contingent, of course, upon the further improvement in economic conditions.

Second. Units which cannot pay their debt in full even under greatly improved conditions.

Units of the first class have the potential wealth with which they may be expected to pay their debt in full, and it is reasonably assumed that a large majority of their creditors will agree to a refinancing plan. One of the most common causes which give rise to the necessity of refunding this debt is the present arrangement of maturing principal, large annual installments of principal falling due now and during the next 10 years. Units of the second class present a much more complex problem of refunding. These units must approach their creditors with a proposition to curtail or compromise their debt, which will not be received with much enthusiasm unless creditors are convinced that conditions require such a proposition. Many units of local government of our State—35 counties and 28 cities and towns—have undertaken plans for refinancing their debts under the advice and direction of the local government commission, and a great volume of work incident thereto has devolved upon the commission, as all issues of bonds are required to be approved by it and exchanges are made jointly by this office and that of the State treasurer. Therefore, much progress has already been made in relieving our local units, and many others are giving consideration to similar plans. All such plans of refinancing municipal debts, however, are subject to the hazardous opposition of a small percentage of bondholders, over which, at the present time, we have no control.

This brings me to the discussion of the bill which is now before the Congress of the United States, which is designed to bring about an orderly adjustment of debts of local governments. This municipal debt refinancing bill, referred to as the "Wilcox bill", which was introduced in the Seventy-second Congress, was one of the important pieces of legislation proposed at that session. The bill was redrafted and is now before the United States Senate, having just been reported favorably by the Senate Judiciary Committee.

The bill as introduced is an amendment to the Federal Bankruptcy Act and provides for the readjustment of the debts of cities or other political subdivisions of a State now in default, or threatened with default, by reason of inability to meet its maturing obligations out of sinking funds or greatly reduced current tax revenues. Default on municipal debts, once confined to small communities and special districts, is now a matter of Nation-wide interest and concern, since some of our larger cities have found it impossible to meet their obligations. As I have already intimated, suggestions have been made as to the causes of the epidemic of defaults by municipalities, and, of course, many influences have exerted themselves in the downward trend; but, after all, the primary cause of the present municipal debt situation is due to the overexpansion of municipal credit during the prosperity period following the war, to which may be added all of the attendant circumstances of the economic depression.

But, regardless of the causes, our main objective now is to find a way to check the tide of municipal defaults which, sooner or later, will bring untold distress to the unfortunate taxpayer by the loss of his holdings through confiscatory taxation.

A readjustment of this load of excessive, and, in some cases, uncollectible debt, is the quickest road to recovery for bondholders and taxpayers. These two classes of debtors and creditors should have a common interest in adjusting their debt problems on the basis of capacity to pay. I wish to be distinctly understood that I have never favored repudiation in any form, and do not advocate it now, even in the most hopeless cases of insolvency, but I do know that the need for an amicable readjustment between bondholders and municipalities is a very present one.

Under the terms of the proposed amendment to the Federal Bankruptcy Act, known as the "Wilcox bill", cities, towns, counties, and other taxing districts, acting in cooperation with a majority of their creditors, are accorded the right to negotiate a settlement and readjustment of its debts upon terms and conditions which the taxpayer can meet. This privilege is already extended to individuals and private corporations under the Bankruptcy Act, so why would it not be fair and equitable to provide, also, the means by which the creditors of a municipality and its taxpayers may work out plans for refunding and adjusting the debt to conform to the paying ability of the taxpayers?

Critics and opponents of the bill would, in all probability, be in accord with all I have said thus far. They are aware of the fact that the debts of many governmental units are greater than the present ability to pay, and that readjustment is necessary in order to stabilize local government credit, for it is recognized that so long as a local unit is in default its obligations are next to worthless, marketable in every case at prices far below their real value, and the property of its citizens is generally unsalable. But they say that each State should handle the problems of its subdivisions by appropriate legislation and not resort to the Federal Bankruptcy Act for the desired relief. Personally, I think this would be satisfactory if it could be accomplished by a State with a sufficient degree of effectiveness; but it so happens that, under the Constitution, it is doubtful that State legislatures could enact legislation which would bind the menacing minority bondholder to a readjustment plan which had been accepted by creditors representing two-thirds or three-fourths of the indebtedness. No refinancing plan is ever safe with even a small percentage of creditors antagonistic and unwilling to cooperate with the unit and join with a majority of the creditors for the common good of all.

As director of local government of North Carolina I have contacted many large holders of municipal bonds, and my experience has been that, in almost every case, they have been favorable to refunding or refinancing plans which are fair and equitable, and are willing to accept adjustments upon the basis of capacity to pay. This class of municipal creditors represents a decided majority, but it is the small minority of bondholders, usually less than 10 percent, which is a constant menace to any refunding plan. Many of this small minority have purchased single bonds, or small blocks of bonds, for practically nothing, from individuals who were forced to sell, and who refuse to join in any refunding plan but insist on immediate payment of the debt. Under the Wilcox bill, the minority would be bound by any plan of readjustment which had been accepted by two-thirds in amount of the outstanding claims. This would put an end to litigation by the minority and resolve itself into an orderly readjustment. Some municipalities need only extension of maturities, while others may be forced to seek temporary reduction of interest rates, and in extraordinary cases, some may require a scaling down of principal. This may seem somewhat drastic, but it is the only common sense thing to do in view of the excessive debts contracted during the period of financial revelry in the belief that it was permanent prosperity.

Under this bill any taxing district may file a petition in the United States District Court in whose jurisdiction such district is located, stating that the district is insolvent or unable to meet its debts as they mature, and that it desires to effect a plan of adjustment of its debt upon the basis of capacity to pay. As a condition precedent to the filing of the petition, the unit must show to the court that the consent of creditors of such unit owning more than 30 percent in amount of its bonds, notes, or certificates of indebtedness, have agreed in writing to a plan for composition and adjustment of their claims.

Upon the filing of the petition the court shall enter an order either approving it or dismissing it. Upon approving the petition the judge may require the petitioner to give notice direct to all creditors and to cause publication thereof to be made of a hearing to be held within 90 days after the entry of such order, and all creditors objecting to the petition to answer the same within 60 days. At the hearing those creditors who may object to the plan submitted with the original petition have the right to propose a different plan, provided it has been approved by not less than 10 percent in amount of all creditors of the unit.

Such additional plan will, of course, be considered by the court in the light of the facts presented by the petitioner and its creditors. A final composition or adjustment plan will not be confirmed by the court, however, until it has been accepted in writing by creditors holding two-thirds in amount of claims allowed and which would be affected by the plan. Upon such confirmation the provisions of the plan shall be binding upon the taxing district and all creditors. As a safeguard against the court assuming control of, or interfering with, the governmental powers of the unit, the bill provides:

"The court shall not, by any order in the proceeding or otherwise, interfere with the exercise of any of the political or governmental powers of the taxing district; nor shall the court, by order or otherwise, assume control of or interfere with any of the property or revenues of the taxing district, unless the plan of readjustment so provides."

Could any legislation be fairer to all those who are concerned in the question of municipal defaults? The right to be heard is accorded the minority, but when creditors representing two-thirds of the indebtedness agree upon a proposed plan, it is to be assumed that such a plan is fair and equitable, and should not be thwarted by a small minority. The holder of one bond out of a hundred thousand bonds can, unless this bill is passed, refuse to accept the terms of settlement of readjustment, and thereby defeat the entire plan, even though it had been approved and agreed to by a majority of the holders. This is not only a possibility, but there have been many instances where this has actually happened.

The purpose of the bill is to give the court jurisdiction of these minority creditors, who by refusing to accept the terms of settlement agreed to by the majority creditors, keep local units from refinancing their debts.

The statement has been made by the opposition to the bill that if local units of government would practice economy in the administration of their affairs they would be able to meet their debts. To those of us who are in position to know, this argument is ridiculous, as most of our local units have already reduced their operating expenses to the minimum, and still they cannot raise sufficient tax money to pay the expenses of government and meet the demands of creditors. Statements of some of our local governments reveal that in many instances operating expenses have been reduced as much as 50 percent within the last few years and yet the units have been unable to even meet the interest on their debts. Unfortunately for the taxpayers in these units, the reduction in operating expenses has not resulted in a reduction of taxes. As appropriations for operating expenses decrease, the appropriations for debt service have increased. The local taxpayer, therefore, has received no benefit from the reduction of expenses, but has found himself with a less efficient government.

Some opponents of this proposed Federal legislation suggest the possibility of the abuse of the privileges granted thereunder, and that repudiation of debts would be increased. But it should be distinctly understood that this bill does not seek to repudiate any of the obligations of local units nor to provide a way for such. It does not provide for any arbitrary scaling down of the debts, nor does it leave to the discretion of the municipal officers or to the court the right to determine the paying ability of the unit. It does provide, however, for the final readjustment of the debts by agreement entered into between the governing body and the holders of two-thirds of its debts. It should also be borne in mind that the local taxing unit cannot file a petition with the court unless it has been consented to by 30 percent in amount of its claims. There is nothing new in a proposal to settle a public debt on the basis of ability to pay; in fact, that is the limit of the collateral back of the debt. The very existence of our local governments is seriously threatened, and something must be done.

MEMORIAL DAY ADDRESS BY CHIEF JUSTICE PATTANGALL, OF MAINE

Mr. HALE. Mr. President, on May 30, 1934, Chief Justice William R. Pattangall, of the Supreme Court of the State of Maine, delivered a very remarkable Memorial Day address at Skowhegan, Maine. I ask unanimous consent to have the address printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Lincoln, on the field of Gettysburg in the fall of 1863, furnished the text for all future Memorial Day addresses. In that matchless oration he struck the high note of patriotism and made clear the motive and purpose of the war then going on between the States, calling on his and future generations of American citizens to maintain the principles for which the Union armies were contending. The Northern States, under his guidance, were not conducting a war of conquest; their primary object was not to abolish slavery. That was incidental only. They were engaged in demonstrating to mankind that a nation, conceived in liberty and devoted to the Christian conception of human brotherhood and the preservation of equality of opportunity for every child

born within its borders, possessed the strength to maintain its integrity even against the shock of civil war.

The underlying thought of the statesmen who formulated the Federal Constitution and the constitutions of the respective States was that government could safely rest upon the broad base of popular approval, and that to a self-governing people must be given that measure of individual freedom and liberty which would develop the ability to sustain the responsibilities placed upon them.

The authority of the Government was to be exercised through three great coordinate branches—executive, legislative, and judicial—the membership of which should be in part selected by popular vote, in part by agencies so selected, and in part by Executive appointment, approved by the Members of the senior legislative body, none of these branches of Government exercising powers granted to another. The administration of governmental powers was further subdivided between the Union of States, the States themselves, and the subdivisions thereof, each operating in the field of greatest usefulness and efficiency, cooperatively in certain lines but independently in others.

Such a form of government was an experiment. It was a complete departure from government by divine right or by an aristocracy based upon inheritance or wealth, or by an oligarchy or bureaucracy or theocracy. Nurtured in revolution, it had not only survived up to Lincoln's time, it had thrived and grown to maturity. During that period it had passed through the disappointingly unsuccessful War of 1812 and the unconscionable but materially successful war with Mexico, had endured the terrible financial depression following the Napoleonic Wars and survived the panic of 1837, involving as it did the bankruptcy of nearly every business house in America, a shrinkage in real-estate values which made paupers of thousands of hitherto prosperous land owners and caused municipalities, counties, and even some of the States to enter upon a disgraceful policy of repudiation.

From all of these it had suffered and slowly but finally recovered and, after all, had in the main remained true to the fundamental principles upon which it rested.

All through the years, the black cloud of slavery had threatened the stability of a nation founded on freedom. Jefferson hated the idea of human bondage with all the force of his great mind, with every drop of blood that flowed through his great heart, and in the charter of the Northwest Territory excluded any possibility of its spread into that section of the country. Washington and Madison and Monroe, Virginians all, sympathized with Jefferson's views, but the successful culture of cotton seemed to demand slave labor, and gradually the Southland, urged onward by an economic tide, unconsciously drifted from democracy to aristocracy and came to regard the right to ownership of slaves as something too sacred to even admit of discussion.

High tariffs and the negro question might have disrupted the Union 30 years before the Civil War, had it not been that the White House at that time housed a fearless patriot and a real Democrat. Secession ceased to be popular after President Jackson had proclaimed hanging a remedy for treason. But after his time, the propaganda in its favor became insistent. Born in Massachusetts in the embargo days, boldly proclaimed at the Hartford convention, the doctrine finally took deep root in South Carolina and Calhoun became its prophet.

Lincoln watched the growth of sentiment in its favor with a full realization of all of its implications. He hated slavery but he was not an abolitionist. He loved the Union. He was determined that it should not be destroyed. He believed in the right of each State to govern its own internal affairs. He fought against the extension of slavery beyond the limits which it had reached in 1850, but he denied the right of the free States to interfere with it within those limits as emphatically as he denied the right of the slave States to force their peculiar institution on the people of the Territories.

He met the attempt of the hot-headed politicians of the South to dismember the Nation with firmness, but kindly. He tried to avert war, but when peace could no longer be maintained, he summoned to the aid of the national cause every loyal man and woman. Regardless of party affiliations, past or present, he gathered about him those who like himself saw in the American flag the symbol of human freedom and read in the law of the land the charter of human liberty. He led the fight for the constitutional rights of the common people.

A loyal member of the Whig Party from boyhood until late middle age, a follower of Henry Clay, his underlying political philosophy was that of Jefferson; and the new party, which he was instrumental in organizing and which first entered national politics in 1856, adopted the name which the Sage of Monticello had given to his followers. His faith in the common people was as strong as was that of his great prototype, and they justified that faith. It is due to the manhood and womanhood of his generation that the great war ended successfully and that the world learned the inherent strength of a free people to solve the problems of government even at a tremendous sacrifice.

Lincoln spoke at Gettysburg not only to the people of his day but to their children and their children's children. He asked those yet unborn to dedicate themselves to the cause of freedom and equality. Echoing down through the years, his words stirred the hearts of the men who fought to free Cuba and, later on, the men who crossed the seas to prevent the destruction of civilization by arbitrary force; and are as potent and carry as earnest a message today in time of peace as they carried in days of war.

The American people have grown so accustomed to the enjoyment of civil and religious liberty, so used to living their own lives in their own way, to being protected in their property rights, to looking upon government and law administered by government as a protective force, rather than as an imposition of the will of others on them, that just as men forget the value of the air they breathe, the water they drink, the health that they enjoy, they have ceased to regard the great privileges of American citizenship in their true light or to appraise them at their true value.

The need of the times is a readjustment of the public mind in that respect. The danger of today is not the loss of liberty by use of force. Rather it lies in a supine surrender of the rights of freemen to a seductive program of paternalism, gradually changing the form of our Government from a representative republic to a bureaucratic state, mildly despotic in action, dangerously experimental, in which human rights and property rights cease to rest upon the firm foundation of established law and come to depend upon the whim of the temporary majority.

When legislative powers are surrendered to executives who are but too willing to accept them; when the judiciary strive to find reasons for upholding laws enacted at the behest of noisy minorities; when the plain and simple language of Federal and State Constitutions is given new and strange meaning in order to meet assumed existing emergencies; when debasement of the currency is adopted as a sound financial policy; when the sovereignty of the individual States is disregarded and local self-government becomes an obsolete phrase; when individual initiative is discouraged, the lessons of experience cast aside, and personal liberty in a great measure becomes a thing of the past; when men are denied the right to buy and sell the products of their labor in the open market place, fixing the prices of the goods in which they deal by bargain with their fellows; when the farmer is forbidden to sow and reap on the land he owns according to his own best judgment; when every detail of the daily business life of the citizen is ordered by officials, not of his choosing; when written agreements cease to have a binding force, even upon government itself—the Nation which the Civil War was fought to preserve will have ceased to be.

Our Nation and our State were organized for one great purpose—to secure to the citizens thereof the blessings of liberty. Washington and his soldiers fought in that great cause. Lincoln and the armies of the North maintained the standard which their fathers raised. All that they lived and died for becomes a sad and futile waste if we of this generation are to surrender the heritage they bequeathed us because we lack the courage, the independence, the manliness, to work out our individual salvation, but prefer to become paupers to the State, depending upon its bounty to supply our needs.

We are being taught new doctrines today. Theories of government undreamed of by the statesmen of the past are urged upon us by present-day leaders of public thought. Thrift, industry, economy, are no longer regarded as essential to the well-being of our people. With millions unemployed, we are instructed that factories and workshops, mines and quarries, shall be closed in order that a scarcity of their products may enhance their price. With hundreds of thousands of the poor suffering the pangs of hunger, it is made an offense against the law to plant more than a modicum of crops in order that food may not become too cheap. Not too much milk must be produced, though the pale faces of undernourished children haunt the dreams of those who come in contact with the poor.

Millions—yes, billions—of dollars, representing wealth dug from the earth and wrested from the sea, brought to the public treasuries by the taxgatherers, are being wasted in unprofitable expenditure, in an attempt to create a prosperity as unreal and unsubstantial as the dreams of an opium eater. Gigantic debts are being created to burden generations to come.

Is it not time to stop? Ought we not, on this day of all days, in memory of the loyalty of those men who preserved our national unity by force of arms, rededicate America to the ideals which they worshiped? The great mass of the people of this Nation are sane. Should they not assert their sanity? Should they not make one more stand for individual freedom and a preservation of the form of government they inherited?

We want no Fascist government in America. This Nation of ours is not to become a communistic state. We need no dictator. We are a free people, capable of self-government, as able to solve the problems of our generation as those who preceded us solved the problems of their time. Let us undertake the task. Let us carry on the work in the spirit of Lincoln. Let us, with him, highly resolve that government of the people, by the people, and for the people shall not perish from the earth.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. THOMAS of Oklahoma. Mr. President, the issue pending before the Senate is an amendment proposed by myself yesterday to strike from the bill section 2 and to insert in lieu thereof a substitute section. Section 2 of the bill as it is now before the Senate provides that it shall be the policy of the United States to buy some more silver

or to trade for some more silver or to get some more silver any way we can get it, and to add it to our present monetary stock. Neither section 2 nor the bill itself pretends to make of silver a primary money.

We have at least two kinds of money in this country. We have primary money or standard money or basic money, and that is gold. That is all the primary, standard, basic money we have. All other forms of money are secondary forms of money, nothing more nor less than token money. That embraces silver, it embraces subsidiary coinage, and likewise embraces the forms of paper money which we have in circulation.

Yesterday I tried to distinguish between basic money and secondary money. I think I failed in making my colleagues understand what I mean as to the difference between basic money and secondary money. So this morning I am going back to the lessons I learned many years ago when I taught school. I used a block system. I have brought some blocks here this morning. It may be I can make my point clear by using the blocks.

Mr. President, this is a most important issue—money. It is what we all work for; it is what everyone works for; it is what the farmer strives for, what he gets up early in the morning and toils all day all year long for—money. It is what the wage earner works for; it is what the professional man works for. It is what the business man works for; it is what the banker works for; it is what every one works for—money, the most important thing in the world.

America is presumed to be the leader in fixing the financial policies of the world, yet I find that the United States Senate apparently has but very little interest in the money question.

I am going to exhibit to the Senate a small block of wood. I am going to call it "gold." It represents all the gold there is in America. This block of wood is intended to represent our stock of gold. This block, if weighed, would be found to weigh 222,000,000 ounces. This storehouse of gold, 222,000,000 ounces, at $35 per ounce, is worth in money, in gold, in dollars $7,750,000,000 in round numbers. That is all the gold we have, and we have that much monetary gold in the United States.

I exhibit this entire stock of our gold. That is primary money. This stock of gold is worth just as much unstamped as if it be stamped. Every time we have 15 grains plus of gold it is worth a dollar whether or not it is stamped. That is only the gold, 222,000,000 ounces, worth $7,750,000,000 plus. That is primary money; that is standard money; that is basic money, because it is worth intrinsically the amount of the stamp contained on the block, whether or not the stamp is worth a cent.

That is what I mean by basic, standard, primary money. That is the only standard, basic, primary money we have. There is nothing else that is the ultimate metal of redemption save gold. Of course, we can redeem money in silver, but we have less in value when we redeem it than we had when we started. A silver dollar is worth a little more than a paper dollar, but only relatively. A silver dollar is worth only a fraction of 100 cents, thirty-five one-hundredths. A paper dollar is worth a little less. A silver dollar and a paper dollar are token money—nothing more.

Mr. President, if I have made myself clear as to what I mean by standard, primary, basic money, I shall pass from that point.

We have at the present time some silver. We have approximately $840,000,000 worth of silver—$540,000,000 of standard silver dollars, and $300,000,000 of subsidiary money made up of halves, quarters, and dimes. We have in ounces of silver only about 666,000,000. Of gold we have 222,000,000 ounces.

I have and exhibit now a block of wood three times as large as the gold block. At the present time our store of silver is three times in size, and in weight, our store of gold. So the blocks of wood which I now exhibit represents the relative proportion in weight of silver and gold. Yet silver is not a basic money; it is not primary money; it is not standard money. It is only token money.

The bill does not change the legal status of the silver one iota. If the bill should pass, we would buy some more silver and add to the silver block and make it larger; but silver would still be secondary money, it would still be token money, it would still be a commodity, measured in terms of gold, under the provisions of the bill.

Mr. President, if we could find some more gold and increase the size of our gold stock, we could increase our stock of standard, primary, basic money; but so far as I know, there is no particular source of increasing our gold stock excepting the movements of gold from other countries. Unless we can use silver in some way, make silver basic, primary, standard money, I can see no particular benefit in buying and increasing the stock of secondary, subsidiary, token money in the form of silver.

The bill now before the Senate does nothing more than provide for increasing the size of the silver block we have. It does not in any sense make the silver standard, primary, or basic money. I propose to strike out that section and to insert a new section which will convert silver into basic, standard, primary money.

The bill now before the Senate measures silver arbitrarily, fictitiously, purely through the imagination, and calls each ounce of silver worth $1.29, when we all know that an ounce of silver is worth only about 45 cents. The bill pretends on the face of things to revalue silver and increase its value by fiat from 45 cents an ounce to $1.29 an ounce.

Those of us who care to believe that may do so, but we have no foundation whatever for our belief. The only way in which we can raise the value of this silver to $1.29 an ounce is to raise the price of silver throughout the world. We cannot raise the price of this silver in America intrinsically except as silver rises in value on the world market. I am trying so to change section 2 as to raise the price of silver so that throughout the world silver will have a higher price than it has now.

Section 2 of the pending bill, I am afraid, will not raise the price of silver. Under section 2 of the bill as it now appears before the Senate, we can buy only about a billion ounces of silver. When we buy a billion ounces of silver we shall have our allocation completed. We shall have our quota filled. Then we cannot buy any more silver, because another billion ounces will make 2,000,000,000 ounces, and 2,000,000,000 ounces measured at $1.29 an ounce makes two and a half billion dollars' worth of silver in terms of monetary value; but in terms of real value it is worth only a billion dollars.

Therefore I am trying so to change section 2 as to make this silver into basic, primary, standard money by giving it a value in accordance with the value of the world. If we can consider this block of silver from a world-value standpoint, it is worth today $840,000,000 in fiat money, in token money; but if we can revalue silver and value it on the basis of what it is worth as bullion throughout the world, it is worth only $350,000,000. Our stock of silver, valued at $1.29 an ounce, is worth $840,000,000. That is token money; but if we will step back and value this silver at its world value, at even 50 cents an ounce, then this stock of silver becomes worth $350,000,000.

I propose to revalue silver and put it in our reserves at its world value, whatever that world value is. If that is done, this block of silver becomes worth $350,000,000 in gold, just as good as gold here, just as good as gold in England, just as good as gold in China, just as good as gold in Asia, Africa, South and North America, or anywhere else in the world.

Then when we value silver in terms of gold it is worth $350,000,000. We can set it alongside of gold. Here we have $7,500,000,000 in gold. We have $350,000,000 in silver. Either one is good for those figures anywhere in the world.

Mr. President, I do not know how much silver it will take to make a dollar. That is immaterial. At the present time it takes more than 2 ounces of silver to make a dollar; and if one of us had a silver certificate and desired to cash this

silver certificate under the rules and regulations provided for the purpose, he would get today more than 2 ounces of silver for his dollar. He can go into the market and buy silver, and that is what he will get. So I propose to revalue silver and give it a world-price value rather than a fiat value of $1.29 an ounce. It is a commodity now. Under the terms of the pending bill it remains a commodity; and under the terms of the bill it is no better than paper from any standpoint in the world.

The enactment of the pending bill will help the silver miners; it will help the silver States somewhat; but I am not interested in this matter from the standpoint of the silver States. I do not come from a silver State. I care nothing for this matter from the standpoint of the silver States. I am glad to help them; I am helping them to the best of my ability, but that is not my motive. I shall come to my motive later on. I am trying to help the people in my State through silver. I am trying to help the people in Maryland through silver. I am trying to help the people throughout the United States through the use of silver. I am trying to help the people of the world through a reclassification and a revaluation of silver.

Mr. President, I am not yet sure that I have made my position clear. Under the Pittman bill we buy more silver and add this silver to our stock of money—not to our reserves, not to our basic money, not to our standard money, not to our primary money, but to our stock of money. The stock of money embraces gold. It embraces eight forms of paper. It embraces nickels, and it embraces pennies. Under the terms of the Pittman bill, if it shall pass, silver will be no more important in our monetary system than the pennies coined from copper or the nickels coined from nickel.

I realize that this subject is somewhat hard to understand, because I talked yesterday for an hour, and one of the distinguished Senators from a silver State sent me a letter last night and asked me to modify my amendment in a certain way; and if I had done so I would have put it right back to the Pittman bill. So I am not sure that I shall be able, even now, to get my ideas over; but perhaps I can do it in another way.

Under the bill which is now before the Senate, if it shall pass and be carried out by the executive department, the executive department will be required to acquire an additional amount of about 1,300,000,000 ounces of silver. That is all it can acquire, because under the bill each ounce is worth $1.29 in fiat money, and 2,000,000,000 ounces multiplied by $1.29 for each ounce makes approximately $2,500,000,000, and that is the 25-percent quota. We cannot buy any more silver than the total of 2,000,000,000 ounces, because that, when measured by a fiat standard, makes up the two and a half billion dollars; but under my proposal we buy the silver and put it in our reserves, not by its fiat value, but by its bullion value.

We have two and a half billion dollars with which to buy silver. If silver does not increase in value, and we can still buy it at 50 cents an ounce, in order to get two and a half billions dollars' worth of silver we may have to buy as much as 5,000,000,000 ounces. I do not care how much we have to buy. When we buy it, it is worth what we pay for it. It will be worth more after we start to buy than it is now worth. The silver we now have will increase in value. The more we buy the more silver will increase in value, and it is my judgment that if my substitute section should go through, having two and a half billion dollars to spend for silver at its market price, we could so bid for silver that the price would go up to $1.29 an ounce. If it did not, we should get the major part of 5,000,000,000 ounces of silver to add to our reserves; and I will come later on to the question as to whether or not we can get 5,000,000,000 ounces of silver.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Virginia?

Mr. THOMAS of Oklahoma. I yield.

Mr. GLASS. Would it interrupt the Senator if I should ask him a question?

Mr. THOMAS of Oklahoma. Mr. President, I shall be only too glad to have any Senator ask any question he sees fit at any time.

Mr. GLASS. The Senator is undertaking to define for the information of other Senators what is primary money and what is token money. He says gold is now primary money. I do not exactly understand how he arrives at that conclusion under existing conditions. If that be true, nobody has any primary money.

Mr. THOMAS of Oklahoma. Nor much secondary money.

Mr. GLASS. Nobody has any primary money. If a citizen is caught with any gold on his person, he is a statutory felon; and under existing circumstances gold cannot be used for the redemption of token money. So we are in a situation in which gold is actually demonetized, while, as I understand, the Senator in a sense is pleading to have silver remonetized.

Mr. THOMAS of Oklahoma. The Senator is exactly correct from a practical standpoint. There is virtually no gold now in circulation. If there be any gold in circulation it is only in very small quantities. I think it is legal for anyone to have not exceeding $100 in gold. Nevertheless, we have in our strong boxes throughout the country this hoard of gold which totals something like $7,776,000,000. It is somewhere. It is in the possession of the United States.

Mr. GLASS. It is just so much lumber. It is not used for monetary purposes. It is not even used for reserve purposes; because, what is a reserve? A reserve is a redemption fund, and nothing now can be redeemed in gold, because if a man should take to the Treasury his token money, whether it be a silver certificate or whether it be a Treasury note, and demand that the Government comply with its promise printed on the face of the token money and get gold he would be arrested right on the spot for a felony, and fined and put in jail.

Mr. THOMAS of Oklahoma. The Senator is correct from a practical standpoint. We each understand the proposition, and I hope everybody else does. We have the gold, but it is in our strong boxes. It cannot be had except for the purpose of paying for international transactions.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Montana.

Mr. WHEELER. I think the Senator has correctly stated the matter, but I assume that eventually we shall come back to the gold standard, so that gold will be money of ultimate redemption; and what we desire to do is to put silver in the same position in which gold will be when we come back to the point where we have it as money of ultimate redemption.

If the Senator will pardon me for a brief further statement, one of the reasons why I have been for the remonetization of silver has been because it must be apparent to any thinking person at the present time that not only has there been a shortage of gold, but likewise there has been a maldistribution of gold, or a corner upon gold by two or three countries; and because there is a corner upon gold by two or three countries, most of the other smaller countries have had to go off the gold standard. In my humble judgment it is necessary to remonetize silver in order to break the corner upon gold, and to have more money of ultimate redemption.

Mr. GLASS. Mr. President——

Mr. THOMAS of Oklahoma. I yield.

Mr. GLASS. My contention is that we now have no primary money, nor have we any money for redemptive purposes.

Mr. WHEELER. I think the Senator is entirely correct. There is not any question about it.

Mr. GLASS. In other words, we are on a flat bond basis, and we are on a flat money basis.

Mr. WHEELER. Why, of course.

Mr. GLASS. Of course we are.

Mr. WHEELER. There is not any question at all about it. I agree entirely with what the Senator says. What I am

seeking to do by the remonetization of silver is to break the situation in which we find ourselves and put us back upon a sound monetary basis. I think the way to do that, so that we may have money of ultimate redemption, is to remonetize silver, and adopt silver as money of redemption along with gold.

Mr. GLASS. I concede that the most plausible argument that has ever been made for the remonetization of silver is now made, because silver is certainly worth more than irredeemable paper.

Mr. WHEELER. There is no question about that.

Mr. THOMAS of Oklahoma. I agree with the statement made by each of the Senators. I am trying to modify the bill so that our silver may be used as primary money, since we do not have the gold and cannot get the gold, from a practical standpoint. Otherwise we will have no primary money; otherwise we will have no basic money; otherwise, from a practical standpoint, we will have no standard money, unless we go to silver. We have the gold, but it is tied up; we cannot get it. The law we passed a year ago provides that gold is still the standard of value.

An amendment was placed on the agricultural bill last year containing the following language:

> The President may fix the weight of the gold dollar in accordance with the ratio agreed upon, and such gold dollar, the weight of which is so fixed, shall be the standard unit of value.

So in the law we passed last May the gold dollar is fixed as the standard of value. Yet these gold dollars are not where we can get them. The public cannot get them. We have the gold, and I am trying to make it possible to get the gold back into circulation, and I am trying to make it possible, by using something else temporarily to take the place of gold, to break the corner in gold. Later on silver will go up in value and gold will come down in value, and the two will reach a parity. Then we can come to an agreement, either among ourselves or with the nations of the world, whereby we may circulate silver and gold on a ratio. But I am not now arguing for that.

Mr. FESS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. While the law provides that gold shall be the standard of value, the interdiction of the law that we cannot redeem in gold whatever medium is in circulation rather nullifies that, does it not?

Mr. THOMAS of Oklahoma. Temporarily that is correct. We are on a gold standard today, I will say to the Senator from Ohio, in this way: As I understand, we are using a large fund which we have to keep the American paper dollar on a parity in value with what it should be in gold. That is done through the buying and selling of gold currency, mainly the French franc. France is on a gold basis. The franc is a stable piece of money as per its weight in gold. We have tied our dollar, practically, to the French franc, and we are using a large fund to buy and sell francs, to buy and sell dollars, to keep our dollar with a stable purchasing value. So I take it that today the United States is on a gold standard, practically.

We are using gold in international settlements. If we owed some foreign nation a sum of money, we would pay it in gold. If some State or some city or some corporation owed some foreign nation or some foreign corporation a sum of money, it is arranged so that they could get gold and make the settlement if they had to do it. So in a way we are on a gold standard today, although the gold is not in actual circulation.

Mr. FESS. I would assume, while what the Senator says may be regarded as a practical operation, from the fact that all our money is inconvertible we do not have any metallic basis at all today.

Mr. THOMAS of Oklahoma. None whatever.

Mr. FESS. And if the pending bill shall be enacted, if we will have any standard, it will be the silver standard.

Mr. THOMAS of Oklahoma. Unless the bill shall be amended, if it shall pass, we will still not have any metallic standard for our money, from a practical standpoint, which the public can get hold of, because the status of silver will not be changed. It will still remain nothing more than token money, nothing more than paper, except that silver is worth a little more as a commodity than paper is worth as a commodity.

Mr. FESS. I think the Senator is correct in that statement.

Mr. THOMAS of Oklahoma. I am proposing an amendment to change that section so that we can make silver basic, standard, primary money. To do that we will have to consider silver from the standpoint of its intrinsic value rather than from the standpoint of its fiat value.

Mr. President, the bill is fatally defective, in my judgment, in three important particulars. The first is as to section 2. The second point is that the Treasury Department, in my judgment, would not be required to put silver certificates into circulation, even though the Department bought silver.

I understand that the author of the bill takes a different viewpoint. The law provides that if the Government shall buy silver it shall issue silver certificates to the amount of the cost of the silver.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. Just what is the value?

Mr. THOMAS of Oklahoma. At the present time silver is worth 45 cents an ounce.

Mr. LONG. Will they issue silver certificates?

Mr. THOMAS of Oklahoma. The Government will buy an ounce of silver for 45 cents, and they will issue a silver certificate to the value of 45 cents for each ounce. That is all it is worth. But from a monetary standpoint it is worth $1.29.

Mr. LONG. That is the difficulty I had with this bill on that point. If they are going to issue only a certificate representing what they pay for the silver, that does not mean anything.

Mr. THOMAS of Oklahoma. Mr. President, if we assume that we have approximately a billion ounces, and we buy another billion, and pay 50 cents an ounce for the billion, it would take $500,000,000 to buy the billion ounces. If the Department issued silver certificates to the extent of the $500,000,000, and placed them in circulation, it would increase the currency to the extent.

Mr. LONG. I understand; but what are we to do with the $850,000,000 worth of silver we already have, which is issued at $1.2929, if we are to issue the balance of it on the basis of 50 cents an ounce?

Mr. THOMAS of Oklahoma. That will take care of itself, naturally.

Mr. PITTMAN. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. I could not let that erroneous suggestion or understanding pass unnoticed. The Government would not issue a silver certificate against 50-cent silver under the bill. In other words, if we bought a hundred million ounces of silver at 50 cents, it would cost us $50,000,000. We would issue $50,000,000 worth of silver certificates. We would issue fifty million $1 silver certificates.

Mr. LONG. Very well.

Mr. PITTMAN. As there is seventy-eight hundredths of an ounce of silver in a silver dollar, we would coin the hundred million ounces into silver dollars, but we would first coin only 50,000,000 of standard silver dollars. The purchase price is $50,000,000 for the 100,000,000 ounces. Then we issue $50,000,000 in certificates. Behind that $50,000,000 in silver certificates are the 50,000,000 standard silver dollars, which means 39,000,000 ounces of silver to coin such silver dollars. Then there is left a surplus of 61,000,000 ounces of silver against which we are not required to issue silver certificates, but may at any time we see fit to do so.

Mr. LONG. Mr. President, will the Senator from Oklahoma permit me to ask the Senator from Nevada a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. If I understand the Senator from Nevada, he states that if we buy silver, whatever the number of ounces is, at 50 cents, we would issue only 50 cents' worth

of money in currency to cover 50 cents' worth of silver we bought.

Mr. PITTMAN. Yes.

Mr. LONG. We have $850,000,000 worth of silver now, have we not?

Mr. THOMAS of Oklahoma. That is correct.

Mr. LONG. That is, we issue on a basis of $1.2929, on 16-to-1 basis.

Mr. PITTMAN. Yes; old basis.

Mr. LONG. I do not see how that would work out.

Mr. PITTMAN. The certificates which are issued against the 50-cent silver would be on the same basis. There would be only that many issued, but they would be on the same basis with our old silver certificates. Otherwise, we would have to melt up our old silver dollars and call in our silver certificates, if we changed the ratio.

Mr. THOMAS of Oklahoma. Mr. President, I will try to make that a little clearer, if I can. I said a moment ago that our silver stock was worth $7,750,000,000. That is approximately correct. The gold block before me represents in value, then, three-fourths of our total metallic reserve, provided we dignify silver and make it a part of our metallic reserve. The pending bill, in my opinion, would not do that. So I am conceding that this block of gold before me in the future will form three-fourths of our metallic reserve. That leaves one-fourth vacant. I propose to fill that vacancy of one-fourth with silver. The bill does not do that.

The only thing section 2 in the bill does—and it is misleading—is to set a yardstick as to how much silver we may buy. It does not say silver is to be basic money. It says that we will have one-fourth of our stocks, if of metal, in silver, but it does not make silver basic money, standard money, or primary money. The only thing section 2 in the bill does is to put an arbitrary limit upon the amount of silver we may buy, and it does not change the status of silver a particle.

If we concede that the gold is three-fourths of our metallic reserve—and I am proceeding as if silver and gold will form, jointly, a hundred percent of our metallic reserve, gold 75 percent, silver 25 percent—the bill will not make that 25-percent vacancy fillable with silver, unless it shall be amended.

If $7,500,000,000 is the gold reserve, then we must make silver fill up that vacuum of $2,500,000,000; but we must make silver basic, standard, primary money, or that gap cannot be filled by silver.

We have two and one-half billion dollars of value there that we must put into silver. If we simply buy some more silver and add it to our stock, that does not fill this vacuum; but if we buy silver and put the silver in our reserves at its bullion value, at its world value, then we commence to build up the reserves to make up the 25 percent, and we have two and one-half billion dollars of money with which to buy silver to fill up this vacuum.

Under the bill as written we can buy only 2,000,000,000 ounces of silver. If that does not raise the price of silver to $1.29 an ounce, we still have a vacuum left there in value.

Under my proposal we have two and one-half billion dollars with which to buy silver to fill up this vacuum, and if we spend the two and one-half billion dollars we will fill up the vacuum with silver worth dollar for dollar with gold, or we will buy 5,000,000,000 ounces of silver. There is no one on the floor of the Senate who will deny that before we get our 5,000,000,000 ounces of silver we shall have silver which is worth throughout the world more than two and one-half billion dollars, and we shall fill up the vacuum.

I still do not think I am making myself clear.

Mr. President, the difference between section 2 of the pending bill and the section which I present is the difference between the purchase of 1,000,000,000 ounces of silver and the purchase of enough silver to make what silver we have worth two and one-half billion dollars throughout the world.

This bill does not in any sense change the present existent status of silver. I pause for anyone to challenge that statement.

Mr. President, this bill does not provide any certain increase in the amount of money in circulation. I pause for anyone to challenge that statement.

The bill does not require anyone to buy a single ounce of silver. If it requires them to buy it, it will only do so ultimately. What is the definition of "ultimately"? It may mean today; it may mean tomorrow; it may mean next year; it may mean 100 years from now. "Ultimately" is a time indefinate in the future.

This bill does not automatically, mandatorily, provide for the purchase of a single ounce of silver. Suppose this bill should pass, and the executive authorities should say that it is not in the interest of public policy to buy any silver now; that we have all the silver we need; no silver would be purchased. Unless silver were purchased, no certificates would be issued. If no certificates should be issued, the currency would not be expanded.

I pause for anyone to challenge this line of reasoning.

Mr. President, the third proposition I submit is that if this bill shall pass there will be no necessary increase in the value of silver. On yesterday I tried to show that under the Bland-Allison Act, passed in 1878, the Treasury Department was to buy two and one-half million ounces of silver a month—I think, indefinitely. It is presumed that the Department bought this silver. Silver kept on going down.

So unsuccessful was the operation of the Bland-Allison Act that the Congress in 1890 passed the Sherman Silver Purchase Act. Under that act, the Treasury Department was obliged to buy four and one-half million ounces per month. The Department bought the silver. It had no perceptible effect upon the price of silver. Silver kept on going down.

It culminated in the fight for the free and unlimited coinage of silver in the campaign of 1896.

Then, Mr. President, in 1918 we passed the Pittman Act, which likewise provided for the purchase of silver; and again the bill had no perceptible effect upon the price of silver. It kept on going down.

The more purchase bills we have passed, so far, the lower silver has gone. It culminated last year, when silver reached a price of about 24½ cents an ounce.

Mr. President, I am not interested in increasing the price of silver because of the fact that my State produces silver. It does not produce silver. I admit that if this bill shall pass in its proper form it will help the mining States, and I should like to see them helped; but unless we can raise the price of silver it will not help the silver-producing States. I do not believe that this bill as now written necessarily, arbitrarily, or mandatorily, will increase the price of silver. I hope it will, but it may not.

Under the bill we would have to buy only a billion ounces. The Treasury could buy these billion ounces of silver in such places and in such a way as not perceptibly to raise the price of silver. When we get the billion ounces purchased we must stop, because if we have two and one-half billion ounces of silver measured on the flat basis, we cannot buy any more.

Mr. President, it may be that some of those who are doing me the honor of listening to me do not believe that my position is well taken. I shall call the attention of the Senate to some of the financial writers, some of the so-called "experts", and see what they have to say about this bill.

I call attention first to an article by Mr. Walter Lippmann, published recently, under the title of "Silver." Mr. Walter Lippmann is a widely known newspaper writer, and I think one of the most widely read, perhaps, in the country. Mr. Lippmann had the opinion, apparently, that we were going to make silver into basic standard primary money. I read from his article:

> The essential principle of the program—

That refers to the silver program—

> as indicated by the newspaper reports of Washington, is that silver is to be transformed in the United States from a commodity like coffee or zinc into a monetary instrument like gold.

Mr. President, that is what I thought we had in mind. That is what I stood for. That is what I stand for now;

but when this bill was drawn it did not so provide. Under this bill silver remains just like coffee, like lead and zinc and copper and silk and other commodities. Mr. Lippmann thought we were going to make silver into money, standard, primary money like gold.

Reading further:

This is not a mere matter of raising the price of silver so that silver miners will have more income. It is not a price-raising scheme such as is being used to help wheat, cotton, or hogs. This is a change in the legal status of silver which establishes it as basic money in the United States.

That was the opinion Mr. Lippmann had. That was the opinion of the silver group, so called. We had many conferences, and we decided to make silver into money, standard, basic, primary money, like gold. When the bill was prepared, however, it did not change the status of silver. It just provided for adding some more silver to our stock of money.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. I do not think the Senator intends to state that the so-called "silver bloc" were deceived. The silver bloc may have been ignorant, but I wish to state emphatically that they were not deceived.

I have already named the Senators who were present at those meetings. There were present the Senator from Oklahoma [Mr. THOMAS], the Senator from Utah [Mr. KING], the Senator from Idaho [Mr. BORAH], the Senator from Colorado, the junior Senator from Nevada [Mr. MCCARRAN], the Senator from South Carolina, and other Senators. We were in several conferences for 5 weeks about this matter.

On the morning of the 16th day of May we met again in conference with the Secretary of the Treasury and with the general counsel to the Secretary, Mr. Oliphant, and discussed the defects in a bill. They then presented a tentative bill for our consideration. We were called down to the White House that afternoon with a bill completed.

Am I interfering with the Senator in his discussion, Mr. President?

Mr. THOMAS of Oklahoma. No; go right ahead.

Mr. PITTMAN. The question was raised in the very beginning of this debate as to whether or not the Treasury Department had carried out the agreement had at the White House. It was suggested that a joker had been put into this bill; that we had been deceived.

I now wish to read this very short letter from Mr. Herman Oliphant, general counsel to the Secretary of the Treasury, who was present at one of our conferences:

JUNE 5, 1934.

MY DEAR SENATOR PITTMAN: I enclose herewith one of the mimeographed copies of the silver bill which was read in the final conference with the President on this subject. It was the same mimeograph run which was sent to the Congress, one change only having been made. Page 4 was remimeographed to make a grammatical correction in the nineteenth line of that page. The words "for payment of" were substituted for the words "to pay."

That is the exact bill which the Senate is now considering, in haec verba, with the exception of the first two lines, which were put there for the purpose of substituting them for an amendment which I offered when I presented the bill.

I contend, sir, that it would be totally unfair to the administration to allow any impression to remain that we gentlemen did not agree about this bill. The Senator from Oklahoma at the last meeting at the While House stated emphatically that, in his opinion, the bill did not make silver basic money. I do him justice in stating that. I wish to state, however, that no other voice was raised to that effect at that meeting. If there is a difference of opinion, it is a difference of opinion between the distinguished Senator from Oklahoma and all his other colleagues who participated in all those conferences, and who approved and accepted this bill at the White House just as it was sent in here.

Mr. THOMAS of Oklahoma. Mr. President, there are other Senators present who attended that conference, and I think they will agree that what has been stated is substantially correct. I have been alone so often on the money question that that situation does not alarm or worry me in the least. The facts are, since the matter has been brought up, that the Treasury Department did bring us a bill and started to read it to our group, but the reading was never finished; we turned the bill down before the reading had been concluded. Much to my chagrin, when it turned up again it was the same bill. We had no chance to discuss the matter. I voiced my protest against it as strongly as I could.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Nevada?

Mr. THOMAS of Oklahoma. I yield.

Mr. PITTMAN. I interrupt only because my understanding of the bill they brought to us and the reason we turned it down are different from that of the Senator. They brought in a bill which pretended to have a mandatory provision in it such as we had drafted and demanded, but they had inserted a line to this effect:

Directed to buy silver, subject to the approval of the President.

At that meeting we called the attention of the Secretary to the fact that that was not mandatory, and he said:

So far as I am concerned I will take it out if the President is willing.

They did take it out.

There was, as the Senator will recollect, still another provision in the bill which we did not think was in accord with our understanding. That was with regard to the issuance of silver certificates. We had demanded all the time that silver certificates be issued against the silver purchased. There was a provision in there that it might be purchased with anything, but there was no provision there that silver certificates should be issued against the silver. We demanded that such a provision be put in, and it was put in.

So it seems to me that every complaint we made at the last meeting was heeded in this bill, and if it were not heeded, then, I say it was due to the ignorance or inadvertence of 10 or 15 Senators who had been working on this problem for months and was not the fault of the Treasury Department.

Mr. THOMAS of Oklahoma. The sole issue revolves around whether or not we are going to make silver into money or keep it token. It is up to the Senate. If they want to consider silver just the same as copper, the same as nickel, the same as paper in our monetary system, of course, I cannot prevent it; but I am trying to make silver into basic standard money, and there is no use passing this bill unless that is done, for silver is no better than paper unless silver is basic money. Nobody carries silver any more except for the smaller coins; nobody carries silver dollars; such dollars are not seen in the East. So unless we are going to make silver such a metallic money as to be a means of redemption for our paper money, in value equal to gold, then, I am not interested in silver; paper money is just as good as silver to me and just as good to the people of America, and to the people of the world, for that matter.

I am trying to convert silver in basic standard money on an equality with gold, and I am trying to do it by putting it on a bullion value, so that a silver certificate will be worth a dollar in silver measured by gold. If we will do that, then this block of silver becomes a reserve to the amount of $350,000,000 in value, and a silver certificate any place in the world, backed by its part of that silver, will be just the same as the gold certificate any place in the world. Then we can make a demand that our silver be used in the transaction of business throughout the world. They will take our silver then, because it will be on the bullion or real-value basis. They will not take it now.

Mr. Lippmann understood we were going to try to make silver into basic standard primary money. Listen to what he says further in this article:

For that reason—

The reason we were going to make silver into basic standard primary money—

For that reason it will, if adopted, mark an epoch in the history of money.

If we make silver standard, basic, primary money, so says Mr. Lippmann, it will mark an epoch in the history of money. It is not now standard, primary, basic money, and under the terms of this bill it is not to become standard, primary, basic money unless the bill shall be amended.

Mr. Lippmann says if we shall do what we intended to do, and what we thought we were going to do, it will make an epoch in the world's monetary history.

Reading further:

Its effects will be world-wide. For it reverses the course of monetary policy during the past hundred years.

That is what I am trying to do. This bill does not do it. This bill makes no change in our financial policy; it makes no change in our metallic money policy; it makes no change whatever in our policy save that we may go out and buy some silver and add it to our stock of silver along with pennies, along with nickels, along with the eight various kinds of paper money we have, and silver will be no more important than are they.

Reading further from Mr. Lippmann:

The fundamental monetary problem of the world is to deflate gold—

That is what I have been saying upon the floor of the Senate for 2 days. I want to take some of the fictitious value out of gold. I want to give some actual value to this block (indicating) of silver. I am trying to arrange some system whereby we will lessen the demand for gold, and when we do so gold in value will go down. I am trying, as best I can, to arrange for an increased demand for silver, and when that shall be done silver will go up in buying power and in value. If we can increase the demand for silver sufficiently and decrease the demand for gold, silver will go up, and the buying power of gold will come down. They will meet half-way. Then we can pass a law in the Congress, if we cannot get an international agreement, establishing some parity or some ratio between these two metals. We cannot have that now, for they are too far apart in value.

Reading further:

It is to this problem that the silver policy is addressed.

Making silver standard basic primary money—those are my words.

Reading further:

By restoring silver to the status of money in the United States—

Silver must not now have a status of money in the United States, in the opinion of Mr. Lippmann—

By restoring silver to the status of money in the United States the weight of America will be exerted to break down the monopoly value of gold. Just as gold became more valuable when silver was demonetized, so it is expected that gold will become less valuable when silver is remonetized.

Mr. PITTMAN. Mr. President, will the Senator please tell me what he means by the remonetization of silver?

Mr. THOMAS of Oklahoma. I mean making silver basic, standard, primary money. Imprinting the stamp of the United States on a piece of silver and calling that a dollar makes it a dollar in the United States, but it does not make it worth any more intrinsically. Elsewhere it is worth what its value is in bullion or intrinsically, and it is worth no more among our people than a piece of paper with the Government's stamp upon it, because each in the United States has the standard value of one dollar.

Mr. PITTMAN. Mr. President, we cannot remonetize anything in other countries; every government has a right to make its own money; and we cannot force them to accept ours. When we are speaking of remonetization we are speaking of our own currency. We demonetized silver in 1873.

Mr. THOMAS of Oklahoma. And it never has been remonetized.

Mr. PITTMAN. Let us see whether it has been. We demonetized it in 1873 by taking away from it its money quality, and its money quality was the right to compel a man to accept it for a debt. We have compelled its acceptance for debts in this country, both public and private, and for public dues. We took away its function as money in 1873, but we have replaced its function as money in this country. Now there are some of us who are trying to do two things—not only to remonetize it, which has been done, but to compel our Government to use it after we remonetize it; that is, by building up our reserves and our stocks in this country. That is one thing. Another thing we are trying to do is to bring it as close as possible to its natural ratio with gold. It cannot be brought to its natural ratio with gold until its price is raised by reference to the price of gold. We are not doing that entirely, but we are approaching it as rapidly as seems practicable.

Mr. THOMAS of Oklahoma. Mr. President we have been using silver since the Constitution was adopted. It is true that in 1873 we provided that gold should be the standard of value; it is true that in 1873 the law provided that silver could only be used as legal tender in a very small sum, I think $5 or $10; it is true that from 1873 to the present time we have had silver in circulation as token money; it is true that more than a year ago we restored to silver the full legal tender quality, so that since May of last year one can pay a bill of $1 with a silver dollar; he can pay a bill of $5, $10, $100, or $1,000, $1,000,000 with silver, or he can pay $1,000,000,000 with $1,000,000,000 with silver. Silver today is full legal tender for all debt-paying purposes, public and private, but it has not increased the value of silver perceptibly.

The silver in the silver dollar, gaged by the standard world price of silver, is worth but very little more today than it was a year ago. I am trying to make silver a part of our reserves, 25 percent of them, and it cannot be done with fiat. We cannot take silver and stamp silver and say it is worth two and a half billion dollars and make the world accept it. That is what this bill proposes to do, to make 2,000,000 ounces of silver into two and a half billion ounces of fiat money.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. McGILL in the chair). Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. THOMAS of Oklahoma. I yield.

Mr. KING. The Senator does not mean to state, does he, that the silver certificates issued by our Government do not have all the validity and prestige and debt-paying power here and throughout the world as do gold certificates?

Mr. THOMAS of Oklahoma. No; I do not.

Mr. KING. Silver is made "standard money", using the Senator's phrase, in the sense that it is just as good as gold, indeed, better than gold, because one cannot get a dollar in gold or a grain of gold out of the Treasury with a gold certificate, but he can get, under the terms of this bill, silver out of the Treasury in redemption of the silver certificates which are issued.

Mr. THOMAS of Oklahoma. One can do that now.

Mr. KING. So that the silver certificates have a greater redemptive power in metallic money than have the gold certificates.

Mr. THOMAS of Oklahoma. Everyone understands that proposition. Under the terms of the existing law, one can pay a debt of a thousand dollars in pennies. So pennies have the same effect in our monetary system today that silver has. This bill does not increase or change the position of silver one iota from what it is now. Our copper pennies stand today in our system of finance on a par with silver.

Nickel nickels stand on a par today in our financial system with silver. One can take a paper dollar down to the bank and get 100 pennies for it or get 20 nickels for it or get a silver dollar for it, but when he gets them, when the transaction is completed, he has less value in bullion than he had in paper as a token. They will buy the same, of course. The bill does not change either of them, and that is one reason why I object to it.

Let me invite attention to some other financial writers. They are well-known gentlemen who write for responsible

publications. They would not dare make statements unless they thought they were true, and these statements are not controverted. I quote from the Washington Post, a paper which no one can say is friendly to silver. I think they tell the truth, that they understand the truth. The article states in the headline:

Silver money issue optional with Treasury.

If we pass the bill they may get some more silver and they may not. The next headline is:

Billion and a half, or none, would be permitted under new measure.

That means they may buy a billion ounces of silver and coin it into silver dollars, which makes one billion five hundred million silver dollars. That, however, is optional under the terms of the bill.

Further down in the article I find this statement:

Since the bill is largely permissive as to silver purchases, it also is possible that little or no silver would be bought, which would call for little new silver money.

Again I read:

Meantime the administration silver program is not expected to affect the average man's pocketbook, his silverware, or his economic status.

Again I read:

Under the new silver bill the Treasury is to issue silver certificates at its discretion against all silver bought.

The Treasury Department is not required to issue them. It may be done at the discretion of the Treasury; so there might be bought the entire billion ounces of silver, and they would not be required to put out a single new silver certificate, in which event there would be no increase of circulation. I want to increase the circulation. I want more money in circulation, and I want it to come through the issue of certificates against the silver we are to buy.

I read further from a headline:

Monetary system unchanged.

That is a black headline.

Herman Oliphant, Treasury general counsel, who aided in the drafting of the new silver legislation, said "the program makes no change in the monetary system of the United States", described by Secretary of Treasury Morgenthau as a "1934 model gold standard." In no sense, he said, is it a bimetallic or symmetallic monetary standard.

That is the opinion of the financial writer of the Washington Post.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER (Mr. LOGAN in the chair). Does the Senator from Oklahoma yield to the Senator from Michigan?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. I am interested in clearing up one point which the Senator has just been discussing. In yesterday's debate I interrupted the Senator from Nevada [Mr. PITTMAN] with this question:

They do not have to circulate the silver at all under the terms of the bill, do they?

Mr. PITTMAN. Yes; they have to circulate it as silver certificates.

Do I understand the Senator from Oklahoma disagrees with that answer?

Mr. THOMAS of Oklahoma. The Senator from Nevada construes that portion of the bill which says that "the Secretary of the Treasury is authorized and directed to issue silver certificates." He construes that to means the Secretary must place those certificates in circulation through the payment of some governmental obligation. I say that is the correct construction, but there will be an amendment offered from the floor to make it clear that in the event they do purchase silver they must issue the certificates and, further, place those certificates in circulation.

Under the terms of the bill the Treasury may trade gold for silver, they may trade currency for silver, they may trade coin for silver, they may trade credit for silver. The bill directs the Department to issue certificates. I want the bill so amended that there will not be any doubt that the moment they get the silver—I do not care how they get it, if they convert currency into silver or coin into silver or gold into silver or credit into silver—they shall issue certificates to the value of the silver and place those certificates in circulation through the payment of some Government obligation.

In other words, the Treasury Department, instead of paying the salaries of some of its officials with checks, will hand out silver certificates; in place of paying some contractors with checks, they will hand out silver certificates, and thus get them into circulation outside of the Treasury.

I contend the certificates might be issued under their construction and laid upon a shelf some place and not paid out. They would have them, but the certificates would do no good, so far as I am concerned, because I want circulation increased so that money will be made more plentiful, thereby cheaper, and prices thereby raised.

Mr. VANDENBERG. Mr. President——

Mr. THOMAS of Oklahoma. I yield to the Senator from Michigan.

Mr. VANDENBERG. The Senator's theory is that it might be possible under the terms of the pending bill for these certificates to become part of that same sterile factor which is now represented in the difference between $5,500,000,000 and $13,000,000,000 of existing money.

Mr. THOMAS of Oklahoma. I take the newspaper financial writers for my authority, largely, and I am afraid that might be true. They have stated that it is true. I want to clarify that matter so there can be no doubt about it. If the proponents of the bill are not willing to accept an amendment to that effect, I am constrained to believe it is because they may not want it to be put in circulation; otherwise they would be glad to accept a clarifying amendment to provide that when the certificates are issued they shall be placed in circulation. We want to make that clear.

Mr. ADAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Colorado?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. ADAMS. On that same point it seems to me the declaration of the bill, to the effect that the Secretary of the Treasury is directed to issue silver certificates to not less than a certain amount, can only be complied with by putting out the silver certificates. The term "issue" has a very definite meaning. I think the Senator from Michigan, who has just made inquiry, recognizes that.

For instance, in criminal procedure in a forgery case, we have the term "utter" and the term "issue." Issue means to put out. We have it in connection with our Securities Act. We speak of a "new issue." We have not issued securities when we print them and put them upon the shelf. It seems to me the language of the bill is perfectly clear in its intent, though I am among those who, if there could be any doubt about it, would be perfectly willing to vote for a clarifying amendment.

Mr. THOMAS of Oklahoma. The Senator places a construction, but I am not sure that it does not defeat his own interpretation. A corporation may issue bonds and then never sell them, in which event they never go into circulation. Is not that true?

Mr. ADAMS. I would not call them issued.

Mr. THOMAS of Oklahoma. That is a distinction and difference upon which the Senator and I might disagree. I am sure he and I would agree that we should make the bill so positively clear and plain that no one could misunderstand it.

Mr. ADAMS. I think it might be said that the Senator and I largely differ in the matter of definition. I think a good deal of the argument in this matter is due to a difference of definition rather than a difference of purpose or intent.

Mr. THOMAS of Oklahoma. If it is the intent not only to issue the money, but to put it in circulation, then certainly the authors of the bill ought not to object to a provision that the money shall be paid out in meeting governmental obligations. Let us make it clear and then there cannot

be any misunderstanding. That is another defect in the bill which I think should be corrected.

The bill contains a section that proposes to tax all those who deal in silver. It proposes, if anyone bought silver in the past and still owns that silver and later on sells it and makes a profit on the silver, that automatically a tax of 50 percent of the profits must go to the Treasury. In other words, the owner of silver cannot transfer title to his silver without having some paper bill of sale made out, and attaching to that bill of sale stamps to the amount of one-half of his profits as represented by the stamps.

Mr. President, if that be so, this, in my opinion, is the effect of it. Naturally, if we should get an added amount of income for the Treasury I should be inclined to look with favor upon the tax, but those who deal in silver are presumed to be, reasonably good business men. If anyone has silver now and is afraid the bill is going to pass, he will sell the silver, get it out of his hands, and get what profit he has before the bill becomes effective so he will not have to pay a tax. The person who buys the silver will transfer the silver or the title or sell the silver itself. That is what is being done, because the bill cannot tax foreigners for their dealings in silver.

Spot silver can be physically transferred to Canada or transferred abroad, placed beyond the jurisdiction of our Government. If not actually transferred physically, it can be transferred by virtue of bills of sale to foreigners.

If the bill passes we will get very little income from the profits on silver, so it will be defeating the end we have in view to increase our income in the Treasury by virtue of a tax on silver. If the bill should pass with that tax provision in it, in my judgment it would destroy the commodity silver exchange in New York City. When silver is bought and sold on this exchange we do get a small tax on the sale. If the commodity exchange should be destroyed that tax would cease.

It is my construction of the bill that if section 8 should remain in the bill, and a tax should be levied, the Treasury would get but very little money from that source. Not only would the Treasury get very little money but it would lose, over the long run, a great deal of money on the future sales of silver through such exchange.

Mr. LONG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. I desire to submit to the Senator a further idea. We are undertaking to elevate the price of silver through trade and exchange. If we are to banish silver from our own market, it seems to me that we shall kill the very purpose we are trying to bring to life.

Mr. THOMAS of Oklahoma. Mr. President, as I have said many times upon this floor, our whole economic system, as well as our system of government, rests upon profits. Unless the citizens of the country can make money, they cannot keep the property they now own. They must pay taxes upon that property; they must pay insurance upon it; they must maintain it. That costs money. So, unless the people of the country can make money in some way, they cannot retain their property. They will lose it. They cannot keep it. So our economic system, called the "capitalistic system", depends primarily upon the ability of the people to make money. If we deprive them of their ability to make money, the capitalistic system fails.

Our system of government depends upon the fact that the people must make money. The people must pay taxes to support the Government, and it takes a large sum. Unless the people can make money in some way, they cannot pay their taxes. If they cannot pay their taxes, city governments fall; township and county governments fall; State governments fall; the National Government likewise eventually will fall. So I am not one of those who argue that no one should ever make any money. I see a very distinct development in some parts of the country, however, from the sentimental standpoint that the people of the Nation should not live to make money; they should live for a more abundant life.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. VANDENBERG. Does not the Senator think, however, that something may be said, ethically, for the proposition that when a profit is arbitrarily created by the action or fiat of the Government, it is a different type of profit than the normal commercial profit to which the Senator adverts, and that it is a profit upon which the Government has a right, substantially, to take commission?

Mr. THOMAS of Oklahoma. If we should make this bill read that after the passage of the bill all profits made in the purchase and sale of silver should be taxed at a certain rate, I should have no objection; but the bill does not so state. If the Senator from Michigan should happen to have some bar silver now, he may have bought that bar silver many months ago. He may have brought it when it was down to 24 cents an ounce. It is now worth 45 cents an ounce—a nice, substantial profit. If he keeps that silver, with this nice profit, until the bill becomes effective, and then sells it he has to pay one-half—50 percent—of that profit to the Government. Using the Senator only for illustrative purposes, being a good business man, if he sees that the bill is about to pass, he most certainly will sell his silver and take his profit and let the other fellow do the speculating and worrying over the tax. Would not that be the effect?

Mr. VANDENBERG. Perhaps it would. Nevertheless, when we devalued gold, is it not a fact that we first nationalized it and arranged to have the full profit of the governmental action respecting its value accrue to the benefit of the Public Treasury?

Mr. THOMAS of Oklahoma. That is exactly true; and it is rather strangely significant that the matter of taxing was not thought of in connection with the nationalization of gold.

I am not prepared to prove this statement, but I have information which is authentic that many hundred million dollars in gold were sent abroad when it became known that we were about to nationalize gold. It went abroad worth $20.67 an ounce. Later on that gold came back to America worth $35 an ounce. Someone made that difference. No tax was imposed upon the gold profit; and it is significant that someone did not think about taxing the profit on gold which was bid up from $20.67 an ounce to $35 an ounce.

I should have no objection to modifying that section so that after the enactment of the bill anyone who buys silver and makes a profit shall pay this tax, because that will stop anyone from buying it. There will be no tax, and it will not have any effect anyway.

Mr. VANDENBERG. Except as there were some such arrangement, this provision would clearly invite the silver speculator to an unlimited participation in dividends from an action of Government itself; would it not?

Mr. THOMAS of Oklahoma. No more so than the legislation which raised the price of cotton. During the past year we have enacted legislation which had the effect of raising the price of cotton from 5 or 6 cents a pound to 12½ cents a pound. No one proposed to tax the profits of the gentlemen who made profits on the increased price of cotton.

We did the same thing with regard to wheat. We took 10,000,000 acres of wheat land out of production, and to some extent raised the price of wheat. We did not propose to tax the folks who made some money out of wheat.

We did the same thing with regard to hogs. We did the same thing with regard to oil. This is the first time we have proposed to tax those who have made some money out of Government action, if I may put it that way.

As I have said, I have no objection to making it so that those who make profits after the bill becomes effective shall pay their tax; and I may state in this connection that it is my judgment that we cannot make the taxing section retroactive. I doubt if we can tax anyone who makes profits

prior to the passage of the bill. That is a legal question. It will come before the courts, no doubt, in due time. The pending bill provides that anyone who has dealt in silver since May 1, 1934, and sold or bought and made any money on either side of the exchange, up or down, will have to pay this tax.

It is my judgment at this time that after the bill shall have been finally approved, if any money shall be made in silver through buying or selling, the Government may collect a tax on the transactions; but I doubt if they can collect it on transactions prior to the date of the approval of the measure.

Mr. President, I now desire to call attention to some more clippings, and see if my interpretation of this measure is accurate or wholly fallacious.

I now quote from the Associated Press. I have always regarded the Associated Press as a highly responsible news-gathering agency. I know from personal experience that the gentlemen who write for the Associated Press are in the "big league" of reporters. When a bright newspaper man develops and attracts attention by writing articles that hit the truth and explain proposals with accuracy, if he desires—and he usually does—he becomes tied up in some way with the Associated Press. I regard the Associated Press writers, as I say, as the "big league" of newspaper reporterdom. So when I quote the Associated Press I do so with confidence that I am giving an intelligent viewpoint.

Here is an article which appeared in the newspapers not so very long ago under the headline:

What! Worthless silver?

The second headline reads as follows:

Huge supply of bars of metal will be stored away at Treasury as valueless commodity if present purchase plan works out.

Mr. President, if we are to make this silver into money, it certainly will not be stored away in the Treasury as a worthless commodity. The Associated Press construes this bill to be a measure providing for the purchase of silver and then storing that silver away in the Treasury as a worthless commodity. If I thought that was the purpose of Congress, I should not take any time here; I should just vote against the bill and be satisfied. That will be the effect of the bill, however, and I think it is the purpose of the men who drew the section.

I now read from the Associated Press article as follows:

A lot of shiny silver bars may be carried in Treasury inventories along with desks and chairs as a "worthless commodity" if present plans for administering the Pittman silver bill are carried out.

Mr. President, there is a verification of my interpretation of the pending bill. The bill, if passed, will provide for the purchase of silver; but when the silver is purchased it will go into the Treasury on the same basis as worthless desks, worthless chairs, worn-out typewriters, and will be carried there as a worthless commodity. It will not be a reserve for the issuance of currency. It will not be basic money. It will not be standard money. It will not be primary money.

Again I read, speaking about silver:

It would not be entered on Treasury books as having any value, but would be carried simply as worthless commodity.

Here is a question propounded to someone in the Treasury Department. The question is as follows:

Q. How much money will be added to the monetary supply?
A. The bill directs the issuance of silver certificates in an amount not less than the cost of the silver purchased. Since new money would depend on the amount paid for the silver, experts said it was impossible to forecast how much currency will be added to the present monetary supply of $13,542,000,000. As the price of silver advances, the amount of new money declines. Treasury advisers do not expect any increase in the amount of money in circulation to result from silver purchases.

Mr. President, if this bill does not provide for more money going into circulation then I am opposed to it. That is the only good I can see in it, from my standpoint. It might help the silver-producing States, it might help the miners of the West by increasing the price of silver, but if silver merely goes into the vaults of the Government, to be measured along with chairs and typewriters and other commodities, it does the country no good whatever.

I am interested in the bill, not from the standpoint of the miners of the West, though I am for them, but I am for the bill because I hope through its operations to get more money into circulation, to make money more plentiful, and give the people a chance to see more money. In some sections of this country money is an antique. The people used to see it, but they see it no more. They cannot borrow it and they cannot earn it—there are no jobs. I am for the bill in the hope that through its enactment we may buy some silver, then issue certificates against that silver, put those certificates into circulation, and make money more plentiful, make money cheaper, and, as money is made more plentiful and made cheaper, automatically prices will go up.

I see no salvation, I see no hope of working out of the depression, except through the plan of putting more money into circulation, making money plentiful, making it cheaper, and automatically raising the prices of the things the people produce.

Mr. BAILEY. Mr. President, if the Senator will yield, I understood him to say that he was hoping to make silver more valuable.

Mr. THOMAS of Oklahoma. I hope it will become more valuable.

Mr. BAILEY. Yet the Senator is now arguing that we must have cheaper money.

Mr. THOMAS of Oklahoma. I am trying to make silver bullion more valuable and money cheaper; that is true. They have no connection whatever.

Mr. BAILEY. How does the Senator propose to make silver higher in value than gold?

Mr. THOMAS of Oklahoma. By bidding up for silver, making silver higher, and by decreasing the demand for gold, making gold lower. After a while, if the demand for silver is sufficiently increased and the demand for gold decreases sufficiently, they will be on a parity. Fifteen grains of gold in one dollar and 371 grains of silver in one dollar; each will be worth intrinsically throughout the world 100 cents.

Mr. BAILEY. I am trying to ascertain if the Senator can reconcile his statements. He proposes to make silver worth $1.29 an ounce?

Mr. THOMAS of Oklahoma. That is, the silver dollar.

Mr. BAILEY. Then the monetary value would be the same?

Mr. THOMAS of Oklahoma. When it gets to be $1.29 an ounce; that is correct.

Mr. BAILEY. That would make silver nearly three times more valuable than it is today, would it not?

Mr. THOMAS of Oklahoma. That is correct.

Mr. BAILEY. So the Senator's proposition on this end of the matter is to make money, in the form of silver, more valuable.

Mr. THOMAS of Oklahoma. No; the Senator is wrong.

Mr. BAILEY. Let us see. If the price of silver is raised from 45 cents an ounce to $1.29 an ounce, does not that make silver more valuable?

Mr. THOMAS of Oklahoma. It makes silver bullion more valuable, but it must be raised to $1.29 an ounce before the silver in a dollar is worth 100 cents.

Mr. BAILEY. Then that makes the silver dollar, now worth 35 cents, worth 100 cents.

Mr. THOMAS of Oklahoma. That is correct, and that is the point I am driving at. I am trying to raise the price of silver in the silver dollar from 35 cents intrinsically to 100 cents intrinsically.

Mr. BAILEY. Then, that does not cheapen the dollar; it increases the value of the dollar.

Mr. THOMAS of Oklahoma. I am sure the Senator understands this matter, and he may be trying to get me in a hole.

Mr. BAILEY. I am not trying to get the Senator in a hole. I am trying to get him to reconcile his statements.

Mr. THOMAS of Oklahoma. When we get silver bullion up to the point where it is worth 100 cents intrinsically, then

it will be on a parity with the gold dollar in purchasing power.

Mr. BAILEY. And more valuable?

Mr. THOMAS of Oklahoma. That is correct; but the silver dollar will then have the same buying power the gold dollar has.

Mr. BAILEY. The Senator does not reconcile his statement that he is trying to make money cheaper with the fact that he is trying to make silver dearer.

Mr. THOMAS of Oklahoma. After we get the silver in the silver dollar worth 100 cents and on a parity with gold, then silver and gold will be equal. Does the Senator agree to that?

Mr. BAILEY. I agree to that.

Mr. THOMAS of Oklahoma. Then, by putting more silver dollars into circulation and putting more paper dollars into circulation we will make all forms of money cheaper; gold comes down, silver comes down, paper comes down in buying power to the extent to which more money is put into circulation.

Mr. BAILEY. Still, we have raised the value from 35 cents——

Mr. THOMAS of Oklahoma. Raised the bullion value; that is correct.

Mr. BAILEY. So the money is not cheaper. There may be more of it, but it would still be worth 100 cents.

Mr. THOMAS of Oklahoma. Oh, yes; it is always worth 100 cents. Let me remind the Senator that in 1920 the gold dollar was still the standard but was not in circulation. The silver dollar was still in circulation. Paper money was in circulation. All of these dollars were on a parity, because one was supposed to get a dollar in gold for a dollar in paper. At that time the dollar was worth 50 cents in buying power. The gold dollar was worth 50 cents in buying power, although it had 100 cents in it.

Mr. BAILEY. Relative to the commodity price.

Mr. THOMAS of Oklahoma. Yes; that is what I mean. All money was worth 50 cents in buying power, and it is my contention that after we get these metals to a parity, or even before we get them to a parity, if we put enough money in circulation we will bring down the buying power of the dollar. It will still have a hundred cents in it, but the cents will not buy so much.

Mr. BAILEY. Does the Senator mean to say that making silver worth $1.29 an ounce brings down its buying power, or increases its buying power?

Mr. THOMAS of Oklahoma. Mr. President, we might make the silver worth $1.29 an ounce, and yet the ounce of silver would not be worth a nickel based upon the present level of value.

Mr. BAILEY. Which has the more buying power, 35 cents or 100 cents?

Mr. THOMAS of Oklahoma. Mr. President, the 35 cents might have more buying power than a hundred dollars. Suppose we got inflation in this country, suppose we commenced issuing money as Germany did, putting money into circulation by the bale. After a while the dollar would not buy as much, perhaps, as a nickel would buy now. So 35 cents, the present value, might be worth $35,000,000,000 in the cheap paper money Germany had. The Senator understands this matter, I am sure.

Mr. BAILEY. The Senator shifts from silver to paper money. On yesterday he repudiated all conceptions of paper money as primary currency.

Mr. THOMAS of Oklahoma. I did.

Mr. BAILEY. Why carry the argument into that field? I am confining myself to the simple question: Which has the more buying power, as matters stand, not by way of possibility or reference to paper but as a matter of fact, 35 cents or a hundred cents?

Mr. THOMAS of Oklahoma. A hundred cents.

Mr. BAILEY. Yet the Senator proposes to put the value of silver at 100 cents and at the same time cheapen currency.

Mr. THOMAS of Oklahoma. Absolutely I do; and I am sorry the Senator cannot see that. The time will come when he will.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. GEORGE in the chair). Does the Senator from Oklahoma yield to the Senator from Louisiana?

Mr. THOMAS of Oklahoma. I yield.

Mr. LONG. All the Senator has to do is to reflect that the quantitative theory of money means cheapening money. If we had $10,000,000,000 worth of gold, gold would be cheaper. The quantitative theory of money is something the Senator from North Carolina understands. He is not nearly so dense in the matter as he might appear.

Mr. THOMAS of Oklahoma. I join with the interpretation of the Senator as to the lack of density of the Senator from North Carolina.

Mr. President, I want to call attention now to another article, to see whether or not I am wrong in my interpretation of the bill. I refer to an article appearing in the New York Times. I think no one can state that the New York Times is favorable to silver, but the New York Times does have some very able writers, and what we see in the New York Times will at least bear investigation.

The article to which I refer is of date May 24, 1934. It is an article signed by Mr. Arthur Krock. I read this in the article:

> How much new currency will be issued if the Pittman bill becomes law?

He answers that question as follows:

> The best reply obtainable is: From $1,500,000,000 down to nothing at all.

I do not think my interpretation was far wrong. It may mean nothing at all. That is the opinion of the financial writers, financial experts, the best analysis of news that we have. It might mean more; I hope it does. But it does not necessarily mean anything.

Further on I find that Mr. Krock quoted the Associated Press, or the Associated Press quoted Mr. Krock, I am not sure which, but I find the subhead "Surplus a Worthless Commodity." I want to read part of this interpretation by Mr. Krock:

> Only 371¼ fine grains of silver will be held in back of each silver dollar. Therefore, in the case of purchases at 50 cents an ounce or less, there will be a left-over in each ounce for storage in the Treasury. This will not be carried in the Treasury inventory as bullion with a monetary value. It will be listed along with Government desks, buildings, and office supplies as a "worthless commodity." In a purchase of 1,000,000 ounces of silver at 50 cents an ounce, only 387,596 ounces are legally required for the coinage of $500,000. The remainder, 612,404 ounces, is for storage. Only if and when the world price of silver goes above 50 cents an ounce, and if and when the Treasury should sell some of its silver, would a "dollar profit" on the silver be realized.
>
> The Treasury has about 700,000,000 ounces of silver. To arrive at a 25–75 ratio with the Treasury holdings of gold (now valued at $7,758,000,000) purchases of 1,300,000,000 ounces of silver must be made, listed at a coinage value of $1.29 an ounce. If the price of gold or the amount held by the Treasury varies, however, the amount of silver needed to be purchased to reach the 25–75 ratio will change with these.

Mr. President, that is a correct statement of the situation. Under the pending bill, if it shall be enacted, we will have to buy silver to the extent of about a billion three hundred million ounces. It will be valued at $1.29 an ounce. That makes up the monetary value, the sum of $2,500,000,000. That fills our 100-percent reserve—25-percent reserves in silver. But the silver is worth only a billion dollars. I contend that $2,000,000,000 in silver, stamped, does not fill the requirement of $2,500,000,000 in reserve, upon which we are supposed to issue currency and credit of a nation.

I read a little further:

> Treasury experts do not believe that the silver program, even if finally completed, will make much difference in the earnings or holdings of citizens generally.

That is my construction exactly. If the bill shall become a law, or whether it shall become a law or not, it will have no perceptible or particular effect upon our financial system.

The Government will not buy enough silver to make any difference. If it buys a billion ounces at 50 cents an ounce, it will put $500,000,000 into circulation, and, in my judgment, that would be only a part of what it should put into circulation. I think we should put into circulation enough added money to bring the buying power of the dollar down to 100 cents, based upon the best yardstick of measurement we have, and that is the Bureau of Labor Statistics, which shows that in 1920 the dollar was down to 50 cents, and it showed that in February 1933 the dollar was worth $1.69. Although we have cheapened the dollar somewhat after a year's trying, it is still worth $1.36 today.

I am opposed to retaining that excess value of 36 cents in the dollar. I want to take it out, and I am trying so to amend this bill that it will take out of the present buying power of the dollar that excess value of 36 cents, and if that is done, that will be reflected in the price paid for tobacco in North Carolina; it will be reflected in the price paid for apples in Michigan; it will be reflected in the price of steel in Pennsylvania; it will be reflected in the price of wheat in Kansas and in the Dakotas; it will be reflected in the price of cotton in the South; it will be reflected wherever raw materials are produced.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. The Senator interests me very much in his statement that the increase in the value of silver by way of purchases under the amendment he proposes would favorably affect the prices of tobacco in North Carolina and of cotton throughout the South.

Tobacco is sold in North Carolina to the extent of 60 percent of the crop, in round figures 300,000,000 pounds, abroad; that is, in the foreign market, and the cotton generally throughout the South is sold abroad to the extent of about 50 to 55 percent—probably more. Eight million bales are sold abroad to 6,000,000 bales sold in this country on the average.

I asked the Senator on yesterday, not to get him in a hole, as he just now intimated, but wholly for the purpose of enlightening myself, and I hope my constituents, to discuss how the increase in the value of the silver would affect the prices of our agricultural export crop in the silver countries. The Senator answered that he was glad that I had asked the question. Unfortunately, he was diverted by other questions and did not answer that question. I request him now to discuss that for my enlightenment.

Mr. THOMAS of Oklahoma. Mr. President, I am not familiar with the price of tobacco——

Mr. BAILEY. I will inform the Senator that the average price for the bright tobacco was 16½ cents.

Mr. THOMAS of Oklahoma. Inasmuch as I am not familiar with tobacco. I will take cotton.

Mr. BAILEY. Very well.

Mr. THOMAS of Oklahoma. Last year when the Congress was in session cotton was selling in my State for 5½ cents a pound. We cheapened the dollar in terms of gold content. We did some other things which made cotton more scarce. We have done things to date which have taken 31 cents of the excess buying power from the old dollar that we had a year ago, because at that time, measured by 800 articles, the dollar had a dollar and 69 cents buying power. We have reduced the buying power of that dollar down to $1.35. We have taken out of it something like 32 cents. Cheapening the dollar and restricting the production of cotton have increased the price of cotton from 5½ cents to something like 11½ cents, and I assume the same effect has been had upon tobacco.

Mr. BAILEY. Permit me to interrupt the Senator one moment to make a contribution. I understand the gold value of American cotton and American tobacco is today in the markets of the world practically the same as it was prior to the time when we went off the gold standard, and undertook and nearly succeeded in devaluing our currency in the world markets. Is that correct?

Mr. THOMAS of Oklahoma. I can explain that by using an illustration. If the Senator were in London today he could take 60 cents of gold and go to the bank and buy an American paper dollar. With 60 cents of the old-value dollar, in other words, 15 grains plus of gold, the Senator could buy an American dollar in London. You take your American paper dollar and buy a bushel of wheat, which a few days ago you could get for 80 cents. It is higher now. The drought has come, and the price of wheat has gone up. You could have gotten the bushel of wheat 2 weeks ago for 80 cents. You start with 60 cents, buy an American dollar, pay 80 cents for a bushel of wheat and have 20 cents left. How much does the bushel of wheat cost you in England?

Mr. BAILEY. That would have to be determined by the value of the pound in exchange for dollars rather than gold.

Mr. THOMAS of Oklahoma. There is no element of pounds in this, Mr. President. It is simply American money.

Mr. BAILEY. So far as that is concerned, it remains the same in gold. Nothing has happened to change that. Am I right about that?

Mr. THOMAS of Oklahoma. Mr. President, answering my own question: We start with 60 cents in gold. With the 60 cents we bought an American dollar. With the American dollar we bought a bushel of wheat and got 20 cents in change in money. We have to reconvert that 20 cents into American gold. Sixty percent of 20 cents is 12 cents. Take 12 cents from 60 cents, and it is found that the wheat cost 48 cents a bushel. I will say that 50 cents a bushel will be approximately correct. So 2 or 3 weeks ago wheat was selling in America for 80 cents a bushel, and selling in England and gold-using countries for 50 cents a bushel.

I contend that the only way to help the prices here domestically—we cannot change the world prices—the only way to help the prices here domestically is through the manipulation of our money, and if we take that excess 31 cents out of the dollar it will still further help the price of wheat, it will still further help the price of cotton and of tobacco domestically. As to the portion we sell abroad, that is another question.

Mr. BAILEY. Mr. President, there is the point at which I was driving. The Senator said we can affect the price domestically, but we cannot affect the price in the world market. My question—I will go back to it—was, How would the proposed increase in the value of silver affect the price of cotton and tobacco in the world market?

Mr. THOMAS of Oklahoma. Mr. President, we are never going to have silver as basic, standard, primary money until 371¼ grains of fine silver are worth 100 cents on the parity with the gold dollar, whatever weight the dollar has in gold, and I am trying to do what I can to provide a system which will raise the price of silver, 371¼ grains, so that that many grains of fine silver will be worth on the world market the equivalent of the grains of gold in a gold dollar—I do not care what those grains are—15 plus, or cut them down to 11, as the President may do when we finally go back on the gold standard officially.

Mr. BAILEY. Mr. President, the Senator seems to argue that the higher the value of the money the lower the commodity price. Is that right?

Mr. THOMAS of Oklahoma. Yes, Mr. President.

Mr. BAILEY. The higher the value of gold——

Mr. THOMAS of Oklahoma. I will have to get some more blocks, Mr. President, to argue with the Senator from North Carolina.

Mr. BAILEY. I will wait until the Senator gets them. I cannot do anything but wait until the blocks come in.

Mr. THOMAS of Oklahoma. If my interpretation of this bill and the interpretations given by financial writers do not appeal to the Senator, then, of course, I must submit that I am unable to make my point clear to the Senator—conceding that I have a point.

Mr. BAILEY. Mr. President, I do not want to harass the Senator, but I will say that I asked him a question, and he said on yesterday he was glad I asked him the question. I repeated the question today. Now, very respectfully and in all courtesy, I must say he has not answered my question, and I believe it is a pertinent question. That he must get

some more blocks in order to answer as to the effect of the increase of the value of silver upon American export prices does not answer my question.

Mr. THOMAS of Oklahoma. The Senator can read what I have to say. If that answers the question, then I will not have to go over the whole matter again.

I now call attention to a news story appearing in the New York Times of recent date under the heading "Silver Plan Held No Threat to Gold." I made the statement yesterday that if we passed this bill we would not make silver part of our reserves; we would not give silver any quality of gold. We would simply add some more silver to our stock of money. So, if this bill passes without amendment—if we buy billions of ounces there is no threat to gold whatever. Gold is still the standard of value. It is still the unit of currency in the United States. There is no lessening of the demand for gold, because silver does not take its place.

I am trying to amend this bill so that silver may be used in the place of gold in the settlement of international balances. At the present time if we deal with China or Japan or India or Mexico we cannot pay them in silver, excepting in silver bullion. They will not accept our silver dollars for 100 cents because they have no use for the silver dollar that is stamped. They have use for the bullion. We can settle on a bullion basis with China and with Japan and with the silver-using countries. I am trying to amend this bill so that we may do that, by giving silver a status so that it will be, in a sense, a competitor of gold. But this bill does not proceed upon that theory at all.

The New York Times does not so construe it. If we pass this bill we may put in circulation two and one-half billion dollars of fiat money stamped upon silver. The silver is still worth a billion dollars, that is all. It has a billion dollars of value. We would not put that kind of money—a fiat of a billion and a half dollars—in reserves. So under the terms of this bill, silver is no more important than paper, so far as money is concerned, basic primary standard money. The New York Times states my viewpoint:

> Silver plan held no threat to gold.

I read further down the article:

> It is not to be elevated to the dignity of gold, as the gold dollar alone will be the standard unit of value in the United States, and foreign balances will be settled in gold alone.

I am trying so to dignify silver that we may settle foreign balances in silver on a bullion basis. That will make an added demand for silver; it will lessen the demand for gold; it will increase the value of silver and decrease the value of gold. As I have previously said, if the increased demand for silver is sufficient and the decreased demand for gold is sufficient, silver goes up in value and gold goes down in value, and after a while they will meet on a parity which we can all recognize.

I read further from another financial writer. It is rather recent, June 2, 1934, and the article is by Mr. Leslie Eichel, Central Press staff writer, and the article was sent out from New York and published in the New York World. I read as follows:

> Wall Street recognized what the silver proponents are just beginning to realize—that the silver bill actually is a deflationary measure.

Some of us, Mr. President, have not realized that as yet. If this writer interprets this bill properly, it is not an inflationary measure but is a deflationary measure.

Reading further from this article:

> Which, of course, is what the sound-money people desire.

Mr. BORAH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HATCH in the chair). Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. Upon what theory does the writer say that the pending bill is deflationary?

Mr. THOMAS of Oklahoma. Let me read the remainder of the article:

> It cleverly stops the silver stampeders, although on the surface it has the appearance of aiding them.
>
> Actually the Silver Purchase Act of 1934 gives the Government no more powers than it had previously, through acts already on the statute books.
>
> On the contrary, it puts fear into the hearts of silver speculators, for it places a 50-percent tax on private profits in silver bullion sales.

That is the complete article.

Mr. BORAH. I think that the writer looks upon the bill as deflationary because of the taxing clause in it.

Mr. THOMAS of Oklahoma. I would get that impression; deflationary in that, instead of silver being increased in price, it will be decreased in price.

Mr. President, at this point I want to call the attention of the Senate to the legislation which has appeared upon our statute books since the Constitution was formed, and even prior to that time. I want to give very briefly the history of monetary legislation in the United States.

A resolution passed by the Continental Congress on the 6th day of July 1785 declared that the money unit of the United States shall be a dollar; and another resolution passed on the 8th of August 1786 fixed that dollar at 375.64 grains of fine silver. That was the act of the Continental Congress.

The Constitution, adopted and signed on September 17, 1787, contains the following provision in article I, section 8, paragraph 5:

> The Congress shall have power * * * to coin money, regulate the value thereof, and of foreign coin * * *.

Article I, section 10, paragraph 1, provides:

> No State shall * * * coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts.

The first Secretary of the Treasury, Alexander Hamilton, made a report on the establishment of a mint, and in that report made the following statement:

> That the unit, in the coins of the United States, ought to correspond with 24 grains and three-fourths of a grain of pure gold and with 371 grains and one-fourth of a grain of pure silver, each answering to a dollar in the money of account.

Quoting further from Mr. Hamilton's report:

> It is often in the course of trade as desirable to possess the kind of money, as the kind of commodities, best adapted to a foreign market.

That statement is significant. Three-fourths of the people of the world use silver as money; they know not gold; they know not paper; they use silver and silver alone as their medium of exchange. Mr. Hamilton said that in dealing with such people it was well to use the same kind of money as the people in such foreign countries use. So, it is my contention that we have a chance materially to increase our trade with three-fourths of the peoples of the world, in India, China, North and South America, silver-using countries, by making our money conform to this precept or principle stated by Mr. Hamilton back in 1792.

Reading further from Mr. Hamilton—and this is significant—

> To annul the use of either of the metals of money is to abridge the quantity of circulating medium, and is liable to all the objections which arise from a comparison of the benefits of a full, with the evils of a scanty, circulation.

This statement of Mr. Hamilton, issued in 1792, verifies my statement as to the quantitative theory of money. If we make money plentiful we make money cheap; if we make money scarce we make money high. Mr. Hamilton laid down the principle that if we take either gold or silver out of circulation, to the extent we do that, we make money scarce, and if we make money scarce we make money high.

Under the theory as expounded by Mr. Hamilton, the Congress on April 2, 1792, passed the first coinage act. That act contained the following language:

> There shall be from time to time struck and coined at the said mint, coins of gold, silver, and copper of the following denominations, values, and descriptions * * * viz, * * * dollars or units—each to be of the value of a Spanish milled dollar as the same is now current, and to contain 371 grains and four-sixteenths part of a grain of pure, or 416 grains of standard silver.

Mr. President, in 1792 the Congress of the United States, under the Constitution, acting upon a report and recommendation of Mr. Hamilton, established the silver dollar as the single measurement of value in these United States and fixed the weight of that dollar at 371¼ grains fine silver; and the grains of fine silver in the dollar fixed by Hamilton in the First Congress have never been changed to this good hour.

On June 28, 1834, the Congress passed another law relating to money, and I desire to incorporate one section from that act at this point in my remarks.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. THOMAS of Oklahoma. I yield.

Mr. BORAH. The Senator will recall when Hamilton was formulating his monetary policy, involving the use of the two metals, that he sent it to Mr. Jefferson for his consideration, and it received the approval of Mr. Jefferson. Both those men declared very emphatically at that time for the use of both gold and silver as primary money.

Mr. THOMAS of Oklahoma. The Senator's statement is exactly correct. Hamilton's recommendation was followed by the Congress; and when the Congress met and acted upon the recommendation the Congress made silver the standard and fixed the weight of the standard silver dollar at 371¼ grains and that has not been changed since 1792.

By the way, the weight of the gold dollar has been changed three or four times, but the weight of the silver dollar still remains the continental dollar, the constitutional dollar, the Washington dollar, the Hamilton dollar, the Jefferson dollar, the Lincoln dollar, and the dollar of every President until silver was demonetized.

The act of June 28, 1834—and from that act I read a section—provided:

> The gold coins of the United States shall contain the following quantities of metal—that is to say, each eagle shall contain 232 grains of pure gold and 258 grains of standard gold. * * * Every such eagle shall be of the value of $10.

Mr. President, as late as 1834, in fixing the weight of gold the Congress fixed the value of gold measured by the standard silver dollar, because it said that so many grains of gold shall be of the value of $10, and the unit at that time was the silver dollar; gold had not been made the standard at that time; so the standard must have been the standard silver dollar, and gold at that time, in 1834, was measured in terms of silver.

This act changed the ratio of pure to standard gold and reduced the gold content by a little over 6 percent, making the silver-to-gold ratio 15.98 to 1.

The act of March 3, 1849, also made some reference to the monetary unit. Provision made for coinage of gold dollars each to be of the value of one dollar or unit.

As late as 1849 the silver dollar was the standard of value, and in 1849 we measured gold in terms of silver dollars. Some of the Senators here can almost remember back to that time.

I next call attention to the act of February 12, 1873, which is known as the "crime of '73." I want to read one paragraph from that act, which had the purpose of making the gold dollar the standard unit and stabbing or killing the silver dollar.

Section 14 of the act known as the "crime of '73" reads as follows:

> The gold coins of the United States shall be a one-dollar piece, which, at the standard weight of 25.8 grains, shall be the unit of value.

There was a change from the standard silver dollar to the standard gold dollar. By that simple act of three lines the standard unit of measurement in these United States was transferred from a standard silver dollar to the standard gold dollar. The act to which I have just referred contained no provision for a silver dollar, except a trade dollar having a weight of 420 grains troy. That was known as the "crime of '73", the act which demonetized silver.

Then, on March 14, 1900, we had what is known as the "Gold Standard Act" passed by the Congress. That act contained the following sentence:

> The dollar consisting of 25.8 grains of gold 0.9 fine * * * shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard. * * *

Since 1900 the gold dollar has been the standard of value in these United States. Since that time silver has been nothing more than a commodity.

Mr. President, during the 100 years while silver was the primary, basic, and standard money of America, statesmen worthy of the title foresaw what was eventually to happen to silver and the effect of demonetization of the white metal upon the peoples of America and the world. I wish the RECORD to contain some of those statements, some of those forecasts, some of those premonitions, as they might be called.

I quote first from Mr. Lincoln, who said:

> If a government contracted a debt with a certain amount of money in circulation and then contracted the money volume before the debt is paid, it is the most heinous crime that a government could commit against the people.

Mr. Lincoln was not in doubt upon the money question. He understood it thoroughly.

Mr. Logan made the following comment:

> The cause of our depression is money famine, and nothing else.

On one occasion, February 7, 1878, James G. Blaine made the following observation:

> On the much vexed and long-mooted question as to a bimetallic or monometallic standard, my own views are sufficiently indicated in the remarks I have made. I believe the struggle now going on in this country and in other countries for a single gold standard would, if successful, produce wide-spread disaster in and throughout the commercial world.
>
> The destruction of silver as money and establishing gold as the sole unit of value must have a ruinous effect on all forms of property except those investments which yield a fixed return in money. These would be enormously enhanced in value, and would gain a disproportionate and unfair advantage over every other species of property. If, as the most reliable statistics affirm, there are nearly $7,000,000,000 of coin or bullion in the world, not very unequally divided between gold and silver, it is impossible to strike silver out of existence as money without results which will prove distressing to millions and utterly disastrous to tens of thousands.

Again he said:

> I believe gold and silver coin to be the money of the Constitution; indeed, the money of the American people, anterior to the Constitution, which the great organic law recognized as quite independent of its own existence. No power was conferred on Congress to declare either metal should not be money. Congress has, therefore, in my judgment, no power to demonetize silver any more than to demonetize gold.

Senator Sherman said in 1869:

> The contraction of the currency is a far more distressing operation than Senators suppose. Our own and other nations have gone through that operation before. It is not possible to take that voyage without the sorest distress. To every person except a capitalist out of debt, or a salaried officer or annuitant, it is a period of loss, danger, lassitude of trade, fall of wages, suspension of enterprise, bankruptcy, and disaster. It means ruin of all dealers whose debts are twice their business capital, though one-third less than their actual property. It means the fall of all agricultural production without any great reduction of taxes. What prudent man would dare to build a house, a railroad, a factory, or a barn with this certain fact before him?

John G. Carlisle, then a Member of the House of Representatives, said on February 21, 1878:

> I know that the world's stock of precious metals is none too large, and I see no reason to apprehend that it will ever be so. Mankind will be fortunate indeed if the annual production of gold and silver coin shall keep pace with the annual increase of population and industry. According to my views of the subject, the conspiracy which seems to have been formed here and in Europe to destroy by legislation and otherwise from three-sevenths to one-half the metallic money of the world is the most gigantic crime of this or any other age. The consummation of such a scheme would ultimately entail more misery upon the human race than all the wars, pestilences, and famines that ever occurred in the history of the world.
>
> The absolute and instantaneous destruction of half the entire movable property of the world, including houses, ships, railroads,

and other appliances for carrying on commerce, while it would be felt more sensibly at the moment, would not produce anything like the prolonged distress and disorganization of society that must inevitably result from the permanent annihilation of one-half the metallic money of the world.

The junior Senator from Texas, Mr. Mills, on the 3d of February 1886, on the floor, said:

But in all the wild, reckless, and remorseless brutalities that have marked the footprints of resistless power there is some extenuating circumstance that mitigates the severity of the punishment due the crime. Some have been the product of the fierce passions of war, some have come from the antipathy that separates alien races, some from the superstitions of opposing religions.

But the crime that is now sought to be perpetrated on more than 50,000,000 of people comes neither from the camp of a conqueror, the hand of a foreigner, nor the altar of an idolator. But it comes from those in whose veins runs the blood of the common ancestry, who were born under the same skies, speak the same language, reared in the same institutions, and nurtured in the principles of the same religious faith. It comes from the cold, phlegmatic, marble heart of avarice—avarice that seeks to paralyze labor, increase the burden of debt, and fill the land with destitution and suffering to gratify the lust for gold—avarice surrounded by every comfort that wealth can command, and rich enough to satisfy every want save that which refuses to be satisfied without the suffocation and strangulation of all the labor of the land. With a forehead that refuses to be ashamed it demands of Congress an act that will paralyze all the forces of production, shut out labor from all employment, increase the burden of debts and taxation, and send desolation and suffering to all the homes of the poor.

Wendell Phillips said:

In other words, it was the currency which, rightly arranged, opened a nation's wellsprings, found work for willing hands to do, and filled them with a just return, while honest capital, daily larger and more secure, ministered to a glad prosperity. Or it was currency, wickedly and selfishly juggled, that made merchants bankrupt and starved labor into discontent and slavery, while capital added house to house and field to field, and gathered into its miserly hands all the wealth left in a ruined land.

The first question, therefore, in an industrial nation is, Where ought control of the currency to rest? In whose hands can this almost omnipotent power be trusted? Every writer of political economy from Aristotle to Adam Smith allows that a change in the currency alters the price of every ounce and yard of merchandise and every foot of land. Whom can we trust with this despotism? At present the banks and the money kings wield this power. They own the yardstick and can make it longer or shorter, as they please. They own every pound weight, and can make it heavier or lighter as they choose. This explains the riddle, so mysterious to common people, that those who trade in money always grow rich, even while those who trade in other things go into bankruptcy.

William B. McKinley said:

I am for the largest use of silver in the currency of the country. I would not dishonor it. I would give it equal credit with gold. I would make no discrimination. I would utilize both metals as money and discredit neither. I want the double standard.

Benjamin Harrison, in his message to the United States Senate on April 26, 1892, said:

It may not be inappropriate, however, to say here that believing that the full use of silver as a coined metal upon an agreed ratio by the great commercial nations of the world would very highly promote the prosperity of all their people.

M. Woloneski, at the French Monetary Convention in Paris, 1889, said:

If, by a stroke of the pen, they suppress one of these metals in the monetary service, they double the demand for the other metal, to the ruin of all debtors.

Goschen, at the Paris Conference, stated:

At present there is a vicious circle. States are afraid of employing silver on account of the depreciation, and the depreciation continues because States refuse to employ it.

The money commissioners in their report made March 2, 1877 (vol. 1, p. 50), said:

That the disasters of the Dark Ages were caused by decreasing money and the falling prices, and that the recovery therefrom and the comparative prosperity which followed the discovery of America were due to an increasing supply of the precious metal and rising prices, will not seem surprising or unreasonable when the noble functions of money are considered. Money is the great instrument of association, the very fiber of social organism, the vitalizing force of industry, the protoplasm of civilization and as essential to its existence as oxygen is to animal life. Without money civilization could not have had a beginning and with a diminishing supply it must languish and, unless relieved, finally perish. Falling prices and misery and destitution are inseparable companions.

Mr. President, what was prophesied and forecast has happened. Silver was demonetized. Gold was made the earthly god, and millions have worshiped at the yellow shrine.

[At this point Mr. THOMAS of Oklahoma, on the suggestion of Mr. MCNARY, yielded to Mr. BARBOUR, who addressed the Senate, and subsequently to Mr. METCALF, Mr. HATFIELD, and Mr. LONG, who addressed the Senate. Their speeches appear following the conclusion of the speech of Mr. THOMAS of Oklahoma.]

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to be permitted to insert in my remarks, at appropriate points, certain data and figures. I make the request because I want to get certain data in the RECORD for what they may be worth without unduly consuming time.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. THOMAS of Oklahoma. Mr. President, at this point I desire to call attention to one feature upon which the legislation is predicated. The public press and some of the people of the country seem to think that the silver legislation has been proposed to help the silver miners, the silver mine owners, the silver cities, the silver counties, and the silver States. That may be the purpose of some of those who are considering and promoting the proposed legislation. Personally, I hope, if the bill shall pass it will help the silver miners; I hope it will help the silver companies; that it will help the silver cities and silver counties and the silver States. But personally and fundamentally I have no interest in the question from that standpoint except as, in my capacity as a United States Senator, I represent in a way the entire country.

I am sure the Senate and the Congress and the country are not interested in the question strictly from that standpoint, however worthy that standpoint may be. Unless we can use silver to help the nonsilver States, the nonsilver miners, and the non-silver-producing companies, I think it would fail in both the House and the Senate. I can see in the proposal the possibility of using silver in such a way as to help people who do not reside in the silver States, to help the people of America, to help the farmer, to help the stockman, to help the professional man, to help the corporations of the country. Unless I could see in the proposal a possible help for those who do not live in strictly silver-producing States I should not undertake to spend hours in discussing the matter in the Senate.

Mr. President, the people of the country, as I verily believe, do not fully understand the conditions which confront them. The 125,000,000 people of America have but a faint conception of the mass debts which rest upon their shoulders today. If the question should be asked, "How much are the massed debts of America?" I doubt if many could give an answer.

I made the statement a year ago that if a certain other measure should be enacted into law it might have the possible effect of transferring value from one class in this country to another class to the amount of $200,000,000,000. I was taken to task on the floor of the Senate for making that statement. I have been taken to task in other places since for having made the statement. Some people yet apparently do not understand what I meant when I made that statement. At this point I am going to try to explain a little further what my meaning was.

At this time the people of America have on their shoulders massed debts in a sum in excess of $250,000,000,000. That is more than 20 times all the gold in the world. The authority for that statement is contained in the text of a book which has been published recently. The book is entitled "The Internal Debts of the United States." It is under the authorship of Evans Clark. The book was published by a group of gentlemen who did not expect to make money from its publication. A group of gentlemen of large means contribute to a fund called "Twentieth Century Fund, Inc." This fund is administered by a board of trustees. The board of trustees comprises the following well-known American

gentlemen: Edward A. Filene, president; Henry Bruere, treasurer; Newton D. Baker; Bruce Bliven; Henry S. Dennison; John H. Fahey; Max Lowenthal; James G. McDonald; Roscoe Pound; Owen D. Young. Just to read those names should give assurance to anyone acquainted with those gentleman that the book is an honest attempt to portray and catalog and analyze the amount of the massed debts resting on the people of the country.

In order that I may properly portray and lay the foundation for the figures which the book gives, I want to read for the RECORD the names of some of the contributors. I read from one of the pages the contributors.

The following are the contributors to this volume, with the subjects of their special interest:

This board of trustees picked out experts to make a study, analyze catalog, and make an estimate of the massed debts of particular interests.

Frieda Baird was suggested to make a compilation of the farm-mortgage debts. Frieda Baird formerly represented the Brookings Institution.

John Bauer, director of the American Public Utilities Bureau, was selected to compile the public-utility debts.

Evans Clark, director of the Twentieth Century Fund, was selected to compile the Nation's total debts; and that is what I shall read from shortly.

Wilfred Eldred, economist of the National Transportation Committee, was selected to compile the railroad debts.

George B. Galloway, of the Twentieth Century Fund, was selected to make an estimate of the debts of the Federal Government and financial corporations.

Wylie Kirkpatrick, of the Institute for Government Research, the Brookings Institution, was selected to compile the State and local debts.

Gardiner C. Means, of Columbia University, was selected to compile the debts of industrial corporations and banks.

Victoria J. Pederson, of Columbia University, was selected to compile the urban mortgage debts.

Franklin W. Ryan, vice president and economist of the Van Strum Financial Service, was selected to compile the short-term debts.

In addition to those experts, they had a large number of consultants; and I read the names of these consultants.

The following acted as advisers in the preparation of this volume and reviewed the findings without, however, assuming personal responsibility for them:

Leonard P. Ayres, vice president of the Cleveland Trust Co., the debts of banks.

James C. Bonbright, professor of economics at Columbia University, public-utility debts.

Philip H. Cornick, of the Institute of Public Administration, State and local debts.

Charles G. Edwards, president of the New York Real Estate Securities Exchange, urban mortgage debts.

Charles O. Hardy, economist of the Brookings Institution, the debts of railroads and banks.

Clarence Heer, professor of economics at the University of North Carolina, State and local debts.

Leon Henderson, director of the division of remedial loans, Russell Sage Foundation, short-term personal and household debts.

Harley L. Lutz, professor of political science at Princeton University, was selected to collaborate on State and local debts.

Edwin G. Nourse, director of the Institute of Economics, the Brookings Institution, farm-mortgage debts.

Laurence H. Sloan, vice president of the Standard Statistics Co., the debts of industrial corporations.

Mr. President, those are the persons responsible for this book. It is a book of 430 pages. It analyzes the debt structure of America.

I desire at this time to put in the RECORD an analysis of this debt structure. I shall give the figures in billions and millions only. I shall omit the thousands and hundreds. I quote from this publication, on page 10, in table I, where the long-term debts are itemized and classified, as follows:

[Figures in millions]

1. Farm-mortgage debts	$8,500
2. Urban mortgage debts	27,554
3. Railroad debts	14,264
4. Public-utility debts	11,225
5. Industrial debts	10,450
6. Financial debts	21,919
7. Federal debts	14,237
8. State and local debts	18,685
Total reported debt	126,834
Total estimated debt	134,280

This book was published some time ago, and the Federal debt at that time was figured at only $14,237,000,000.

The State and local debts, totaling $18,685,000,000, are long-term debts evidenced by bonds.

The figures just read total the sum of the reported debt of $126,834,000,000, but the collaborators of this book estimate the total long-term debts to be $134,280,000,000.

That is the long-term debt resting upon the shoulders of the people of America. It may be the debt of railroads, but men have to pay that debt if the debt is ever to be paid. It may be the debt resting upon the cities and the counties and the States, but men and women have to earn the money to pay these debts if they are ever to be paid. The total long-term debt resting upon 125,000,000 people is estimated to be $134,280,000,000.

Now the short-term debt:

On page 296 of this publication, under table 77, we find the short-term business debts in the United States for the years 1931 and 1932 classified and itemized as follows:

(Excluding debt items considered as money and excluding interbank items; figures in millions)

Forms of short-term business indebtedness	Outstanding	
	Dec. 31, 1931	Dec. 31, 1932
Short-term loans to bank by individuals and business enterprises (deposits)	$45,821	$41,500
Loans by Federal Reserve member banks	19,261	15,000
Loans by nonmember banks	12,045	11,000
Total loans by going banks	31,305	26,000
Estimated loans by suspended banks, which may still be regarded as collectible	865	1,000
Total bank loans	32,170	27,017
Less estimated total of long-term bank loans secured by real estate	10,000	9,000
Total short-term bank loans	22,170	18,017
Less estimated total of short-term personal bank loans for individual and household purposes (items 7 and 8 from tables 82 and 83 of ch. XI)	1,120	760
Total of strictly business short-term loans	21,050	17,257
Loans to brokers for the account of "others" made by reporting member banks in New York City	13	4
Loans to brokers, reported by New York Stock Exchange, from private banks, brokers, foreign banking agencies, etc	132	68
Loans by brokers to individuals (estimated)	746	475
Loans by brokers to business firms (estimated)	186	119
Loans by Reconstruction Finance Corporation (of this total for 1932, loans to banks and trust companies were $594,597,707)		1,356

Since that time the Reconstruction Finance Corporation has increased its loans to banks to almost $1,000,000,000.

Forms of short-term business indebtedness	Outstanding	
	Dec. 31, 1931	Dec. 31, 1932
Estimated current liabilities of incorporated business concerns, excluding debts due to banks	$14,000	$12,000
Estimated current liabilities of nonincorporated business concerns, excluding debts due to banks	3,000	2,200
Miscellaneous financing by factors, selling agents, and other strictly business nonbanking financing, not included above	1,000	1,000
Loans by life-insurance companies on life-insurance policies, for business purposes	1,100	1,300
Loans by the United States Government on Government insurance policies and on adjusted service certificates for business purposes	134	158
Short-term cash loans by small-loan agencies for strictly business purposes	340	304
Miscellaneous overdue rents, overdue taxes, and overdue insurance premiums owed by business firms	1,000	1,500
Total short-term business debt	98,522	89,241

On page 307 of the publication, under table 81, we have analyzed and classified the short-term indebtedness for household purposes in the United States in 1931 and 1932, as follows:

Class of financing	Total amounts outstanding—	
	At end of 1931	At end of 1932
1. Retail open account debts	$3,200,000,000	$2,500,000,000
2. Retail installment debts	2,000,000,000	1,750,000,000
3. Short-term cash loans (for personal and household purposes)	2,223,083,000	1,720,000,000
Total of retail mercantile debts and short-term cash loans	7,423,083,000	5,970,000,000
4. Estimated total of life-insurance policy loans by life-insurance companies (for personal and household purposes)	2,269,146,545	2,500,000,000
5. Estimated total of U.S. Government loans to veterans on life insurance and on adjusted-service certificates (for personal and household purposes)	1,206,620,537	1,425,339,019
6. Estimated total of miscellaneous overdue rents, taxes, and overdue life-insurance premiums	2,000,000,000	3,000,000,000
7. Personal loans between individuals	1,000,000,000	1,500,000,000
Total short-term individual and family debts in United States	13,898,850,082	14,395,339,019
SUMMARY		
Total estimated long-term debts; latest available year	134,280,000,000	
Total short-term business debts outstanding Dec. 31, 1932	89,241,000,000	
Total short-term personal and household debts, 1932	14,395,339,019	
Total, long-term, short-term, and household debts	237,916,339,019	

Mr. President, since the end of 1932 the Federal debt alone has increased more than $10,000,000,000. The city debts have increased; the county debts have increased; the State debts have increased; so I am safe in taking this condition as the basis for my statement that today the total massed debts of the country resting upon the people are in excess of $250,000,000,000.

Mr. TYDINGS. If my calculations are correct, that makes a per capita debt of about $2,000, with a family debt of about $8,000.

Mr. THOMAS of Oklahoma. I have not made the calculation, but no doubt the Senator is correct.

Mr. President, I ask permission to insert in the RECORD following these tables some extracts taken from the book I have before me. I do not care to read them, but I do desire that they be included as a part of my remarks following the tables.

The PRESIDING OFFICER (Mr. MCCARRAN in the chair). Is there objection? The Chair hears none, and it is so ordered.

(See exhibit B.)

Mr. THOMAS of Oklahoma. Mr. President, how are we to pay these debts with a 137-cent dollar? Just a few moments ago I heard an address by a distinguished Senator of this body protesting against the cheapening of the dollar, protesting against the placing of more dollars in circulation.

I ask again, How can the people of the United States pay $250,000,000,000 of indebtedness with the scant sum of money we now have in circulation and with the high-priced dollars we still have today?

I wonder how high these dollars are in price. Before I come to that, however, I want to call the attention of the Senate to another set of conditions which, to me, is somewhat alarming. I have before me a map of the United States. This map shows the status of every State regarding the indebtedness of its cities.

The States shown in black on the map have cities, to the extent of over 200, which are now in default in the payment of interest on their obligations. The States shown with rather heavy lines indicate the States which have from one to two hundred cities which are in default today in their bonded obligations.

Another symbol shows States which have as many as twenty-five to a hundred cities which are today in default in their obligations.

Another symbol shows States which have cities to the extent of between 10 and 25 which are in default in their municipal obligations.

Still another symbol shows States which have between 5 and 10 cities in default.

The States left entirely white are States containing no cities which are in default.

How many States are there in the United States which have no cities which are today in default in their obligations? There are only seven which do not contain from 1 to 200 cities which have already defaulted in the payment of their bonded obligations.

Mr. President, there is one big white State in the West, the State of Nevada.

Mr. PITTMAN. I thank the Senator.

Mr. THOMAS of Oklahoma. The Senator sitting at my right [Mr. TYDINGS] ably represents the State of Maryland. I am glad to find that his State is in white. I will mention the States which are in white.

West Virginia has no city in default. Delaware has no city in default. Massachusetts has no city in default. Neither Vermont nor New Hampshire has a city which is in default. All the other States have cities in default. There are three States which have between 100 and 200 cities in default. I will not place the names in the RECORD.

There are eight States which have between 25 and 100 cities in default.

There are six States which have between 10 and 25 cities in default.

There are seven States which have between 5 and 10 cities in default.

There are 19 States which have as many as five cities in default.

Mr. President, how can these cities ever expect to pay their bonded obligations if the people have to earn and save and get dollars worth 137 cents to pay these debts? That is the reason why these cities are in default. They cannot pay. The only chance they will ever have to pay will be through the cheapening of the dollar so that the residents of the cities of the United States may get the dollars with which to pay their taxes, so that the tax money may be used to pay the interest and to pay the obligations as they mature.

Mr. TYDINGS. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. Has the Senator any figures as to the wealth of the United States and the annual income of the United States as compared with the debts? I do not wish to disrupt the Senator's remarks or change his thought, but if he has those figures, I should like to have him state them.

Mr. THOMAS of Oklahoma. Mr. President, my desk library is not very extensive, but I think I can answer most questions which may be propounded. In reply to the Senator's question, I shall quote from a report of the National Industrial Conference Board. I presume that will be taken as a rather substantial institution.

This report shows that the total estimated wealth of the United States in 1929 was $360,000,000,000. That was at its peak. In 1929 the total estimated wealth of the United States—and that means all property, of every kind and character—as estimated by this Board, totaled the sum of $360,000,000,000. If the Senator wanted me to itemize that sum, I would be very glad to do it.

Mr. TYDINGS. No; I do not ask the Senator to do that, but I take it, then, our national debt is within $110,000,000,000 of our national wealth, $250,000,000,000 as compared with $360,000,000,000?

Mr. THOMAS of Oklahoma. Mr. President, if we should take the dollar at a hundred cents, the Senator's statement would be correct; but that is not a fact, and that is what worries me. I shall now proceed to elucidate what I mean.



A year ago, the debts, for the purpose of illustration, totaled $250,000,000,000 in money, but owing to the fact that each dollar was worth $1.67, the people could not pay those debts with $250,000,000,000 of wealth. The taxpayers had to acquire dollars worth 167 cents and surrender those dollars in the liquidation of 100 cents of debts. That means that the $250,000,000,000 a year ago was not worth $250,000,000,000 in wealth although worth that in dollars, but in wealth, services, cotton, hogs, wheat, and what not, it was worth a year ago not $250,000,000,000 but the sum of $417,500,000,000.

Mr. BAILEY. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. The Senator stated that the indebtedness of the people and of the political subdivisions of our country was $250,000,000,000.

Mr. THOMAS of Oklahoma. The mass debt, and the debt the people all together owe.

Mr. BAILEY. Who held that debt?

Mr. THOMAS of Oklahoma. The Senator can answer his own question.

Mr. BAILEY. Was it held in the United States?

Mr. THOMAS of Oklahoma. Much of it was held abroad, much in the United States.

Mr. BAILEY. Not over fifty billion, at any rate, was held abroad?

Mr. THOMAS of Oklahoma. I think the Senator is approximately correct.

Mr. BAILEY. That would make $200,000,000,000 of American property in the form of American debts; that is, debts amongst the people. Has the Senator calculated that in the estimation of the national property?

Mr. THOMAS of Oklahoma. I did not get the Senator's question.

Mr. BAILEY. Did the Senator calculate the national indebtedness, as between one American and another, as a part of the national property?

Mr. THOMAS of Oklahoma. No; I cannot calculate debts as a part of the national wealth, I will say to the Senator.

Mr. BAILEY. If the Senator from Oklahoma owed me a hundred dollars, I would count that as my property, would I not?

Mr. THOMAS of Oklahoma. It might be an asset.

Mr. BAILEY. I assume it would be. Is the Senator saying that in framing his statement as to the national wealth he leaves out all the bonds, all the mortgages, all the notes, and all the choses in action held by the American people?

Mr. THOMAS of Oklahoma. Mr. President, the Senator's question compels me to place in the RECORD an itemization of the total wealth of the United States, as shown by the National Industrial Conference Board report.

The real property of the country was estimated to be worth $176,400,000,000; the personal property was estimated to be worth $39,816,000,000; the manufacturing products were estimated to be worth $28,422,000,000; railroads and equipment were estimated to be worth $19,900,000,000; manufactures, machines, and tools, $15,800,000,000; street railways, $15,400,000,000; livestock, $5,800,000,000; agricultural products, $5,500,000,000; motor vehicles, $4,600,000,000; coin and bullion, $4,300,000,000; farm implements, $2,600,000,000; imported merchandise, $1,500,000,000; mining products, $730,000,000. That makes a grand total. There are no debts figured in this statement.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ADAMS. The Senator from Oklahoma is transposing the figures of the massed debts, I understand, from the dollar values the Senator gave into terms of the dollar of a higher valuation?

Mr. THOMAS of Oklahoma. That is correct.

Mr. ADAMS. Should not the same method of computation be applied to the national assets?

Mr. THOMAS of Oklahoma. Mr. President, I shall come to that in just a moment. The Senator is exactly correct; and if I overlooked that, I wish he would call my attention to it.

I made the statement that last year, when the dollar was worth $1.67, the people of the country could not pay this mass debt with $250,000,000,000 of wealth, because to get the dollars they must of necessity surrender services, and wealth, and property, lands, and wheat, and corn, and copper, and what not, to the value of 167 cents in order to get $1.

So to pay the debt a year ago the people would have had to pay $417,000,000,000 in value. We have reduced the value of the dollar 31 cents since last May. The dollar still has a buying power of $1.35 plus. I will put the exact figure in the RECORD. So today, because the dollar still has more than 100 cents of value, we could not pay the debts with $250,000,000,000 of wealth. With this excess of 36 cents still in the dollar, the debts today resting upon the people amount in value—not in dollars, but in value—to the sum of $340,000,000,000.

By reducing the dollar from $1.67 to $1.36, we have transferred value to the extent of $77,000,000,000 from those who have the debts coming to them, the creditors, to the debtor class. The President's proclamation cutting the gold content of the dollar 40 percent had much to do with that. If the debts were $250,000,000,000 last year, it would have taken $250,000,000,000 in gold to meet those debts. Since the President's proclamation reducing the gold content of the dollar to 60 cents, those who owe those debts, the debtor class, can pay the debts with 40 percent less gold. Forty percent of $250,000,000,000 is $100,000,000,000. So, when the President issued the proclamation reducing the gold content of the dollar from 100 cents to 60 cents, by that act he took $100,000,000,000 in value from the pockets of the creditor class and transferred it over to the pockets of the debtor class. Already, by my illustration, $100,000,000,000 of that value has been transferred.

Let us figure on the other side. In 1929 the total national wealth was $360,000,000,000. That was measured in the value of the dollar in 1929. As the dollar went up in value this total valuation shrank; it fell; and if the same formula which I have applied to the value of our debt is applied to the national wealth it will be found that today, instead of having $360,000,000,000 of national wealth, we have approximately $200,000,000,000 of national wealth.

So, if my figures are correct, this is the status of the United States at this good hour: We have property of all kinds and classes worth $200,000,000,000, and we have a national debt, a mass debt hanging over our shoulders, in the sum of $250,000,000,000. I should like to have someone tell me how we are going to pay $250,000,000,000 when the value of an the property of all of us combined is estimated at $250,000,000,000. Yet distinguished Senators stand upon the floor of the Senate and protest against the cheapening of the dollar, protest against placing more dollars in circulation.

I have a statement from a prominent writer, Dean Donham, of the Harvard Graduate School of Business, from which I quote:

> Unless Government credit is maintained we shall start the printing presses and face wild inflation. Government credit can be maintained only if business improves, tax revenues increase, and private initiative takes over the burden of financing business. Private financing will start only if our banks, our investment bankers, and our exchanges do their part effectively.

Mr. President, that is a protest against cheapening the dollar. That is a protest against placing more money in circulation, because the moment more money is placed in circulation the dollar becomes cheapened.

Only a few days ago, when the silver bill was discussed in a conference and the press carried the statement that the conference had agreed upon a silver bill and through the use of silver we should put more money in circulation, what happened? Almost everything happened. Cotton went up; wheat went up; all commodities went up; business improved. Then, when this bill came forth and the wise

boys of finance saw what the bill proposed to do, cotton went down; wheat went down, everything went down.

Mr. President, let me call the attention of the Senate to the condition of the banks today. Banks are criticized for not making loans. I am not criticizing banks for not making loans. Anyone who understands the situation in my judgment will not criticize the banks of today for not making loans. The money in the banks in the main does not belong to the banks. Bankers own the capital stock. They may own the surplus, they may own the undivided profits, but that is all the bankers own. The balance of the money in the banks belongs to the patrons of the banks and the depositors of the banks. The bank officials do not have their own money to loan. They are the guardians, they are the trustees, of the deposits of their depositors. When bankers make loans they are not loaning their own money. When bankers make loans they should be sure not only that the loans they make will be repaid but that the interest will be paid. If the interest is not paid the bank makes no profit. If the principal is not paid the bank has to lose the amount of the loan. So, Mr. President, banks cannot make loans today, for the reason that there is no business and no property in the country that is making money.

Mr. BAILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BAILEY. May I suggest to the Senator that there is another reason?

Mr. THOMAS of Oklahoma. I shall be glad to have the suggestion.

Mr. BAILEY. It is that the United States Government is demanding of the banks every 30 or 60 days that they buy the paper of the Government, and on yesterday, as reported in today's papers, the bankers were prepared to loan to the United States Government $6,900,000,000, and not at all prepared to lend anything to anyone else; and if they did, they could not supply the demands of the Government for money.

Mr. THOMAS of Oklahoma. I know that the Senator understands the import of his question, but for the RECORD let me make my comment thereon.

Mr. President, I have just made the statement that there is no business in the country which today is sufficiently prosperous to justify the banks in making loans to it. Banks could not loan to farmers today. The farmers are not prosperous. Farmers cannot borrow money and pay 7 or 8 or 10 percent on it with cotton selling at below 10 cents a pound, with wheat selling below 75 cents a bushel, with livestock selling at 2 or 3 cents a pound. Farmers cannot borrow money from the banks, because farmers cannot repay the loans; and I do not blame the banks for not making loans to farmers. Bankers cannot make loans to farmers until the prices of farm products rise sufficiently, until the banks can see a chance to get back the principal and the interest. Banks cannot make loans to railroads. They are mostly in the hands of receivers. Banks cannot make loans to closed factories. Banks cannot make loans to men who have no jobs. I again make the statement that the reason why the banks are not making loans today is that the banks have no applications that promise repayment if the loans are made.

Let me answer the Senator's question with a question: Suppose the Senator from North Carolina had $1,000,000 in cash this afternoon—and I hope he has—how would the Senator loan his own dollars, his own money? He would not loan to farmers.

Mr. BAILEY. Let me answer the Senator. He gives me a good opportunity to say something that I have often wished I had an opportunity to say.

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. BAILEY. The only hope for the people of this country, for the circulation of money and the employment of men and women and the expansion and consumption of the products of the farm, is the restoration of profitable individual enterprises. So long as the Government brings in new and strange legislation day after day and week after week, we cannot expect the business man to borrow, or the bank to lend. We wind up with the Government undertaking to maintain the business structure by means of borrowed money, and there can be but one end to that—and I forbear to say what that end will be.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement made by the distinguished Senator from North Carolina. I desire to make further answer to his inquiry.

Banks are not making loans. As evidence of that, let me at this point place in the RECORD some concrete illustrations.

I hold in my hand a condensed bank statement. I shall not give the names of these banks, but they are types, and they are distributed in various sections. If anyone desires to see them, they are here, and can be seen. I have the condensed statement of a bank in my State. This bank has total deposits in the sum of $1,186,837.74. It is just a small country bank in the State of Oklahoma. This bank has loans and discounts in the sum of $231,837.56.

Mr. President, the statement shows that this bank has cash resources, commercial paper, bonds and warrants, Liberty bonds, cash in vaults, to the total of 87 percent of its deposits. Why is this bank not making loans? It is because there is no industry in that section which is prosperous upon which this bank can make loans; and until the farmers of that section get more than 10 cents a pound for cotton, more than 70 cents a bushel for wheat, more than 3 cents a pound for livestock, hogs, and cattle, they cannot secure loans at the bank, because the farmers cannot produce enough stuff to pay the cost of production and have anything left to meet the note when it comes due. That is the reason why this bank in my State is not making loans. It is advertising that it has 87 percent of its total deposits in liquid assets.

Mr. LEWIS rose.

Mr. THOMAS of Oklahoma. Mr. President, does the Senator from Illinois desire to interrupt me?

Mr. LEWIS. No. I was interested in the able Senator's presentation. I do not wish to interrupt him.

Mr. THOMAS of Oklahoma. I call attention at this point to another bank, which is not in my State but in the adjoining State of Kansas. This bank is about the same size as is the bank to which I just referred. It has on deposit $1,280,615.33; it has loans and discounts in the sum of $203,625.37. This bank is located in one of the best towns in America, the town of Wichita, Kans. I know there are people in the city of Wichita, Kans., and in the territory surrounding Wichita, who want to borrow money; I know there are many applications for money, but the bank is not making loans. Why? Because the bank does not see, if it makes the loans, how it is going to get its money back, and, being the guardians and trustees of the money of its depositors, it does not dare make loans under present conditions.

Let me call attention to a third bank. This bank is a larger bank, one of the larger banks in Oklahoma. It has on deposit the sum of $12,386,000—I leave off the hundreds and cents—it has loans in the sum of $906,000. It has $12,000,000 of deposits and loans of less than $1,000,000. It has cash resources, bonds and warrants, cash and sight exchange in the total sum of $11,646,000. Why is not this bank making loans? To my personal knowledge, the people of Oklahoma surely want to borrow money. Two hundred thousand people live in that city. It is in the midst of a good farming community. The farmers need money; they want money; factories need money; they want money; but the bank will not lend them money, for the very good reason that the bank does not see an opportunity to make the loan, in the first instance, in such way that it will be certain to get its money back.

Mr. President, let me call attention to another bank. This bank is a rather large bank in an adjoining State. It has $18,000,000 on deposit; it has loans in the sum of $1,712,000. It has Government bonds in the sum of $12,700,000; it has cash and sight exchange of $4,016,000; in other words, the bank has on deposit $18,000,000 and has cash in sight exchange and liquid funds in the sum of $16,000,000.

Let me call attention to another bank. This bank is located in Illinois. I refer to the First National Bank in one of the large cities in Illinois. This bank advertises in the newspapers of Chicago that it has 100 percent cash and Government securities. The reference to the 100 percent covers a large part of the advertisement.

The advertisement shows that this bank has total deposits in the sum of $6,000,000—I will be exact and say $6,318,000—and the advertisement shows that it has bonds, Liberty bonds, and cash in the sum of $6,366,000. In other words, this bank has more wealth, represented by bonds and cash, than it has total deposits. It is 100 percent liquid. Why does not this bank in Illinois make loans? For the same reason that the banks in Oklahoma are not making loans; for the same reason that banks in Kansas and other States are not making loans. They will not make loans until the general price level of all our commodities is elevated above what it is today. I have spent a good many hours upon this floor in order to get some of my colleagues to realize that necessity and to secure their help, but I am not sure that all my efforts have been of very much avail.

Mr. FESS. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. I think the Senator has made a very clear statement and one that everybody can understand. The only difficulty is whether or not the remedy is an equitable one. I take it, the Senator has the view that the heavy burden of debts makes the debtors incapable of getting credit and therefore, having no security, they are unable to borrow, and that makes it impossible for the banks to loan. I think that is perfectly obvious.

The remedy would be to increase the price level by increasing the volume of money, and, in a degree, cheapening the price of money. If we could limit that to the debtors, it would be fine; but when we think of the effect it would have upon not only the creditors but upon the large laboring class of the country, that makes the problem exceedingly difficult.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the suggestion made by the distinguished Senator from Ohio, but let me remind him that in 1920 when we did not have a 136-cent dollar, when we did not even have a 100-cent dollar, but did have a 50-cent dollar, a dollar worth one-third of what it is worth today, at that time every man in America had a job. If he did not want to work, he had to hide, because jobs pursued him. Today we have a 136-cent dollar, and 10,000,000 of our people are still unemployed, and we are spending $10,000,000,000 from the Federal Treasury for relief, by way of charity and gratuities, in order to keep these men alive until prosperous times come back, when, perhaps, jobs will come in sight again.

Mr. President, even though I have not converted very many here in the Senate, there have been some converts in some places. I now desire to put in the RECORD some extracts from a speech made by Mr. Russell Leffingwell, of the firm of J. P. Morgan & Co. I never expected to convert that firm; I never expected to convert any member of that firm, and I do not suppose Mr. Leffingwell ever heard of me. Nevertheless, I desire at this point to quote from a speech of his to show that what I am trying to say Mr. Leffingwell has already said. This address was delivered on March 21, 1934. His subject was "The Gold Problem and Currency Revaluation." The address was delivered before the Academy of Political Science. I wish to place some extracts from this address in the RECORD.

On page 5 of this address Mr. Russell Leffingwell, a member of the firm of J. P. Morgan Co., made this statement:

> The essence of monetary management and of central banking policy is to circumvent natural forces, and artificially, through the control of the note issue and of the investments of the central bank, to create a scarcity of money and credit when they appear to be too plentiful, and to create a plethora when they are too scarce.

Mr. President, Mr. Leffingwell admits what I have been trying to say here for 3 or 4 years as to the truth behind the question of the valuation of money. When money gets too high, it is because money is too scarce; when money is too high, it can be made cheaper by putting more money in circulation; and when money gets too plentiful, it can be made higher by taking money out of circulation. I will come to that in a moment, and place in the RECORD evidence that cannot be questioned.

From page 12 of Mr. Leffingwell's address I read another extract. I have just been trying to show the Senate how much of a burden of debt we have upon our people. Mr. Leffingwell makes this statement:

> The burden of debts had become unbearable.

This partner of J. Pierpont Morgan & Co. recognizes that truth; yet here in the Congress of the United States but few apparently recognize the truth of that statement.

From page 13 I quote again from Mr. Leffingwell:

> It seems to me clear that the way out of the depression is to combat and overcome the deflationary forces.

On page 14 Mr. Leffingwell makes this statement:

> The controlling principle, we now know, is that the sovereign, the state, has and must have control of its currency, and therefore all obligations payable in its currency, however express. This power it cannot abdicate or contract away. When the force of an overwhelming catastrophe compels a revaluation of its currency, as part of a plan of reorganization and recovery, it can and must in common honesty make that revaluation effective universally, without fear or favor, without preferring one creditor over another.

From page 16 I quote again from Mr. Leffingwell:

> The future technique of dollar revaluation should follow the course of an orthodox cheap money policy.

While here on the floor of the Senate we have Senators protesting against the cheaper money policy, Mr. Leffingwell, of the firm of J. P. Morgan & Co., makes the statement in times such as these that a cheaper money policy is advisable.

On page 17 Mr. Leffingwell says:

> Until the stimulus of cheap money raises prices—

I invite the attention of the distinguished Senator from Ohio [Mr. FESS] to this statement:

> Until the stimulus of cheap money raises prices, and restores a profit to business, so that business can reemploy labor and will have more taxes to pay on increased incomes.

I think that answers the questions propounded to me a moment ago by the distinguished senior Senator from Ohio.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. I understand Mr. Leffingwell was formerly connected with the Treasury Department. I do not know the exact position he held, but he held an important place in the Treasury Department. In addition to that, I think he was a Republican.

Mr. THOMAS of Oklahoma. I am glad to have the contribution. I am not personally acquainted with Mr. Leffingwell, but I so thoroughly agree with his address that I think he would be eligible to join another political party on the money question.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Ohio?

Mr. THOMAS of Oklahoma. I yield.

Mr. FESS. Mr. Leffingwell suggested that it would insure the employment of labor. Does the pending bill in any way insure the employment of labor? Can we be sure of that?

Mr. THOMAS of Oklahoma. I go back to Mr. Leffingwell's statement and read it again so there can be no misapprehension:

> Until the stimulus of cheap money raises prices and restores a profit to business so that business can reemploy labor and will have more taxes to pay on increased incomes.

That is the statement. I think it answers the question thoroughly.

From the same page I quote two more short excerpts from Mr. Leffingwell:

> The way to stop a deflation is to make money cheap.

I have been making speeches on the floor of the Senate for 3 or 4 years, making that same statement, trying to get the United States Senate to adopt a policy of cheap money, and Mr. Leffingwell comes along and admits that the policy is sound.

Again he said:

> That has been in course of being proved in England since 1931 and here since a year ago. That way will work. There is no other way.

Mr. WHEELER. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHEELER. I invite the Senator's attention to the fact that in 1929, when we passed the Reconstruction Finance Corporation Act, it was for the purpose of expanding the credit of the country. Mr. Hoover adopted the policy of having the Federal Reserve Board buy Government bonds and more Government bonds, with the idea of creating credit inflation, the idea further being to cheapen the dollar. But all the time the banking houses in New York have been advocating a credit expansion when it was impossible, and it has been demonstrated that it was impossible under a credit inflation. The only way we can get inflation at this time is through the medium of expanding the currency.

Mr. THOMAS of Oklahoma. I appreciate the statement made by the distinguished Senator from Montana, and I agree with his conclusion 100 percent.

On page 17 Mr. Leffingwell made this significant statement:

> Cheap money opens the door to recovery.

I commend that to the attention of the distinguished senior Senator from Ohio.

On page 19 I quote the last excerpt from Mr. Leffingwell as follows:

> Going off the gold and the cheap-money policy were both necessary to meet a crisis of deflation and depression unexampled in the memory of living men and of world-wide incidence.

Mr. President, what is the reason why we have a silver bill before the Senate today? Why did the House of Representatives in past Congresses pass the bonus bill? Why did the House of Representatives a year ago or more pass the Goldsborough bill? Why did the House of Representatives at this session again pass the bonus bill? It passed the first Dies bill and it passed the second Dies bill.

Members of the House of Representatives come from close contact with the people of the United States. Members of the House of Representatives are supposed to speak the crystallized sentiment in their districts. If they misjudge the sentiment of their districts, there are likely to be new occupants in their seats in the next Congress. These men come to the Congress every 2 years direct from the people. Therefore, I assume that the Representatives in past Congresses and in this Congress voted for more money, because that is what the bonus bill provided; it provided for the payment of the balance due the ex-service men in money—new money, not with credit, not with checks, but with money.

The Dies bill provided that we should trade some of our surplus agricultural products for silver, place that silver in our Treasury and issue money against it, and place that money in circulation. The Goldsborough bill had the same object in view when it was passed in a former Congress. But notwithstanding, the House of Representatives has passed bill after bill providing for more money, providing for cheaper money, providing for higher prices; the Senate of the United States fails and refuses to act, as if money was controlled, like the sun, moon, and tide, through uncontrollable forces.

Mr. President, money is a man-made institution. Being man-made, it is man-controlled. The Senate of the United States apparently thinks that money, like the seasons, is controlled by a power over which we can exercise no influence.

For almost 5 years we have suffered the worst depression in history. While conditions have improved, America is still very ill. Our troubles are financial. To bring relief, we have temporized and experimented. We have increased taxes and increased appropriations. We have increased debts necessitating increased borrowings and bonds. At the very time that taxes, appropriations, borrowings, and bonds were being increased the managers of our financial policies were decreasing the volume of money until now money is unobtainable, credit is frozen, and our burden is becoming unendurable and unbearable.

As relief measures, we have recognized the law of supply and demand as controlling the value of every commodity save one—the commodity of money. We have restricted, curtailed, and destroyed cotton, corn, wheat, hogs, and oil to make such commodities scarcer and thereby dearer in value.

The same economic law which controls the value of commodities likewise controls the value of money.

To prove this theorem we have to revert only to the year 1920.

In that year we had ample currency, liberal credits, high prices, wide-spread employment, and consequent great prosperity.

In that year the managers of our financial policies decreed against such prosperity and ordered deflation of both currency and credit and the panic of 1921 was the inevitable result.

As I said, it is contended by some that money, like the sun, moon, and tides, is controlled by unchanging and unchangeable natural laws; hence any attempt to manage our currency or to influence or control our monetary policy constitutes tinkering with the currency.

It is self-evident that I do not subscribe to such doctrine. Money is a man-made device to encourage, promote, and facilitate commerce and trade.

Money and monetary policies, man-created, are subject to control, management, and manipulations; hence the kind of control and management is important, very important, to the people of our country.

The Federal Reserve Act was passed in 1913. This law was enacted in response to a demand for more money and an elastic currency system. When the new money law was passed we had only $3,400,000,000 in circulation. This was not enough basic money to satisfy the needs of business, and from 1913 to 1920 the Wilson administration increased the volume of currency to $6,200,000,000.

The year 1920 was a national campaign year and saw Franklin D. Roosevelt nominated for the Vice Presidency. In that campaign the party sponsoring Cox and Roosevelt was condemned as being responsible for the high cost of living. At that time wheat was selling for $2.50 per bushel; corn, $1.50 per bushel; cotton, 40 cents per pound; and other commodities were selling at comparable prices.

All remember the good times just after the World War, and with high prices there was a job for every worker and all forms of business were at the highest peak of activity.

In 1920 the war had been over for almost 2 years, and during this time 4,500,000 soldiers had returned from the front to reenter civilian life and to find places in business and jobs in industry.

In that year the opposition party, in its Chicago platform, declared that the reason prices were high was a "50-percent depreciation of the purchasing power of the dollar due to a gross expansion of our currency and credit." In other words, the Wilson administration was condemned for having made prices high by making money plentiful and credit easy.

In addition to condemning Mr. Roosevelt's party for its monetary policy and consequent high prices, the opposition party pledged itself to reduce the price of wheat, corn, cot-

ton, and other commodities. The Chicago convention was frank in detailing the exact procedure to be followed in beating down the price level. The platform read:

> We pledge ourselves to earnest and consistent attack upon the high cost of living * * * by courageous and intelligent deflation of overexpanded credit and currency * * *."

Thus the opposition party admitted that placing money in circulation had cheapened the dollar and that the depreciated dollar was responsible for the high prices. As a remedy the minority party declared for scarcer money, higher valued dollars, and lower prices. In the campaign scarcer money and lower prices won; and Mr. Roosevelt and Mr. Cox, his running mate, were defeated.

Immediately after the victors took over the Government, deflation of currency and credit was begun, and from March 4, 1921, to September 1, 1922, the actual currency in circulation was decreased from $6,200,000,000 to $4,390,000,000.

Thus, during the first 18 months of the new administration the sum of $1,800,000,000, or $100,000,000 per month of actual currency, was withdrawn from circulation.

The minority party in 1920 became the majority party in 1921, and thereafter made good its campaign pledge to deflate the currency. As the volume of money in circulation was reduced, prices fell, so that at the end of 18 months wheat was selling for $1 per bushel, cotton was selling for 20 cents per pound, and all other prices were reduced in proportion. The deflation of the currency and credit ruined agriculture first; then livestock, lumber, and mining industries followed the decline; and still later the smaller towns and cities suffered, and, with one-half our people impoverished, the 1929 crash came.

In view of the record stated, if the increase in the volume of money from 1913 to 1920 was responsible for a cheaper dollar and thereby higher prices, and if the policy promised in 1920 and carried out in 1921–22 of reducing the volume of money in circulation by approximately $1,800,000,000 had the effect of decreasing prices, is it illogical now to assume that an increase in the volume of money in circulation will have the effect of increasing the price of wheat, corn, cotton, livestock, and commodities in general?

One year ago the Congress, the policy-making branch of our Government, recognized and sought again to apply the law of supply and demand to money and credit by expanding both, to the end that money should be made more plentiful, and credit should be made more liberal.

This policy has been opposed and blocked by an influence more powerful than the Congress; and, as the result, recovery has been delayed and postponed, if not defeated.

With 10,000,000 of our citizens still unemployed, and in the midst of an expenditure of $10,000,000,000, we demand that the financial policy suggested and adopted 1 year ago be carried out.

We demand that our currency and credit be expanded. We are now seeking to use this silver bill as a means of expanding the currency of the Nation.

We demand that the value of the dollar be reduced to 100 cents.

To accomplish these ends, we suggest and recommend a wider use of silver as the base of our monetary system.

We do not suggest a wider use of silver to help silver, but rather we recommend that silver be used to help bring about the return of prosperity.

In 1900 the relation of silver to gold in our monetary base or reserves was over 50 percent, while today the amount of silver in relation to gold in token dollars is less than 11 percent, and in bullion value is less than 5 percent.

Since gold is out of circulation, we recommend that silver be substituted insofar as possible and practicable, to the end that at least 25 percent of our monetary reserves in value be accumulated and maintained in silver.

Mr. President, with this statement I hope we shall consider this measure, and, if it is possible to make a better bill out of it, that we shall make a better bill out of it. I think the bill can be improved by the addition of three amendments, which I have already stated:

First, make silver primary, basic, standard money.

Second, add a clarifying section providing that when we do buy silver, trade for silver, we shall issue silver certificates against such silver, and then see to it that those certificates are placed in actual circulation through meeting the maturing obligations of the Government.

Third, section 8 should be stricken from the bill. Section 8 is the taxing provision. In my judgment, section 8 will not bring any perceptible tax to the Federal Treasury. It will drive away from the Federal Treasury such taxes as we are now receiving from transactions on the exchange. In my opinion, section 8 will destroy the exchange and drive it to foreign lands.

For fear that I have not done so, I ask permission to insert in the RECORD some exhibits, one being a copy of the treaty negotiated at London by the distinguished author of this bill. I am not sure that this treaty appears in the RECORD. I think it should.

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). Without objection, the treaty will be printed in the RECORD.

Mr. THOMAS of Oklahoma. I offer that as an exhibit.

(See exhibit C.)

Mr. THOMAS of Oklahoma. Then I desire to read from a press release of the Department of State of date April 23, 1924, as follows:

> Acting Secretary of State Phillips announced today that all of the parties to the silver agreement entered into at the London Monetary and Economic Conference have taken the steps necessary to put such agreement in force.

That means that in the case of the treaty negotiated by the distinguished Senator from Nevada [Mr. PITTMAN] at London, in which I understand 66 nations participated, each and all of the nations have taken the proper steps to endorse the treaty and make it a part of their monetary policy.

I desire to introduce in the RECORD a statement prepared by Dr. Goldenweiser, economist of the Federal Reserve Board, giving an analysis of the location of the silver now in existence in the world. The statement shows that there has been produced since the discovery of America 15,500,000,000 fine ounces of silver. That is all the silver that has been produced. Of this, we can account at the present time for less than 10,000,000,000 ounces. The balance has been used in the arts or has been lost or destroyed. Of the 10,000,000,000 ounces that we can account for, we find 4,700,000,000 ounces in British India; we find 2,500,000,000 ounces in China; the United States has almost 1,000,000,000 ounces. That makes over 8,000,000,000 ounces of silver held by the three great silver nations of India, China, and the United States. There is only about a billion ounces left in the world, according to this statement; so those who argue that the remonetization of silver will bring a great flood of the white metal to our shores are arguing from misinformation, judging from the facts as I can obtain them.

I ask permission to insert that table and the accompanying statements in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit A.)

EXHIBIT A

DISTRIBUTION OF SILVER STOCKS BY COUNTRIES

Information with regard to silver held in the various countries of the world is fragmentary and uncertain. Using estimates of Dr. Adolph Soetbeer up to 1885 and its own annual estimates thereafter, the Bureau of the Mint estimates that during the period 1493–1933 the aggregate world production of silver amounted to 15,500,000,000 fine ounces. Two-thirds of this has been produced since 1860. An appreciable amount of the silver produced has been lost or converted into uses from which it can never be recovered, e.g., chemical uses. The available world total today is unquestionably less than 15,000,000,000 ounces; but how much less it is impossible to state with any precision.

In the table below certain data has been brought together with a view to showing the distribution of about 9,400,000,000 ounces, for which information or a basis of estimate has been found.

Data on silver stocks by countries

[In millions of ounces]

Country	Date	Estimated stock of silver in coin, bullion holdings, jewelry, and other articles	Estimated speculative holdings of bullion	Total stock of coin	Net coinage 1900–1932
British India	December 1933	4,700			
China	December 1930	2,500			
United States	February 1934		175	635	
Germany	December 1932				181
Mexico	do				169
Russia	do				167
Spain	1933			134	
Japan	December 1932				131
Austria-Hungary	do				123
Indo-China	do				118
United Kingdom	do		20		71
Siam				53	
France	December 1932				50
Persia	do				47
Italy	December 1931			44	
Netherlands	do			31	
Canada	do			17	
Australia	December 1932				15
Total		7,200	195	914	1,072

Combining the figures on these several bases—incomplete as they are—gives a total figure of about 9,400,000,000 ounces. All the important silver-using countries appear to be represented in the table; but it is possible that the aggregate figure derived from the table would be raised by another 1,000,000,000 ounces if the returns for monetary silver were complete. This would leave perhaps 4,500,000,000 ounces of the silver mined since 1493 to represent silver employed in jewelry, silverware, and other commercial uses outside India and China. Detailed estimates by the Bureau of the Mint indicate that the net industrial consumption of silver in the United States for the period 1880–1932 was 865,000,000 ounces.

SOURCES OF DATA

Complete estimates are available only for India and China—the two outstanding silver-holding countries. The figure for India is based upon an estimate in 1919 by G. Findlay Shirras, director of statistics with the Government of India. This estimate has been brought down to date by adding net imports and production of silver in India since that time. At the end of December 1933 the Indian Government held 348,000,000 ounces of silver. This is included in the total.

The estimate for China is one by E. Kann published in the Chinese Economic Journal for April 1931. The estimate evidently applies to the end of the year 1930 and is given in detail for various types of monetary silver, the aggregate figure amounting to 1,700,000,000 ounces. This appears to be consistent with comprehensive data on coinage covering the period 1891–1928 compiled by the Chinese Bureau of Statistics from figures furnished by the Ministry of Finance. The difference between the figure of 1,700,000,000 ounces for monetary silver and the figure of 2,500,000,000 ounces shown in the table represents Kann's best guess as to the probable amount of silver hoarded in China or employed for ornamental and household purposes.

Figures for other countries in the table are incomplete. Those for the United States show (1), silver contained in the total stock of silver coins of the country at the end of February 1934, and (2) an estimate of bullion holdings in New York reported in Handy & Harman's Annual Review of the Silver Market (1933), presumably as of the end of the year 1933. The Review also reports an estimate of silver bullion holdings in London as of the same date.

For Spain the basis is an estimate of the total stock of silver coin reported in a bulletin of the Department of Commerce entitled "The Monetary Use of Silver in 1933." Nearly two-thirds of the monetary silver stock as estimated is reported in the balance sheet of the Bank of Spain.

For four other countries (Siam, Italy, Netherlands, and Canada) the total monetary silver stock as reported in the 1933 annual report of the Director of the Mint in terms of dollars is used as the basis. The dollar figures are converted back into the respective national units and the amount of silver is compiled on the basis of the silver content of the current coins. This method involves some understatement since all four countries have reduced the fineness of their current issues of silver coins in the post-war period. Hence such old coins as may remain in circulation contain more silver than the estimate indicates.

For 10 other countries (Germany, Mexico, Russia, Japan, Austria-Hungary, Indo-China, the United Kingdom, France, Persia, and Australia) net coinage in the period of 1930–32 is shown. This is based upon data of coin issued and withdrawn as published in the annual reports of the Director of the Mint. It gives some indication of the present stock of coin in the 10 countries, although it omits coinage previous to 1900 and is, therefore, far from complete.

EXHIBIT B

[Extracts from the book, The Internal Debts of the United States, edited by Evans Clark]

In considering these two possible steps aimed to further recovery, the expansion of money, and public works, it must be kept in mind that one of the immediate objectives of action must be to repair the damage done to the country's economy by the bank liquidation of 1931–32 and by the failure of some of the banks to be reopened after the bank holiday. In the drastic bank liquidation of 1931–32 the money of the country, chiefly deposits in commercial banks, was reduced over $10,000,000,000, though the supply of money necessary to maintain the then existing level of prices and production does not appear likely to have suffered any such tremendous decline. The money stock of the country has been further reduced by several billion dollars as banks have remained closed after the bank holiday. Altogether the volume of money has thus been seriously contracted—presumably without any fully corresponding reduction in the country's money needs.

NOTE.—"Money needs" is here used as a convenient term to refer to the amount of money which is needed to support a given level of prices and production. Presumably this amount fluctuates from a variety of causes as the desirability of holding wealth in the form of money rather than in the form of goods or securities fluctuates with changing conditions: More at Christmas time and in the crop-moving period, less as fears of inflation reduce the desirability of holding individual wealth in the form of money, more as interest rates drop and wealth in the form of securities becomes less advantageous, less as a rising interest rate shifts the relative advantage of holding wealth in the form of money and of holding wealth in the form of high yielding call loans or other safe assets in favor of the latter. It should be noted that the money needs of the country relate to a particular level of prices and production. It is assumed that if, with the level of prices and production remaining constant, a drop in the desirability of holding money at that level occurs—as for instance from an extensive fear of inflation—then, the effort will be made to convert part of the wealth held in the form of money into goods or securities thus tending to increase both prices in the areas where prices are highly flexible and the volume of production in the areas where prices tend to be inflexible.

If the volume of money remains constant, prices and production presumably increase until a new relation between prices, production, and income has been established such that the demand for wealth in the form of money is equal to the supply. In a similar manner, if the effective desire to hold wealth in the form of money were to remain constant over a period of time while the volume of money was markedly reduced, say by bank liquidation, and if, at the initial level of prices and production, there was a balanced adjustment between the advantages of holding wealth in the form of money and in the form of goods or securities, then with the reduction in the supply of money, the adjustment would be deranged and a balance would only be reestablished at a lower level of prices and production unless other influences intervened. It is assumed here that a balance must be maintained between the advantages of holding wealth in the form of money and holding it in any other form into which it can be converted at the existing prices.

To correct this inequality between the supply of money and the need for money if prices and production are to be supported on a reasonable basis, it would seem that either the supply must be increased or the need for money reduced, or a combination of both. The departure of this country from the gold standard and the extensive discussions of uncontrolled inflation have undoubtedly brought some reduction in the country's need for money as person after person has converted part of his money holdings into goods or securities. It is possible, though improbable, that further talk of inflation and the taking of initial steps to increase the volume of money may of themselves cause people to prefer to hold less money and thereby reduce the need for money to the point at which the supply is adequate to support a higher level of prices and production without further increase. Presumably an extensive decrease in the desire to hold money would result in additional expenditures on goods and securities, thereby bringing about an extensive rise in prices of those commodities and securities whose prices are highly flexible, with a general increase in business activity in the areas where prices are relatively inflexible.

More probably the talk of inflation will not reduce the country's need for money to a point low enough to induce an important measure of recovery, and the deficiency of money must be made good through the expansion of bank deposits or the issue of notes if extensive recovery is to be brought about. Action to increase the volume of money in the community is therefore recommended, but subject to reversal in case of an inordinately rapid rise in prices and business activity resulting from the mere discussion of inflation.

There are a variety of ways whereby the money stock of the country could be increased, certain of which have been mentioned in the chapter on bank debt. In selecting among them two objectives should be sought: First, that method should be employed which makes the newly created money most effective in reviving employment. To this end we recommend that the new money, whether created as a result of the extension of bank credit or through the limited operations of the printing press, be expended in the furtherance of public works or other projects aimed

at unemployment relief. This would place much of the newly created money in the hands of individuals likely to spend it directly in the purchase of goods.

The second and perhaps equally important consideration in selecting the method of adding to the money stock of the country is that the process should be promptly reversible. In order to effect a controlled expansion it is essential that the Government be able to bring about a withdrawal of money from circulation. (Note: Where the money has been put into circulation through Government expenditure it should be withdrawn by sale of bonds to individuals and institutions other than banks or by the less flexible process of taxation) if the changed business outlook should lead to an important expansion of bank credit (with the corresponding creation of money) quite apart from, or perhaps as a further product of, the Government's action in adding to the money stock.

Just how extensive an increase in the volume of money is required to bring about a substantial recovery is a matter which can be determined only as the expansion process is set in motion. That such an expansion program is justified under the circumstances seems clear. Therefore, unless prices rise very much further and business activity greatly increased as a result of the fear of inflation, we recommend that the Government take steps to increase the volume of money outstanding in a manner to place purchasing power in the hands of those able and willing to expend it and that this expansion of money be accomplished in a manner capable of immediate reversal so as to maintain the fullest possible control in the hands of the Government.

EXHIBIT C

Agreement negotiated by Senator KEY PITTMAN on behalf of the delegation of the United States, also including resolution presented by Senator PITTMAN on behalf of the delegation and unanimously adopted by the 66 Governments represented. (As London Conference was called by the League of Nations and held under their auspices, no resolution could be adopted except by unanimous consent.)

Memorandum of heads of agreement entered into by the delegates of India, China, and Spain as holders of large stocks or users of silver, and of Australia, Canada, the United States, Mexico, and Peru as principal producers of silver, at the Monetary and Economic Conference held in London, July 1933.

Whereas at a meeting of the subcommission II (permanent measures) of the monetary and financial commission of the Monetary and Economic Conference held on Thursday, July 20, 1933, the following resolution was unanimously adopted:

"Be it resolved to recommend to all the governments parties to this conference:

"(a) That an agreement be sought between the chief silver-producing countries and those countries which are the largest holders or users of silver with a view to mitigating fluctuations in the price of silver; and that the other nations not parties to this agreement should refrain from measures which could appreciably affect the silver market.

"(b) That the governments parties to this conference shall refrain from new legislative measures which would involve further debasement of their silver coinage below a fineness of 800/1000.

"(c) That they shall substitute silver coins for low-value paper currency insofar as the budgetary and local conditions of each country will permit;

"(d) That all of the provisions of this resolution are subject to the following exceptions and limitations;

"The requirements of such provisions shall lapse on April 1, 1934, if the agreement recommended in paragraph (a) does not come into force by that date, and in no case shall extend beyond January 1, 1938;

"Governments may take any action relative to their silver coinage that they may deem necessary to prevent the flight or destruction of their silver coinage by reason of a rise in the bullion price of the silver content of their coin above the nominal or parity value of such silver coin"; and

Whereas the Governments of India and Spain may desire to sell certain portions of their silver holdings, and it will be to their advantage that the countries which are large producers of silver should absorb silver as herein provided, to offset such sales; and

Whereas it is to the advantage of the large producing countries named in article 2 that the sales of silver from monetary stocks be limited as herein provided; and

Whereas it is to the advantage of China that sales from monetary stocks of silver be offset by purchases as herein provided, with a view to its effective stabilization;

Now, therefore, it is agreed between the parties hereto:

1. (a) That the Government of India shall not dispose by sale of more than 140,000,000 fine ounces of silver during a period of 4 years, commencing with January 1, 1934. The disposals during each calendar year of the said 4-year period shall be based on an average of 35,000,000 fine ounces per year, it being understood, however, that if in any year the Government of India shall not dispose of 35,000,000 fine ounces the difference between the amount actually disposed of and 35,000,000 fine ounces may be added as additional disposals in subsequent years: *Provided further*, That the maximum amount disposed of in any year shall be limited to 50,000,000 fine ounces.

(b) Notwithstanding anything previously stated in this article, it is understood that if the Government of India should after the date of this agreement sell silver to any government for the purpose of transfer to the United States Government in payment of war debts such silver shall be excluded from the scope of this agreement.

(c) *Provided, however*, That when the total of the disposals referred to in paragraph (a) above plus sales referred to in paragraph (b) above by the Government of India under this agreement shall amount to 175,000,000 fine ounces the obligation of the parties hereto shall cease.

2. That the Governments of Australia, Canada, the United States, Mexico, and Peru, during the existence of this agreement, shall not sell any silver, and shall also in the aggregate purchase, or otherwise arrange for withdrawing from the market 35,000,000 fine ounces of silver from the mine production of such countries in each calendar year for a period of 4 years commencing with the calendar year 1934. The said Governments undertake to settle by agreement the share in the said 35,000,000 fine ounces which each of them shall purchase or cause to be withdrawn.

3. That the silver purchased or withdrawn in accordance with article 2 above shall be used for currency purposes (either for coinage or for currency reserves), or be otherwise retained from sale during said period of 4 years.

4. That the Government of China shall not sell silver resulting from demonetized coins for a period of 4 calendar years commencing January 1, 1934.

5. That the Government of Spain shall not dispose by sale of more than 20,000,000 fine ounces of silver during a period of 4 years commencing with January 1, 1934. The disposals during each calendar year of the said 4-year period shall be based on an average of 5,000,000 fine ounces per year; it being understood, however, that if in any year the Government of Spain shall not dispose of 5,000,000 fine ounces, the difference between the amount actually disposed of and 5,000,000 fine ounces may be added as additional disposals in subsequent years; provided further, that the maximum amount disposed of in any year shall be limited to 7,000,000 fine ounces.

6. That the Governments concerned will exchange all such information as may be necessary with regard to the measures to fulfill the provisions of this memorandum of agreement.

7. That it is understood that, subject to the provisions of article 8, the undertakings of each party to the present memorandum of agreement are conditional upon the fulfillment of the undertakings of every other party thereto.

8. That this memorandum of agreement is subject to ratification by the governments concerned. The instruments of ratification shall be deposited not later than the 1st of April 1934, with the Government of the United States. It shall come into force as soon as the ratifications of all the governments concerned are received, provided that all the ratifications are received before the 1st of April 1934. A notice by any government that the affirmative action necessary to carry out the purposes of this agreement has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the governments enumerated in article 2 fail to ratify by the 1st of April 1934, the agreement shall come into force at that date, if the other governments mentioned in article 2 which have ratified notify the other governments which ratify that they are prepared to purchase, or cause to be withdrawn, in the aggregate the amount of silver mentioned in article 2. The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this agreement.

In witness whereof the undersigned have signed the present memorandum of agreement.

Done at London this 22d day of July 1933, in a single copy which shall be deposited in the archives of the Government of the United States.

S. M. BRUCE,
Delegate of Australia.
EDGAR M. RHODES,
Delegate of Canada.
W. W. YEN,
Delegate of China.
KEY PITTMAN,
Delegate of United States of America.
GEORGE SCHUSTER,
Delegate of India.
EDUARDO SUAREZ,
Delegate of Mexico.
F. TUDELA,
Delegate of Peru.
L. NICOLAU d' OLWER,
Delegate of Spain.

Mr. PITTMAN. Mr. President, I understand that our leader, the Senator from Arkansas [Mr. ROBINSON] desires to have a short executive session. Prior to that I wish to say that some fear has been expressed that the able Senator from Oklahoma has been filibustering. I take this opportunity to say that I have denied that all the time; and, in addition to that, I take great pleasure in declaring that I think he has made one of the ablest and most complete speeches delivered in this body, and that the matter he has gathered together, the data, the statistics which are uncontradictable, will be of great value in this discussion.

The fact that I may not agree that many of the Senator's suggestions will accomplish the purpose which he thinks they will accomplish does not mean in any sense whatever that I have the less respect for anything he has said in this connection. Perhaps what he has suggested is correct. Perhaps it is not. His judgment of the matter probably is just as good as mine, if not better.

I simply desire, as one of those having charge of this bill, to thank the Senator for having abbreviated his splendid speech just as much as he could abbreviate it.

(During the delivery of the speech of Mr. THOMAS of Oklahoma:)

Mr. McNARY. Mr. President, in view of the fact that the Senator from New Jersey [Mr. BARBOUR] must be absent during the afternoon, will the Senator from Oklahoma yield to enable that Senator to submit a few brief remarks, with the understanding that the Senator from Oklahoma shall not lose the floor?

Mr. THOMAS of Oklahoma. I am anxious to conclude the remarks I have to make. However, if it will be agreeable to the Senate to have the Senator from New Jersey address the Senate and his remarks appear at the close of my speech, and if I may be permitted to resume the floor at the conclusion of his remarks, I am willing to yield.

Mr. McNARY. Let it be understood that at the conclusion of the remarks of the Senator from New Jersey the Senator from Oklahoma is to have the floor.

Mr. THOMAS of Oklahoma. With that understanding I yield at this time to the Senator from New Jersey.

The PRESIDING OFFICER. At the conclusion of the remarks of the Senator from New Jersey the Senator from Oklahoma will be recognized.

Mr. BARBOUR. Mr. President, it is most difficult to find any particular economic reason for silver legislation such as is presented in the bill now before the Senate, unless, as the Democratic New York World-Telegram said recently, it is a political gesture forced by a Congressional bloc—which, if so, is obviously a dangerous basis on which to determine any monetary policy. In other words, excepting for the fact that we are adding one more cause for uncertainty and fear to the present business situation, despite the fact the proponents of the bill declare that the measure is designed to broaden the metallic base of our monetary system, and is to remedy a maladjustment of our currency, there is no immediate danger in this new silver proposal itself, unless, of course, it is materially amended. I say this, estimating danger in terms of prospective early debasement of our monetary standard and depreciation of our currency, with the consequent effects on values and prices.

It is difficult for me to understand why we should seek to broaden the metallic base of our monetary system when the devaluation of the dollar has already given the country a gold reserve of unprecedented size and greater apparently than our monetary needs in this respect; when it is borne in mind that the mere amount of money is not the controlling factor and that the mobility of a sufficient currency is certainly the all-important thing.

It is difficult for me also to understand why we should seek to remedy a maladjustment of our currency when that maladjustment seems to be in the diversity of paper money now outstanding by adding to this paper money a large amount of additional silver certificates as provided for in the pending bill.

It is admitted that the provisions of the bill, if carried out, would make it necessary for the United States to purchase silver abroad and, obviously, such silver must be paid for in gold. Foreign speculators, accordingly, would buy silver with their currency, send the silver to the United States, and receive dollars. Having no use for dollars, the speculators would obviously demand gold from the United States Treasury for shipment abroad and, once more, make effective the economic laws of not only supply and demand, but that bad money drives out good money. I want to add that, of course, while the Treasury would not authorize shipments of gold except to countries on the gold standard, it must be borne in mind that, for instance, Dutch and French speculators anyway would be keenly alive to their opportunities.

I do not believe anyone anticipates that the actual administration of this measure will increase commodity prices, because it must be obvious that the theory that, by adding silver to our gold reserve, prices will be raised automatically, is false. The administration's experience in manipulating gold prices certainly is sufficient to demonstrate the futility of such operations.

In other words, since this legislation will neither stabilize nor lift prices, nor can increase the earning power of our citizens, the bill seems chiefly to be a subsidy to silver owners and prospective owners, despite any suggestions in the measure apparently designed to prevent silver owners from benefitting directly.

The chief danger, therefore, of this new silver proposal at the moment is psychological, as I see it, in that it contributes to the paralysis of business and financial confidence resulting from doubt about the value of the future dollar, for certainly this proposal interjects into this state of doubt a fresh element of uncertainty as to the nature of the future dollar, as well as uncertainty as to its future value.

The proposed measure, therefore, is simply another and, I think, glaring example of the effort on the part of the administration to increase its general powers in a new field, while the going is good on the one hand, and evidences again, on the other, a step away from any definite national program under bloc pressure.

I am forced, therefore, to the conclusion that the New York World-Telegram has hit the nail on the head when it referred to the present proposal as a political gesture and a dangerous one, and I ask unanimous consent thus, at the conclusion of my remarks, to have printed this editorial and also a recent editorial from the Newark (N.J.) Evening News.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram, May 23, 1934]

POLITICAL SILVER—AN EDITORIAL

There won't be many cheers for the President's silver message. It looks like "a political gesture forced by a congressional bloc." That is a dangerous method of determining monetary policy. At best it may add another factor of uncertainty and fear in a business situation which needs confidence and certainty. At worst it could lead to a destructive inflation, in which most citizens, especially working people, would suffer and only speculators would profit.

Insofar as the Roosevelt plan—if such a forced gesture can be given the Roosevelt name—encourages negotiations for international use of silver with gold as a monetary base it is intelligent. There is little reason to doubt that some form of symmetalism, say at the suggested ratio of 75-percent gold and 25-percent silver for reserves, would be a much more workable system than the old gold standard, provided the other major nations would agree to it. But that is the rub. No such agreement is in prospect. And for us alone to attempt such a system, in monetary conflict with the rest of the world, would add to international confusion and might be exceedingly risky here at home.

We believe that the monetary problem is important but not the principal factor in recovery; it is secondary to fundamental economic causes and cures. It is insidious because it relies on dope instead of an operation to cure a surgical case.

The idea that the Government can cure the depression by control and arbitrary manipulation of the price of gold and silver has been disproved by the last 6 months of experiment in this country.

The related idea of the silver extremists that more currency and credit are the key to recovery ignores all the facts. The job is not to get more currency and credit but to put into use that which we have.

The problem is to get that money into the hands of the people—to the farmer in better prices for his products and to the city worker in the form of wages—to restore purchasing power. Already Federal Reserve member banks hold funds on which they can expand credit from an estimated $16,000,000,000 to $24,000,000,000. Many experts fear that our excess credit reserves already have become so vast that a break in the reservoir might carry us into a speculative flood that would destroy us.

James Harvey Rogers, the administration's monetary specialist, testified that the gold devaluation law would create a reserve "the utilization of which constitutes a direct inflationary influence of the first magnitude." Estimates place this theoretically possible expansion as high as $200,000,000,000. Even if the figure is only one-quarter of that, it is dangerously high.

Fortunately the administration to date has done nothing to indicate that it desires to go on any such inflationary debauch.

And that is why most observers believe that the President does not want a larger silver-inflation edict.

Under the circumstances it is to be hoped that the President will insist that the proposed silver plan shall remain discretionary with him rather than mandatory, and that he will not establish a fused silver-gold or symmetallic base unless and until there is the desired international stabilization on that basis. Perhaps that is the intent of the President's not-too-clear message to Congress and of the bill introduced yesterday.

[From the Newark (N.J.) Evening News, May 24, 1934]

TIME FOR FIRMNESS

The President has not enhanced his reputation for firmness by his handling of the silver issue. It may be his action, dictated obviously by political rather than economic considerations, has neatly sidetracked the silver bloc. But he did reverse his earlier stand that no silver legislation was needed at this session. And that fact is not altered by his employment in the message of "ultimate", twice used, "ultimately", and "eventually." These words show he has no intention of being hurried into doing something for silver, but do not hide the fact that he compromised with the silver bloc.

Is this the Roosevelt who, returning from a vacation in southern waters, could not wait to leave the train before saying to his congressional welcomers, "I'm a tough guy!"?

When, rather than face a fight he easily could have won, Mr. Roosevelt withdrew the nomination of the eminently qualified Dr. Thorp to be Chief of the Bureau of Foreign and Domestic Commerce, he forgot the lessons he said he had learned from the voracious barracuda. The savagery he claimed to have acquired from the sharks was little in evidence when, accused of trying to sway congressional conferees on the stock-exchange bill, he declared he had not meant to do so in expressing a desire to have the Federal Trade Commission do the regulating.

The President's wish, which coincides with the country's, to get Congress away in reasonably good humor as early as possible is entirely understandable. But if early adjournment is to be had at the price of a series of Presidential backings and fillings, then that price is too great to pay.

It may be the President's recent actions conform to a specific line of conduct he has laid out. They would be understandable if they were part of a Napoleonic strategy the President has in mind. No evidence, however, is visible of such a general plan or that each act does not stand by itself. There comes a time when leadership must take a definite position and fight. In the case of Mr. Roosevelt that is inescapable, and the time is near.

Mr. BARBOUR. I thank the Senator from Oklahoma very much; and, as he has suggested, my remarks of course should follow his. I am grateful to the Senator.

Mr. METCALF. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator if it be agreeable to the Senate.

Mr. METCALF. Mr. President, during the campaign of 1932 the Democratic candidate for the Presidency said:

Far up in the Northwest, at Butte, I repeated the pledge of the platform, saying: "Sound currency must be maintained at all hazards." In Seattle I reaffirmed my attitude on this question. The thing has been said, therefore, in plain English three times in my speeches. It is stated without qualification in the platform and I have announced my unqualified acceptance of that platform.

During the past 18 months the people of the United States have been hoping for a sound currency. Now comes the silver bill, and in the accompanying message the inflation accomplishments are described as "a long step forward, but only a step."

If anything can contribute to a maladjustment in our currency, it is doubt as to what the value of the dollar will be tomorrow, and not what the value of the dollar is today. We have repudiated our gold contracts and debased the dollar. Now we propose further to dissolve that dollar in a caldron of silver.

Sound money means money with a stable and dependable value. America cannot do business when it does not know what the value of the dollar will be in the near or remote future. Hence, business pauses and lags when inflationary movements are in the air. It will continue to do so until we have a stabilized dollar that will bring confidence. Confidence is the pressing necessity. There is no business man in the country who today has the slightest idea what the true basis of the dollar will be in a day or a year from now.

If this bill is only another step, how can any man have hope for the future investment of his funds? The need is not for more currency. The banks are full of money belonging to depositors. It cannot be loaned until confidence has been returned, whether we treble or quadruple the number of certificates in circulation.

The money tinkerers are engaging in the great game of trial and error. Unfortunately, it is the people who have their savings in life-insurance policies and mortgages and Liberty bonds who will be hurt. At the beginning of the war every bank, every corporation, and every citizen was urged, on the ground of patriotism, to loan to the Government every cent he could find, and accept Liberty bonds. The Government entered into a contract with the people to pay in dollars of a certain gold value. The banks of the country have held these bonds as a safeguard to the money of their depositors. Banks certainly do not hold them to make money for their stockholders.

During the 1932 campaign the cry of the victors was that a government should have a balanced budget, sufficient funds to retire Government obligations, and a sound money system. A balanced budget has not been created, but two budgets have been set up instead, one so topheavy that it already endangers the whole credit of the Nation. Government debts are being repaid by repudiation, and the sound money system which has been promised is as much in the air as ever.

It is my opinion that any maladjustment of the currency is the result of two things: First, the irrational public speculation prior to 1929; and, second, the jigsaw meanderings of the money tinkerers in this administration. The latter seem to think that we can subtract gold from the dollar, pour in an amount of silver, stir up the potion, lock it up in a vault, issue great masses of paper on the strength of it, and the result will be prosperity. The actual effect of this potion will be to throw a heavier fog of doubt over the economic interests of the country. This doubt will be prolonged as long as we continue to tinker with our currency system.

The wage earner suffers from every new inflation scheme. We must all do our best to see that they do not suffer. When we make two dollars out of one, we cannot, by any stretch of the imagination, make them buy twice as much as before. If this could be done, the tinkerers would long ago have created prosperity overnight. Similarly, we cannot expect to do orderly domestic or international business by two standards of value any more than we can make practical two standards of time.

I wonder what is back of this silver bill. Is it a sincere effort to correct a maladjustment of the currency or an effort to correct a maladjustment in the price of silver? Are there speculators in silver who are pushing this bill?

Has the administration discovered that it can maintain the credit of the United States and borrow money for its squanderings only by cheapening the medium with which debts are paid? We are now trying to correct it by further squanderings and lessen the price through the sheer power of the Government to take advantage of its creditors.

Silver is silver, and gold is gold, regardless of how many printing presses may run overtime to expand the dollars they are alleged to represent. A dollar is worth no more than the bread it will buy, and wages are useful only insofar as they provide the necessities of life. When we tinker with these things we are tinkering with something fundamental in our social and economic structure. This we should leave alone, for the doubt which we cast over the country cannot be dispelled until we have done so. This bill is a grant of power rather than a definite and firm move toward currency adjustment, and the use of power to tamper with the currency will depend upon the unreliable whims of the "brain trusters." Even if the powers granted to the Executive are not exercised, the very presence of these powers in an administration constantly vacillating in its policies will try to the breaking point the very nerves of our whole industrial system.

The time has come to call a halt, both in the matter of tinkering with our money and in the matter of squandering it; and what is most important, we should cease our moves toward giving almost absolute power to the Executive, as he should be charged only with the administration of the

acts of Congress. How can Senators who have opposed the abdication of legislative power vote for another bill which takes away a little more congressional responsibility?

I thank the Senator from Oklahoma for yielding to me.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. RUSSELL in the chair). The Senator from Oklahoma has the floor.

Mr. LONG. Will the Senator yield to me?

Mr. THOMAS of Oklahoma. I shall be glad to conform to the wish of the Senate. I desire to complete my remarks so that they will appear in somewhat connected form. If these addresses will appear in the RECORD after I finish my remarks, I have no objection, if it is agreeable to the Senate, to yielding in order to accommodate the Senator.

Mr. MCCARRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Kean	Reynolds
Ashurst	Couzens	Keyes	Robinson, Ark.
Austin	Cutting	King	Russell
Bachman	Davis	La Follette	Schall
Bailey	Dickinson	Lewis	Sheppard
Bankhead	Dieterich	Logan	Shipstead
Barbour	Dill	Lonergan	Smith
Barkley	Duffy	Long	Steiwer
Black	Erickson	McCarran	Stephens
Bone	Fess	McGill	Thomas, Okla.
Borah	Fletcher	McKellar	Thomas, Utah
Brown	Frazier	McNary	Thompson
Bulkley	George	Metcalf	Townsend
Bulow	Gibson	Murphy	Tydings
Byrd	Glass	Neely	Vandenberg
Byrnes	Goldsborough	Norbeck	Van Nuys
Capper	Gore	Norris	Wagner
Caraway	Hale	Nye	Walcott
Carey	Harrison	O'Mahoney	Walsh
Clark	Hatch	Overton	Wheeler
Connally	Hatfield	Patterson	White
Coolidge	Hayden	Pittman	
Johnson	Copeland	Pope	

The PRESIDING OFFICER. Ninety Senators having answered to their names, there is a quorum present.

THE NEW DEAL

Mr. HATFIELD. Mr. President, will the Senator from Oklahoma yield to enable me to make a very brief statement and to have an article printed in the RECORD?

Mr. THOMAS of Oklahoma. With the same understanding as in the case of the Senator from New Jersey [Mr. BARBOUR], I am glad to yield to the Senator from West Virginia.

Mr. HATFIELD. I thank the Senator. Mr. President, one of the outstanding newspaper publishers of our country, a successful business man, interested in many industrial activities, one who employs by preference organized labor in all his plants, the Honorable H. C. Ogden, of my State of West Virginia, has recently made and published in the Wheeling Intelligencer of May 23, 1934, an analysis of new-deal legislation, which I ask to have inserted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wheeling Intelligencer, May 23, 1934]

WHAT THE NEW DEAL HAS DONE FOR THE AMERICAN PEOPLE

The time has come, in the judgment of this newspaper, to speak plainly about public affairs in the United States. No good purpose is to be served by refusing to look the facts in the face. Nothing is to be gained by clinging to blind faith in a promise.

Fifteen months ago the new deal was introduced to the American people. It was the agency which was to lead us out of the valley of depression. It was to be all things to all men in a material way. It was to solve our every economic problem.

What are the accomplishments as weighed against these glittering promises?

The new deal has been an uninterrupted record of experiment, of grabbing at every nostrum promising some partisan political advantage or some artificial, fleeting relief from business depression.

First, there was the N.R.A. itself, loudly heralded as the means of returning 4,000,000 idle men to regular employment. The National Recovery Act and its ambitious program were accepted by the American people as nothing had been accepted since the Liberty Loan efforts. Due to the intense campaign of propaganda, which surpassed any undertaking of its kind in the history of the Nation, and the naturally receptive frame of the public mind, the Recovery Act was given unparalleled public support. It was embraced by many who doubted its efficacy but who hoped for the best and who were willing to try anything. The N.R.A. failed miserably. It is questionable if any considerable number of men were returned to regular employment at all through its operations. Indeed, there is evidence to support the belief that it actually retarded reemployment. It created fear and uncertainty among employers, stirred up employee strife, and resulted in a greater loss of time and money through labor troubles than any other agency ever set in motion by the Government of the United States.

Moreover, it has established a great army of officeholders, living off the public, and extending its tentacles into every State, every county, and every community in the land. The N.R.A. alone is responsible for a public pay roll—in addition to the regular pay roll—representing a greater cash outlay than that required for both Houses of Congress, all their attachés, and the entire Department of Justice. Finally, it has proven a depressing and disheartening influence upon small business enterprise, has strengthened the hand of monopoly, and has increased the cost of living.

Next came the A.A.A. Here was an agency that promised to raise the farm price of agricultural commodities without increasing the consumer cost. Starting out thus with an absurd assignment, the Agricultural Adjustment Administration at once began taking absurd steps to reach the goal. The slaughter of millions of marketable hogs and of more millions of unborn pigs; the ploughing under of 10,000,000 acres of cotton; the rental of millions of acres of wheat and corn land for the purpose of curtailing production and thus increasing prices will stand, undoubtedly, as the great governmental folly of history. This deliberate and costly restriction of agricultural output on the theory that a country can grow rich and prosperous by failure or refusal to produce wealth has no parallel in the annals of this or of any other land. On the absurdity of this proposition, we can do no better than quote from Representative BUSBY, of Mississippi:

"If destruction makes prosperity, there was enough property destroyed in the World War to bring prosperity to all nations for a generation to come."

A kindred folly was the C.W.A. Brought into being in recognition of the failure of the N.R.A., the Civil Works Administration was set up for the frank purpose of creating, of manufacturing, employment. The N.R.A. failed to return men to the normal pursuits of life, so the Government set about the manufacture of work. The vast sum of more than $3,000,000,000 was spent by this agency in 4 months' time in the hopeless enterprise of compelling business revival.

For the first time in history, the Federal Government became the guardian of the people, not only against the operation of economic laws, but against their own folly as well. It is only necessary to remember back to the winters of 1932 and 1933, before the days of the C.W.A., before acceptance of the theory that direct relief work is the business of the Government, to realize that this great waste was wholly unnecessary. We know now that no man, woman, or child starved. Local relief agencies, private contributions, met the situation then as they always had met it before. Every need was filled. Food and shelter and clothing were furnished those who were without them, without one dollar of Federal money having been spent in the endeavor. Why, then, the necessity of dumping $3,000,000,000 of public money into direct relief work in 1934? Why the gigantic fiction of pretending the "projects" in which C.W.A. workers were employed were necessary public improvements?

The operation of the Civil Works Administration represented the most extravagant spending spree of its kind in the world's history. It created in this country a vast army of dependents, each educated to the theory that it is the duty of the Government to provide a living for him, whether or not he does anything to earn a living for himself. And worst of all, perhaps, it destroyed the system of local charity built up in this country during the past 50 years. When all this folly is of the past, when people inevitably return to a realization that the Government can't do what they have been led to expect of it, we will have to start all over again building up our private relief agencies. In the meantime, many unfortunates actually needing and meriting assistance will undoubtedly be overlooked.

In October of last year, President Roosevelt in a radio address, announced the administration's program for debasement of the dollar. And in due time, the gold value of the dollar was fixed at 59.6 cents, as compared with the 100-cent value of the old dollar. The justification for this breach of public faith was the expectation that it would increase prices, farm prices in particular, and thus hasten recovery.

We have had 7 months of the debased dollar now, and the only increase in farm prices has been that brought about by the drought. Before drought damage or threat appeared, on March 1, for example, wheat, corn, potatoes, and cattle sold at lower figures than the prices prevailing on the day dollar debasement was announced. The failure of the cheapened dollar to produce the desired results has been one of the greatest tragedies of the President's program.

The banking record presents another interesting field of inquiry. The other day J. F. P. O'Connor, Comptroller of the Currency, publicly proclaimed the glad tidings that no bank had failed in the United States since the opening of 1934. This was stated with great pride, as proof of the soundness of the Roosevelt program.

While it is not true that there have been no bank failures since January 1, grant that there have not been so many as during the

same period in 1933. Why is this so? In the first place, 20 or 30 percent of the banking facilities of the country remain closed and have been closed since the bank holiday. Many banks have found it impossible to meet the requirements for reopening set up by the Government and have been compelled, therefore, to deny depositors their money, to withhold from their communities the banking service they ordinarily would perform. In this immediate neighborhood, Moundsville has 2 banks still closed and 2 others but lately relieved of restrictions. In Wellsburg one of the most important banks is closed. In Fairmont 2 banks, representing previous consolidations of 6 banks, are closed, with only 1 functioning in the community.

With the banking structure of the Nation reduced perhaps to 70 percent of its former size, it is not strange that the remaining banks, those strong enough to have weathered the storm, manage to keep open. But even these are operating merely as places for the retention of money. They are operating because they have in substance abdicated the legitimate function of banks, which is to assemble the funds of a community and loan these funds out for the conduct of business. They have the funds, but under existing conditions banks refuse to place them in normal circulation. Business conditions today are such that no banker dares grant a long-term loan, dares make a commitment for more than 90 days, or at the outside limit 6 months. No business man—with rare exceptions—can go to his bank and make a loan that does not contemplate repayment within 6 months. Banking, in other words, is a hand-to-mouth enterprise. No wonder the building of homes, the improvement and expansion of industrial plants, have practically ceased in this country.

The list of failures, of wild experimentation, might be carried on indefinitely. There are, for example, such enterprises as that at Reedsville, W.Va., where complete villages are being built by the Government and factory work created, for the purpose of settling idle miners and others in so-called "subsistence homesteads."

There is the Tennessee Valley enterprise, where the Government not only contemplates production of electricity on a gigantic scale—perhaps a worthy endeavor in itself—but envisions a stupendous development, with thousands of families actually transplanted into new and vastly improved territory at public expense.

There is the elaborate and puzzling invasion by the Government of the field of private financing. The various "administrations" having failed to restore employment and stimulate business, the wildness of the recovery program having prostrated banking, frightened business, and stagnated the vital permanent-goods industries, the Government now proposes to force the stimulation of home building. An elaborate housing program, "designed to put men to work, and to improve social and economic conditions", is in the making. It proposes that the Government guarantee loans up to 20 percent of their value, these to be made by private capital for the purpose of building homes and making repairs to homes.

There is the threat to American industry and American living standards contained in the reckless proposal to trade our home market for a chance to sell more goods abroad.

There is the disturbing influence of increasing invasion by the Government of fields of private enterprise.

There is the destructive effect of the whole program of price and wage and hour fixing.

There is the renewed tampering with silver to further unsettle the money situation.

Above all of this looms the depressing cloud of debt, which grows larger and hangs lower every day. In this wild enterprise to spend the country back to prosperity, the administration is rolling up the greatest debt in either the war-time or peace-time history of the Nation. During the fiscal year now drawing to a close, approximately $9,500,000,000 will have been spent, only 3 billions of which represent ordinary governmental expenditures. To meet this, the Government will have collected approximately $3,250,000,000, leaving a deficit of more than $7,000,000,000. Next year, in addition to a general expense outlay of $4,000,000,000, it already is proposed to spend $2,000,000,000 for relief—a figure which almost certainly will be increased substantially. So that, even if next year's spending does not exceed the early estimate, this country will wind up its fiscal affairs on June 30, 1935, with a public debt of $31,834,000,000, which will exceed by $7,000,000,000 the peak of the war debt in 1920.

When it is borne in mind that England, Canada, and other countries are farther along the road back to prosperity than we are; when it is realized that this vast enterprise known as the "new deal" is both retarding recovery and undermining our economic and governmental structure, isn't it apparent that the time has come when the American people must call a halt?

Mr. HATFIELD. In the editorial Mr. Ogden deals very intelligently and very practically with the resultant effects of the new-deal legislation. In the editorial Mr. Ogden proves that this un-American legislation is not helping, but has, in fact, retarded our recovery from the depression.

Mr. Ogden points out that the debasement of the gold dollar which was supposed to increase the price of farm commodities, constituted a breach of public faith and at the same time resulted in a depreciation, or a reduction, of the purchasing power of all those gainfully employed without increasing the price of farm commodities, as many were led to believe would happen.

Mr. President, I commend the contents of this editorial to those Members of the Senate who desire to obtain a brief, impartial survey of the new-deal legislation. I have no hesitancy in saying that if the Congress of the United States were to listen to the advice of men like H. C. Ogden, who has made a success of business without exploiting labor, we would have enacted legislation of a type which would have placed the American people in a much better industrial, agricultural, and financial position than we enjoy at the present time.

THE CHACO

Mr. LONG. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield.

[Mr. LONG addressed the Senate on conditions in the Chaco. His speech is published on p. 10808.]

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bill and joint resolution, and they were signed by the President pro tempore:

H.R. 9322. An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes; and

H.J.Res. 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs.

After the conclusion of the speech of Mr. THOMAS of Oklahoma,

RETIREMENT OF RAILROAD EMPLOYEES—NOTICE OF MOTION

Mr. HATFIELD. Mr. President, I give notice that at the conclusion of the consideration of the pending bill, I shall move that the Senate proceed to the consideration of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. Mr. President, in order to meet some official engagements it is necessary for me to leave the Senate Chamber in a few minutes. I desire to have an executive session in order that a motion may be made to discharge a committee from the consideration of a nomination.

I therefore move that the Senate proceed to the consideration of executive business.

Mr. KING. A parliamentary inquiry.

The PRESIDING OFFICER (Mr. BANKHEAD in the chair). The Senator will state it.

Mr. KING. I really wish to propound an inquiry to the Senator from Arkansas. Will the Senator call for a quorum?

Mr. ROBINSON of Arkansas. I do not intend to call for a quorum.

Mr. McNARY. Mr. President, I understand the Senator from Arkansas simply desires to enter a motion.

Mr. ROBINSON of Arkansas. Mr. President, I intend to make a motion. Of course, Senators well understand that a single objection to considering the motion on this day will carry it over, and I have been informed that an objection will be made to proceeding with the motion. I desire to make the motion now, and then if some Senator objects, under the rule it will go over.

Mr. McNARY. Then I suggest that no quorum is needed.

Mr. ROBINSON of Arkansas. That is why I am not suggesting the absence of a quorum. Of course, if the Senator from Utah desires to call for a quorum, he may do so.

Mr. KING. I have no desire to do that, but I think that when the matter is taken up for consideration there ought to be a quorum present.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

Mr. DIETERICH, from the Committee on the Judiciary, reported favorably the following nominations:

Fred A. Isgrig, of Arkansas, to be United States attorney, eastern district of Arkansas, to succeed Wallace Townsend, whose term expires June 9, 1934; and

Virgil Pettie, of Arkansas, to be United States marshal, eastern district of Arkansas, to succeed George L. Mallory, whose term expires June 9, 1934.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

If there be no further reports of committees, the calendar is in order.

THE CALENDAR—TREATIES

Mr. ROBINSON of Arkansas. I suggest that the treaties go over.

The PRESIDING OFFICER. Without objection, the treaties will be passed over.

THE JUDICIARY

The Chief Clerk read the nomination of E. P. Carville to be United States attorney for the district of Nevada.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education.

Mr. CLARK. Mr. President, I understand that heretofore the Senator from Iowa [Mr. MURPHY] has objected to this nomination, and wishes to discuss it.

Mr. ROBINSON of Arkansas. I had not been advised of that.

Mr. CLARK. I have no further information about the matter. I suggest that, in the absence of the Senator from Iowa, it be passed over.

Mr. ROBINSON of Arkansas. I think that is proper. Let the nomination go over.

The PRESIDING OFFICER. Without objection, the nomination will be passed over.

POSTMASTERS

The Chief Clerk read sundry nominations of postmasters.

Mr. ROBINSON of Arkansas. I ask that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are confirmed en bloc. That completes the calendar.

NOMINATION OF REXFORD G. TUGWELL—MOTION TO DISCHARGE

Mr. ROBINSON of Arkansas. Mr. President, I move that the Committee on Agriculture and Forestry be discharged from the further consideration of the nomination of Mr. Rexford G. Tugwell to be Under Secretary of Agriculture. I am ready to proceed with the motion if there is no objection.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I am advised that a number of Members of the Senate desire that this matter go over under the rule. Therefore I shall object to the consideration of the motion at this time.

The PRESIDING OFFICER. Objection is made, and the motion will go over, under the rule.

Mr. ROBINSON of Arkansas. I concede that under the rule the motion must go over for the day.

I move that the Senate return to the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. FESS addressed the Senate. After having spoken for an hour, the following occurred:

Mr. PITTMAN. Mr. President, the leader on the other side, the Senator from Oregon [Mr. MCNARY], has suggested that perhaps the Senator from Ohio would prefer to go on tomorrow morning.

Mr. FESS. I should very much prefer that course, if it be agreeable.

[Mr. FESS yielded the floor for the day. His speech will be published entire after it shall have been concluded.]

GOVERNMENT CONTRACTORS

Mr. LOGAN. Mr. President, I ask unanimous consent for the immediate consideration of House bill 9002. It is a bill introduced at the request of the Treasury Department. Some amendments have been proposed by the Senate committee. The bill has been approved as to procedure by the General Accounting Office.

The purpose of the bill is to take care of the increased cost of labor and material made necessary to persons having contracts with the Government when they accepted the N.R.A. code. It is approved unanimously by the Judiciary Committee.

The reason why I am now asking for consideration of the bill out of order, which is something I rarely do, is that I am receiving hundreds of letters and telegrams every day concerning the bill, and I wish to remove that burden. I mentioned the matter yesterday to the Senator from Oregon [Mr. MCNARY] and also to the Senator from Arkansas [Mr. ROBINSON]. I think the bill will call for no debate.

Mr. McNARY. Mr. President, I am sorry to inform the Senator from Kentucky that two or three Senators with whom I discussed the bill said they would like to look into it, and asked that it be postponed for a day or two.

Mr. LOGAN. Very well.

Mr. McNARY. Under those conditions I think we would save time if we should wait until we have the next call of the calendar, which will be on Saturday of this week, or the first of next week.

Mr. LOGAN. The reason why I asked unanimous consent to have the bill taken up at this time is that a great many letters and telegrams are being received about it, and I should like very much to get it out of the way. However, I shall ask to have the bill called up later.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

RECESS

Mr. PITTMAN. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 32 minutes p.m.) the Senate took a recess until tomorrow, Friday, June 8, 1934, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 7 (legislative day of June 6), 1934

UNITED STATES ATTORNEY

E. P. Carville to be United States attorney, district of Nevada.

POSTMASTERS

ARKANSAS

Fred W. Lemay, Alicia.
Earl T. Estes, Calico Rock.
Wyeth S. Daniel, Marshall.
Henry M. Landers, Murfreesboro.
Paul Janes, Ravenden.
Jesse T. Howard, Smithville.

COLORADO

Carl E. Wagner, Fort Morgan.

CONNECTICUT

Charles F. Schaefer, Greens Farms.

FLORIDA

Sidney E. Livingston, Homestead.
James L. Richbourg, Laurelhill.

IDAHO

Angus G. David, Bovill.

IOWA

Hans E. Eiel, Buffalo Center.

MASSACHUSETTS

Dominick F. Corrigan, Fall River.
John E. Harrington, North Chelmsford.

MISSISSIPPI

Ida F. Thompson, Dlo.
Ida E. Ormond, Forest.
Virginia B. Duckworth, Prentiss.

NEW JERSEY

Frank Tilton, Avon by the Sea.
Robert H. McKinney, Barrington.
John P. Euler, Belford.
Daniel T. Hagans, Blackwood.
James D. Magee, Bordentown.
Ethel H. McDonald, Englishtown.
Edwin Case, Flemington.
Martin E. Carroll, Lawrenceville.
Carl M. Hermann, Milltown.
Francis S. Doyle, New Lisbon.
Joseph J. McNally, Park Ridge.
William T. Johnson, Point Pleasant.
Dominic Soriano, Raritan.
S. Dana Ely, Rutherford.
Andrew D. Wilson, Stockton.
Thomas Whittington, Sea Isle City.
Franke Carter, Tenafly.
Helen S. Elbert, Vincentown.

NEW MEXICO

Perla E. Darbyshire, Anthony.
Helen M. Sears, Capitan.
Dolores I. Lujan, Des Moines.
J. Robert McNeil, Dexter.
Dominic Rollie, Gallup.
George T. Meyers, Hillsboro.
Eugene Montague, Lordsburg.
Hezekiah Hall, Magdalena.
Rosalie Branch, Mora.
Canuto Gonzales, Roy.
Hayden L. Greene, Santa Rita.

NORTH CAROLINA

Wiley G. Hartzog, Boone.
John R. Hughes, Madison.
Karl M. Cook, Mount Pleasant.

OKLAHOMA

Elmer C. Croom, Okmulgee.

PUERTO RICO

America R. de Graciani, Ensenada

WISCONSIN

John F. Loschky, Arpin.
Dominic W. Riley, Baldwin.
George Heiderer, Butternut.
Alfa Ruth Anderson, Colfax.
Anna Loftus, De Soto.
Henry J. Gramling, Jr., Dousman.
Walter H. Emanuel, Fairchild.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 7, 1934

(Legislative day of Monday, June 4, 1934)

The recess having expired, the House was called to order by the Speaker at 11 o'clock a.m.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills and joint resolutions of the House of the following titles:

H.R. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 1405. An act for the relief of the Yosemite Lumber Co.;

H.R. 2035. An act for the relief of Jennie Bruce Gallahan;

H.R. 2287. An act for the relief of Warren Burke;

H.R. 2692. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 2749. An act for the relief of E. B. Rose;

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H.R. 3353. An act to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3354. An act to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3362. An act to provide a preliminary examination of the Nooksack River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3363. An act to provide a preliminary examination of Skagit River and its tributaries in the State of Washington, with a view to the control of its flood;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3768. An act to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies;

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4272. An act for the relief of Annie Moran;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4932. An act for the relief of Judd W. Hulbert;

H.R. 4962. An act for the relief of Joseph B. Lynch;

H.R. 5175. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 5334. An act to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226);

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.;

H.R. 5636. An act for the relief of Jose Ramon Cordova;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 5935. An act for the relief of Oscar P. Cox;

H.R. 6246. An act granting 6 months' pay to Annie Bruce;

H.R. 6675. An act to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service;

H.R. 6847. An act providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va.;

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr;

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli;

H.R. 7082. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt, and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356);

H.R. 7098. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239);

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer;

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 7317. An act to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party;

H.R. 7340. An act to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof;

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 7711. An act to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service;

H.R. 7759. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin;

H.R. 8234. An act to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods;

H.R. 8541. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin;

H.R. 8562. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts;

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina;

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes;

H.R. 9064. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind.;

H.R. 9141. An act granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County in the State of Alabama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge, and approaches thereto, across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H.R. 9313. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.;

H.R. 9392. An act to reclassify terminal railway post offices;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide for a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington;

H.R. 9567. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Mary's River at or near Sault Ste. Marie, Mich.;

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933;

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa; and

H.J.Res. 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 7212. An act to remove the limitation upon the extension of star routes;

H.R. 7301. An act to authorize the Postmaster General to charge an additional fee for effecting delivery of domestic registered, insured, or collect-on-delivery mail, the delivery of which is restricted to the addressee only, or to the addressee or order;

H.R. 7437. An act for the relief of E. C. West;

H.R. 7922. An act authorizing the Secretary of Commerce to dispose of a portion of the Yaquina Bay Lighthouse Reservaton, Oreg.;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of classes A and B in residential districts;

H.R. 9123. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934; and

H.R. 9526. An act authorizing the city of Port Arthur, Tex., or any commission designated by it, and its successors and assigns, to construct, maintain, and operate a bridge over Lake Sabine at or near Port Arthur, Tex.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 171. An act for the relief of certain purchasers of lands in the Borough of Brooklawn, State of New Jersey;

S. 339. An act for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia;

S. 418. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors;

S. 504. An act to authorize the Secretary of the Navy to make a long-term contract for the supply of water to the United States naval station at Guantanamo Bay, Cuba;

S. 527. An act for the relief of Lillian Morden;

S. 568. An act for the relief of Winifred Meagher;

S. 605. An act authorizing national banks to establish branches in certain cases;

S. 762. An act for the relief of Teresa de Prevost;

S. 771. An act for the relief of James Darcy, alias James Hurley;

S. 829. An act for the relief of Denis Healy;

S. 1137. An act for the relief of Ruth J. Barnes;

S. 1146. An act for the relief of John W. Beck;

S. 1177. An act for the relief of Edward T. Costello;

S. 1386. An act to provide for a preliminary examination of Nisqually River and its tributaries in the State of Washington, with a view to the control of their floods;

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley irrigation district;

S. 1707. An act for the relief of Carlos C. Bedsole;

S. 1792. An act for the relief of Claude C. Martin;

S. 1836. An act for the relief of John W. Schell, deceased;

S. 1895. An act for the relief of C. B. Dickinson;

S. 1948. An act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097);

S. 2010. An act to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach;

S. 2074. An act for the relief of James R. Mansfield;

S. 2255. An act to regulate the defense of alibi in criminal cases;

S. 2333. An act for the relief of John J. Moran;

S. 2336. An act for the relief of the estate of Mrs. Donnie Wright, deceased;

S. 2343. An act for the relief of Herbert E. Matthews;

S. 2454. An act for the relief of Arthur W. Adams;

S. 2462. An act relating to loans by the Reconstruction Finance Corporation in connection with agricultural improvement projects;

S. 2501. An act for the relief of Dr. R. N. Harwood;

S. 2531. An act to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes;

S. 2557. An act to investigate the claims of and to enroll certain persons, if entitled, with the Omaha Tribe of Indians;

S. 2581. An act for the relief of Charles H. Willett;

S. 2613. An act for the relief of Jewell Maness;

S. 2673. An act for the relief of Carl Lindow, alias Carl Lindo, deceased;

S. 2802. An act for the relief of Ed Symes and wife, Elizabeth Symes, and certain other citizens of the State of Texas;

S. 2836. An act to amend the Mining Act of May 10, 1872, as amended;

S. 2892. An act to amend existing laws prohibiting the introduction of intoxicating liquors within the Indian country to permit its use as a medicine by practicing physicians for patients of Indian blood;

S. 2896. An act for the relief of James W. Carmichael, deceased;

S. 2987. An act to restore homestead rights in certain cases;

S. 3017. An act for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.;

S. 3113. An act to add certain lands to the Malheur National Forest in the State of Oregon;

S. 3116. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana";

S. 3122. An act for the relief of H. N. Wilcox;

S. 3160. An act for the relief of Charles E. Secord;

S. 3199. An act for the relief of Thomas A. Coyne;

S. 3237. An act to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929;

S. 3261. An act to permit the step-children of certain officers and employees of the United States to be admitted to the public schools of the District of Columbia without payment of tuition;

S. 3375. An act to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes;

S. 3394. An act for the relief of the Grier-Lowrance Construction Co.;

S. 3415. An act authorizing the State of Michigan, by and through the Mackinac Straits Bridge Authority, its successors and assigns, to construct, maintain, and operate a bridge or series of bridges across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan;

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act;

S. 3431. An act authorizing a preliminary examination of the lower Columbia River, with a view to the controlling of floods;

S. 3459. An act to exempt from taxation certain property of the Daughters of Union Veterans of the Civil War in the District of Columbia;

S. 3463. An act to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana;

S. 3479. An act to amend the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", approved February 27, 1929;

S. 3499. An act for the relief of Michael Ilitz;

S. 3521. An act to facilitate purchases of forest lands under the act approved March 1, 1911;

S. 3540. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933;

S. 3541. An act to authorize production credit associations to make loans to oyster planters;

S. 3568. An act to amend section 824 of the Code of Laws for the District of Columbia;

S. 3569. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes;

S. 3584. An act to amend the Agricultural Adjustment Act, and for other purposes;

S. 3594. An act for the relief of the heirs of Burton S. Adams, deceased;

S. 3604. An act to revive and reenact the act entitled "An act to authorize the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", approved March 2, 1929;

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington;

S. 3626. An act referring the claims of the Turtle Mountain Band or bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement;

S. 3640. An act granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.;

S. 3656. An act for the relief of Robert N. Stockton; and

S. 3657. An act authorizing the construction of a dam on the San Pedro River, Ariz.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 9322) entitled "An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the bill (S. 1358) entitled "An act to provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery, at Fayetteville, Ark."

COMMITTEE ON ACCOUNTS

Mr. WARREN. Mr. Speaker, I ask unanimous consent that the Committee on Accounts may be permitted to sit today during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PROCESSING TAX ON HOGS

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes in reference to the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MITCHELL. Mr. Speaker, as a member of the Committee on Agriculture, may I say a word with reference to the pending bill upon which we are about to vote?

On February 1 I introduced a bill to amend the Agricultural Adjustment Act so as to exempt the farmer or the hog producer from the processing tax on pork products up to the amount of 2,000 pounds. This bill was before the Committee on Agriculture of which I was the chairman of the subcommittee. The subcommittee conducted hearings, and I went to the Department of Agriculture a number of times and talked to Dr. Black, Mr. Davis, and others with reference to raising the poundage allowed the farmers from 300 to 2,000 pounds. There is not any doubt about the attitude of the Committee on Agriculture. I think practically 100 percent of the committee favor a bill to exempt up to 2,000 pounds. It was unanimously recommended by my subcommittee, and after the subcommittee made its report the chairman of our committee, the gentleman from Texas [Mr. JONES], in whom we all have the very greatest confidence and who is anxious to cooperate with the Department, suggested that some of us interview Department officials with reference to having an increased allowance over the 300 pounds which they at present exempt.

[Here the gavel fell.]

Mr. MITCHELL. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute?

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MITCHELL. Mr. Speaker, this amendment as proposed by the distinguished gentleman from the State of New York should have our endorsement. It has the approval of the Committee on Agriculture, and I know of no reason why we should not give the farmer this exemption of 2,000 pounds. The bill as proposed, unamended, means nothing to the farmer. If we only exempt 800 pounds, the hog will dress off 40 percent from the gross to net, and you have only given him a raise of 200 pounds. In my judgment, this amendment should be adopted. It is nothing more or less than a nuisance tax the way it is being administered.

It will not seriously affect the administration of the A.A.A. and will afford great relief to the small farmers throughout the Nation who raise pork for their own use and sell from time to time hogs on the market. This exemption should be granted, as it will relieve the Department of the collection of many small items of tax and, above all, will exempt the farmer from the tax and greatly relieve his already embarrassed financial condition.

I hope all the real friends of the farmers will support this bill and send it to the opposite side of the Capitol, where I hope it will meet with approval. The farmers in my congressional district seriously object to the payment of this tax, and I am anxious to see them relieved of having it longer imposed. The farmers throughout the United States will approve our action in the passage of this measure, in which I take much pride because of being its author. I am glad to have favored it before the committee and to have advocated its adoption by the Department of Agriculture in their rules and regulations, and, above all, I am glad to see a favorable sentiment looking to its passage on the floor of the House today. I hope it will have the unanimous support of all those who believe in extending the helping hand to the neglected farmers of our country. We have tried to do much for them during the present session, but no measure that has been proposed and passed by this House will meet with more unanimous approval than will our action in supporting this bill granting a 2,000-pound live-weight exemption to the hog producer.

The report of my subcommittee was unanimous in favor of this bill, and the report of the Committee on Agriculture was likewise favorable to the measure. To insist on only an exemption of 800 pounds, as proposed by my colleague from Virginia, will not afford the much-needed relief from this tax on the part of the hog raisers of the United States. This bill is important and should be endorsed by all those who represent a farming district and who are anxious to be of assistance to the farmers of our Nation. I commend it to the House and urge its passage.

CURRENT TOPICS

Mr. SINCLAIR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an article by a former Member of this House, Judge Willis G. Sears.

Mr. BYRNS. What is the subject of the article?

Mr. SINCLAIR. It is an article covering water control. Judge Sears, of Nebraska, was a former Member of this House for 8 years.

Mr. BYRNS. I have no particular objection, but I desire to call the attention of the gentleman from Pennsylvania to the request. If he is willing, I am.

Mr. RICH. May I say to the majority leader that when the subject of including articles by former Members of the House of Representatives came up I questioned at that time whether we ought to continue to permit this practice of inserting things in the RECORD a number of years after-

ward. If the author of this article has had the honor of sitting in this House, I question whether I ought to object to it at this time, and if the gentleman from Tennessee [Mr. BYRNS] wants to object, all right.

Mr. BYRNS. Mr. Speaker, my admiration for Judge Sears is so sincere that I shall not object.

Mr. SINCLAIR. He was one of the best-informed Members of this House.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

THOUGHTS ON SOME IMPORTANT QUESTIONS OF THE DAY BY A FORMER MEMBER

Mr. SINCLAIR. Mr. Speaker, under the leave granted me to extend my remarks in the RECORD, I wish to offer a letter recently received from a former and highly respected Member of this House, the Honorable Willis G. Sears, of Nebraska. I had the honor of serving with Judge Sears on the Flood Control Committee of the House, and well recall the splendid work he did in the framing of the Flood Control Act of 1928. In my opinion, no man in this body was as well informed on the important question of water conservation and river navigation as was Judge Sears. It was largely due to his persistent advocacy of the conservation of the run-off waters that the building of dams and reservoirs was adopted as a national policy. Had such a policy been in effect years ago, there is no doubt but that the present devastating drought would not have occurred, or that its effects would have been materially less damaging. I know that the friends of Judge Sears who are still in the House will be glad to have this message from him. I might add that he is now rendering distinguished service as judge of the fourth judicial district, Omaha, Nebr.

DISTRICT COURT OF NEBRASKA,
FOURTH JUDICIAL DISTRICT,
Omaha, Nebr., May 25, 1934.

Hon. JAMES H. SINCLAIR,
House Office Building, Washington, D.C.

MY ESTEEMED ONE-TIME COLLEAGUE: I wonder if a few thoughts on the subject of the welfare of our country would be out of place, if I, a "has been", should foist them upon you? If they are threadbare, or belong to the "national anthem of the kingdom of boredom"—well, I presume you still have a wastebasket.

I want to group up to you several subjects. They are: (a) Droughts, (b) floods, (c) navigation, (d) power, (e) banking, (f) credit and currency, (g) the great river.

FOREWORD

I realize that I must give you only a bony structure, that is, as much thought as I can compass in limited use of words, and must also set up as a guidepost to the route of discussion a short preamble, as apologetic to the whole matter. That preamble is devoted to the condition of the country.

PREAMBLE

The condition of the country is deplorable; a country dedicated to the common welfare finds 90 percent of its people ruined, or in sore distress, when they should be both prosperous and full of hope. With a soil of God-given fertility, baked like an oven, and its croppage destroyed by droughts; with its wondrous system of navigable rivers either at ruinous floods or too low for navigable uses; with sources of electric power ample for all purposes of our people undeveloped, and our people at the mercy of the commercialized vice that treats the consumer with unfairness; with a money system that is in the hands of those who deal in money, and travel all roads of speculation, and compel the banks of the country to transact business like pawnbrokers, and has thrown oldtime honest credit into the discard, and has ruined the most and the best of our people throughout the land, and has prostrated agriculture.

(a) Droughts are with us because we will have them so. For 50 years we have been draining marshes, straightening creeks, grading and paving roads and streets, and sewering our cities; doing everything, in fact, during our rainy season to hasten the run-off waters into the Gulf and the oceans. The water line in our soils has been down as low as 60 feet, in sections where it was formerly up to the grass roots. Every year drought takes its toll of from hundreds of millions to many billions of dollars, and thus detracts from the national wealth, and keeps alive the fires on the altar of human misery.

(b) Floods in great areas are with us because we will them so. It is because the rapid waters from the minor flood areas are not restrained at their sources, but are allowed to run wild and overtop the slower waters at the more level areas below; that levees are overtopped and damage is done; that erosions take place as to our soils; that property and lives are lost. With a system of reservoiring of the minor flood areas that would not cost $1,000,000,000, 0.9 of the run-off waters would be under control, the droughts largely prevented, and the water line kept well up in the soil, and floods of any materiality only known as of the past.

(c) Navigation marks the price and wealth of a nation. Only here have important men fought navigation. Important and demanding special privileges, none can secure special privileges unless others are deprived of what is theirs by right. When men or corporations move into a country and work against its best development, according to its best prospective, they are traitors to that country by all the gagings, parallels, and definings. There is no successful navigation unless it is long-time navigation. There is no long-time navigation without ample water at what is called the "low-water period", and that can only be attained by reservoiring the areas where the run-off water originates, putting it into the soil and to work. Thus only will we have successful navigation and agriculture; and there is no prosperity in this country unless agriculture is profitable and labor employed; then we will minister to the general welfare.

(d) Power, meaning electric power, is that—when developed and placed in the family and house and barn and factory at a low and reasonable cost—which will prove a handmaid to human happiness. Its production will be a mighty by-product of taking control of our run-off waters, as an asset, instead of throwing them away as useless things.

(e) and (f) Our banking and currency should never be given over to the control of those who deal in money speculation, such as stocks, grain, or gambling of any kind. The Federal Reserve bank was only instituted to furnish ample currency and credit when needed for the activities of the country. It has been the most baneful influence for evil that our country has known in its history. Inflation may be carried to a foolish extent, but any great deflation of currency and credit is a crime. My recollection is that the bank opened its own door, and placed on its own doorstep the twins of inflation and deflation, and encouraged them to grow up and devour the kine that were fat. The law should reestablish the old-fashioned banker, under the Secretary of the Treasury and the Comptroller of the Currency. The three brass balls should be taken from our banking.

(g) The great river originates in Montana, sweeps up almost to Canada, then south and east to the Gulf of Mexico at New Orleans. It should have but one name: the Tennessee, Ohio, Wabash, Illinois, upper Mississippi, Kaw, Platt, Niobrara, and the like are only its tributaries. They each and all bring their tribute to the great river, the world's most wonderful river; but its own accepts it not. It flows through the heart of the greatest agricultural region of the world. It is the only river of the world that is capable of 4,400 miles of navigable water. It has more important cities along its banks than any river of the world. But its improvement has been fought for years, fought by great financiers of the East and by important men even of our own section. Our great section of the great croppage and the long haul is dammed by the highest rates because that great river's improvement has been fought so long. The Congressmen of this section have always helped the East and South, getting cheap chemical fertilizers; but when all we want is the impounding of our run-off waters, we wonder sometimes if equal and exact justice is being meted out.

There never was a greater fallacy than the statement often made that the Government is not responsible for good or bad times. It is an abnormality or a normality traceable to governmental activities.

Of the three departments of our Government under our system, the legislative should be dominant; of the two divisions of that dominance, the House of Representatives should then be first, and it should not be afraid. We would be without either extended droughts or floods if the House should see that legislation is passed that conserves flood waters at the minor areas of origination.

The House of Representatives should see that our banking facilities are not controlled by those who are using money for speculative purposes. And money should stay, as a rule, where labor is responsible for it. There should not be great inflation, and we should progress on the theory that any material deflation is a criminal act.

No prospect could be more pleasant than that of the old banker with the old borrower, doing old-fashioned business together; with ample currency for all purposes; with the water line well up in the soil; without material floods; with the navigable rivers kept up in their flowage by running springs and waters from proper dams; with the same transportation rates for all parts of the country—which means that Pittsburgh plus and its relatives would have disappeared; with the buying power returned to our people because of normality again; and our factories busy, providing for the needs of the people; with agriculture profitable and labor employed.

OPPORTUNITY FOR AUTOMOBILE EXPORTS LIES IN RECIPROCITY NEGOTIATIONS

Mr. THOM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. THOM. Mr. Speaker, all through the recovery program of this Congress there has run a central purpose—to

expand the consumption of the abundant products of our farms and industries. The means by which this object was sought have been various, for the President was not wedded, as are some of our people, to one idea of recovery. In that refusal to accept and follow blindly only one road, as well as his determination not to let the chaos he faced cure itself through the passing of time, lay his true statesmanship. That his program has been eminently successful and has reversed the economic trends in a way that is amazing within a period of a little over a year is the judgment of every fair-minded American, and this progress is tardily being recognized by many business forecasters as not a temporary uplift but a permanent trend that will lead to a restoration of normal conditions. I purpose now to sketch two of the main lines of attack on the problem of underconsumption.

The first line of attack was aimed at procuring a rise in the price of the staple farm crops, in order that the 30,000,000 people in the United States directly or indirectly dependent on the farm might have a sufficient income over and above their taxes and interest payments with which to barter for the manufactured articles produced in the cities. The crop-allotment plan adopted as a means to this end was and has been assailed as a subsidy to the farmer. If it be, there is one devastating and wholly sufficient answer that industry through the device of tariffs enjoyed subsidies for 50 or 60 years, thus being permitted to charge a price for its products over and above the price of similar products of foreign producers. If thereby the American workingman received a higher wage and the American industrialist a more or less certain earning, why was it indefensible to use the processing tax to give the American farmer a fair wage and a fair return on his investment? Why compel the American farmer to sell his wheat, cotton, hogs, and other exportable crops here and abroad at a world market price, and by tariff duties make him pay an artificial price for the tariff-protected article that he needs?

Whatever the views of the agricultural relief program, there has been a decided increase in the purchasing power of the American farmer, best illustrated by the reports of the Bureau of Agricultural Economics showing a farm income of $417,000,000 for March, 1934, as against $275,000,000 for March, of 1933. Whether the exact programs of crop control, introduced as purely experimental but based on the fundamental law of supply and demand, will eventually prove effective remain to be discovered. There is, however, through the presentation of the farm problem by the Roosevelt administration a new understanding, especially by our city populations, that a restricted farm income will not and cannot aid in generating orders in rural areas for urban factories. In other words, bankrupt farms will mean eventually bankrupt factories.

The second main attack was on the waning consumptive power of the American workingman, and the particular device resorted to was the National Recovery Act. At one fell swoop child labor was abolished, and jobs heretofore held by children at meager wages were opened up to adults. The reduction of hours in response to the economic fact that machinery displacement of industrial workers had relegated thousands of men to the rolls of the unemployed made some of us feel that legislators at last had a faint recognition that men, besides enjoying liberty and freedom, must have an opportunity to work at a fair wage. Otherwise, the social system was in jeopardy, and rightly so.

Available reports, at least from the larger industries which employ mass-production methods, show that the National Recovery Act has substantially increased both the number of workers and their wage totals. No fair-minded person can deny that this legislation has increased the purchasing power of American workers, and in large part furnished that stabilization of prices that made production once more profitable. Unless the N.R.A. principles of shorter hours and rising wages are continued in their application, we shall find a repetition of our past troubles growing out of an inability of the masses to consume the things they produce. Personally, I think after the emergency is over we shall realize that we expanded the N.R.A. too far by coding some industries and service lines of business in which, as a result of codes, increase of working forces was negligible; and that we inherited from these particular lines bitter disputes about trade practices that bogged down the N.R.A. machinery, diverting its energies from the organization of those large mass-production industries wherein the real gains are to be obtained in the increase of employment.

Having used these remedies to invest the farmer and working man with increased consuming power, there remains a distinct feeling that, due to our rationalization of industry and improvement of farming methods, we shall still have a potential surplus production that must be disposed of in foreign markets in exchange for foreign goods, if it can be done, as the President says, so "that no sound and important American industry will be injuriously disturbed." This involves, of course, the doctrine of reciprocal trade relations. Up to date, the current discussions have seemed to center around the possibility, under reciprocity treaties, of disposing of our agricultural surpluses in overseas markets as a way of obviating the forced retirement from active use of 50,000,000 or 75,000,000 acres of land in accordance with the ideas of the Department of Agriculture.

To me there seems to be an equally important opportunity in any reciprocity arrangements that are undertaken to benefit our economic status, by giving to the American automobile industry—the most efficient of our present-day manufacturing units—the chance to sell the transportation that, to my mind, will be bought during the next decade or so as never before in foreign countries, especially in the undeveloped parts of the world. My study convinces me that the motor-car industry for the next 5 or 10 years will determine the industrial prosperity of the United States. It has taken the lead in the present revival of business, and it was the one industry that fought to the bitter end the overwhelming forces of the depression. It therefore deserves, by reason of its tested efficiency, the aid of the American Government in its conquest of the automobile markets of the world, and I believe it can do the job if we will but help scale down the prohibitive tariffs and quota arrangements in foreign countries that make its competitive opportunities less favorable.

Let us look at the phenomenal growth of this key industry. In 1916 production for the first time topped the million mark for 1 year, the exact production being 1,618,000 cars. Its high tide of yearly output was 5,358,420 cars in 1929. General prosperity spread through the country as motor-car production held to a steady output of 4,000,000 units per year from 1925 to 1929, except for a relapse in 1927. So we can almost say that as flourishes Detroit, so flourishes the whole country, and I do not have one whit of special interest, political or otherwise, in the affairs of that city. I state what seems to me an economic fact.

There are certain other illuminating facts that show the dependence of our national prosperity on this young but pushing industry. In 1932, 3,901,800 workers relied upon the auto industry for a livelihood, equal to 10 percent of the total man power employed in all industry. View its tremendous utilization of our raw materials in 1932—7 percent of our cotton, 10 percent of our tin, 11 percent of our copper, 14 percent of our mohair, 17 percent of our steel, 23 percent of our aluminum, 28 percent of our nickel, 33 percent of our plate glass, 53 percent of our upholstery leather, 55 percent of our malleable iron, 80 percent of our rubber, and 85 percent of our gasoline. Since its raw material orders for production purposes go into every State of the Union, it is easy to understand that a slow up in motor-car manufacture sends chills into the financial arteries of every State, crippling farmer, miner, and factory worker alike. The blighting effect on railroad transportation from stagnation in the motor-car industry may be judged when we know that 14 percent of the total rail tonnage in 1932 was derived from this industry.

By reason of its sheer efficiency and its huge domestic market, with a fairly regular call each year in normal times for 3,000,000 to 4,000,000 cars, permitting of a mass produc-

tion undreamed of in any other country, the American motor-car industry now, without dispute, gives us the lowest-priced and most-serviceable car in the world. Since unit costs decrease markedly as volume increases, it is plain to see why United States manufacturers can undersell the world in a fair field, when tariff handicaps are not imposed.

Master, unchallenged, in its own market, what has this industry been able to do for itself in foreign trade? Cars exported rose from 292,522 in 1924 to the peak of 733,066 in 1929. And mark this salient fact, that since 1923 the growth of our motor-car output has been due solely to export sales made in the face of lower wages per man in foreign plants.

This stalwart and self-reliant industry—most characteristic of American ingenuity and venturesomeness—has not kept to our own shores but has penetrated into every part of the world in its search for business to keep its wheels turning at full speed. But there came a sudden halt to its rapid progress abroad, when exaggerated policies of self-sufficiency in this country taught the world how to use tariffs against us. To avoid the combined expenses of tariffs, transportation, and so forth, the manufacturer, to keep himself in the competitive race, migrated with his capital to the chief countries of Europe, there to invest it in branch factories that now enjoy the prosperity that rightfully belongs to the workers of the United States.

To be explicit about these tariff barriers that thwarted automobile production in the United States for foreign sale, let it be known that Canada—our best customer at this moment—levies a 20 to 30 percent ad valorem tariff rate against United States cars; Union of South Africa, 20 to 25 percent; Japan, 35 percent; Argentina, as high as 40 percent; Netherlands, 15 percent; Australia, 32 to 45 percent; British India, 25 to 37½ percent; United Kingdom, 33⅓ percent; Sweden, 15 to 20 percent.

What do these tariff rates exactly mean in plain, understandable language? Let us examine the Canadian rate, first enumerated. A 20-percent duty is assessed on passenger cars selling for $1,200, which means a tariff tax of $240 added for the Canadian consumer to the price of an American car. In Sault Ste. Marie, Canada, recently I heard a Canadian, as he looked across the expanse of waters to Sault Ste. Marie, Mich., where an American automobile was traveling along the shore, bemoan the fact that to possess that very car he had to pay a tariff tax of $250—adding just that much to the price paid by his American cousin across the water. No wonder, then, that the United States manufacturer was virtually clubbed by these foreign tariffs into the erection of branch factories abroad, both in Canada and Europe.

Now, then, we have this giant industry, unsurpassed in output both as to quality and price, capable of building each year 8,000,000 cars, against a possible domestic consumption of four millions. Ready to use the energies of thousands of more men and to consume raw materials of thousands of more producers, this industry has but one need—and that is more export orders. These are not unobtainable if we will but use our commercial wits to bargain for new fields unhampered by tariffs for this industry.

Before drawing attention to the areas where transportation demands are beckoning us, it is well to remember that this industry is selling a product that is new and is just beginning to take hold in many parts of the world. Every backward country where progress has set in is bound to improve its transportation. A rising standard of living that will come all over the world will carry with it a yearning for something better than the oxcart. Trade demands promptness and, consequently, faster and heavier loads of merchandise. The answer is cheap motor cars, both passenger and truck, which are commensurate with buying power. The United States can furnish them to the advantage of its workers, farmers, and business men.

If you ask for specifications as to what particular markets we may capture, we can without hesitation check off the United Kingdom, France, Italy, and Germany as out of the question, because these countries have both home manufacturers, who through the arm of the government used the tariff device to exclude foreign competition, and the branch factories built within their tariff walls by Americans. Our particular opportunity lies in the nonproducing automobile countries, or in the undeveloped ones where road construction is beginning to appear and where trade in raw materials will eventually be carried by motor trucks. Our objective would be to trade our automobiles for the raw materials that are not competitive with us, and thus establish a barter that will keep our chief industry in regular operation.

It is in these particular fields, last described above, that we in 1933 sold our greatest number of motor cars. The Union of South Africa, unaffected as other countries by the slump in raw-material prices, because her chief export is gold which, in fact, appreciated in price despite hard times, was our third best customer; Japan, fourth; Argentina, fifth; Brazil, sixth; and Mexico, eighth. Here at our doors is the vast market of South America, rich in hidden resources, where the use of motor vehicles has expanded more rapidly since 1924 than in any other part of the world. Shall we let its automobile business slip from our hands because we failed to follow the suit of our European cousins in binding up markets by reciprocity treaties?

I hope we shall be bold enough to seize this opportunity for needed trade expansion, or at least be venturesome enough to find out if we can negotiate ourselves into a position to enter on better terms the motor-car fields that look so alluring at this time. If we succeed we shall bring new security to our so-called "automobile cities", where assembled cars or merely parts or raw materials therefor are fabricated. This will keep those thousands of men who have migrated from rural areas to work in these plants from returning to the farms to aggravate the rural problems of overproduction. With more export orders these industrial cities will, through the use of additional raw material, help to increase the well-being of the agricultural producer, and at the same time draw new workers from the rural population, changing them from producers to consumers of foodstuffs. In this way agriculture can save itself the retirement of some at least of its acreage, and many industrial cities will be saved the disgrace of bread lines. So long as we tie down this great motor industry to domestic fields, so long shall we endanger our national prosperity.

PRIVILEGES OF THE HOUSE

Mr. BOYLAN. Mr. Speaker, I rise to a question of the privileges of the House.

The SPEAKER. The gentleman will state it.

Mr. BOYLAN. Mr. Speaker, in the Washington Post this morning I noticed an article describing the proceedings of the House yesterday; it included the following:

Representative ROBERT LUCE, of Massachusetts, propounded a parliamentary inquiry to Speaker HENRY T. RAINEY, on the subject of the proper method of addressing the House.

The author of the article went on to state further that the Speaker, whose duties include tips on etiquette, advice to the lovelorn, and similar knotty problems, went into conference with himself [laughter] before answering the inquiry.

Mr. Speaker, I have carefully examined Jefferson's Manual concerning the duties of the Speaker, rule I, from section 621 to section 634, inclusive. These sections define the particular duties and general duties of the Speaker and in none of them do I find that the Speaker is permitted to decide questions of etiquette, advice to the lovelorn, or similar knotty problems of social intercourse. So I think, in fairness and justice to the House, this erroneous information should not be disseminated to the public but that proper correction should be made, informing the general public that the Speaker, holding the dignified office that he does, is not permitted by the rules of the House to decide questions of this kind.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. BLANTON. That is just about as reliable as anything the gentleman will ever see in Eugene Meyer's Washington Post. Besides attacking Democrats generally and attacking the President and the President's program for economic recovery, Eugene Meyer, in his Washington Post, has deliberately tried to belittle Congress ever since he used his ill-gotten bond money to defraud the McLean boys out of their natural heritage when he hornswoggled them out of their Washington Post. I think he is a menace to society. [Laughter and applause.]

Mr. BOYLAN. Mr. Speaker——

Mr. SNELL. Mr. Speaker, I understood the first business in order today was the roll call on an amendment——

Mr. BOYLAN. Mr. Speaker, I have not concluded.

Mr. SNELL. I beg the gentleman's pardon; I thought he had. I would not want to interfere with my friend from New York.

Mr. BOYLAN. Mr. Speaker, irrespective of the outstanding qualifications of the gentleman whom the distinguished statesman from Texas has mentioned, I am not going into that particular phase of the matter. I am only concerned with the dignity of the House and the respect that I personally hold, which I know is shared by every Member of the House, for our beloved and eminent Speaker, in order that the general public may not be led to believe that these frivolous duties mentioned in the article devolve upon our distinguished Speaker. [Applause.]

PROCESSING TAX ON HOGS

The SPEAKER. The unfinished business is the roll call on the Snell amendment to the bill H.R. 9829, striking out "800 pounds" and inserting "2,000 pounds." For the information of the House, without objection, the Clerk will again report the amendment.

Mr. FLANNAGAN. Mr. Speaker, I may say to the gentleman from New York that I shall agree to accept the gentleman's amendment raising the poundage to 2,000 pounds.

Mr. SNELL. We must have the Members here for other business, and I think we may just as well have the roll call.

The SPEAKER. The yeas and nays have been ordered.

Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SNELL: Page 1, line 9, strike out "800" and insert in lieu thereof "2,000."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and there were—yeas 328, nays 18, not voting 84, as follows:

[Roll No. 178]

YEAS—328

Adair	Cannon, Mo.	Culkin	Farley
Adams	Cannon, Wis.	Cullen	Fiesinger
Allen	Carden, Ky.	Cummings	Fitzpatrick
Arnold	Carmichael	Darden	Flannagan
Ayers, Mont.	Carpenter, Kans.	Darrow	Fletcher
Ayres, Kans.	Carpenter, Nebr.	Dear	Focht
Bacharach	Carter, Calif.	Deen	Ford
Bakewell	Carter, Wyo.	Delaney	Foss
Bankhead	Cartwright	De Priest	Foulkes
Beck	Cary	Dickinson	Frear
Beedy	Castellow	Dingell	Fuller
Beiter	Cavicchia	Dirksen	Gasque
Blanchard	Chapman	Disney	Gavagan
Bland	Christianson	Ditter	Gifford
Blanton	Clark, N.C.	Dobbins	Gilchrist
Bloom	Clarke, N.Y.	Dockweiler	Gillespie
Boehne	Cochran, Mo.	Dondero	Glover
Boland	Cochran, Pa.	Doughton	Goldsborough
Boylan	Colden	Douglass	Goodwin
Britten	Cole	Dowell	Granfield
Brown, Ga.	Collins, Calif.	Drewry	Gray
Brown, Ky.	Colmer	Driver	Greenwood
Brown, Mich.	Condon	Duffey	Gregory
Brunner	Connery	Duncan, Mo.	Griswold
Buchanan	Connolly	Dunn	Guyer
Buck	Cooper, Ohio	Eaton	Haines
Bulwinkle	Cooper, Tenn.	Edmiston	Hamilton
Burch	Cox	Edmonds	Hancock, N.Y.
Burke, Calif.	Cravens	Eicher	Hart
Burke, Nebr.	Crosby	Ellenbogen	Hartley
Burnham	Cross, Tex.	Elizey, Miss.	Hastings
Busby	Crosser, Ohio	Eltse, Calif.	Healey
Byrns	Crowe	Englebright	Henney
Cady	Crowther	Evans	Hess
Caldwell	Crump	Faddis	Hildebrandt
Hill, Knute	McClintic	Polk	Stubbs
Hill, Samuel B.	McFadden	Powers	Studley
Hoeppel	McGugin	Prall	Sullivan
Hoidale	McKeown	Ramsay	Swank
Hollister	McLean	Ramspeck	Sweeney
Holmes	McLeod	Rankin	Taber
Howard	McReynolds	Ransley	Tarver
Hughes	Maloney, Conn.	Reece	Taylor, S.C.
Imhoff	Maloney, La.	Reed, N.Y.	Taylor, Tenn.
Jacobsen	Mansfield	Reilly	Terrell, Tex.
Jenckes, Ind.	Mapes	Rich	Terry, Ark.
Jenkins, Ohio	Marshall	Richards	Thom
Johnson, Minn.	Martin, Colo.	Richardson	Thomas
Johnson, Okla.	Martin, Mass.	Robertson	Thomason
Johnson, Tex.	Martin, Oreg.	Robinson	Thompson, Ill.
Johnson, W.Va.	May	Rogers, Mass.	Thompson, Tex.
Kahn	Mead	Rogers, Okla.	Tinkham
Kee	Meeks	Romjue	Tobey
Keller	Merritt	Rudd	Traeger
Kelly, Ill.	Millard	Ruffin	Treadway
Kennedy, N.Y.	Miller	Sabath	Truax
Kenney	Milligan	Sadowski	Turpin
Kerr	Mitchell	Sanders, La.	Umstead
Kinzer	Monaghan, Mont.	Sanders, Tex.	Underwood
Kloeb	Montague	Sandlin	Utterback
Kniffin	Montet	Schaefer	Vinson, Ga.
Knutson	Moran	Schuetz	Vinson, Ky.
Kocialkowski	Morehead	Schulte	Wadsworth
Kurtz	Mott	Scrugham	Wallgren
Lambeth	Murdock	Sears	Walter
Lamneck	Musselwhite	Secrest	Warren
Lanham	Nesbit	Seger	Welch
Lanzetta	O'Brien	Shallenberger	Werner
Larrabee	O'Connell	Shannon	West, Ohio
Lea, Calif.	O'Connor	Sinclair	White
Lehlbach	O'Malley	Sirovich	Whitley
Lehr	Oliver, Ala.	Smith, Va.	Whittington
Lemke	Owen	Smith, Wash.	Wigglesworth
Lesinski	Parker	Snell	Williford
Lewis, Colo.	Parsons	Snyder	Williams
Lindsay	Patman	Somers, N.Y.	Wolcott
Lloyd	Peavey	Spence	Wolfenden
Lozier	Perkins	Stalker	Wolverton
Luce	Peterson	Steagall	Wood, Ga.
Ludlow	Pettengill	Stokes	Wood, Mo.
Lundeen	Peyser	Strong, Pa.	Woodrum
McCarthy	Pierce	Strong, Tex.	Young

NAYS—18

Arens	Doxey	Jones	Rayburn
Beam	Eagle	Kleberg	Wearin
Biermann	Gillette	Lambertson	West, Tex.
Bolleau	Harlan	McMillan	
Corning	Hope	Oliver, N.Y.	

NOT VOTING—84

Abernethy	Collins, Miss.	James	Randolph
Allgood	DeRouen	Jeffers	Reid, Ill.
Andrew, Mass.	Dickstein	Kelly, Pa.	Rogers, N.H.
Andrews, N.Y.	Dies	Kennedy, Md.	Shoemaker
Auf der Heide	Doutrich	Kopplemann	Simpson
Bacon	Durgan, Ind.	Kramer	Sisson
Bailey	Fernandez	Kvale	Smith, W.Va.
Berlin	Fish	Lee, Mo.	Sumners, Tex.
Black	Fitzgibbons	Lewis, Md.	Sutphin
Bolton	Frey	McCormack	Swick
Brennan	Fulmer	McDuffie	Taylor, Colo.
Brooks	Gambrill	McFarlane	Thurston
Browning	Goss	McGrath	Turner
Buckbee	Green	McSwain	Waldron
Carley, N.Y.	Greenway	Marland	Weaver
Celler	Griffin	Moynihan, Ill.	Weideman
Chase	Hancock, N.C.	Muldowney	Wilcox
Chavez	Harter	Norton	Wilson
Church	Higgins	Palmisano	Withrow
Claiborne	Hill, Ala.	Parks	Woodruff
Coffin	Huddleston	Plumley	Zioncheck

So the amendment was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Allgood with Mr. Bacon.
Mr. Rogers of New Hampshire with Mr. Fish.
Mr. McCormack with Mr. Kelly of Pennsylvania.
Mr. Randolph with Mr. Simpson.
Mr. McDuffie with Mr. Winthrow.
Mr. Sumners of Texas with Mr. Plumley.
Mr. McSwain with Mr. Woodruff.
Mr. Hancock of North Carolina with Mr. Muldowney.
Mr. Huddleston with Mr. Goss.
Mr. DeRouen with Mr. Bolton.
Mr. Collins of Mississippi with Mr. Andrews of New York.
Mrs. Norton with Mr. Buckbee.
Mr. Browning with Mr. Chase.
Mr. Fulmer with Mr. Andrew of Massachusetts.
Mrs. Greenway with Mr. Higgins.
Mr. Smith of West Virginia with Mr. Moynihan of Illinois.
Mr. Taylor of Colorado with Mr. Waldron.
Mr. Weaver with Mr. James.
Mr. Wilson with Mr. Doutrich.
Mr. Celler with Mr. Reid of Illinois.
Mr. Brennan with Mr. Thurston.
Mr. Green with Mr. Kvale.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Dies with Mr. Church.

Mr. Griffin with Mr. McGrath.
Mr. Wilcox with Mr. Coffin.
Mr. Fernandez with Mr. Kopplemann.
Mr. McFarlane with Mr. Sisson.
Mr. Turner with Mr. Weideman.
Mr. Sutphin with Mr. Kennedy of Maryland.
Mr. Lee of Missouri with Mr. Durgan of Indiana.
Mr. Lewis of Maryland with Mr. Marland.
Mr. Parks with Mr. Harter.
Mr. Palmisano with Mr. Berlin.
Mr. Hill of Alabama with Mr. Claiborne.
Mr. Dickstein with Mr. Bailey.
Mr. Auf der Heide with Mr. Black.
Mr. Fitzgibbons with Mr. Abernethy.
Mr. Chavez with Mr. Brooks.
Mr. Frey with Mr. Jeffers.
Mr. Gambrill with Mr. Zioncheck.

Mr. RANKIN and Mr. MERRITT changed their votes from "nay" to "aye."

Mr. TRUAX. Mr. Speaker, I offer an amendment.

Mr. BYRNS. Mr. Speaker, with the consent of the House I wish to make the announcement that the following gentlemen are members of the special committee of the House investigating certain alleged un-American activities, and are engaged at the present moment in hearings: The gentleman from Massachusetts, Mr. MCCORMACK; the gentleman from California, Mr. KRAMER; the gentleman from New York, Mr. DICKSTEIN; the gentleman from Ohio, Mr. JENKINS; the gentleman from Tennessee, Mr. TAYLOR; the gentleman from Kansas, Mr. GUYER; and the gentleman from Michigan, Mr. WEIDEMAN. I ask that they may be excused by the House from voting on this roll call and any subsequent roll calls, unless the hearings should adjourn.

The same thing is true of the subcommittee of the Committee on Military Affairs, which is investigating aircraft and other related matters. The members of this subcommittee are the gentleman from New Hampshire, Mr. ROGERS; the gentleman from Michigan, Mr. JAMES; the gentleman from Connecticut, Mr. GOSS; the gentleman from Vermont, Mr. PLUMLEY; the gentleman from Ohio, Mr. HARTER; and the gentleman from Alabama, Mr. HILL.

Further, Mr. Speaker, the gentleman from West Virginia, Mr. RANDOLPH, is absent today and has asked me to request the House that he be excused for the day because of his acting as escort to Mrs. Roosevelt, who is visiting his State.

Mr. JONES. Mr. Speaker, I move the previous question on the bill.

Mr. TRUAX. Mr. Speaker, I rose to offer an amendment to the bill, and I was recognized to offer the amendment.

Mr. TABER. Mr. Speaker, the bill has not been read, and the previous question is not in order until the bill is read.

The SPEAKER. The first section of the bill has been read. The Clerk will read the bill.

The Clerk read as follows:

SEC. 2. (a) Paragraph (4) of subsection (d) of section 9 of the Agricultural Adjustment Act, as amended, is repealed.

(b) Paragraph (7) of subsection (d) of such section 9 is amended to read as follows:

"(7) In the case of any other commodity, the term 'processing' means any manufacturing or other processing involving a change in the form of the commodity or its preparation for distribution or use, as defined by regulations of the Secretary of Agriculture; and in prescribing such regulations the Secretary shall give due weight to the customs of the industry."

SEC. 3. This act shall take effect on the day following the date of its enactment.

Mr. JONES. Mr. Speaker, I move the previous question.

The SPEAKER. The gentleman from Texas moves the previous question. The question is, Shall the previous question be ordered?

Mr. BOILEAU. Mr. Speaker, I move to strike out the last word.

The SPEAKER. The question is, Shall the previous question be ordered?

The question was taken; and on a division (demanded by Mr. TRUAX) there were—ayes 144, noes 84.

So the previous question was ordered.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WOMEN IN THE NEW DEMOCRACY—THE FIRST BRAIN TRUST—HARMONY BETWEEN FREEDOM AND POWER

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered by our colleague, Mr. PETTENGILL, at the commencement exercises of St. Mary's College, Notre Dame, Ind., June 3, 1934.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, I reserve the right to object, to ask the gentleman a question, so that we may answer some telegrams that we are getting from Texas. What is the situation in respect to the oil bill?

Mr. RAYBURN. I do not yield for that question.

Mr. BLANTON. Then I object to the remarks going into the RECORD, if the gentleman cannot answer a decent question. That is a question that the people of my State are interested in, and I intend to know what is the situation.

Mr. RAYBURN. We closed the hearings on the bill yesterday.

Mr. BLANTON. Then, why could not the gentleman have answered that in the first place?

Mr. RAYBURN. I did not want to, and I did not have to.

Mr. BLANTON. But since I finally did get an answer, Mr. Speaker, I withdraw my objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

This occasion renews my faith. I look as confidently forward into the future today as I did a quarter of a century ago. I know that I am standing today on the recruiting ground of the Republic. I know that here and in countless other colleges and schools in this country the army of the future is being mustered in—an army, if you please, that has never known defeat. These young citizen-soldiers are not going to admit that we have lost the battle for God and country. The broken ranks of those who have borne the battle to save our institutions are today being filled anew with at least 150,000 college men and women—greater in number than our standing Army—and with four times that number from preparatory and high schools, a total of 750,000 of the pick of the pack. That is what commencement means to America every year.

Whenever I think of these young graduates I think of a mighty Niagara pouring its fresh clean flood down upon parched valleys and dusty plains.

It is natural, I suppose, that I should think of you today as citizens rather than as students, although I hope you will remain students also throughout the years. No one can value cultural subjects more than I. "Man lives not by bread alone." Nor does he live alone for the state. On the contrary, the state has meaning only as it helps the individual to attain a more abundant life.

In view of the assaults being made upon the new democracy by the apostles of things as they were, I often wonder that young men and women have the courage to go to college.

From what we read today one would think that it is un-American to plan for a better future, a misdemeanor to experiment, a crime to have brains in the public service, a felony to have taught or been taught at college, and treason itself to be young.

Well, planning is not new in America, nor is it a disgrace. The greatest plan for social well-being that the world has ever known is the Constitution of the United States, and America's first "brain trust" was that little group of 55 men who put that plan on paper. When they signed that document of experiment they joined the immortals. It remains an experiment still.

A few words about these men may fortify us against the calamity of brains and the pestilence of youth. Of those 55 men, 24, or nearly half, were college graduates, several with highest honors—a truly remarkable record when we consider the conditions prevailing when they were in their teens and twenties—170 years ago. But not only that. These men sleep in their graves under the serious accusation that 6 of their number were or had been or were to become college professors, 3 college presidents, and 7 founders or trustees of colleges.

And then their age. We think of them as patriarchs—men with long, gray beards, grave demeanor, venerable with experience, hoary with wisdom. That is the supposition. What are the facts? Only 13 of the 55 had passed their fiftieth birthday; 22, or nearly half, were under 40; Madison, the "Father of the Constitution", was 36; Hamilton was 30; one of the Nation's fathers had reached the ripe old age of 26 and 3 more were tottering around in their twenties. These men, averaging 43 years young, balanced with the ripened wisdom of Washington, 55, and Benjamin Franklin, 81, the only man past 70, wrote the Constitution of the United States.

A college man or woman may be a fool. Many are. And, as Benjamin Jowett used to say, "Not even the youngest, my brethren, is necessarily infallible."

But the young men who wrote the Constitution deliberately planned to meet a great emergency. We must do the same.

Our struggle today is not to overthrow their work. It is to keep their work from being overthrown. It is to redefine and recapture the benefits and liberties they intended to guarantee in perpetuity to every American.

The Constitution of the United States did not and does not guarantee a jobless and hopeless future to 10,000,000 Americans.

Another fact about those 55 men is of particular interest, perhaps, to this audience: 9 of the 55, 1 in 6, were born in that quiet, peaceful country known as the "Emerald Isle." The River Shannon flows across the Constitution of the United States. Generations of Ireland's injustice—of man's inhumanity to man—helped write that immortal document, and the blood of Irish patriots is mixed with its fadeless ink.

I speak today on women in the new democracy. In your college catalog I notice with satisfaction that you have thought upon this subject in your courses in economics, sociology, and ethics. I notice that one of the six aims of the college is "to inculcate the principles of justice in society and to make young women zealous for its interests."

I know it is sometimes said that women do not take readily to these subjects. That is but a partial view, and, I think, a false one. My own experience has taught me to expect from women audiences an attentive interest in the problems of society. Women are citizens. They have the rights of citizens. They have the responsibilities and the burdens of citizens. They have an equal suffrage with men. They spend three-fourths of all money for home maintenance. They inherit 65 percent of the total wealth of the Nation once every generation. They are the beneficiaries of 60 percent of the $100,000,000,000 of life insurance now in force. In many of our larger corporations more than half the stockholders are women, and women compose 43 percent of the total number of all stockholders. They pay taxes. More than 10,000,000 are gainfully employed, or a total of one-quarter of the adult female population of the Nation are breadwinners in their own right.

Other uncounted millions carry heavy burdens at home for their husbands and children and are, by very necessity, profoundly interested in their husbands' jobs and their children's opportunities. Finally, in time of war they contribute father, husband, sweetheart, and son, and thus their very selves, to their country's service.

To say that women are not interested in the great problems of international peace abroad and justice in society at home, in jobs, in prosperity, in political campaigns, in schools, parks, playgrounds, in equality of opportunity is to show that one "does not know women." Their interest is more evident today than ever, as shown by increasing numbers in the public service, even as Cabinet officers and ambassadors. Today government impinges more directly upon the lives of men and women than ever before. It will continue to do so. The growing complexity of our civilization makes that inevitable. In the break-down of unregulated competitive practices it is to government that the great banker and the humble wage earner both turn for help. Whether wisely or not, that is the fact.

We find ourselves in the midst of "excursions and alarums" and divided counsels. We see the paradox of the famine of plenty—too little in the land of too much. We see democracy challenged at home and parliamentary governments crashing abroad. We read of the Decline of the West; we are told that "democracy is a rotting carcass", and we are warned of impending doom to all that we hold dear. Like a battle line extending from Switzerland to the North Sea there is no lookout so high that one may see the struggle as a whole, nor compute its total movement.

But if democracy is as we believe, the economic and political application of the Golden Rule, if democracy is secular Christianity, and if to save it is worth the sacrifice our fathers made to establish it, then the problems of popular government in this time of world-wide stress and strain become peculiarly the problems of women, because if we read events abroad correctly, it is women who have the most to lose if democracy goes down. No history, past or present, has ever shown the man on horseback to be tender to the rights of women. If a distinction were made between the sexes, it seems certain that women have a greater stake than men in defending democracy and preserving parliamentary institutions.

The problems are real—to you. They will affect your future—your very happiness. They are worth your study, whether in public or private life, or behind cloistered walls.

There is the problem of peace and war. That may come very close to your hearthside. A vast madness has seized the world. Do not leave this problem to men. While we appreciate the compliment of your trust, we have not done a good job. While men regretfully prepare for war, women should strive unceasingly for peace. Here is a cause that will enrich and transfigure your lives, wherever you live them. Where is the Joan d'Arc who will become immortal by making peace eternal? Who will expose the munition makers in their devilish cabals?

There is the problem of crime. Does that mean nothing to you except when some child is kidnaped? Do you know that the annual cost of crime, a cost without a single compensation, is greater than the cost of supporting the Federal and the 48 State governments?—and these latter, of course, include all costs of war, past or future. Here is a problem of "justice in society" which will give significance and meaning to your lives. Frustration and futility need never be the lot of any woman. Accept life's challenge. Life is neither a jest nor a sour martyrdom. It is a glorious adventure.

What will be your attitude toward your country in this time of clashing nationalism? What does patriotism mean to you? Is a patriot a swashbuckler, an international agent provocateur? Or is patriotism so provincial that you love every country but your own? Joseph Conrad once spoke on this subject in reply to the charge that patriotism is a relic of barbarism. These were his noble words, "Neither the great Florentine painter who closed his eyes in death thinking of his city, nor St. Francis blessing with his last breath the little town of Assisi were barbarians. "It requires", Conrad said, "a certain greatness of soul to interpret patriotism worthily, or else a sincerity of feeling denied to the vulgar refinement of modern thought, which cannot understand the august simplicity of a sentiment proceeding from the very nature of man."

The "vulgar refinement of modern thought." We have suffocated with it. We need again, whipping in our faces, the stinging winds of work and duty and devotion and sacrifice.

The primary problem of modern times, with the possible exception of international peace, is to strike a new balance between profits and wages. You or the men you marry must have either profits or wages to live. But profits generally go to age. Wages are the bread of youth. Unless this problem is solved thousands of men and women graduating this year may never have jobs. This problem concerns you.

We are, I believe profoundly, at one of the great turning points of the human spirit. We are at the headwaters of a new, strange stream upon which necessity compels us, whether we will or no, to embark our frail canoes. Will this stream, swollen with recent tempests, carry us to a smash-up or to fertile valleys where we can again rebuild our fortunes?

That is going to depend entirely on the men and women in the boats. The paddles are still in our hands. This is a man-made depression. It is not due to famine or plague. For our misfortunes we can blame only ourselves. We have been thinking faster scientifically than we have socially. The engine of mass production has run down the road ahead of the passengers and crew. We must catch up with it. We must balance distribution with production. That, it seems to me, is our supreme problem. Men must be able to buy what the machines make or the machines will grow rusty for want of customers.

Before we can hope to see the peaks of achievement which await your generation we must first pierce the fog that lies in the valley of today.

There are those who express the fear that we are moving toward a dictatorship in this country. I do not share that fear. It is my belief that we are moving away from a dictatorship in this country. We had a dictatorship. It was the dictatorship of the dollar. Its board of directors was a little group of 59 men, it is said, and by some it is said the executive committee was no more than a dozen men. This dictatorship ran this Nation, and they ran it into the ground.

We had regimentation, too, in this country. It was as cruel and ruthless as any man on horseback who ever "waded through slaughter to a throne." It was the goose step of the machine. It was the regimentation of the industrial dead line and the dole line. Anyone who ever stood unwillingly in these lines knows all about regimentation—much more than the people who write editorials for the Chicago Tribune. It said to men 40 or 45 years old and out of work that they could not hope ever to work again. It said that to the wives of these men also. It said to good farmers on fertile soil that they could not hope ever to burn the mortgage. It dictated increasing unemployment even in years that men called prosperous.

We had regimentation of public opinion also in this country. It was not by government. It was by the "invisible government." It took the form of subsidizing the writing of school and college textbooks; of putting teachers and professors of economics on a private pay roll; of gratuities to various organizations to mold the opinion of the public to the support of those who were robbing the public.

This dictatorship and regimentation came to its perfect flower in 1929. I will describe that flower. It consisted of 513 men who had each a net taxable realized income of $1,000,000 or more each year; who had together a total net income greater by $100,000,000 than the gross income of all of the cotton and wheat farmers of this Nation put together—representing with their wives and children some 12,000,000 Americans.

These 513 men and their satellites—what is left of them—now that they have been pried loose from their privileges and plunder, tell us today that "constitutional government is at stake." They warn us to "beware of dictators." The Constitution of the United States, my young friends, was not written for 513 men. It was written for 126,000,000 Americans in order that it might for them "promote the general welfare", "establish justice", and "secure the blessings of liberty" for themselves and their posterity. It is that Constitution, designed for those objectives, which we hope to reordain and reestablish in this country.

In what I have said about the dictatorship of the dollar I hope you will not think I am repeating the harangue of a soapbox orator. I have a different authority. His name is Pius XI, Supreme Pontiff of the Roman Catholic Church. This is what that world statesman has said on this subject:

"It is patent that in our days not alone is wealth accumulated, but immense power and despotic economic domination is concentrated in the hands of a few, and that those few are frequently not the owners, but only the trustees and directors of invested funds, who administer them at their good pleasure. This power becomes particularly irresistible when exercised by those who, because they hold and control money, are able also to govern credit and determine its allotment, for that reason supplying, so to speak, the lifeblood to the entire economic body, and grasping, as it were, in their hands the very soul of production, so that no one dare breathe against their will."

The head of the Catholic Church, in his great encyclical from which I have quoted has asked the patriotic men and women of every faith and every nation to battle against those sinister forces which are crushing free institutions in the western world. Outstanding religious leaders in every church and faith are preaching the same message. There is, thank God, a greater degree of common thinking along these lines than we have ever seen before. And I take it that this challenge is directed to you as well as to me, and that legion of men and women who agree on the major economic problem of our time—the more equitable distribution of a nation's income.

A word or two about this hue and cry over a political dictator. Let us get clear on this. If I understand the word it means one who imposes his own will on his people. It cannot mean one who executes the people's will, a man elected by the people, with power conferred upon him by representatives of the people, who are also elected by the people; power conferred by constitutional means and capable of being constitutionally withdrawn at any time, not by a political coup d'etat or by violence, but by those same representatives, reflecting, as they understand it, the will of the people, and responsible to the people at frequent elections held at unchangeable times fixed by the people's Constitution.

We have no dictator in this country except the people themselves. They have wielded sovereign power since 1789. They wield it now. And pray God they and they alone will wield it in the future.

With all its faults, government by the people has not failed. Nowhere on the round globe have the rank and file enjoyed, or ever can hope to enjoy, the blessings of liberty except under a constitutional democracy. Where under God's sun have people been happier for a century and a half and had more to make them happy than right here in America? Let us not discard a century and a half of history in a moment of breakdown. The alternative forms of government, fascism, nazi-ism, and communism have not proved that they can last even a fraction as long. The Stars and Stripes, with one exception, is the oldest flag now flying anywhere in the world, the symbol of a Government which has remained structurally unchanged for 145 years. Let us remember what Fisher Ames, one of the great orators of the American revolutionary period, once said on this subject, "If all you want", he said, "is a smooth-running machine, absolute government is the best that was ever devised. An absolute government is like a man-of-war, beautiful in motion, irresistible when under way; but a single hidden rock will send her to the bottom, while democracy is like a raft, always in trouble, your feet always wet, but nothing can sink her."

There is, however, danger that the people themselves in the swing of the pendulum, will attempt to do too much by political means—will place upon their own Government burdens which no government can carry.

A certain centralization of authority at Washington is inevitable. The march of science compels it. Radio waves do not stop at State lines. A Federal Radio Commission is necessary. Wildcat oil wells, flowing in several different States, not only demoralize the industry but needlessly exhaust priceless reserves of power. By proration the Federal Government is asked by many in the industry itself to do what the several States are powerless to accomplish. Many similar examples could be given.

It is, however, generally speaking, a fallacy to think that if your city or county government does not suit you, you can improve it by transferring its power to Indianapolis or Washington. The same kind of men will exercise it there as here—and they will be a long way off. It is a fallacy, too, to think that the money you get from Washington is paid by someone other than yourself. It is a fallacy, too, to think that social workers and policemen and the State can raise children better than their parents, flesh of their flesh and blood of their blood. It is a final fallacy to attempt to transfer authority to government from God. There is no substitute for conscience. The soul of man is greater than the state of men.

A great decision must be made soon. You will help make it. It is to find a sound middle ground between the anarchy of irresponsible individualism and the tyranny of state socialism, between Caesarism and laissez faire run wild. That choice is made difficult by the opposing clamor of two classes—both enemies of the Republic—those who oppose everything new and those who favor nothing old.

It is the old recurring struggle between liberty and power. Can we discipline liberty in order to preserve liberty? Can we combine freedom with civilization? Or must democracy be crushed by the iron heel of concentrated power? It is not a new question. It is as old as the world. This struggle was compromised between Nation and State and county and city—and their citizens—when the Federal Constitution was written. The compromise then was along political boundaries. A new compromise along economic boundaries must now be made between men and machines, between science and sociology.

In working out this compromise is there a star by which we may steer? I believe there is—an ancient one—liberty—"ordered liberty"—the great middle meeting place between power and freedom—the noblest compromise ever evolved by men as social animals.

What do we mean by "ordered liberty"? Let me illustrate. Here is a tiny secluded hamlet. You may cross and recross its streets at will. But the hamlet becomes Chicago. You no longer can cross its streets at will. That liberty you have surrendered to the State, symbolized by a blinking red traffic light. But at the same time, all other citizens have surrendered part of their freedom to you. You and they have actually gained by the exchange. By obeying that traffic light you and all others enjoy a greater freedom of movement than you could attain as separate individuals. And it is your light. You, or your representatives, responsive to your will, erected it. And you are still free to come and go. That is democracy, regardless of the exercise of control, or the increase of controls.

The touchstone of legislation in the new democracy seems, therefore, to be this: Consistent with equal rights to all others, will the new controls, the new mechanisms, actually preserve if not in fact enlarge the liberties of the individual? If so, I care not by what name you call them. Freedom—what is it? Freedom to go hungry in a land of limitless plenty is a poor freedom. It is, in fact, tyranny. If unemployment insurance, old-age pensions, insured bank deposits, proration of production, codes of fair competition actually free men and women from the fear of losing their homes, from the fear of insecurity, from the fear of age reduced to want, and children compelled to beg, then we will ourselves vote for these controls. But if they do not enlarge liberty and opportunity we will struggle along as best we may rather than embrace the promises of alien philosophers who advertise that they know what is good for us. We shall remember Abraham Lincoln's words, "Tyrants always bestride the necks of the people on the theory that it is for their own good." When all is said and done they are still tyrants and the necks they tread on are ours.

Let us "hold fast to that which is good"—freedom to choose one's occupation, freedom to marry the mate whom you select, to nurture and instruct your own children, to worship God in church, cathedral, or synagogue, and, finally, freedom of speech, of the press, of the air, which make all other liberties possible.

Few things in nature are more beautiful than a tree. It is a perfect harmony between strength and freedom. The myriad leaves, each turning toward the sun, feed the giant trunk; the trunk and its branches sustain the leaves and lift them toward the light.

So it is with man and the state. The Federal Government is the giant trunk, the branches are the States, the smaller branches and twigs the counties, cities, towns, farmers' cooperatives, labor organizations, chambers of commerce, and the thousands of associations under which men combine to unite their powers. The leaves, with their faces toward the sun, are you and I.

The state sustains the man against all enemies, foreign and domestic; and man, working out his individual destiny, struggling toward the light by reason of some inner compulsion of his life, alone justifies the state.

"I think that I shall never see
A poem lovely as a tree."

If the tree falls, the leaves die. If the leaves lose their liberty of growth, the tree rots.

The trunk is material. It is strength and power. The leaves are spiritual. They are freedom and growth. But in the new synthesis which you will help evolve, leaves and trunk, men and the state, will again appear in harmony "diverse as the billows, and one as the sea."

As our fathers and mothers once had the courage to do, with freedom for all and not for the few in their minds, let us once more highly resolve that if Americans are the last to love liberty, we shall love liberty to the last.

TO AMEND THE EMERGENCY FARM MORTGAGE ACT OF 1933

Mr. JONES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 3540) to amend section 32 of the Emergency Farm Mortgage Act of 1933.

The SPEAKER. Is there objection?

Mr. LAMNECK. Mr. Speaker, I object.

PERSONAL EXPLANATION

Mr. WOODRUFF. Mr. Speaker, I was unavoidably detained at my office during the roll call on the amendment to the bill (H.R. 9829) to amend the Agricultural Adjustment Act with respect to the processing tax on hogs. Had I been present, I would have voted in the affirmative.

CENSUS OF UNEMPLOYMENT

Mr. DRIVER. Mr. Speaker, I call up House Resolution 392, which I send to the desk and ask to have read.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9391, a bill to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934,

and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the Census, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DRIVER. Mr. Speaker, upon the adoption of this rule, the bill (H.R. 9391) to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes, will be in order. It is not necessary to state to the House the provisions of this bill. They were fully discussed on Monday, and every Member is informed in respect to them. The purpose of this rule is to enable the majority of this House to give expression upon this legislation.

I yield one-half the time on the rule to the gentleman from Pennsylvania [Mr. RANSLEY] and reserve the remainder of my time.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I am opposed to this rule, and I am opposed to the legislation it would make in order. First, I wish to congratulate the leadership of the House upon its keen appreciation of things. It is eminently fitting the leadership of the House should assign this pork bill to follow the roll call on the hog bill. [Laughter.] I congratulate the leadership of the House when it had the good sense and good judgment to refrain from explaining the bill. There is no explanation which can be made which should prompt the House to make this expenditure of public moneys. The only excuse for this bill being before us at the present time is that it may create political jobs. In opposing this legislation I am not making a partisan appeal. This should not be a partisan question. I believe there are many Democrats in the House who are just as much interested in protecting the Treasury as are the Republicans. I hope they will show their sincerity by voting against this proposed raid. Many Democrats voted against the proposal the other day, and I hope they will continue in their opposition.

It has been stated it was necessary at this time to have taken another census of population. We had a census of population taken in 1930, and only recently another census has been taken in nearly all of the large communities by the P.W.A. workers. These figures are ample for relief purposes, and so are figures taken annually by the municipal authorities. Clearly the need for further figures has not been shown.

Mr. ELLENBOGEN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. Yes.

Mr. ELLENBOGEN. The gentleman said they have just concluded a census in every large city in the country. Will the gentleman tell us whom he means by "they" and what cities he has in mind?

Mr. MARTIN of Massachusetts. I mean to say by "they", men and women who were on the pay roll of the United States Government. They have been to all of the cities and towns in my district, and they are just reporting the figures at the present time. I mean employees of the Government of the United States by "they." I do not yield any more.

Mr. ELLENBOGEN. Just for a question?

Mr. MARTIN of Massachusetts. I refuse to yield. We do not need to spend $8,000,000 to find out if there are eleven or twelve million people in this country who are unemployed. You do not have to take a census to ascertain the people who are out of work. We all know we have an enormous unemployed problem and this information is available in the cities and towns. We have regional offices established by the Government which can tell accurately the needs of the communities. If you want the necessary data for the relief of the unemployed people of the country, all that is required is to communicate with the regional offices or the city relief bureaus. In this way the information can be received promptly and it will not be necessary to wait months for the census returns. It is far better to give the millions you want to spend to give a few people political jobs, to the people who are actually unemployed, and who, if not given relief, will starve. I do not believe this unemployment census is needed under the present set-up of the Government. I protest particularly as a cruel wrong to take the money for this census out of the relief fund of Administrator Hopkins.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 minutes more.

Mr. MARTIN of Massachusetts. I call attention to the fact that in taking this census in November we take the count when the industrial cities should be busy. Several months later the situation will be entirely different, as employment normally is much less after the fall business.

I should like to appeal to the House to have a lucid moment. I should like to appeal to the Membership to forget partisan politics and give consideration to the measure on the merits involved. I should like to ask the Democrats to join with the Republicans like they did on the last hog bill. Let us vote down this second hog bill of the day, and we will have a good record. If we defeat this bill we will have served notice to the American people we are anxious to protect the Treasury. Let us show by our votes it is not the purpose of either Democrats or Republicans to load the Government pay roll with political appointees. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Speaker, on day before yesterday, when this bill was under discussion, I had occasion to make reference to the drought-relief situation with which we are confronted, and the necessity for caring for human wants as well as taking care of the livestock and the farm investment of this country. I want to amplify that just a little today, since I have more time to discuss the proposal, by saying to you that no one today can forecast the drought-emergency needs of the coming few weeks. Counties are constantly being placed on the emergency list; more are being placed on the secondary list. I have before me a sheaf of telegrams from my district which indicate that conditions never before known in southern Wisconsin are rapidly approaching the disaster stage.

Today we are called upon, because of Democratic desperation, to further plunder the relief funds that have been provided to take care of human want and misery. We will need all these millions before many days have passed.

Mr. HENNEY. Will the gentleman yield?

Mr. BLANCHARD. I yield.

Mr. HENNEY. Will the gentleman not agree with me that the Democratic administration is cooperating admirably in this drought situation with the Republican gentlemen from Wisconsin?

Mr. BLANCHARD. The Democratic administration is doing a good job of cooperating, but the Democratic Congress is not.

Mr. HENNEY. I think the gentleman will agree that the Democratic Congressmen who are interested in the drought situation are doing just as much and doing it as well as anybody.

Mr. BLANCHARD. Perhaps more than I have done, but I ask the gentleman if the President has requested this bill?

Mr. HENNEY. I cannot tell the gentleman.

Mr. BLANCHARD. I doubt if the President ever will request a bill of this character.

Now, there is a provision in this bill for the taking over of the administration by the Census Bureau. I presume some of those same officials are the boys who are referred to in the Washington Merry-Go-Round in this morning's paper:

The final A.A.A. clique consists of former Census Bureau workers who know all the routine of punch cards, tabulating machines,

and sorting machines which reduce human labor to the minimum. Because of this many of them have been elevated to the exalted rank of assistant supervisor at $2,000 a year, thereby earning the right to strut around the room, lean on the desks of pretty girls, talk learnedly with the supervisor, and in general display an exaggerated ego.

You ought to be satisfied with the pay-roll performances you have staged during the past few months without reaching further into the Treasury of the United States on a foolhardy proposition of this kind. When I say you have displayed pay-roll-grabbing propensities I mean that in the literal sense of the term. I appeal to you to defeat this political plunder of Federal relief funds.

I want to refer to some of the figures which have come from the Civil Service Commission and from the departmental heads to show what you have done.

February 28, 1933, there were regularly employed 563,487 employees listed as civil-service employees. On April 30, 1934, the number of civil-service employees had jumped to 644,108. Add to that the C.C.C. employees, 285,000; persons employed in public works, 387,000; the Army, 182,000; the Navy, 90,000; the Marine Corps, legislative, and judicial, making a grand total of 1,569,308. Naturally we are primarily concerned with regular employees rather than emergency employees. By this measure you propose to add 104,000 more at a cost of anywhere from $7,500,000 to $10,000,000.

The SPEAKER. The time of the gentleman from Wisconsin [Mr. BLANCHARD] has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. BLANCHARD. The Department of Agriculture, for instance, employed in the District of Columbia on February 28, 1933, 5,649; on April 30, 1934, a total of 9,295 in the District. Out of the District, 20,483 on February 28, 1933, and on April 30, 1934, out of the District, 25,121.

Let me give you the grand total. The grand total is 47,641 in 1934. In 1933, on February 28, only 26,132, an increase in one department of over 21,000.

Another typical Department is that of the Interior. On February 28, 1933, this Department employed in the District of Columbia a total of 3,338, and on April 30, 1934, 6,863. Out of the District on February 28, 1933, only 11,680 were on the rolls, while on April 30, 1934, there were 22,132, and these figures are exclusive of C.C.C. employees.

There is no justification for a survey of this kind. One has recently been conducted and I understand the figures will shortly be available. We know there are millions of people unemployed at present. Let us devote our time and money to finding jobs for those we now know are suffering and then make the count of those remaining. If you pass such a measure you are making a congressional confession of our inability to cope with the situation staring us right in the face, and that there are probably as many unemployed as there were on March 1, 1933. I will not lend my aid to what the public must interpret as a plain, unadulterated political creation of jobs for campaign purposes.

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, the proponents of this legislation are actuated, of course, by nothing except the highest patriotic and humanitarian motives, free from political bias or any thought of partisan advantage but they furnish a striking illustration of what the nonpolitically minded may accomplish politically when they actually set their minds to it. They conceived the notion that something over 100,000 additional people ought to be given Government jobs in this country and that the appropriate way of doing it was to authorize the taking of a new census.

In their innocent, unselfish, and nonpartisan approach to the consideration of the matter they were not embarrassed by the fact that the Bureau of the Census had only recently finished its work of conducting the most complete census the United States has ever had, including a complete census of unemployment. Undoubtedly that thought never occurred to them. They were not embarrassed by the fact that existing law provides for the taking of an agricultural census beginning the 1st day of January. These considerations never occurred to them in their innocence and nonpartisan desire to do something for the benefit of the public and of the country. It did occur to them, however, that the agricultural census in January would be too late to accomplish results which they had in mind. It also occurred to them that in taking only an agricultural census, a great part of the population of the United States would be overlooked and that the voting precincts in all of the cities would not have anyone to look after them in the coming election. Without giving any thought to the political aspects of the question which might have influenced the judgment of the more practical minded, they decided that it was unfortunate not to have a complete census; they decided that it was unfortunate to have the census on the 1st day of January, and immediately decided to remedy these conditions. They concluded, perfectly innocently, that there was only 1 day out of the 365 days in the year, when the taking of a census should start and that day was the 12th day of November 1934. In fixing upon that date, they did not realize that there was to be an election only 6 days before that time.

Just as innocently they probably will announce later that they do not intend to appoint the census enumerators, one or more in every election district over the United States, until after the election. They will have plenty of time between the 6th day of November, when the election is held, and the beginning of this work on the 12th of November to determine who is qualified to take the census; and, of course, they probably will let all candidates understand that their activity during the political campaign will have nothing to do in determining their fitness for appointment as census enumerators immediately after the election. They will refuse to hold out any hope to the multitude of possible census enumerators in each voting precinct in the United States that they may be appointed to do this work if things go all right in their particular election districts on the 6th of November.

I say, Mr. Speaker, that this is a perfect illustration of how the unselfish humanitarian may accomplish great political results when in his innocence he considers what may be done for the welfare of the country regardless of partisan politics. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, the bill to be made in order by the rule now pending is the climax, the capstone of the biggest course of exploitation of civilian employment that has occurred in this country in half a century.

In the permanent regular civil service, by devious tricks, by chicancery, there have been dismissed thousands of employees who, under the law, were entitled to consider themselves permanently in the employ of the Government. Hardly had the ink dried on the Economy Act before various transfers of activities from one bureau and division to another, from one department to another, took place, and an Executive order accompanied them, stating that the activities of the employees in the agency abolished or transferred should not bodily be transferred, but that these employees should be separated from the service and then be reemployed in a temporary status in case it was deemed desirable, and that thereafter a permanent civil-service force to do the same work that had been done by these dismissed employees would be established.

Let me give you a specific example. The maintenance and care of Federal buildings throughout the country has always been under the supervision of the Treasury Department, for they had the custody of the buildings under the law. The practice had been to name as custodian the postmaster in each post office. He served the Treasury Department in this capacity without pay. It was determined, however, to transfer the function of custody and maintenance to the Post Office Department. The same custodian, the postmaster, continued, only he was answerable to the Post Office Department instead of to the Treasury Department for his custodianship of that building. The same identical forces of

workers under the same bosses were in those buildings throughout the country, the same cleaners and janitors, the same elevator men, the same mechanics to make necessary repairs, the same engineers and firemen to run the heating apparatus in these buildings—all precisely the same except the fiction of a transfer. The result was that in every post office in the United States every employee dealing with the custody and maintenance of that building was stripped of his civil-service status and either fired outright or continued for the time being in a temporary status until the political henchmen of the Congressmen in those districts in which the Federal buildings were located, could be appointed. Then they were covered into the service.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. COCHRAN of Missouri. I wish the gentleman would point out one charwoman, or one employee of any kind, who has been disturbed in the St. Louis office.

Mr. LEHLBACH. I do not know anything about the St. Louis office. There is probably a conscientious postmaster out there, and there probably is a conscientious outstanding Representative in Congress from St. Louis.

Mr. HENNEY. Any of the other States?

Mr. LEHLBACH. There was another example of similar juggling with permanent civil-service employees of the Government in the various offices of the collectors of internal revenue throughout the country. Originally all employees in these offices were designated deputy collectors and were not under civil service. The work in these offices is of twofold character—the clerical work in the office and the leg work of the deputies who go around examining books and papers and interviewing taxpayers. These were continued to be called deputy collectors and not under civil-service rules. The titles of the clerical workers were made to conform with the nature of their work, such as typists, stenographers, comptometer operators, filing clerks, and other clerical jobs. These were placed under civil service. If a Democratic politician's daughter desired a job as a stenographer already held by a civil-service employee, the procedure was to transfer such employee from the stenographer roll under civil service to the position of deputy collector not under civil service. The employee, however, continued in precisely the same character of work. A little later she would receive notice that she was dismissed, without cause or reason, and the politician's daughter would get the job.

A recent report by the United States Civil Service Commission shows that there are more than 80,000 additional civil employees under the Government than a year ago. The great majority of these are in the various alphabetical emergency relief and recovery administrations. All the bills authorizing these activities exempted employees from civil-service regulations in order that these many thousands of positions might be used as patronage. The result has been wide-spread incompetence, inefficiency, wastefulness, and in some instances corruption.

The administrative activities of the Government are for the purpose of rendering service to the people. The people are entitled to be served with efficiency and economy. They are entitled to a working force selected and maintained with this end in view. This principle was first written into law in 1883 under the administration of President Chester A. Arthur. Each succeeding administration has extended the scope of the principle. It was left for the new deal to scrap, insofar as it lay in their power, the merit system and to return to the spoils system, with all its unquestioned evils.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. LEHLBACH. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Is it not true that if the census should be taken in November that is the time when the majority of the people will be employed in preparation for the work of disposing of goods demanded for the holiday season?

Mr. LEHLBACH. If the census starts on the 12th of November, it will be necessary to appoint the supervisors, arrange quarters, and to man the quarters with a clerical staff, and select the enumerators some time before that date.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. MARTIN of Massachusetts. The idea I tried to convey was that if they take the census in November, when the people are at work in connection with the holiday season, we may be obliged to take another one in January, because the conditions relating to unemployment will be changed.

Mr. LEHLBACH. That does not enter into the consideration of the proponents of this bill at all. They want to set up a headquarters and force in every congressional district, with 2 supervisors, a clerical staff, and at least 200 field workers in the district, all appointed and all ready for action before election day to man the polls at the expense of the Federal Government with those workers.

The Democratic Party reported $5,000,000 to run the last election in 1932. Now they are going to take $7,500,000 out of the relief fund to run the election of 1934 if this bill passes.

Mr. HENNEY. Does the gentleman have reference to the assessments on postmasters made during the last campaign?

Mr. LEHLBACH. No; I have not. May I say that this is not going to do the Democratic Party any good. For every enumerator that you send to the polls as a political worker for the Democratic ticket you will have 20 indignant citizens to whom decency in public affairs is a prime consideration. [Applause.]

Mr. Speaker, I yield back the balance of my time.

Mr. RANSLEY. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. LAMBERTSON].

Mr. LAMBERTSON. Mr. Speaker, I am opposed to this rule, and I am opposed to the bill. I am also opposed, most of all, to the hog exemption bill that you just passed when no opportunity was given to say one word.

By your action you have vitiated the contract of every farmer, and I have 15,000 in my district that signed up. You have curtailed every contract by a live-weight exemption of 2,000 pounds, and not one word was allowed to be said here in reference to the matter. I should like to ask the gentleman from Texas [Mr. JONES], who moved the previous question, how he thinks the hog-and-corn man is going to come out on his contract now?

Mr. O'MALLEY. May I say to the gentleman that it was the Republican leader who offered that amendment.

Mr. LAMBERTSON. The bill was passed. Neither amendment should have been passed, and the bill should not have passed. I thank God there is a Senate to pass on this matter when the House cannot debate for one minute an important measure like this amendment. When a live-weight exemption of 2,000 pounds is allowed every farmer's contract is curtailed. The contract and the farmer's benefit payment is all that is involved in this thing. Now, you have curtailed this absolutely unless the Appropriations Committee brings in a bill to make up the deficit. That is exactly what you have done.

This is the biggest example of the effect of a gag rule, or a vote being taken on a bill without anything being said, that I ever heard of. I think every Member here who has hog-and-corn signers in his district ought to be ashamed for voting for this bill. Half the hogs in the United States, under the bill just agreed to, would be exempt from the processing tax. The Department would be forced to abandon the remainder and let the benefit payments go by the board or ask us for $200,000,000 to make up the difference.

Mr. BOILEAU. Will the gentleman yield?

Mr. LAMBERTSON. I yield to the gentleman from Wisconsin.

Mr. BOILEAU. If this bill is to actually become law, will it not ruin every hog farmer in the country?

Mr. LAMBERTSON. Yes. It will curtail the benefit payment that he has been promised and that he has been looking forward to all this year. Cut out the processing tax if you want to, but do not change horses in the middle of the stream and cut an existing contract in two when the farmers have agreed to it. The farmers' hogs have largely been sold and the price depressed some, at least, by the processing tax, but the farmers' hope for a fair break lay in a benefit payment to come. Now you would reduce that. That is what has happened in connection with this bill. Neither side knew what it was doing.

Mr. DRIVER. Has the gentleman ever consulted his minority leader in regard to this matter?

Mr. LAMBERTSON. Did the gentleman consult his leaders down there in the A.A.A.?

Mr. COCHRAN of Missouri. The gentleman is objecting to the way this bill was considered. If he will read the RECORD he will find it was taken up by unanimous consent, and if the gentleman would have objected the bill could not have been considered.

Mr. LAMBERTSON. The action was taken too quickly. We supposed we would have an opportunity to discuss it a little. The second amendment enlarged the viciousness of it and the whole bill should not have passed. There should be no exemption made while the contract is in operation.

Mr. BOILEAU. This will not only destroy the agricultural adjustment program but it will also destroy the present marketing channels for hogs. It will beat down the price, destroy the settled market, and restrict the competition at the central market where the price is fixed.

Mr. LAMBERTSON. Yes.

Mr. MARTIN of Massachusetts. And now we are on the other hog bill.

Mr. LAMBERTSON. Yes. I agree with the gentleman. I do not think there is any Democrat in my State who is going to vote for this bill. May I reiterate that you made a mistake when you passed the other one. You did not know what you were doing. I think I am right. The Appropriations Committee will be asked, in all fairness, to make up this deficit to the signers if the bill goes through, and I hope they will be men enough to make the appropriation.

Mr. DRIVER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

Mr. SNELL. On that, Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 208, nays 134, not voting 88, as follows:

[Roll No. 179]

YEAS—208

Adair	Cary	Dobbins	Granfield
Adams	Castellow	Dockweiler	Gray
Ayers, Mont.	Chapman	Doughton	Greenway
Bailey	Chavez	Douglass	Greenwood
Beam	Claiborne	Doxey	Gregory
Beiter	Cochran, Mo.	Drewry	Griswold
Bland	Colden	Driver	Haines
Blanton	Cole	Duffey	Hamilton
Bloom	Colmer	Duncan, Mo.	Harlan
Boland	Condon	Dunn	Hart
Boylan	Connery	Durgan, Ind.	Harter
Brown, Ga.	Cooper, Tenn.	Eagle	Hastings
Brown, Ky.	Corning	Eicher	Healey
Brunner	Cox	Ellenbogen	Henney
Buck	Cravens	Elizey, Miss.	Hildebrandt
Bulwinkle	Crosby	Faddis	Hill, Ala.
Burch	Cross, Tex.	Farley	Hill, Samuel B.
Burke, Calif.	Crosser, Ohio	Fiesinger	Hoidale
Busby	Crowe	Fitzpatrick	Hughes
Byrns	Cullen	Flannagan	Imhoff
Caldwell	Dear	Ford	Jacobsen
Cannon, Mo.	Deen	Fuller	Jenckes, Ind.
Carden, Ky.	Delaney	Gasque	Johnson, Okla.
Carmichael	Dickinson	Gavagan	Johnson, Tex.
Carpenter, Nebr.	Dingell	Glover	Johnson, W.Va.
Cartwright	Disney	Goldsborough	Keller
Kenney	Monaghan, Mont.	Sabath	Terry, Ark.
Kerr	Montet	Sadowski	Thom
Kocialkowski	Murdock	Sanders, La.	Thomason
Kramer	Musselwhite	Sanders, Tex.	Thompson, Tex.
Lamneck	O'Brien	Sandlin	Truax
Lanham	O'Connell	Schaefer	Turner
Lanzetta	O'Connor	Schuetz	Underwood
Larrabee	Oliver, Ala.	Schulte	Vinson, Ga.
Lindsay	Oliver, N.Y.	Scrugham	Vinson, Ky.
Lloyd	Owen	Sears	Wallgren
Lozier	Parker	Secrest	Walter
Luntieen	Parsons	Shallenberger	Warren
McCarthy	Patman	Shannon	Wearin
McClintic	Pettengill	Sisson	Weaver
McCormack	Peyser	Smith, Va.	Weideman
McFarlane	Prall	Smith, Wash.	Werner
McKeown	Ramsay	Snyder	West, Ohio
McReynolds	Ramspeck	Somers, N.Y.	West, Tex.
McSwain	Rankin	Spence	White
Maloney, Conn.	Richards	Steagall	Whittington
Maloney, La.	Richardson	Strong, Tex.	Williford
Mansfield	Robinson	Studley	Williams
May	Rogers, N.H.	Sullivan	Wood, Ga.
Meeks	Rogers, Okla.	Swank	Wood, Mo.
Miller	Romjue	Sweeney	Woodrum
Milligan	Rudd	Tarver	Zioncheck

NAYS—134

Allen	Dondero	Kniffin	Ransley
Andrew, Mass.	Dowell	Knutson	Reece
Arens	Eaton	Kurtz	Reed, N.Y.
Arnold	Edmiston	Lambertson	Rich
Ayres, Kans.	Edmonds	Lambeth	Robertson
Bacharach	Eltse, Calif.	Lea, Calif.	Rogers, Mass.
Bakewell	Englebright	Lehlbach	Ruffin
Beck	Evans	Lehr	Seger
Beedy	Fletcher	Lemke	Sinclair
Biermann	Focht	Luce	Snell
Blanchard	Foss	Ludlow	Strong, Pa.
Boileau	Frear	McFadden	Stubbs
Britten	Gifford	McGugin	Taber
Buchanan	Gilchrist	McLean	Taylor, S.C.
Burke, Nebr.	Gillespie	McLeod	Taylor, Tenn.
Burnham	Gillette	Mapes	Terrell, Tex.
Cady	Goodwin	Marshall	Thomas
Cannon, Wis.	Goss	Martin, Mass.	Thompson, Ill.
Carpenter, Kans.	Guyer	Martin, Oreg.	Tobey
Carter, Calif.	Hancock, N.Y.	Merritt	Traeger
Carter, Wyo.	Hess	Millard	Treadway
Cavicchia	Hill, Knute	Mitchell	Turpin
Christianson	Hollister	Montague	Umstead
Clarke, N.Y.	Holmes	Moran	Wadsworth
Cochran, Pa.	James	Morehead	Welch
Collins, Calif.	Jenkins, Ohio	Mott	Whitley
Connolly	Johnson, Minn.	Moynihan, Ill.	Wigglesworth
Cooper, Ohio	Jones	Nesbit	Wolcott
Crowther	Kahn	O'Malley	Wolfenden
Culkin	Kelly, Ill.	Peavey	Wolverton
Darrow	Kennedy, N.Y.	Perkins	Woodruff
De Priest	Kinzer	Pierce	Young
Dirksen	Kleberg	Plumley	
Ditter	Kloeb	Polk	

NOT VOTING—88

Abernethy	Crump	Huddleston	Powers
Allgood	Cummings	Jeffers	Randolph
Andrews, N.Y.	Darden	Kee	Rayburn
Auf der Heide	DeRouen	Kelly, Pa.	Reid, Ill.
Bacon	Dickstein	Kennedy, Md.	Reilly
Bankhead	Dies	Kopplemann	Shoemaker
Berlin	Doutrich	Kvale	Simpson
Black	Fernandez	Lee, Mo.	Sirovich
Boehne	Fish	Lesinski	Smith, W.Va.
Bolton	Fitzgibbons	Lewis, Colo.	Stalker
Brennan	Foulkes	Lewis, Md.	Stokes
Brooks	Frey	McDuffie	Sumners, Tex.
Brown, Mich.	Fulmer	McGrath	Sutphin
Browning	Gambrill	McMillan	Swick
Buckbee	Green	Marland	Taylor, Colo.
Carley, N.Y.	Griffin	Martin, Colo.	Thurston
Celler	Hancock, N.C.	Mead	Tinkham
Chase	Hartley	Muldowney	Utterback
Church	Higgins	Norton	Waldron
Clark, N.C.	Hoeppel	Palmisano	Wilcox
Coffin	Hope	Parks	Wilson
Collins, Miss.	Howard	Peterson	Withrow

So the resolution was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Kee (for) with Mr. Bacon (against).

Mr. Palmisano (for) with Mr. Higgins (against).

Mr. Kennedy of Maryland (for) with Mr. Andrews of New York (against).

Mr. Randolph (for) with Mr. Fish (against).

Mr. Celler (for) with Mr. Chase (against).

Mr. Brooks (for) with Mr. Kvale (against).

Mr. Peterson (for) with Mr. Bolton (against).

Mr. Griffin (for) with Mr. Doutrich (against).

Mr. DeRouen (for) with Mr. Buckbee (against).

Mr. Boehne (for) with Mr. Hope (against).

Mr. Dickstein (for) with Mr. Hartley (against).

Mr. Lee of Missouri (for) with Mr. Muldowney (against).

Mr. Sirovich (for) with Mr. Simpson (against).

Mr. Martin of Colorado (for) with Mr. Stalker (against).
Mr. Lewis of Colorado (for) with Mr. Tinkham (against).
Mr. Sutphin (for) with Mr. Waldron (against).
Mr. Black (for) with Mr. Swick (against).
Mr. Kopplemann (for) with Mr. Withrow (against).
Mr. Hancock of North Carolina (for) with Mr. Powers (against).
Mr. Bankhead (for) with Mr. Stokes (against).
Mr. Mead (for) with Mr. Reid of Illinois (against).

Until further notice:

Mr. McDuffie with Mr. Thurston.
Mr. McMillan with Mr. Kelly of Pennsylvania.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Rayburn with Mr. Frey.
Mr. Huddleston with Mr. Berlin.
Mr. Wilson with Mr. Church.
Mr. Taylor of Colorado with Mr. Darden.
Mr. Smith of West Virginia with Mr. Hoeppel.
Mr. Reilly with Mr. McGrath.
Mr. Lewis of Maryland with Mr. Wilcox.
Mrs. Norton with Mr. Utterback.
Mr. Parks with Mr. Brown of Michigan.
Mr. Fulmer with Mr. Lesinski.
Mr. Sumners of Texas with Mr. Jeffers.
Mr. Gambrill with Mr. Marland.
Mr. Dies with Mr. Fitzgibbons.
Mr. Crump with Mr. Foulkes.
Mr. Clark of North Carolina with Mr. Auf der Heide.
Mr. Allgood with Mr. Collins of Mississippi.
Mr. Browning with Mr. Cummings.
Mr. Abernethy with Mr. Coffin.

Mr. BURKE of California changed his vote from "nay" to "aye."

The result of the vote was announced as above recorded.

UNEMPLOYMENT CENSUS

Mr. LOZIER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9391) to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 9391, with Mr. BULWINKLE in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. LOZIER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Chairman, before beginning my remarks on the bill, in the brief period of time that has been allotted to me, I should like to answer those gentlemen who have said that this census is not necessary because there has been a census taken in every large city of the United States. These gentlemen are not correct in their statement. The only census conducted under the Federal departments since the census of 1930 has been a trial or sample census in three cities: Lancaster, Pa., Bridgeport, Conn., and Springfield, Ohio.

These sample censuses were conducted under the Department of Labor. There has been no other census conducted by any Federal Department. There have been censuses conducted by various State agencies in various cities of the United States, but they have been conducted by State and not by Federal agencies. These censuses cover only a small part of the population and are not comparable one with the other, because they do not contain the same questions and are not based upon the same principles. These local censuses do not furnish adequate data regarding the number of employed or unemployed or regarding the occupation of the unemployed in the United States.

Mr. SNELL. Mr. Chairman, will the gentleman yield for a short question?

Mr. ELLENBOGEN. I yield if it is a very brief question, I only have 3 minutes.

Mr. SNELL. I referred the other day to the section of the law and showed that the same provisions in this bill are carried in that law including the employment agency provision and the reports from the C.W.A.

Mr. ELLENBOGEN. There has been no similar census conducted, as I have told the gentleman.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. In just a moment, I will yield.

Mr. Chairman, I say without hesitation that the passage of this bill is a vital necessity; that if you are a friend of the unemployed you must vote for this bill. There cannot be a solution of the problem of unemployment unless we have the facts. We must know how many unemployed there are, who they are, where they are, and what their occupations are. You cannot say in one breath that you are a friend of the unemployed and in the other breath that you will vote against this measure; and let me tell you gentlemen, if I know anything about it—and I may not—if you think it is politically expedient to vote against this bill you may find out that you are badly mistaken.

We cannot have lasting recovery in the United States, unless we know the number of unemployed, unless we know where they are and what their occupations are, and we cannot get this information except through this census.

[Here the gavel fell.]

Mr. LOZIER. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. Yes; for a brief question.

Mr. O'MALLEY. Up to the present time I have not heard anybody say whether or not this is an administration bill.

Mr. ELLENBOGEN. It is supported by every department of the Government.

Mr. O'MALLEY. How about the President?

Mr. ELLENBOGEN. I do not know the attitude of the President. I believe the President is in favor of it, but I have no right to speak for the President.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I am sorry. I would like to yield to my colleague, but I do not have the time.

Mr. FOCHT. The gentleman made a gross error in his statement here.

Mr. ELLENBOGEN. I made no error. I am extremely sorry that I cannot yield.

Mr. BLANTON. Mr. Chairman, the gentleman from Pennsylvania [Mr. FOCHT] ought to obey the rules—his colleague from Pennsylvania [Mr. ELLENBOGEN] has refused to yield.

Mr. ELLENBOGEN. I want to say, Mr. Chairman, that if we are to have unemployment insurance in this country we must first have the facts. We must know how much unemployment insurance would cost, and we cannot know this, unless we know how many unemployed there are. We cannot have any social legislation, we cannot have any intelligent plan for a solution of the unemployment problem unless we conduct this census. We need this census to furnish us the basic information which we need for the consideration of legislation for shorter working hours, whether 30 hours or 32 hours and for the preparation of intelligent legislation for old-age pensions. You must also vote for the census, if you favor unemployment insurance.

Mr. Chairman, the welfare of the unemployed demands that we pass this bill, the welfare of the country demands that we pass it, and I certainly hope the Congress will enact this bill into law. [Applause.]

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Chairman, for the time being I will decline to yield to anyone. I agree in part with the gentleman who has just taken his seat [Mr. ELLENBOGEN]. I appeal to the friends of the unemployed not to allow seven and a half million dollars to be taken away from relief work and spent for a political machine, and that is what this bill does. It appropriates seven and a half million dollars, which is to be taken out of the relief fund.

I agree with the gentleman from Pennsylvania in part, and I call upon the friends of the unemployed in this House to vote down this bill. It was defeated day before yesterday by Democratic votes, not by Republican votes, and within 1 hour after the defeat of the bill the telephone wires

between New York and Washington "got hot". Jimmie Gerard, former treasurer of the National Democratic Committee, was excited over the loss, or the prospective loss, of 100,000 persons to be put on the pay roll for the benefit of the Democratic Party in the next November election. Let me tell you something.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. BRITTEN. I decline to yield. This bill was defeated day before yesterday by Democratic votes because the President of the United States is not for it. Everybody on your side of the aisle knows that the President is not for this legislation. The only indication the House has that the administration is in favor of this legislation is one line from the Director of the Budget, who says that this legislation is not in conflict with the financial program of the Government.

Let me appeal to you gentlemen on that side of the aisle—you who, like myself, are going home to be elected next November. Think of the injustice you are doing to yourself as well as to your Government when you vote to throw away so large an amount of money in a perfectly useless direction.

Why do you suppose your distinguished leader, the Chairman of the Committee on Appropriations [Mr. BUCHANAN] voted against the bill? He must have had some sound reason for doing so. Why do you suppose my distinguished friend from Illinois [Mr. ARNOLD] voted against this bill? Why do you suppose the gentleman from Kansas [Mr. AYRES] voted against it?

What about the distinguished gentleman from Virginia [Mr. WOODRUM], and there is no higher type or more able man on either side of the aisle than the gentleman from Virginia, who voted against this bill the other day, all of them members of the powerful Committee on Appropriations?

Mr. CROSSER, Chairman of the Steering Committee, voted against the legislation. The distinguished Chairman of the Judiciary Committee, the gentleman from Texas [Mr. SUMNERS] voted against the legislation.

The gentleman from Oregon, General MARTIN, now a candidate for Governor, voted against the bill. Former Governor Montague voted against the legislation, and also former Governor Morehead, of Nebraska, voted against the bill.

I appeal to my Democratic friends, I am asking no one any questions, but draw your own conclusions as to why these distinguished Democrats voted against this legislation. They refused to stultify themselves with so sordid a vote.

Now, I have been here 22 years, and in all my experience I have never seen a majority party refuse to vote for a roll call on a rule which they themselves had just presented, and you did it unanimously a few minutes ago on that side of the aisle.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. I decline to yield; I thank the gentleman. You gentlemen voted unanimously against it, or at least you all refused to stand up and be counted as favoring a roll coll.

Mr. AYRES of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. I have declined to yield, but I did use the gentleman's name, and I yield. The gentleman remained seated also.

Mr. AYRES of Kansas. The gentleman was mistaken when he said that we voted unanimously on this side for the rule.

Mr. BRITTEN. Oh, that is not what I said. I said the Democratic side voted unanimously to refuse a roll call on the rule, and they did, and the gentleman was one of them.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BRITTEN. No.

Mr. CONNERY. The gentleman does not want to put us in the wrong? I voted against the rule.

Mr. BRITTEN. The gentleman does not understand me. I said the gentleman remained seated or refused to stand on a rising vote, to demand the yeas and nays on the resolution making the bill in order.

Mr. CONNERY. It was the gentleman from California [Mr. HOEPPEL] who rose at the time of the little altercation.

Mr. BRITTEN. I am talking about today. The gentleman is still in Boston reviewing the fleet.

Mr. CONNERY. I have not been in Boston since January.

Mr. BRITTEN. Mr. Chairman, if this bill should become a law, and the authorities ultimately have the expenditure of seven and a half million dollars, I am wondering how they will feel about having taken seven and a half million dollars that has already been set aside for the poor, the underfed, the underclothed, the unemployed of the United States. The language in this bill is very clear, that the seven and a half million dollars shall be taken from funds already appropriated for the relief of those in distress, and you gentlemen are being called upon by a bunch of politicians—that is all it is—to pass this bill in the interest of politics. There never was a more purely political bill presented to this House in the history of the American Congress. What has become of all of your promises for economy in government? It is perfectly natural that you should not want a yea-and-nay vote on the resolution.

Mr. ZIONCHECK. The gentleman should appeal to us upon the basis of statesmanship.

Mr. BRITTEN. I appeal to gentlemen on the basis of statesmanship, as my young friend from Seattle says, and I regard him as a great statesman, although I think he erroneously voted for this rule.

Mr. ZIONCHECK. And he is going to vote for it again.

Mr. BRITTEN. And he is showing very bad judgment in his young statesmanship.

Mr. BLANTON. Which kind of statesmanship—Republican or Democratic?

Mr. BRITTEN. There is only one kind of pure statesmanship, and that is on the Republican side of the aisle. What has become of all your promises to do away with useless commissions and to amalgamate others? What has become of your promises for economy in government? Surely no one can reconcile the expenditure of seven and a half million dollars in this useless direction? I am talking from a serious standpoint. No one can reconcile the expenditure of this seven and a half million dollars in a political direction when it has already been appropriated in the interest of the destitute, the starving, and the hungry.

Mr. Chairman, this bill is, frankly, intended to provide approximately 104,000 jobs next November, when a very large percentage of them may be used in the promotion of Democratic politics and Democratic votes. It will be expended very largely in the big cities of the country, where from 200 to 400 workers will be enrolled in each congressional district, and their enrollment will depend entirely upon their promises to produce Democratic votes at all hazards.

This seven and one-half million dollar expenditure will be a valuable adjunct to the present depleted Democratic national treasury, and that is one of its main purposes, while the terrible part about it is that this money, instead of being expended for the needy, the sick, and the underfed, will now go to the fat, the healthy, and the progressive Democratic precinct workers and the relief funds will be reduced accordingly.

The very best available figures would indicate that there are some 10,000,000 adults out of employment at the present moment and that the National Recovery Administration has been a failure. Each day sees the cracking up of another code, and I predict that it will not be long before those which do not crack of their own impotence will be torn asunder by the Federal Trade Commission and the courts.

Mr. Chairman, the best available authority indicates that there are 5,000,000 families in more or less destitute circumstances in the United States today. A truly sad commentary on the success of the new deal, which is calling for the expenditure of countless billions of the people's money in a false hope to avert destruction. If it were not so serious a

matter it would be real funny at this time to read some of the promises of the Democratic national platform.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LOZIER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the real reason for all this loud concentrated Republican opposition to this bill is that they are not going to have anything to do with its administration.

We are just now unshuffling the legislative cards that have been stacked in this Nation for a dozen years. For a dozen years before we Democrats took over the affairs of this Government, the Republicans filled every appointive office in the United States with Republicans—600,000 of them, all Republican appointees, all over the United States, scattered in every little hamlet, in every district. When they would have a civil-service examination and the three eligibles did not embrace a Republican, Republicans would have that examination set aside and would have another one held, and sometimes would have to hold two or three examinations before they could get a Republican in some districts on the eligible list, but Republicans would hold examinations, and set them aside, and keep on holding them until they did get a Republican. And finally we had Republicans in every office. And they did help Republicans to win elections. Republicans know all about winning elections with pay-roll employees. We are unshuffling those cards now.

Talk about politics! Why, we put this off until after all of the elections, both primaries and the general election in November. If we had wanted to indulge in politics, we would have had this census right away, before the primaries, when most of the elections in many of the districts are definitely decided. We are putting it entirely out of politics.

The gentleman from Kansas [Mr. MCGUGIN] is your Republican keynoter, whom you put up here to lead the fight against this bill, and you Republicans put him on the fighting line all the time. He is the one who does your real fighting for you on the floor. Sometimes you desert him and let him get shot and then you fail to go out and pick him up, but my friend Mr. MCGUGIN let the cat out of the bag when he said that all of that filibustering monkey business you Republicans pulled off here the other day—the reading of the Journal for 2 hours and a half, with the eight roll calls and the reading of all the names on the roll calls—was done by your minority leader [Mr. SNELL] because he was filibustering against this census bill. You went to all that trouble to try to keep us Democrats from filling a few jobs that are necessary and putting decent Democrats in them.

I will tell you gentlemen on the Republican side what is going to be done with this money. Oh, you know that you have put every postmaster in for 12 years, you have put every postal clerk in for 12 years, and you have put every rural carrier in for 12 years. You have filled the clerical forces in all the departments with Republicans. You have filled the customs offices with Republicans; you have filled every independent office, bureau, and commission in Washington with Republicans; you have fixed it so that there was hardly a Democrat in any position when we Democrats took charge of the Government. It is all right when you Republicans get the jobs. You have not objected to any of these billion-dollar bills that furnished the jobs and money to all of these Republicans that Mr. Secretary Ickes has been appointing in every district in the United States. That is all right. You have not objected to all of these Republicans that Mr. Secretary Wallace has been putting into every district in the United States.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I have not the time to yield to my good friend from New York. He is a man of such splendid judgment, and is such an able legislator, that I know he cannot be proud of his party organization wasting all of that time the other day in spending 2½ hours reading the Journal, and reading all of the names in eight different roll calls, when the Journal otherwise could have been read and disposed of in 3 minutes, had the usual custom been pursued.

But, after all, you did not kill this bill. It is far from being dead. It did not pass the other day because it was called up under suspension of rules requiring a two-thirds majority. There were 227 votes cast for the bill, and only 128 votes against it, but as it failed to receive a two-thirds majority, it was stopped temporarily.

And you Republicans cannot escape the responsibility of temporarily stopping it the other day, when such action was futile and accomplishes nothing, and forces all of this time to be used now to pass it, for the press has held you Republicans responsible. The Washington Daily News in its editorial today condemning you Republicans said that you had reached, in stock-market terms, "a new low", and in condemning your House organization said: "Action of the Republican House minority in beating the Lozier bill to finance an unemployment census this fall is as cynical a bit of pettifogging politics as the country has suffered this season." Pettifogging politics! Is not that an indictment against you Republicans? The press does not say that Democrats defeated this bill. It says you Republicans in this House did it. And it says that you Republicans were guilty of "pettifogging politics."

When Secretary Ickes or Secretary Henry Wallace has been putting Republicans in all the jobs in every district in the United States, that is perfectly all right with the minority leader and his Republican organization in this House. He does not filibuster against those billion-dollar bills. He does not force the House to spend 2½ hours uselessly reading the names of 435 Members on eight roll calls, in reading the Journal, to defeat those bills. They are all right. They furnished jobs for Republicans, and money to pay them. They have a blue spot on them that makes them eligible; but when the Democrats want to appoint the necessary employees to take the unemployment census, it is all wrong.

The CHAIRMAN. The time of the gentleman from Texas [Mr. BLANTON] has expired.

Mr. LOZIER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BLANTON. This $7,500,000, that is already appropriated, spent in this good purpose, will do more real good to the country, and will put more deserving widows with minor children who are starving, in a place where they can honestly earn meat and bread for them, and it will do more good in helping us eventually to put all of the unemployed back to work, and will be of more value than all the legislation you Republicans passed in all of your 12 years put together. [Applause.]

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. WADSWORTH].

Mr. WADSWORTH. Mr. Chairman, I feel I am up against a pretty difficult proposition in endeavoring to answer the gentleman from Texas [Mr. BLANTON]. I have learned so much about this bill from what the gentleman has said, and no doubt the House has learned just as much, and it seems that further discussion is almost unnecessary.

In an experience in legislative bodies, commencing, I admit it, back as far as 1905, I have had the opportunity of seeing a great many purely political measures presented and enacted. Every legislative body occasionally undertakes measures of that kind. I can remember very well in the Albany Legislature, upon instances in which the State government changed hands, that the party succeeding to power passed bills legislating out of office members of the defeated party, and under some color of respectability passed so-called "new legislation" in order that members of their own party might be appointed to the places made vacant. We called them "ripper" bills. There are Members of this House with whom I had the privilege of serving in the New York Legislature years ago, and I am sure they recall the character of legislation to which I refer. I have seen a great deal of it, and as the years have gone by I have become somewhat philosophical about them. Moreover, I have lost

what faith I ever had in the efficacy of that kind of legislation when put through by the party in power. There is a momentary triumph about it, a momentary satisfaction when some people are put out of office and the victors take their place, but day in and day out that kind of legislation is not politically profitable. I would be philosophical upon this occasion, too, were it not for the fact that this bill is quite different from any I have ever encountered, in that it does not seek to carry out the usual intent of so-called "ripper" bills by putting somebody out of appointive office, a Republican, for example, and putting a Democrat in his place, but rather—and I do not mean to use overly harsh language—rather represents, as I see it, an attempt to control the congressional election by the use of Federal funds for the employment of workers.

Now, let us see just what this thing is. You fix the date for this census as of November 12, 1934. The gentleman from Texas [Mr. BLANTON] says that the fixing of the date takes this whole thing out of politics, takes away from it all political significance. How about that? You have to set up this huge machinery to be manned by 105,000 appointees before November 12. It will take some weeks to do that. A very large number of people will apply for the 105,000 places, probably 10 for every place. The appointments, we all know, will be made under Democratic auspices. Let us concede that. The drive for those appointments will commence in the middle of October, or earlier, and thousands who hope to land a place to be paid $4 a day for several weeks' work will live with a lively appreciation of favors yet to come from Democratic sources; and it is to be assumed that they will demonstrate to the best of their ability, long prior to November 12, indeed prior to November 6, which is election day, that they are loyal to Democratic candidates for Congress in the respective districts. And in each district there will be from 300 to 800 such persons either hoping to be employed or actually notified of their appointment, all of them thrilling with loyalty and zeal for the cause.

This thing is a deliberate attempt to sway and debauch the election, and goes further than anything I have ever known in political legislation. My friends, in the long, long run it will not pay. People will learn about it. People will repudiate the spirit in which it is done, and eventually it will hurt those who stand for it. At first it may handicap some of us on this side of the aisle in our congressional campaigns, but sooner or later the sense of fairness of the American people, regardless of their political affiliations, will reject this ruthless political legislation. [Applause.]

The CHAIRMAN. The time of the gentleman from New York [Mr. WADSWORTH] has expired.

Mr. LOZIER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. WOOD].

Mr. WOOD of Missouri. Mr. Chairman, I have listened with a great deal of interest to the discussions on this bill. I must say that it is one of the most glaring illustrations of petty politics played by the minority side of this House that I have ever yet observed in this session.

This Government has tribunals set up to ascertain how many hogs there are in the country, how many sheep, how many cattle, how much wheat, how much corn, and how much of other commodities we have in the warehouses and storehouses of the Nation; we know the extent of the wealth of the Nation; we know that about 1 percent of the population owns 60 percent of the wealth; we know about almost everything else and have complete statistics on every matter concerning the welfare of the people except statistics as to how many unemployed there are in this country.

A while ago it was said on the floor that it was unfair and ridiculous, that it was playing petty politics, to spend $7,500,000 to take a census of the unemployed at a time when the farmers of the Central States have been visited by a great catastrophe, the drought. In reply let me say that I am willing to vote whatever the President and the administration believes is necessary to relieve the farmers of the West, be it $500,000,000 or $1,000,000,000.

The Department of Labor has not the facilities to ascertain the number of unemployed in this Nation. About the only two tribunals that know anything about it are the American Federation of Labor through its monthly census and the Department of Labor through a partial survey owing to lack of facilities. At all our hearings before the Committee on Labor and the committee which considered the 6-hour bill, and at hearings before other committees, Hon. Frances Perkins, Secretary of Labor, has frankly stated that the Department of Labor did not have the facilities to conduct a sufficient survey to ascertain the number of unemployed in this Nation.

I think it is necessary for us to know the number of unemployed there are in this country. I do not know of anything at this time that is more important than to learn whether we have five, six, seven, eight, nine, ten, eleven million, or whatever the number may be of unemployed, many of whom are starving.

A great many of the large employers testified before our Labor Committee during this session of Congress, and in interviews in the press, have contended there are between 2,000,000 and 4,000,000 unemployed. Some have said that we have just about reached the level of 1929. The people of the country know not the condition. So I think it is necessary that it be accurately ascertained. I think it is one of the most important things for the Congress and the people of this Nation to know how many unemployed, suffering, starving millions of human beings we have in this Nation.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Missouri. I yield.

Mr. ZIONCHECK. Are not the Republicans afraid that if this census is taken it will show how terrible the depression was when Hoover was in power?

Mr. WOOD of Missouri. Oh, certainly; yes.

Mr. ZIONCHECK. And they are afraid of the comparison.

Mr. WOOD of Missouri. They are also afraid it will show that some improvements have been made. [Applause.] They are also afraid that some Democrats will be employed; but I would say to the Republicans that they are the best appointive job-getters and job-keepers I ever saw.

Mr. MOTT. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Missouri. I yield.

Mr. MOTT. If this legislation is so vitally necessary why defer the taking of the census until next November?

Mr. WOOD of Missouri. I am sorry our Government has not established a permanent Census Department.

[Here the gavel fell.]

Mr. LOZIER. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. WOOD of Missouri. This bill, I realize, is only a makeshift, but at least it is a beginning and I hope that in the near future we shall have a permanent census bureau so that we may at all times know just how many unemployed there are in this country, in order that the President and Congress may at all times be in possession of accurate statistics upon which to base the need for proper corrective legislation.

This information is necessary in order to know whether we should have a 6-hour day, a 5-hour day, or a 4-hour day. At the present time no one can state what the length of the workday should be because no one knows how many unemployed there are in the country. This is one reason why I am for this bill and believe that it should pass without delay. [Applause.]

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. DITTER].

Mr. DITTER. Mr. Chairman, the persistency with which the Democratic majority addresses itself to the enactment of this bill convinces me that argument and reason are futile. I must, however, pay a passing compliment to the usual opponents of junkets by saying that in this instance the junket, apparently, is entirely in order.

Because of the futility of argument, but desiring to bring some contribution to the thought of the day, with apologies I turn to Kipling and offer these lines:

THE 1934 CENSUS

(With apologies to Kipling)

By J. WILLIAM DITTER

When the census' last name is written,
And the lists are blotted and dried;
When the public coffers are raided
And the need of distress laid aside;
They shall blush in shame to confess it,
The Democrats of the new deal,
That they took the charity dollars
Their party's plums to conceal.

And those that are true will regret it,
They shall sit in a mourner's chair;
They shall wonder why they voted
To barter plums for despair.
They shall see real need loom before them;
Millions still looking for work;
They shall rue that day in the Congress
When their duty they brazenly shirk.

Not even the jesters shall praise them,
The honest will bow in their shame,
For the 1934 census
Will be a blot on their name.
Ten million dollars just squandered,
Thrown out as political pelf,
To feed the old hungry donkey,
To save the party itself.

And all the needy shall ask them,
"Are votes to be eaten for bread?"
"Is this a part of the new deal
By which we're now to be fed?"
"Has Tugwell found a new theory
To help his extravagant plan;
Will plowed-under wheat, corn, and barley
Bear votes as the foodstuff of man?"

Ten million dollars of taxes!
Ten million dollars of greed!
Ten million dollars of census!
For only the Democrats' need.
Ten million men standing idle!
Ten million men filled with zeal!
Thrice 10,000,000 men disappointed
By the fruits of the famous new deal.

[Applause.]

[Here the gavel fell.]

Mr. LOZIER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. CONNERY].

Mr. CONNERY. Mr. Chairman, I am in favor of this bill. The American Federation of Labor feels the necessity of this bill, as has been described by previous speakers, and made particularly plain and clear by the gentleman from Missouri [Mr. WOOD].

Miss Perkins, Mr. Hopkins, and others connected with the Government appeared before the Committee on Labor and explained that they had no really accurate statistics as to the number of unemployed in the United States.

I think it will be generally agreed that the American Federation of Labor figures come closest to the real figures of the unemployed because the American Federation of Labor gets them directly from their central labor unions throughout the country, and I think that their figures are probably the most accurate that we get under the present conditions.

The question has come up as to why this bill is brought out, the Republicans saying that it is a political move, and ask why the census should be held up until November. The committee informs me that the reason the taking of the census is being held up until November is partly for the very reason that the gentlemen on the minority side offer in objecting to this bill; that is, if it were started now the Republicans would be sure to say that we are using the time between now and election to put people to work on the census for the purpose of obtaining their votes.

There is another reason why this has been put over until November. The committee states that is the best time to take an agricultural census. They say that is the best time to get an accurate census on agriculture.

Mr. MOTT. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Oregon.

Mr. MOTT. I just wanted to be sure I understood the gentleman correctly and his statement as to the reason why the taking of this census is deferred until November. The gentleman's statement is that it is to remove from the bill any possible objection on the ground of political activity?

Mr. CONNERY. Yes. That is one of the reasons. I may say that, as far as political activity is concerned, if the gentleman will ask any Member on this side of the House what he personally thinks it means to him he will find out that Member will feel that it is a bad political proposition, because the naming of one man or woman to a job will make him 1 friend and 99 enemies.

Mr. O'CONNOR. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from New York.

Mr. O'CONNOR. It was the consensus of opinion of all the experts that this was the best time of the year to find out the true situation in reference to unemployment, on account of certain seasonal occupations?

Mr. CONNERY. Yes.

Mr. O'CONNOR. I am sure the gentleman will recall the effort the Republicans in this House made for years to shift the date of the agricultural census from January to November 12.

Mr. CONNERY. Yes.

Mr. O'CONNOR. Only last year they offered an amendment to have the agricultural census taken on election day. Of course, the agricultural districts used to be in the main on the Republican side until they saw the light.

Mr. CONNERY. May I make a comment in reference to the beautiful poem which the gentleman from Pennsylvania [Mr. DITTER] read? He did not mention in the poem that there were approximately 16,000,000 people out of work during the previous administration and that the Democratic administration has put five or six million of those people back to work, and we will continue to put people back to work as fast as we can. However, while I did not agree with the sentiments it was a pleasure to listen to the fine reading of the poem by my friend from Pennsylvania [Mr. DITTER].

Mr. DITTER. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Pennsylvania.

Mr. DITTER. Of course, if the views of the gentleman are correct, the need of the census becomes——

Mr. CONNERY. More acute.

Mr. DITTER. More acute?

Mr. CONNERY. Yes. We want to put those people to work who have been out of work. We have to find out who they are and where they are before we can put them back to work.

Mr. GRISWOLD. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Indiana.

Mr. GRISWOLD. May I suggest to the gentleman that the original of the poem, To the Viceroy, written by Kipling, ends, "Good night, don't dream." I would suggest that the gentleman also "don't dream."

Mr. BLANTON. Will the gentleman yield?

Mr. CONNERY. I yield to the gentleman from Texas.

Mr. BLANTON. We are always loyal to our Republican friends across the aisle. Possibly some of them will need a job after November.

Mr. CONNERY. Yes; we shall put them to work and take care of them first.

Mr. MOTT. Does the gentleman think it is necessary, just for the purpose of removing political suspicion, to delay this very important census until next November?

Mr. CONNERY. Yes; for the reasons given by the chairman. He says that is the best time to take an agricultural census and, frankly, I think so too.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. CONNERY. I may say to my colleagues that whether it is the Republicans or Democrats who are in power, in connection with everything you do you are accused of political favoritism and partisanship.

Mr. KNUTSON. Will the gentleman consent to an amendment to postpone this census until after Thanksgiving so that we can get a census on the turkeys?



Mr. CONNERY. It might not be a bad idea to take a census of the turkeys too and then distribute some of them to people who have been unemployed and hungry for a long time.

It is vital to have this census. According to the figures of the American Federation of Labor there are approximately 10,000,000 people unemployed in the United States. We ought to have the figures to show us exactly how many people are unemployed. We ought to have these figures available so that we could enact constructive measures to put them back to work, whether it is under a 30-hour week, whether it has to do with unemployment insurance, or whatever may be necessary to put them back to work. This is a step in the right direction toward finding out how many people are unemployed in every State of the Union, and it is proper to have it done under the Census Bureau and not piecemeal, a little here and a little there, in different bureaus.

Mr. Chairman, I hope this bill passes.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. REED].

Mr. REED of New York. Mr. Chairman, I hold in my hand the Census Act of 1929. Much of the controversy centers around section 16 of the act, which reads as follows:

SEC. 16. That there shall be in the year 1935, and once every 10 years thereafter, a census of agriculture and livestock, which shall show the acreage of farm land, the acreage of the principal crops, and the number and value of domestic animals on the farms and ranges of the country. The schedule employed in this census shall be prepared by the Director of the Census. Such census shall be taken as of the 1st day of January and shall relate to the crop year. The Director of the Census may appoint enumerators or special agents for the purpose of this census in accordance with the provisions of the permanent Census Act.

I know it must have come with some surprise to certain Members of the House when this bill was brought in here and a suspension of the rules was asked in order to pass it. I may say that I have great admiration for the gentlemen on the majority side of the aisle, who are recognized as some of the ablest men in this country, men who are always solid and substantial, men who are classed by the public at large as statesmen, who voted against this bill. They voted against the bill because they recognized that it was purely a political measure. They realized that there was a purpose, and a political purpose, in moving up the time of this census practically a year and fixing it just after the time of election.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I have only a few minutes, and I regret I cannot yield.

Another thing that impressed the men on the majority side who voted against this bill was the fact that the last census, taken at a cost of $40,000,000, has only been completed within the past 6 months. Now it is proposed to start an army of 100,000 people taking a new census that it was never intended to take until 1935.

I know the men on that side of the House are not proud of this bill. I know that you realize that your people back home are not going to approve any such political measure, and I am satisfied, too, if you men were to go back into your districts at the present time and study the temper of your people and the condition they are in, you would not vote for this bill when it comes up for a vote in the House. It is an astounding proposition that, after this bill was fairly and squarely defeated on the floor of this House, and defeated because men on your own side of the House recognized the unsoundness of the measure and that it was purely a political measure, you should go to your Rules Committee and there obtain a rule to bring in this bill and try to ram it down the throats of the men of this House.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I cannot yield.

Mr. O'CONNOR. I want to correct a statement which the gentleman has made. The rule was reported out and was in existence and on the calendar long before the suspension was called up.

Mr. REED of New York. I understand it was; but you did not have the courage to bring in the bill, and finally it was called up under suspension.

Mr. O'CONNOR. But the rule was on the calendar.

Mr. REED of New York. You were defeated under suspension of the rules, and then you brought up the rule.

Mr. KELLER. What was the vote?

Mr. REED of New York. The vote was 172 yeas and 128 nays against the bill.

Now, here is what happened, and you men know it, and the country ought to know it. Just as soon as the outstanding statesmen on that side of the aisle recognized the imperfections of this bill and recognized that it was a bill you could not justify, then what happened? The party lash was applied, and you men were whipped into line.

[Here the gavel fell.]

Mr. HESS. Mr. Chairman, I yield the balance of the time on this side to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, what is the object of this bill? If we take a census of those who are unemployed on the 12th of November, you know and I know that this will not be right by 25 percent on the 1st of January.

It is just a worthless job, and it is to be taken at a time when industry is slowing down, and farming is slowing down because of seasonal conditions to a point where unemployment is at its peak. So much for this feature of the bill.

There is one more feature I want to talk about a moment, and that is the matter of good faith. Your Appropriations Committee came in here, and there was passed early in February a bill providing $950,000,000, ostensibly for relief. If a Republican came in here and proposed to take seven and a half to eight million dollars out of an appropriation for relief and blow it for campaign expenses for the Republican Party, he would be accused of defalcation. Now, you know in your own hearts that the operation of passing this bill is defalcation—it is obtaining money under false pretenses.

Mr. MILLARD. Mr. Chairman, will the gentleman yield for a question?

Mr. TABER. Yes.

Mr. MILLARD. Does the gentleman know that the Chairman of the Appropriations Committee, the gentleman from Texas [Mr. BUCHANAN], voted against this bill?

Mr. TABER. I know that, and I wish that the other Representatives on the majority side of the aisle would show just as much honesty and just as much courage and just as much faithfulness to the people of the United States as the Chairman of the Appropriations Committee did when this bill was up for consideration.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. TABER. I cannot yield at the present time.

Let me now talk about one more feature of this bill, and I have but a minute remaining.

At the present time there are on the Federal pay roll 1,569,000 in one way or another. This bill proposes to increase that number by 105,000. The Democratic record is great on increasing the pay roll.

When the Republicans in 1921 came into office there were about 680,000 United States civil-service employees, and about 800,000 others on the pay roll, making over 1,400,000. When the Democrats came back into office that had been reduced about 600,000, and it was down—including 100,000 on the relief employment—to 856,000. The Democratic Party has already increased the number on the Federal pay roll 713,000.

Are we going to have the nerve to add 105,000 more to the pay roll by taking the money that was appropriated for relief? There are already today supported by the Federal Government on the relief employment and on relief 5,147,000. That means, allowing three and one-half to a family, practically 17,000,000.

Now, altogether, including the relief roll and those on the pay roll, there are 6,000,000 families getting their living out of the taxpayers of the United States. On the same basis

that means 21,000,000 living on the pay roll of the United States.

Is it not time to stop foolish expenditures? Is it not time to have respect for our oath of office? Is it not time to stop this kind of raping of the Federal Treasury of the United States and to vote down this bill? [Applause.]

Mr. LOZIER. Mr. Chairman, this bill was reported after very extensive hearings. Obviously, our Republican colleagues on the other side of the aisle have not read the hearings and do not understand the provisions and purpose of this measure. This bill comes before Congress with the unequivocal approval of Mr. Roper, Secretary of the Department of Commerce. It is sanctioned by Mr. Austin, Director of the Bureau of the Census. Its enactment is advocated by Secretaries Wallace, Ickes, and Perkins. Every Cabinet officer having anything to do with agriculture, commerce, business, employment, or labor is unequivocally for this legislation.

General Johnson, National Recovery Administrator, and Mr. Hopkins, Federal Emergency Relief Administrator, are asking for the enactment of this bill. L. W. Douglas, Director of the Budget, in a letter to the Secretary of Commerce, said:

> A census of agriculture as of January 1, 1935, is already authorized and appropriation for the first year has been made. The bill merely advances the date of this census to November 12, 1934, which is not inconsistent with the President's financial program, and that a census of unemployed persons and their dependents within the limits of the continental United States, to provide information necessary to aid in the formulation of relief and other public policies, providing that such census may include such enumeration of population as may be appropriate and necessary for this purpose, to correct the inconsistencies therein with present law, and to authorize allotment from emergency funds of not to exceed $7,540,000 for taking this census, exclusive of agriculture, the expenditures contemplated by such legislation would not be in conflict with the financial program of the President.

Do our Republican friends charge that Louie Douglas, the "hard-boiled" Director of the Budget, would give his approval to legislation that was purely partisan, that was without merit, for which there was no necessity, and which would involve an expenditure of $7,540,000? Every Member of this House and every well-informed Democrat or Republican in the United States knows that the Director of the Budget, Mr. Douglas, is undeniably a watchdog of the Treasury; that he stands guard over the funds of the Government and only sanctions appropriations for projects that are undoubtedly sound and the consummation of which will promote the public welfare.

If our Republican friends would read the hearings and exercise their mental faculties, their foolish arguments would dissolve in thin air, and if they could only forget their partisanship, they would give unqualified support to this legislation. Their objections will not stand the acid test of reason. If the taking of a census was ever justified, that time is now.

The charge has been made that this legislation is essentially political, merely a scheme to provide offices for hungry politicians. This, I deny. Where is there a man in this House, where is there a person in the United States who will claim that Secretary Ickes, when he urged the enactment of this legislation was influenced by partisan motives? Where is the man who will say that Secretary Wallace and Secretary Perkins are prompted by political or partisan motives in urging the enactment of this legislation? Secretary Ickes is not a Democrat, and it cannot be charged that he favors this legislation merely to make jobs for Democrats. In his administration of the Department of the Interior, and in the Federal Emergency Administration of Public Works he has not shown any eagerness to separate Republicans from the Federal service and appoint Democrats.

Who will charge that Secretary Wallace, a Republican, favors this bill because, forsooth, a few thousand Democrats will be appointed to take the census. There is nothing in the record of Secretary Perkins to indicate that she has any special interest in appointing Democrats to Federal positions. No one familiar with the facts will charge that Secretary Ickes, Secretary Wallace, or Secretary Perkins were actuated by political or partisan motives in supporting this legislation, or that any one of them is primarily interested in promoting the morale and solidarity of the Democratic Party. I say frankly I am sorry these departmental heads are not more politically minded. When Republicans are in power I do not object to Republicans' filling the Federal offices, but under a Democratic administration all offices that are essentially political should be filled by Democrats.

Secretary Roper is a Democrat, but he would not give his approval to any legislation that was purely partisan and for which there was no real necessity. You gentlemen know that these four deparmental heads, in urging this legislation, are not actuated by partisan motives. You are not ignorant of the fact that every one of these departments is honeycombed with Republicans—hangover Republicans, partisan Republicans—many of them occupying key positions and many of them passing on the applications of Democrats for Federal positions; and yet you would have the country believe that these Cabinet members have prostituted their high offices and are seeking to secure the enactment of this measure for the contemptible purpose of providing jobs for Democratic officeseekers. Deep down in your hearts you know that these Cabinet officers are actuated by lofty patriotism and without any thought of preserving the morale or promoting the solidarity of the Democratic Party.

If these Cabinet officers are actuated by petty partisan motives, why have they refused to remove partisan Republicans from key positions in their respective departments? Why do they allow partisan Republicans to walk the corridors of the departmental buildings boasting that they are secure in their positions, that the administration dare not remove them, and that the Democratic Party is incapable of administering the affairs of this Government without the aid of Republicans, while thousands of capable and deserving Democrats are denied positions which are essentially political and which, under a well-established custom, are supposed to be filled by men in political harmony with the administration? Republicans have been treated too generously by these departmental heads. I am amazed that the Republican Members of this House should have the temerity to charge the Democratic administration with creating offices in order to supply Democrats with jobs.

It is exceedingly difficult to believe in your sincerity when you charge that this legislation was prompted solely by a desire to find positions for Democrats and to promote the success of the Democratic Party in the approaching congressional elections.

I have been a member of the Census Committee for 10 years. If there is a department of the Government that is free from partisan bias, if there is a governmental agency that stands rigidly against the spoils system, it is the Census Bureau. Dr. Stuart, a Republican, was Director of the Census for many years. I knew him well and held him in high esteem for his splendid qualities of mind and heart. He was a fair and a just man, but in the administration of the Census Bureau he unhesitatingly favored Republicans. When he retired he advised Mr. Austin, his successor, to conduct the affairs of the Bureau as he, Dr. Stuart, had conducted them. He stated that where he had a discretion he appointed Republicans, but that he endeavored to appoint competent and efficient Republicans. He advised Mr. Austin, wherever he had a discretion, to appoint Democrats, but to select competent Democrats. Dr. Stuart has endorsed this legislation, because he understands and appreciates its importance and value.

Mr. Hopkins, Federal Emergency Relief Administrator, has unequivocally endorsed this legislation. In a letter to Secretary Roper, Mr. Hopkins said:

> Certainly, a new census of population would aid us considerably in administering relief throughout the country. Inasmuch as the Federal Emergency Relief Act of 1933 is based on giving relief to persons made destitute because of unemployment, factual evidence of unemployment by political subdivisions would be of great aid in administering this act. Unfortunately, at this time but little evidence exists on this subject on which I can make the administrative decisions, and I therefore find myself an advo-

cate of the taking of a population census, with particular emphasis given to unemployment aspects. You may be sure that anything I can do to assist in the realization of this desire will be gladly undertaken.

Secretary Wallace, in a letter to Secretary Roper, said:

It is absolutely essential for our agricultural program to have a thoroughgoing and accurate census of agriculture. * * * It seems apparent that completeness and adequacy in the agriculture census returns will be very largely dependent upon the concurrent population census. * * * Representatives of this Department have participated in conferences on the subject and have concurred in the general agreement that November 12, 1934, be substituted for January 1, 1935, as the census date.

In a letter to Secretary Roper, Miss Frances Perkins, Secretary of Labor, said:

A Member of Congress has brought to my attention a proposed bill for a census of population and census of unemployment to be taken in November of 1934.

I am extremely interested in this proposal, because I am of the opinion that the rapid changes that have occurred both in the geographical distribution of our population and the distribution of age groups, invalidates such data as now exist. I feel, and various experts in the field concur with me, that the data collected in the census of 1930 can no longer be used as a basis for portraying either the growth in population or the occupational distribution picture. Furthermore, the experience of the Department of Labor in making trial surveys of unemployment during the past 4 months has revealed profitable ways of securing data on unemployment. A census of unemployment in conjunction with a census of population, if made this year, would provide a valuable basis for making a continuing estimate of the effects of the administration's program for economic recovery.

I trust that the Congress will see its way clear to authorizing you to make a census of population and unemployment during the current calendar year.

Mr. Isidor Lubin, Commissioner of Labor Statistics, in his testimony before the Census Committee, said:

We need this data, first, so that the Secretary of Labor can recommend to the President and to the Congress such policy as is deemed essential, and such a policy cannot be well formulated unless we know what our problem is—not only the magnitude of it, but where the problem centers. In the second place, we need the information in order to develop a plan that will be of help in the activities of the United States Employment Service.

Hon. Daniel C. Roper, Secretary of Commerce, in a letter to the Chairman of the Census Committee, said:

The inquiries contemplated, in my opinion, are of vital importance to the recovery program, as is evidenced by letters we have received from the Federal agencies administering various phases of that program. I have received hundreds of communications from organizations and competent specialists in the fields concerned demanding legislation of the type here submitted.

In another letter to Secretary Roper, Secretary Ickes said:

While normally a census taken at 10-year periods is adequate, in view of the unusual economic and social conditions which have prevailed since the 1930 census, the taking of a somewhat simplified census in 1935, with special reference to employment and other population movements, will be fully justified. No other expenditure of like amount is apt to yield such rich returns.

The hearings on this bill covered 131 printed pages, and I wish every Member of this House had taken the time to read these hearings. If you had read them, you would support this bill, because the evidence conclusively shows that this census is needed in order to consummate our national recovery program, to meet the unemployment situation, and to restore normal national life.

Twelve years of Republican administration under Presidents Harding, Coolidge, and Hoover brought our Nation to the verge of a precipice and ended in an unprecedented depression akin to economic chaos. Under the statesmanship and wise administration of Franklin D. Roosevelt the pall of the depression is being lifted, prosperity is returning, and each month brings us nearer and nearer to normal national life. The emergency and recovery measures, while not perfect, are nevertheless restoring normal economic conditions, inspiring the people with courage, confidence, and hope, and marking a path over which an impoverished people may find a way out of the economic distress and chaos that followed 12 years of Republican maladministration of our foreign and domestic affairs.

Congress is appropriating billions of dollars to put over our recovery program, relieve human distress, establish a proper balance between the several vocational groups, and insure the reign of social justice. It will be difficult economically and wisely to administer this recovery program and expend the billions of dollars appropriated for recovery and relief, unless these superb governmental agencies have reliable statistics as to the unemployed and such additional information as this census will supply, and with which our economic recovery may be hastened and insured.

Secretary Wallace says this census is necessary. Secretary Ickes says it is necessary. Secretary Roper says it is necessary. Secretary Perkins says it is necessary. General Johnson says it is necessary. Mr. Hopkins says it is necessary. The American Federation of Labor says it is necessary. Every industrial, commercial, agricultural, and business group will receive tremendous benefits as a result of this legislation, because this census will materially aid us in solving the unemployment problem.

One of the highest officials in the Government, one of the watchdogs of the United States Treasury, stated to me that the taking of this census and the information it would supply would save the Government two or three times its total cost, because the recovery agencies are now working in the dark, guessing at the number and whereabouts of the unemployed; but this census will give them the facts, statistics, and information necessary speedily and efficiently to carry out President Roosevelt's program for relief and our economic recovery.

The taking of this census is not a waste of funds. This is not a spoils measure, but a sane piece of legislation to facilitate our economic rehabilitation. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That to provide information concerning the numbers, classes, and geographical distributions of unemployed persons and their dependents, and concerning employment and occupations, necessary to aid in the formulation of a program of unemployment relief, the Director of the Census shall take as of November 12, 1934, a census of unemployment, employment, and occupations in the 48 States and the District of Columbia: *Provided*, That such census may include such enumeration of population as the Director of the Census may deem appropriate and necessary for the purpose of this section.

Mr. SNELL. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. SNELL: Page 1, line 8, after the word "of", strike out "November 12" and insert in lieu thereof "July 23."

Mr. SNELL. Mr. Chairman, in the debate upon this bill several Members on the Democratic side have referred to the fact that there is no political significance in the selection of the date, November 12, for the taking of this census. If there is no political significance in that and there is an actual need for the census, as the gentleman from Missouri [Mr. LOZIER] has just said, the quicker that census can be taken, the better it will be for the people of this country. The sooner it is taken the better position we will be in for taking care of unemployment during the coming winter. The gentleman from Missouri [Mr. LOZIER] has referred to the people who are in favor of this census and he says that there are no political motives in advocating it. I have not consulted with any of those men, but I do know that the gentleman from Missouri [Mr. LOZIER] is the chairman of the Democratic patronage committee of the House of Representatives, and, if he has been correctly reported in the press, he has said that he is not satisfied with the number of jobs that go to deserving Democrats. I also know that he is practically the only one of the older Members on the Democratic side who have taken the floor and vigorously defended this measure. If it is necessary and it ought to be done to obtain efficient and effective results, I ask that this amendment be adopted.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. SNELL. Yes.

Mr. BANKHEAD. I should like to have the gentleman's reasoning, free from any political consideration, for this change.

Mr. SNELL. Oh, there is nothing political about this bill; at least, gentlemen on the Democratic side say there is not.

Mr. BANKHEAD. The charge is made that it is political, and I am not discussing that phase of it; but why does the gentleman suggest July 23 as an appropriate time for taking the census?

Mr. SNELL. I shall tell the gentleman how I arrived at that. That will be about 4 weeks after we adjourn, and that will give ample time for taking the census. It will take at least 4 weeks to take it, and it will take a considerable length of time to compute the results of the census; and if it is actually wanted to take care of relief and unemployment this winter, it should be taken as quickly as possible this summer, and I believe the date suggested is a reasonable one.

Mr. BANKHEAD. What about the agricultural census? I do not know whether the gentleman is acquainted with farm conditions or not—the harvesting period, and so on. Does the gentleman assert that the 23d of July is an appropriate time of the year to take a farm census?

Mr. SNELL. I think it is the best possible time to take a census to get at the facts of unemployment, and that is the reason given for the bill, and then you will have the information available to use next winter when you want it.

Mr. ELLENBOGEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York, Mr. SNELL.

Mr. Chairman, the gentleman from New York [Mr. SNELL], would amend the bill so as to provide for the holding of the census on the 23d of July. As the gentleman from Alabama [Mr. BANKHEAD] has said, a census has never been taken at a time when the farmers of the country were busy with their crops. The gentleman from New York [Mr. SNELL] knows that it is impossible to take an accurate census of any kind involving agricultural districts, in July or in August or in September. The gentleman from New York also knows that it takes a long time to prepare for the census, and the Director of the Census has advised the committee that it will take at least 4 months to prepare for this census. The gentleman can find that testimony in the hearings given before the committee.

Mr. SNELL. Will the gentleman yield for a short question?

Mr. ELLENBOGEN. Certainly, I shall gladly yield to my eminent colleague.

Mr. SNELL. Did the Director of the Census tell you how long it would take to get the results of that census after you have taken it?

Mr. ELLENBOGEN. Yes.

Mr. SNELL. How long?

Mr. ELLENBOGEN. He told us that the preliminary figures, as he called them, the preliminary preliminary figures——

Mr. SNELL. Well, I do not quite understand that.

Mr. ELLENBOGEN. The actual taking of the census in the cities will take about 2 weeks. In the country districts it will take about 4 weeks. The census enumerators having finished, the supervisors in each district will release the figures, so that some figures will be available within 2 to 4 weeks immediately after the completion of the enumeration, and reliable preliminary figures giving totals for the States and the Nation will be available toward the end of December of this year.

Mr. SNELL. The testimony, as I read it, says after the first of the year, and the greatest demand for relief of unemployment is in December and January, and it will be impossible to get the results of this census and act on it at that time.

Mr. ELLENBOGEN. I will say to the gentleman that I was in favor of holding the census earlier, but the statistical and census experts in the various departments were opposed to the holding of the census at an earlier time.

Mr. SNELL. Well, I am, too. The gentleman and I agree.

Mr. TRUAX. Will the gentleman yield?

Mr. ELLENBOGEN. I shall gladly yield in just a moment. I was in favor of holding the census earlier, so as to get the figures available earlier, but the Department of Agriculture has informed the committee that the census cannot be held until after the crop year, and that the best time to hold it would be in November, before the removal of the tenants to new farms. I might also say to the gentleman that a census of unemployment should not be held when employment is at its peak, nor should it be held when unemployment is at its height. It should be held at a period of average unemployment so that we may have the most accurate figures obtainable. July would be about the worst month which we could selected for the holding of an unemployment census, and November about the best.

Mr. TRUAX. Will the gentleman yield now?

Mr. ELLENBOGEN. I yield to the worthy gentleman from Ohio.

Mr. TRUAX. I am in accord with what the gentleman has stated, but the gentleman has said that the farmers would be busy harvesting their crops in July. They will not this year. The only things our farmers will raise this summer will be dust and hell.

Mr. ELLENBOGEN. I am sorry to hear my friend say that, but I hope that some sections of the country will have something to harvest.

Mr. BLANTON. Considering what he says they are raising back home, the gentleman from Ohio [Mr. TRUAX] is very faithfully and ably representing his Ohio farmers here. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. ELLENBOGEN] has expired.

Mr. LOZIER. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. TREADWAY. Well, Mr. Chairman, I would like to have 5 minutes.

Mr. O'MALLEY. Mr. Chairman, I was on my feet, and I desire 5 minutes.

Mr. LOZIER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. The Chair will state to the gentleman from Missouri [Mr. LOZIER] that the Chair had recognized the gentleman from Wisconsin [Mr. O'MALLEY] before the gentleman from Missouri had risen.

Mr. RICH. Mr. Chairman, I ask to be recognized.

Mr. LOZIER. Mr. Chairman, I move that all debate on this section and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion of the gentleman from Missouri.

Mr. TREADWAY. Mr. Chairman, am I to have 5 minutes of that time?

The CHAIRMAN. The question is on the motion of the gentleman from Missouri.

The motion was agreed to.

Mr. O'MALLEY. Mr. Chairman, I rise for the purpose of striking out the last word, because in the limited amount of time originally allotted to the bill I did not have time to study the bill.

I find great difficulty in supporting this measure, because two wrongs do not make a right. I know that during the Republican administration they did all they could to pack the Government service with temporary jobs. They even sent out in my district, and I can prove it, Government employees to campaign for the Republican candidates, on Government money. Two wrongs do not make a right. They tell us this census is absolutely necessary to find out how many unemployed there are in this country. In my district the registration lists of the C.W.A. will show exactly how many unemployed there are who want jobs. [Applause.]

I know the political pressure that comes from back home by a group of selfish job seekers, for I have experienced it

in my own district. One of our Presidents, I think it was Lincoln, once said that the people who want to get on the Government pay rolls will some day destroy the Government with their greedy disregard for decency and honor unless they are checked. There are all kinds of people who want to get soft Government jobs. Those are the ones who will get these census jobs, and the deserving people who do not know how to get jobs through political influence will never get any of them.

The gentleman from Missouri, for whom I have a great deal of respect, said that this census bill was endorsed by partisan Republicans serving in the President's Cabinet. Now, it may be possible that these partisan Republicans who endorse this bill are trying to mislead the Democrats into passing a bill that may give them a lot of trouble in the election. [Applause.]

Who are going to get these jobs? I see from the hearings that the bill is endorsed by college professors. I wonder if the teachers' pets are going to be employed during the months of October and November on the pay roll of the Government? We were told in the committee hearings that they could not use the C.W.A. workers, because they are not highly enough educated; they have got to use specially selected college boys to do this work that is supposed to relieve unemployment amongst laboring people. [Applause.] Mr. Rice, of the Census Bureau, probably a partisan Republican, said in the hearing:

I think I might make this statement: It would be entirely out of the question from the standpoint of efficiency for the Bureau of the Census to take this census by using only, or in any number, work relief people, or people who are working out their relief under the Federal Emergency Relief Administration.

If this bill is for relief of this kind of people, why does this gentleman in the Census Bureau say they cannot use them?

I think this is a piece of legislation of which Congress will not be proud to have enacted in its closing days. We are going to do something for the unemployed by counting them! [Laughter.] I know how the farmers in the drought-stricken counties of Wisconsin, without enough food in prospect for the coming year, will look at the spending of nearly $8,000,000 for counting them when this money might better have been used to feed their children. Imagine what one of them would say when an enumerator comes up to him and says that the Government was spending $8,000,000 to relieve distress by counting the distressed! [Applause.]

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. TRUAX. Upon whose recommendation are these appointments to be made?

Mr. O'MALLEY. Apparently it is understood that they are to be made upon the recommendation of the Congressmen.

Mr. TRUAX. Does that include Congressmen at large?

Mr. O'MALLEY. I am almost certain it will not include Congressmen who object to this measure because the Republican census supervisors now in their districts under civil-service rules will see that those who are against this bill will get no consideration for their recommendations.

Mr. RICH. Mr. Chairman, I offer a substitute amendment.

The CHAIRMAN. The Clerk will report the substitute amendment.

The Clerk read as follows:

Substitute amendment offered by Mr. RICH: Page 1, line 8, strike out "as of November 12, 1934", and insert in lieu thereof "at once."

Mr. LOZIER. Mr. Chairman, I make the point of order against the amendment that it is indefinite and means nothing.

The CHAIRMAN. The Chair states to the gentleman from Missouri that the Chair cannot rule upon that point of order. The gentleman raises a question of consistency upon which the Chair cannot pass. That is a matter for the Committee to determine.

Mr. RICH. Mr. Chairman, I do not wish to inject politics into this discussion if I possibly can refrain from it, although that is going to be very difficult after the many things that have been said in reference to this bill.

The thought uppermost in my mind has been that if we are to have a census taken by the Federal Census Bureau notwithstanding the fact there are employment offices in every State of the Union, and labor organizations which keep themselves definitely informed from week to week as to the number of unemployed, and notwithstanding the fact that the various States maintain labor bureaus, cooperate and work in conjunction with the other labor organizations, the sooner we get started on this census the better, if it must be taken. The men in the labor temple down here, I understand, try to keep themselves informed on the unemployment situation and give out bulletins from time to time as to the number of unemployed. Then why this census?

If by the enactment of this bill we are going to have a census taken by the United States Census Bureau, why procrastinate? Why is it necessary to wait until July 23? Why is it necessary to wait until November to start getting this information?

In the first place, I think it is a duplication of work on the part of the Federal Government, an effort to secure information we already have. When it will take at least 6 months to secure this information, what good will it do this session of Congress? If it is to be taken it should be started in time that the information secured may be assembled and tabulated for the use of Congress when it convenes next January; and certainly it will require that length of time to do it. We know we have too much unemployment now—everybody knows that. What will it help you or anyone to know if there are 9,000,000 or 10,000,000 unemployed? We all know there are too many.

When the present administration came into office its spokesman, the President, said the administration was going to reduce the number on the Federal pay roll; but, as has been stated this afternoon, the number of Federal employees on the Government pay roll has increased 713,000 since March 4, 1933, and it is now contemplated that the Government will put on the pay roll another 100,000 employees or more.

Now, Mr. Chairman, I want to say to the Members of Congress assembled here today that each and every one of you are going to vote as to whether you want to put another 100,000 employees on the pay roll to secure information already in the possession of the Government. When you go back to your taxpayers—and I hope the taxpayers of every congressional district in the United States will pay attention to the vote here this afternoon—I hope every one of you who votes to put 100,000 more men on the Government pay roll will receive your just desert from the people back home for trying to increase the expenses of the Government. [Applause.]

You are burdening the taxpayers; you are hindering business; you are destroying confidence; you are duplicating effort. You certainly are not thinking. This Congress has forgotten to think; we are like sheep led to the slaughter.

I feel confident that when you go back to your districts, whether you are Republican or Democrat, and the people in your home districts note the fact that you are increasing their burden of taxation and national debt by foolish, senseless legislation, they will send men to Congress who will act wisely and judiciously, and, as has been stated this morning by the gentleman from Texas [Mr. BLANTON] about one of the newspapers in Washington in connection with the publication of criticisms of congressional actions, and I say this as a Member of Congress, we are doing some of the most damnable things that sensible people are not expected to do, this bill being one unreasonable piece of legislation; and I want the newspapers of the country to know that I do not approve of the things we are doing here. [Applause and laughter.]

[Here the gavel fell.]

Mr. PETTENGILL. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. PETTENGILL. The gentleman from Pennsylvania asked for time in opposition to the amendment.

The CHAIRMAN. The Chair will state that debate was limited on this section and the time has expired.

The question is on the substitute amendment offered by the gentleman from New York [Mr. RICH] to the amendment offered by the gentleman from New York.

The substitute amendment was rejected.

The CHAIRMAN. The question now is upon the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts, Mr. KNUTSON, and Mr. McGUGIN) there were—ayes 61, noes 102.

So the amendment was rejected.

Mr. FOCHT. Mr. Chairman, I offer a preferential motion which I send to the desk.

The Clerk read as follows:

Motion offered by Mr. FOCHT. Mr. FOCHT moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. FOCHT. Mr. Chairman, from what we have heard here today and for some weeks past in regard to relief measures and the unemployed, it must be clearly manifest to every Member of this House that while a census is primarily used to furnish information, in the face of certain facts, we already have more information than we know what to do with. [Applause.]

I do not know that it is necessary to find out how many unemployed there are. It seems to me that if we admit there are something like 10,000,000 unemployed in this country, if that is so, it will keep us busy for a long while to supply employment for half this number; hence, this census that you want to take now might well be deferred until the regular time.

May I say a word now with reference to the political aspects of this question. No one would charge you Democrats with anything beyond political design, but that is legitimate. This is a country of parties, and the party in power, if they furnish competent men, if there is a census to be taken, they should have the census takers and enumerators of their own party. But this is not the time to take it, and it is not necessary. I am more than amazed that any Member of this House from Pennsylvania should sponsor this bill. I am surprised that any Member of this House coming from Pennsylvania is not familiar with the fact that at the present time a census is being taken in Pennsylvania and elsewhere on this very question. The gentleman from Pittsburgh who claims authorship should get word from home and become familiar with what is going on in his own great Commonwealth.

May I say that in Pennsylvania, New York, Massachusetts, and all the great States of the country we have had all kinds of legislation, much of it political. This was stated here a while ago by one of the gentlemen from New York, a former member of the legislature. I was a member of the Pennsylvania Legislature, and I know something about the intrigue of politics. As long as it is clean it is up to the Democrats to do the same thing the Republicans would do, only do it a little better, and vice versa. I therefore offer no complaint to your taking a census if you take it at the right time; but of all things, do not burden the people by withdrawing relief money.

I do not see how any Member could look anyone in the face here or hereafter after voting for the withdrawal of money that you say is needed for relief. Starvation has been spoken of here. There is not any starvation in this country. If there is, we will have to lay that to the Democratic Party, because they have been furnished enough money, but it may have been crudely distributed. We have the money of the world, and we have the resources of the world, if you gentlemen on that side would just furnish the brains to make the distribution and not use your power to pass such legislation as this. I started in to help give you the money, but I am losing faith if you are going to put through measures of this kind. I trust for your own good and to save us in our respective communities, not as individuals but as a legislative body, that you Democrats will not pull off anything of this kind. If your party is successful in your bewildering scheme of legislation, then you will win without this job-making measure. If you are not successful after all the money voted the President, then you ought not to win and you will not win.

Mr. LOZIER. Mr. Chairman, I move that all debate on this motion do now close.

The motion was agreed to.

The CHAIRMAN. The question is now on the motion of the gentleman from Pennsylvania to strike out the enacting clause.

The motion was rejected.

Mr. DIMOND. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DIMOND: On page 1, line 10, after the words "District of Columbia", insert the words "and the Territories of Hawaii and Alaska."

Mr. DIMOND. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

Mr. BLANTON. Mr. Chairman, that is against the rule.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska.

The question was taken; and on a division (demanded by Mr. DIMOND) there were—ayes 78, noes 36.

So the amendment was agreed to.

Mr. MOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 1, line 8, after the word "November", strike out "12" and insert in lieu thereof "1."

The amendment was rejected.

The Clerk read as follows:

SEC. 2. The provisions, including penalties, of the act providing for the fifteenth and subsequent decennial censuses, approved June 18, 1929 (46 Stat. 21; U.S.C., Supp. VII, title 13, ch. 4), shall, so far as not inapplicable, apply to the taking of the census provided for in section 1 of this act. In applying such provisions the period from the date of enactment of this act until the completion of such census, and all reports and publications relating thereto, shall be deemed to be a decennial census period. Temporary personnel in the District of Columbia employed to carry out the provisions of this act, may be allowed leave of absence with pay at the rate of 1¼ days per month.

Mr. DUNN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know there are men who call themselves Democrats and men who call themselves Republicans who are conscientious and sincere. I respect the men who are conscientious about this bill. I believe every man is entitled to his opinion whether he is a Republican or a Democrat.

In my opinion, the bill before the House is an excellent piece of legislation because it is going to furnish employment for 100,000 people.

It is unfortunate we cannot bring a bill into Congress and have it enacted into law, which would obtain employment for all the jobless people in the United States. I wish we could do this; in fact, I have said many times this should be done.

The fact that the American Federation of Labor has endorsed this measure is sufficient proof this bill is meritorious.

There is no clause in the bill which states the Democrats will be the ones chosen for the positions. If I have the opportunity to appoint men or women in my district to positions in taking this census I shall select such men and women who are in need of employment regardless of their party affiliations. [Applause.]

Mr. LOZIER. Mr. Chairman, I may say that I hold in my hands a letter from Frank Morrison, secretary of the American Federation of Labor, in which he states that this organization favors this bill and—

That a thorough investigation of unemployment could only be made through the Census Bureau. We approved of an investi-

gation of unemployment in the last census. We still believe that it is absolutely necessary to secure proper statistics on this subject.

Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. SNELL. Mr. Chairman, before offering that motion will the gentleman yield for one question?

Mr. TREADWAY. Mr. Chairman, will the gentleman allow me to have 5 minutes? I asked for time on the other section.

Mr. LOZIER. Will the gentleman please secure time on the next section?

Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

Mr. LOZIER. Mr. Chairman, I ask unanimous consent that I may incorporate in the RECORD the letter from Frank Morrison, secretary of the American Federation of Labor, from which I have quoted, and in which the American Federation of Labor gives its approval to this bill.

Mr. SNELL. Mr. Chairman, reserving the right to object, will the gentleman yield for one question?

Mr. LOZIER. Certainly.

Mr. SNELL. The gentleman has advised us about the attitude of the American Federation of Labor. Will the gentleman tell us what is the attitude of the President of the United States on this bill?

Mr. LOZIER. I have not consulted the President of the United States in reference to this measure. The gentleman from New York [Mr. SNELL], as a result of his long parliamentary experience, knows it is not customary to put the President "on the spot" with reference to every pending bill; but I will say to the gentleman that the responsible departmental heads who will be charged with the responsibility of administering this act are in favor of this legislation—four Cabinet officers, plus General Johnson and Mr. Hopkins—all of whom say that this legislation is necessary to the success of the recovery program.

Mr. SNELL. I admit that part of the gentleman's statement is correct; but with respect to practically every piece of legislation that has been brought on the floor of the House during the Seventy-third Congress you gentlemen have said, "This is wanted by the President of the United States."

Mr. LOZIER. Oh, no.

Mr. SNELL. Oh, yes, you have; and the gentleman knows it, and the RECORD will prove it. You do not dare tell what he wants to do here.

Mr. MOTT. Mr. Chairman, reserving the right to object——

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

Mr. MOTT. I reserve the right to object.

Mr. BLANTON. I ask for the regular order.

Mr. MOTT. I object unless the gentleman will answer a question.

The CHAIRMAN. The regular order has been demanded. Is there objection to the request of the gentleman from Missouri?

Mr. MOTT. I object.

Mr. COCHRAN of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COCHRAN of Missouri. Mr. Chairman, is not the fact that the gentleman from Missouri read the letter sufficient to have it incorporated in the RECORD without unanimous consent?

The CHAIRMAN. It is.

Mr. LOZIER. Mr. Morrison's letter is as follows:

AMERICAN FEDERATION OF LABOR,
Washington, D.C., May 28, 1934.

Hon. RALPH F. LOZIER,
House of Representatives, Washington, D.C.

DEAR SIR: The American Federation of Labor is very much interested in H.R. 9391, a bill to provide for the census in the continental United States of unemployment, employment, occupations, population, and agriculture, which you refer to in your letter of May 25.

We have always felt that a thorough investigation of unemployment could only be made through the Census Bureau. We approved of an investigation of unemployment in the last census. We still believe that it is absolutely necessary to secure proper statistics on this subject.

Yours truly,

FRANK MORRISON,
Secretary American Federation of Labor.

The Clerk read as follows:

SEC. 3. The census of agriculture and livestock, authorized to be taken as of January 1, 1935, by section 16 of the said act of June 18, 1929, and appropriated for in the Department of Commerce Appropriation Act, 1935, shall be taken as of November 12, 1934, conjointly with, and covering the same geographical limits as, the census provided for in section 1 of this act.

Mr. TREADWAY. Mr. Chairman, in our early childhood we were taught the old adage "If at first you don't succeed, try, try again." This strictly patronage measure, having been defeated on Tuesday, under suspension of the rules, is brought before us today under a special gag rule which will insure its ready passage by the 3-to-1 Democratic majority. This seems an appropriate time for a gentleman from away back in Massachusetts to speak, when the amendment is applicable to livestock. We have got some of it up where I live, but I want to look out for the interests, not only of the four-footed stock but those who go around on two feet—the taxpayers.

I want first to refer to the remarks made by my friend from Texas [Mr. BLANTON] this morning, when he referred to the fact that during 12 years of Republican administration through the civil service only Republicans were allowed. Even though we were ready to admit that statement to be correct, which, of course, we are not, I will say that for 12 years during the Republican administration we did not go on continually establishing new offices in order to fill them with Republicans.

Now, within the short period from February 1933 to April 1934, a year and 2 months, the number of employees has increased from 563,437 to 644,108—an increase during the period of the Democratic administration of 80,621, most of them not under the civil service. What has become of the Democratic platform pledge to reduce the cost of government and eliminate extravagance?

The Democratic Party, to which the gentleman from Texas owes his allegiance, has done more to increase patronage employment during the 1 year than the Republican Party did in the entire 12 years of its administration.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. TREADWAY. I will yield.

Mr. BLANTON. Four-fifths of these employees are Republicans. Practically all of the appointees of Secretary Ickes and Secretary Wallace have been Republicans.

Mr. TREADWAY. Of the Democratic appointments? I guarantee there is not one in five hundred who is a Republican, and the gentleman from Texas is facetious when he says that.

Now, I want to tell you where these people are employed.

There have been more than 40 new agencies established, and I have here a list of about 20. There are 9,173 employed under the Tennessee Valley Authority. Does the gentleman from Texas think that any part of that number are from the Republican Party? If he does, he is mistaken. I guarantee that the gentleman from Tennessee [Mr. TAYLOR] has not one constituent on that list.

Mrs. KAHN. Will the gentleman yield?

Mr. TREADWAY. I yield to the lady from California.

Mrs. KAHN. Does the gentleman think that it is necessary to employ 17,222 people to administer the Bankhead cotton bill?

Mr. TREADWAY. That is a group that I have not got, and that is 17,000 more to be added to it.

Now, in the Home Loan Corporation there are 13,798; in the Public Works Administration, 3,579; in the N.R.A., 3,694; and I might go through the whole new alphabetical list and show how these places have been established to give deserving Democrats employment.

Now, in this measure you come in here and ask that right after election these appointments shall be made to put 100,000 men and women on the pay rolls in your respective Democratic districts. This feature of the bill is not without significance. November 12 will be pay day for Democratic ward heelers and party workers all over the country. That is exactly the picture, and I say the gentleman from Pennsylvania was right when he said that he hoped that the people of the country will have full information on this subject.

This bill is just another means of perpetuating the Democratic Party in office through the distribution of funds from the Treasury. In order to pay the costs of the census, $7,540,000 is to be diverted from moneys previously appropriated for relief purposes, and those who are really suffering and in need will be deprived of that much assistance.

Contrary to the statements of those sponsoring this measure, there is absolutely no need for taking any census at this time. So far as unemployment figures are concerned, the Department of Labor is continually gathering information along this line. The American Federation of Labor also keeps an up-to-the-minute census of unemployment, and just recently the C.W.A. has been engaged in taking a census throughout the country. Instead of setting up another agency for counting the unemployed, the administration should devote its energies to putting them back to work.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. LANZETTA. Mr. Chairman, I ask unanimous consent to return to section 1 for the purpose of offering an amendment so as to include Puerto Rico in the census. I send the amendment to the desk.

The CHAIRMAN. The gentleman from New York asks unanimous consent to return to section 1 for the purpose of offering an amendment. Is there objection?

Mr. LOZIER. Mr. Chairman, I object, and I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

Mr. TRUAX. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TRUAX: Page 2, line 22, after the word "act", add a new section as follows:

"SEC. 4. The census of agriculture and livestock shall include the amount of farm-mortgage indebtedness, names of mortgagees, date of maturity of mortgages, and rate of interest per annum."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken; and on a division (demanded by Mr. TRUAX) there were—ayes 74, noes 95.

Mr. TRUAX. Mr. Chairman, on that I demand tellers.

The CHAIRMAN. The gentleman from Ohio demands tellers. All those in favor of taking the vote by tellers will rise and stand until counted. [After counting.] Not a sufficient number and tellers are refused.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. To meet the expenses of section 1 of this act the President is authorized to make available not to exceed $7,540,000 from the fund appropriated by the act entitled "An act making an additional appropriation to carry out the purposes of the Federal Emergency Relief Act of 1933, for continuation of the Civil Works program, and for other purposes", approved February 15, 1934. Amounts so made available shall remain available until expended.

Mr. KENNEDY of New York. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. KENNEDY of New York: Page 2, line 25, after the word "exceed", strike out "$7,540,000" and insert in lieu thereof "$1."

Mr. KENNEDY of New York. Mr. Chairman, it is obvious from the wording of my amendment that I am opposed to bill H.R. 9391, which is a bill to provide for a census in continental United States of unemployment, employment, occupations, population, and agriculture, and for other purposes. It is estimated that the taking of the proposed census will cost almost $8,000,000, and it is intended that the $8,000,000 will be paid out of the funds appropriated under the Federal Emergency Relief Act of 1933 for the continuation of the Civil Works program. I voted against this census bill on last Tuesday when the committee tried to pass it under the suspension of the rules. I voted against the rule today which limited the debate on the bill to 1 hour, and I propose to vote against the final passage of the bill at the conclusion of this debate. To spend $8,000,000 on a census at this time is, in my opinion, a waste of money. I have no objection to the spending of money on public works that will provide useful employment for our people, but when it is proposed to spend $8,000,000 to obtain information which may be readily obtained through the various Government agencies, and particularly when this money is to be paid out of relief funds, I must oppose the passage of the bill. I have a further objection to this bill in connection with the expense involved. I am not satisfied that even the huge sum of $8,000,000 would be sufficient to pay the bills of the Bureau of the Census for this work. In 1930 the Government spent approximately $40,000,000 on a census. This bill gives the Bureau of the Census the right to prepare an appropriate questionnaire, and from a reading of the committee report I am led to believe that the questions to be asked by the census takers will not be the usual questions necessary to prepare an intelligent and useful report, but there will be questions on every conceivable subject, and some of the questions, in my opinion, will be highly indelicate and extremely personal.

If the expenditure provided for in this bill was a direct appropriation from the Committee on Appropriations, I would be more patient in my consideration of the bill. That committee not only failed to appropriate the money, but the chairman of that important committee voted against this bill on Tuesday.

I wish to direct the attention of the House to page 6 of the committee report. On that page you will find the following offered as a reason for the passage of the bill:

Fundamental changes are taking place as the result of restricted immigration and a declining birth rate; and a census will show what the effect has been upon the growth and composition of the population.

Further:

A census will show the changes taking place in the age composition of the population and in the numbers and relative importance of the various race and nativity classes—the native whites, the foreign born, the Negroes, the Mexicans, and others.

On page 8 we find:

Such a census would contribute to the interpretation of the economic and social questions now before our people.

On page 14 we find a few more reasons, as follows:

As a check upon the number and adequacy of its returns, the Bureau of Internal Revenue needs accurate and detailed population data for minor civil divisions.

Also:

Preparedness for national defense from the standpoints both of military and industrial mobilization requires accurate population and employment data, by State and local distribution, and by sex, age, and occupation.

Finally we find this reason also given:

The Office of Education needs population information by age and occupation to determine a coherent educational policy, so far as required by the Federal Government. Unemployment data, by occupation, are essential for all vocational and industrial-education plans and developments, such as those of the Federal Board for Vocational Education.

Mr. Chairman, if these are the best reasons offered for the necessity of spending almost $8,000,000, I for one, on the Democratic side, cannot possibly support the bill, and I hope that my amendment which would reduce this appropriation from $8,000,000 to $1 will prevail. [Applause.]

Mr. LOZIER. Mr. Chairman, I move that all debate upon this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. TABER) there were—ayes 60, noes 105.

So the amendment was rejected.

The Clerk read as follows:

SEC. 5. The President is authorized, from the fund appropriated by such act of February 15, 1934, to make available to the Secretary of Commerce not to exceed $368,465 for the printing of reports collected and now being compiled on the census of American business, census record preservation, urban tax delinquency, and real property inventory. Amounts so made available shall remain available until expended.

Mr. HOEPPEL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise to refute the charge of the Republicans in the House that this bill under consideration is a partisan measure. I can, at least, prove that the Republican leader in my district appears to be wholeheartedly in favor of legislation which is proposed by the Democrats in the Congress. This boy, who opposed me in 1932 on the Republican ticket and who has again announced his candidacy on the Republican ticket, in writing to the Literary Digest, has made this declaration:

I shall continue, as I have in the past, to support on the whole the acts and policies of our great American patriot, Franklin D. Roosevelt.

Mr. BRITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOEPPEL. I am sorry, but I have not the time.

There is no reason for the Republicans to oppose this bill on the matter of patronage. We all know the Republicans have fared exceptionally well in this respect under the Democratic administration.

If this bill is enacted into law and if I receive any patronage as a result thereof, I intend to select men from the United States Employment Service list for promotions, except for appointments such as for supervisors or executives.

God knows, most of the unemployed today are Democrats. The Republicans, during their 12 years of misrule, have garnered to themselves all of the important executive and administrative positions in the departments of government.

Mr. TABER. Is the man who is running against the gentleman a fine man and a man who ought to be elected?

Mr. HOEPPEL. Answering the distinguished gentleman from New York [Mr. TABER], I wish to state that, in my opinion, the youth to whom I referred cannot be considered a Republican with the lofty principles so frequently displayed on the floor by my colleague [Mr. TABER].

Referring to the question involved, we should consider that we suffered reverses for a period of 4 years under the Republican Hoover regime. The time is now opportune for us to reorganize and assemble all the information and facilities at our command to surmount the depression in the interests of our suffering people.

We should take an inventory of our assets, find out where we are, and how we stand. There is no better time to do that than now. And remember that at the same time that you are, for instance, putting 100,000 more men into employment, you will be taking 100,000 men off of the relief rolls. Our American citizens—God praise them and bless them—want work. They do not want the dole. They do not want charity. I hope that my colleagues will stand behind this bill. This is one of the many progressive measures of our party which I am pleased to support. [Applause.]

The CHAIRMAN. The time of the gentleman from California [Mr. HOEPPEL] has expired.

Mr. LOZIER. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. BRITTEN. Will the gentleman make that in 2 minutes so that I may offer an amendment?

Mr. LOZIER. I move that all debate on this section do now close.

Mr. BRITTEN. Mr. Chairman, as a substitute motion I desire to offer——

The CHAIRMAN. The question is on the motion of the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. I move the previous question.

Mr. BRITTEN. I move to amend the motion by providing that all debate on this section shall close in 2 minutes.

The CHAIRMAN. The question is upon the amendment offered by the gentleman from Illinois [Mr. BRITTEN] to the motion of the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, I accept the gentleman's amendment.

The CHAIRMAN. Without objection debate on this section and all amendments thereto will close in 2 minutes.

There was no objection.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. BRITTEN. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BRITTEN: Page 3, line 13, after the period, add the following: "Each census enumerator shall display a badge upon which shall appear the following inscription: 'I am a Democratic campaign worker being paid out of funds previously appropriated to feed hungry people.'"

Mr. BLANTON. Mr. Chairman, a point of order. I make the point of order that the amendment is not germane.

Mr. MARTIN of Massachusetts. Mr. Chairman, I make the point of order that the gentleman from Texas [Mr. BLANTON] is addressing the Chair from the well of the House.

Mr. BRITTEN. Mr. Chairman, I desire to be heard on the point of order.

Mr. BLANTON. I make the point of order that the amendment is not germane.

Mr. BRITTEN. Mr. Chairman, I desire to debate the point of order.

The CHAIRMAN (Mr. BULWINKLE). The Chair is ready to rule. The amendment offered by the gentleman from Illinois——

Mr. BRITTEN. Will the Chair hear me on the point of order?

The CHAIRMAN. The Chair is ready to rule. The Chair sustains the point of order.

Under the rule, the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BULWINKLE, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill, H.R. 9391, the census bill, and pursuant to House Resolution 392, he reported the same back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the adoption of the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SNELL. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 216, nays 146, not voting 68, as follows:

[Roll No. 180]

YEAS—216

Adair	Bulwinkle	Cole	Dickinson
Adams	Burch	Colmer	Dingell
Ayers, Mont.	Byrns	Condon	Disney
Bailey	Caldwell	Connery	Dobbins
Bankhead	Cannon, Mo.	Cooper, Tenn.	Dockweiler
Beam	Carden, Ky.	Corning	Doughton
Beiter	Carmichael	Cox	Douglass
Black	Carpenter, Nebr.	Cravens	Doxey
Bland	Cartwright	Crosby	Drewry
Blanton	Cary	Cross, Tex.	Driver
Bloom	Castellow	Crowe	Duffey
Boland	Chapman	Crump	Duncan, Mo.
Boylan	Chavez	Cullen	Dunn
Brown, Ga.	Claiborne	Cummings	Durgan, Ind.
Brown, Mich	Clark, N.C.	Dear	Eagle
Brunner	Cochran, Mo.	Deen	Eicher
Buck	Colden	Delaney	Ellenbogen

Ellzey, Miss.	Johnson, Okla.	O'Connell	Snyder
Faddis	Johnson, Tex.	O'Connor	Somers, N.Y.
Farley	Johnson, W.Va.	Oliver, Ala.	Spence
Fiesinger	Keller	Oliver, N.Y.	Steagall
Fitzgibbons	Kelly, Ill.	Owen	Strong, Tex.
Fitzpatrick	Kenney	Palmisano	Stubbs
Flannagan	Kerr	Parker	Studley
Fletcher	Kleberg	Parsons	Sullivan
Ford	Kocialkowski	Patman	Sutphin
Fuller	Kopplemann	Peyser	Swank
Fulmer	Lamneck	Prall	Sweeney
Gasque	Lanham	Ramsay	Tarver
Gavagan	Lanzetta	Ramspeck	Taylor, Colo.
Glover	Larrabee	Rankin	Taylor, S.C.
Goldsborough	Lesinski	Reilly	Terry, Ark.
Granfield	Lewis, Colo.	Richards	Thom
Gray	Lindsay	Richardson	Thomason
Greenway	Lozier	Robinson	Thompson, Tex.
Greenwood	Lundeen	Rogers, Okla.	Underwood
Gregory	McClintic	Romjue	Vinson, Ga.
Griswold	McFarlane	Rudd	Vinson, Ky.
Haines	McGrath	Sabath	Wallgren
Hamilton	McKeown	Sadowski	Walter
Harlan	McMillan	Sanders, La.	Warren
Harter	McReynolds	Sanders, Tex.	Wearin
Hastings	McSwain	Sandlin	Weaver
Healey	Maloney, Conn.	Schaefer	Werner
Henney	Maloney, La.	Schuetz	West, Ohio
Hildebrandt	Mansfield	Schulte	West, Tex.
Hill, Ala.	Martin, Colo.	Scrugham	White
Hill, Samuel B.	Mead	Sears	Whittington
Hoeppel	Meeks	Secrest	Williford
Howard	Miller	Shannon	Williams
Hughes	Milligan	Sirovich	Wilson
Imhoff	Montet	Sisson	Wood, Ga.
Jacobsen	Murdock	Smith, Va.	Wood, Mo.
Jenckes, Ind.	O'Brien	Smith, Wash.	Zioncheck

NAYS—146

Allen	Dondero	Kurtz	Reed, N.Y.
Andrew, Mass.	Dowell	Lambertson	Rich
Arens	Eaton	Lambeth	Robertson
Arnold	Edmiston	Lea, Calif.	Rogers, Mass.
Ayres, Kans.	Edmonds	Lehlbach	Ruffin
Bacharach	Eltse, Calif.	Lehr	Seger
Bakewell	Englebright	Lemke	Shallenberger
Beck	Evans	Luce	Sinclair
Beedy	Focht	Ludlow	Snell
Biermann	Foss	McCarthy	Stokes
Blanchard	Frear	McFadden	Strong, Pa.
Boileau	Gifford	McGugin	Taber
Britten	Gilchrist	McLean	Taylor, Tenn.
Brown, Ky.	Gillespie	McLeod	Terrell, Tex.
Buchanan	Gillette	Mapes	Thomas
Burke, Nebr.	Goodwin	Marshall	Thompson, Ill.
Burnham	Goss	Martin, Mass.	Tinkham
Cady	Guyer	Martin, Oreg.	Tobey
Cannon, Wis.	Hancock, N.Y.	May	Traeger
Carpenter, Kans.	Hart	Merritt	Treadway
Carter, Calif.	Hartley	Millard	Truax
Carter, Wyo.	Hess	Mitchell	Turner
Cavicchia	Hill, Knute	Montague	Turpin
Christianson	Hollister	Moran	Umstead
Clarke, N.Y.	Holmes	Morehead	Utterback
Cochran, Pa.	Hope	Mott	Wadsworth
Collins, Calif.	James	Moynihan, Ill.	Welch
Connolly	Jenkins, Ohio	Nesbit	Whitley
Cooper, Ohio	Johnson, Minn.	O'Malley	Wigglesworth
Crosser, Ohio	Jones	Peavey	Wolcott
Crowther	Kahn	Perkins	Wolfenden
Culkin	Kelly, Pa.	Pettengill	Wolverton
Darden	Kennedy, N.Y.	Pierce	Woodruff
Darrow	Kinzer	Polk	Woodrum
De Priest	Kloeb	Powers	Young
Dirksen	Kniffin	Ransley	
Ditter	Knutson	Reece	

NOT VOTING—68

Abernethy	Church	Huddleston	Peterson
Allgood	Coffin	Jeffers	Plumley
Andrews, N.Y.	Collins, Miss.	Kee	Randolph
Auf der Heide	DeRouen	Kennedy, Md.	Rayburn
Bacon	Dickstein	Kramer	Reid, Ill.
Berlin	Dies	Kvale	Rogers, N.H.
Boehne	Doutrich	Lee, Mo.	Shoemaker
Bolton	Fernandez	Lewis, Md.	Simpson
Brennan	Fish	Lloyd	Smith, W.Va.
Brooks	Foulkes	McCormack	Stalker
Browning	Frey	McDuffie	Sumners, Tex.
Buckbee	Gambrill	Marland	Swick
Burke, Calif.	Green	Monaghan, Mont.	Thurston
Busby	Griffin	Muldowney	Waldron
Carley, N.Y.	Hancock, N.C.	Musselwhite	Weideman
Celler	Higgins	Norton	Wilcox
Chase	Hoidale	Parks	Withrow

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Kee (for) with Mr. Bacon (against).
Mr. Hancock of North Carolina (for) with Mr. Higgins (against).
Mr. Kennedy of Maryland (for) with Mr. Andrews of New York (against).
Mr. Randolph (for) with Mr. Fish (against).
Mr. Celler (for) with Mr. Chase (against).
Mr. Brooks (for) with Mr. Kvale (against).
Mr. Peterson (for) with Mr. Bolton (against).
Mr. Griffin (for) with Mr. Doutrich (against).
Mr. DeRouen (for) with Mr. Buckbee (against).
Mr. Dickstein (for) with Mr. Plumley (against).
Mr. Lee of Missouri (for) with Mr. Muldowney (against).
Mr. Busby (for) with Mr. Simpson (against).
Mr. Lloyd (for) with Mr. Stalker (against).
Mr. Boehne (for) with Mr. Swick (against).
Mr. McCormack (for) with Mr. Waldron (against).
Mr. Rogers of New Hampshire (for) with Mr. Withrow (against).
Mr. Gambrill (for) with Mr. Reid of Illinois (against).

Until further notice:

Mr. McDuffie with Mr. Thurston.
Mr. Carley of New York with Mr. Shoemaker.
Mr. Allgood with Mr. Church.
Mr. Dies with Mr. Brennan.
Mr. Rayburn with Mr. Frey.
Mr. Smith of West Virginia with Mr. Hoidale.
Mr. Sumners of Texas with Mr. Berlin.
Mrs. Norton with Mr. Wilcox.
Mr. Fernandez with Mr. Weideman.
Mr. Lewis of Maryland with Mr. Parks.
Mr. Musselwhite with Mr. Foulkes.
Mr. Green with Mr. Monaghan of Montana.
Mr. Huddleston with Mr. Marland.
Mr. Browning with Mr. Burke of California.
Mr. Collins of Mississippi with Mr. Coffin.
Mr. Auf der Heide with Mr. Jeffers.
Mr. Kramer with Mr. Abernethy.

The result of the vote was announced as above recorded.

A motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. LOZIER. Mr. Chairman, I ask unanimous consent that all Members who spoke on the bill H.R. 9391, may be permitted to revise and extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection?

OLD-AGE PENSIONS

Mr. WELCH Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WELCH. Mr. Speaker, of all the social legislation that has been suggested during recent years, there is perhaps none that touches our hearts and has a greater emotional appeal than that of old-age pensions. The old system of the county poorhouse or home for the aged is passing. Over one-half of the States in the Union have enacted old-age pension legislation. In some of these States husbands and wives who have toiled together through the years are no longer torn apart to be placed in a home under a system of mass charity. The day will speedily come when this shall be stopped entirely in this country. No matter how adequate may be its facilities, no matter how beautiful its surroundings—and my home city of San Francisco has one of the finest and most beautiful homes for old folks in the world, the Laguna Honda Home, with the most modern facilities and most beautiful surroundings—an old-folks home still remains mass charity, with all of its drawbacks.

It is significant that the welfare organizations of the Nation, with their vast experience in dealing with the aged and indigent, together with the fraternal organizations, and particularly the Fraternal Order of Eagles who have had very wide experience in this problem, are unanimous in their support of this humanitarian legislation. It has been endorsed by the Catholic Welfare Council, the Federal Council of Churches of Christ in America, and the Commission on Social Justice of the Central Conference of American Rabbis as representing the three great religious groups in our Nation. In addition it has received the support of the American Federation of Labor and countless other agencies engaged in direct welfare work whose first-hand knowledge of conditions throughout the country cannot be denied. I am glad to add my endorsement to that given by all of these representative organizations and urge upon the Congress of the United States the advisability of taking early and favorable action upon this matter.

During the past year the Federal Government has spent billions of dollars on relief. Every effort has been put forth to find employment for those in distress. An emergency has

existed producing distress on every hand. But even in normal times those who have reached old age cannot hope to compete with youth in securing employment. They are always facing an emergency. Necessary assistance to them is a responsibility we cannot avoid.

The problem is no longer local in character. As our Nation has grown, so has our responsibility. Formerly, when each local community lived largely unto itself, this was a local problem. As local interests and life became State-wide, the responsibility became a State problem. As I have already said, this has been recognized by the enactment of old-age pension laws in 28 States. But we as a Nation are fast outgrowing this State responsibility. It is rapidly becoming a Federal responsibility, and legislation must be enacted to meet it.

Great chain organizations have grown up during recent years, taking the wealth from local communities and centering it in larger cities. Investors in one part of the United States develop their investments in other sections of the country, in which they may never be present, and in many instances in which they pay no taxes. This increase of wealth develops responsibility, and the only way in which it can be adequately placed is through the Federal Government contributing its proper share of the cost incidental to caring for the aged. It is not right to expect a local community to have to carry the burdens of those who have grown old developing wealth that is removed from that community by distant investors. This is in part a Federal responsibility.

The progress made in the American standard of living during recent years has created a situation which must be recognized by the Federal Government. Improvement in transportation, the wider knowledge of more favorable climate in some States for older people, have both contributed to make this Federal problem more important. State old-age pension laws must, as a measure of self-protection, contain provisions requiring residence in that State for periods of 10 or 15 years prior to the application for an old-age pension. Persons of advanced years, seeking better health in more favorable climates, are without assistance from their old home State and can lay no claim to assistance from the new home State. Only through the Federal Government can these worthy citizens be aided.

The enactment of national legislation definitely establishing a policy in which the Federal Government accepts its responsibility will do much to bring about uniformity in State laws which now vary widely. The cost to the Federal Government will be negligible when compared with the tremendous sums now spent on relief. The experience already gained by the administration of State old-age pension laws now in effect indicates that old-age pension laws are far more economical and humanitarian than the maintenance of almshouses and homes for the aged.

In every State where the plan has been in effect the per capita costs have been materially reduced by the pension plan. The cost of caring for the aged in these States has been lifted from local communities during the recent depression and has been more properly distributed. It should be distributed over the entire country.

In closing, Mr. Speaker, let me call attention to the fact that this is not a new principle insofar as the Federal Government is concerned. It is simply an extension of the pension systems already in effect to apply to all of our citizens who have labored through the years to build this Nation. It is recognition of services rendered in the development of private industry in the same manner as the veterans of our wars receive pensions for services they have rendered, or Federal civil employees for the years they have toiled in civil service. Every laboring man and woman is entitled to the removal of the haunting fear of a destitute old age.

MR. RAND'S EXPLANATION UNSATISFACTORY

Mr. FOULKES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOULKES. Mr. Speaker, it was to be expected that my criticism of James H. Rand, Jr., head of the reactionary "committee of the Nation", and president of the typewriter-manufacturing concern of Remington-Rand, Inc., would displease Mr. Rand and his associates, as well as others in agreement with him.

I was not surprised, therefore, when I received a lengthy letter from H. Landsiedel, vice president of Remington-Rand, Inc., protesting against my statements in an extension of remarks in the CONGRESSIONAL RECORD under date of May 28.

In this strike, as in many others, it is obvious that the employers have violated the spirit of the N.R.A. and of the new deal although naturally enough, with able legal counsel to aid them, they have surrounded themselves with every subterfuge and protection that statutory technicalities provide. My information came from reliable sources and I am satisfied that I did not err on any material point in my statement regarding the disagreement between the corporation and its employees. From people living in Ilion, N.Y., and vicinity, I have obtained plenty of facts in corroboration of my position.

Although the N.R.A. has laid down as one of its fundamentals the right of employees to organize in unions, to have their unions recognized, and to deal with their employers in an organized way, the manufacturers of the Remington typewrite object to this and want to go back to the outgrown epoch in which there were no unions because there were also no great corporations.

Dependable informants tell me that the workers in the Remington plants have not insisted upon a closed shop. They have merely asked recognition of their union and the right to have representatives of the union deal with the company, instead of the workers being compelled to deal as helpless individuals with one of the most powerful trusts in the United States. Such a request calls for no more than an elementary right that the N.R.A. and the National Labor Board have consistently upheld.

I am advised, moreover, that the Remington-Rand, Inc., agreed to accept terms which were accepted in the parallel case of the Underwood Typewriter Co., and then failed to live up to the agreement. I am convinced, from the facts laid before me, that I was entirely right in my assertion that the employers have taken advantage of the workers in conferences, getting concessions from them by making promises that were later disregarded.

Mr. Landsiedel says my speech tended to "inflame passion and class antagonism." Every monopolist says the same thing whenever his oppressive tactics are exposed. The truth is that the exploiting trust magnate is the one who creates passion and antagonism by his tyranny.

As for Mr. Rand, Remington-Rand, Inc., and the Remington Arms Co., the relationship between these and other interests that are viciously hostile to the social-justice program of President Franklin D. Roosevelt and his fellow workers in the task of humanizing the Government of the United States is perhaps technically remote. So is the connection between many other groups of Wall Street magnates who are beneath the surface hand in glove.

At one time Remington, owner of the Ilion, N.Y. rifle factory, had a financial interest in his own name in the typewriter concern. Merely because there is no official record today of a monetary relationship between these two organizations or between many other corporations is no proof that such a connection does not exist. Political bedfellows who fight shoulder to shoulder for the same code of reaction and stifled competition have secret bonds that unite them in their common cause against progress and the cause of "the forgotten man."

Mr. Rand, with his plutocratic "committee of the Nation" and his hysterical and melodramatic Dr. Wirt; the Remington Arms Co; the Remington-Rand, Inc.; the Steel Trust, that makes its headquarters in Dr. Wirt's home city, Gary, Ind.; and all the other ruthless and rapacious interests that give lip service to Franklin D. Roosevelt, but ac-

tually hate him and his brave crusade for real democracy—they are all brothers under the skin.

WORK OF THE SEVENTY-THIRD CONGRESS

Mr. ROGERS of Oklahoma. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ROGERS of Oklahoma. Mr. Speaker, in a few days we will have finished the work of the Seventy-third Congress, the most important in the history of our great Republic. Both the special session held during the early months of 1933 and the session now drawing to a close have enacted more constructive legislation than has ever been witnessed during any like period.

The splendid work of the Seventy-third Congress has been possible because of the close cooperation between the administration and the majority party of the Congress. Relief has been extended to millions of our fellow citizens, and agriculture and industry have been lifted from conditions of utter prostration. We have started on the road to recovery. However, there remains much to be done, and the Congress should not adjourn until the task is completed. It is my thought that even though this is an election year and many of the Members have opposition in their respective districts, we should remain in Washington until the Congress adjourns. With this thought in mind, I am sending the following letter to my constituents:

DEAR FRIEND: After the adjournment of Congress I will return to my home in Oklahoma City. I will have copies of all laws enacted during both sessions of the Seventy-third Congress, together with various documents, bulletins, pamphlets, and other governmental publications. You may have any of these upon request.

If, as your Congressman at large, I can be of any service to you while I am in Washington or when I return to Oklahoma, do not hesitate to write me, or, better still, come to see me when you are in Oklahoma City. Let me have the benefit of your personal suggestions and recommendations. You will find me listed in the Oklahoma City telephone directory.

With best wishes, I am,

Sincerely yours,

WILL ROGERS (of Oklahoma City),
Congressman at Large.

I am confident that whatever remains to be done when the Seventy-third Congress adjourns will be pushed forward to completion by the Seventy-fourth Congress under the leadership of our great President. It is to be hoped that the people will see to it that enough members of the Democratic Party are returned to Congress to enable President Roosevelt to complete the work that he has so ably begun.

THE POLICY OF EXEMPTING GOVERNMENT BONDS FROM THEIR JUST PROPORTION OF TAX BURDENS IS UN-DEMOCRATIC, UN-REPUBLICAN, UN-AMERICAN AND A VICIOUS FORM OF GOVERNMENTAL FAVORITISM

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks on other subjects than the census bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. LOZIER. Mr. Speaker, one of the live issues before the American public is the question of tax-exempt securities. Since I entered Congress I have spoken and voted in favor of a constitutional amendment that would prohibit the issue of tax-exempt or partially tax-exempt securities, because many great fortunes, some of which were accumulated as the result of war-time profiteering, are now invested in this class of securities.

Those who have their fortunes invested in tax-exempt securities are escaping their fair proportion of the burdens and expenses of the Government which protect them in the accumulation of their wealth, and now protects them in the enjoyment of their possessions. It is a time-honored principle that all citizens should contribute to the support of the Government in proportion to their ability, but this formula is reversed under the policy of issuing tax-exempt securities, which, in its practical operation, means that the greater wealth a man has the less taxes he shall pay.

The policy of exempting any securities or things of value from their just proportion of tax burdens is undemocratic, unrepublican, un-American, and a vicious form of governmental favoritism. It tends to create a privileged class, which is antagonistic to the basic principles on which our Government is founded. It strikes viciously at our progressive income-tax system, in that it permits a comparatively few individuals with large incomes to escape their quota of taxes and correspondingly increases the tax burdens of people who have only moderate means.

To fair-minded men it is inconceivable why any class of citizens should be relieved of their just proportion of national, State, or local taxes, but there is rapidly increasing classes who by purchasing tax-free bonds not only escape taxation on their incomes from these bonds, but at the same time secure a reduction on their surtax on incomes from other sources.

No one familiar with the facts will deny that many owners of swollen fortunes are systematically investing their capital in tax-exempt securities in order to escape taxation, especially in the higher bracket surtaxes. In every community there are men of great wealth who pay little or no taxes for national, State, or local purposes because their wealth is invested in tax-free bonds. This condition is not wholesome and is calculated to breed discontent, socialism, and bolshevism. When men of moderate incomes who are taxed heavily for the support of the State and Nation see their rich neighbors escaping their taxes by concentrating their wealth in tax-free securities, only patriotism, sound judgment, and commen sense prevent them from becoming anarchists.

The ever-increasing supply of tax-exempt securities makes taxdodging easy, wrongfully deprives the local, State, and Federal Governments of revenue comparatively estimated at from two hundred million to four hundred million annually, which revenues are sorely needed to enable our governmental agencies to function efficiently.

The system is viciously discriminatory. It creates and nurtures communistic sentiment. It discourages and penalizes individual enterprise and initiative. It relatively reduces the reward of the man of vision, who, seeing far into the future, has the courage to invest his funds in commercial ventures and productive industries, in which, of course, there is always an element of risk because of varying economic conditions. It destroys the incentive of individuals and corporations to initiate new commercial and industrial activities. It makes capital lazy, timid, withdraws it from channels of commerce, and locks it in a strong box.

In our complex economic system money invested in tax-exempt securities is likened to the talent buried in the earth. While it may discharge public obligations, make public improvements, and perform other useful purposes, it yields no revenue and does not aid productive industries or make the wheels of commerce and business go 'round and 'round. The tax-exempt securities do only a part of their duties, and in return for what they do, they demand unconscionable privileges and immunities.

Tax-free bonds are drone bees in the hive of capital, commerce, and industry. They create no new wealth, build no new factories, construct no new railroads, stimulate no new industries, open no new markets, build no new homes, and finance no new and far-reaching commercial activities. The beneficiaries of tax-free bonds turn a deaf ear to the ever-increasing demand of industry and commerce for new capital to develop and conserve our national resources and to carry on our commerce and business.

It is fundamentally wrong to permit certain classes or groups of citizens to habitually use capital for less than its economic value, and when this privilege is granted to any class it automatically compels all other groups to pay for the use of capital more than its economic value. This discrimination is opposed to sound economics, business ethics, and common honesty. If a merchant habitually sells his commodities to a few persons at a loss, obviously, to recoup that loss, he must increase the price of the commodities he sells to his other customers. The loss of profit on one trans-

action must be compensated for by increased profit on other transactions.

The theory on which tax-exempt securities are issued is unethical and inexpedient, because it exacts an excessive charge on the many in order to make up for the losses on transactions with a favored few. This principle applies to sales of the use of capital because money is a commodity, and interest is the price the borrower pays for its use.

If the economic value of a loan of $1,000,000 to a person or corporation is 5 percent per annum, then the economic value of a loan of $1,000,000 to a State or municipality is likewise 5 percent per annum. If we indulge the practice of lending money to a State or to its political subdivisions at a rate of 1 or 1½ percent below the economic value of the money loaned, then to compensate for this loss individuals, business concerns, and public-service corporations must pay 1 or 1½ percent more than the economic value of the use of the money they borrow to conduct their business enterprises.

The issue of tax-exempt bonds penalizes all other forms of securities, withholds capital from industrial developments—railroads, and other public utilities—except at a higher rate, which is immediately reflected in increased prices for manufactured commodities, freights, and other public-utility services. This is because higher priced capital must operate these industries and commercial agencies. This means increased cost of production or operation, which is quickly translated into higher prices for commodities or service.

Tax-exempt bonds are of exotic origin. They are contrary to the genius and spirit of our institutions. In theory, at least, all men are equal before the law; that is, all have the same rights and are alike amenable to the law and entitled to its protection. Likewise, all property should be equal before the law and alike subject to the burdens incident to maintenance of our governmental agencies.

The continued issue of tax-free securities violates the principle of equal distribution of taxation and prevents an equitable proportion of the taxes being placed on those best able to bear them. It necessarily penalizes one class of investment for the benefit of another form of investment. The average citizens—that is the farmers, laborers, business and professional men, and the middle classes, who follow ordinary pursuits and have moderate incomes and who by their industry, economy, and ability build up communities and contribute to the creation of new wealth—under the present system must bear more than their fair and just proportion of the tax burden—Federal, State, and local—while the favored few escape their just part of this burden, because, forsooth, they have invested their idle wealth in tax-free securities and not in productive industries or tangible property. In my opinion the next constitutional amendment submitted for ratification will be one to abolish the issue of tax-exempt securities, and in the interest of fair play and social justice I will aggressively support an amendment of that character.

EXTENSION OF REMARKS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial.

Mr. TABER. Mr. Speaker, I object.

THE OIL INDUSTRY

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my remarks on some oil bills pending before the Committee on Interstate and Foreign Commerce, and to include therein a letter from the President.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HASTINGS. Mr. Speaker, next to agriculture, the oil industry is perhaps the most important one in my State of Oklahoma. The proceeds from oil produced have been of great help to the development of the State. It has built cities and towns and has provided revenues, in a large measure, to pay the expenses of the State government. It has strengthened our school funds. To the amount that the oil industry has contributed in taxes, it has taken that burden from the taxpayers and has built roads and bridges and has maintained them.

Some 2 years ago the oil industry was in a terrible plight. The price of oil went down to around 25 cents per barrel, which is ruinously below the cost of production. The oil men now are greatly distressed lest these low prices be reached again, and this low price level will be reached again unless a way is found of effectively enforcing the allowable production of oil for each State and locality.

The oil administrator strongly recommends that additional legislation is necessary to strengthen the existing law. The President has appealed to the committees of Congress, and through them to Members of the House, inviting attention to the actual and acute situation, and the responsibility is upon Congress to enact legislation with teeth in it before adjournment if the oil industry is to be saved from disaster.

Bills are pending before the House Committee on Interstate and Foreign Commerce and before the Senate Committee on Mines and Mining to give the oil administrator additional authority to enforce the present law and prevent the production of oil in excess of the maximum amount determined by the administrator, as provided by the petroleum code. It is reported that "hot" oil is being produced. Those States where the petroleum code has been ruthlessly violated do not want any legislation. They protest against it. It is as certain as that night follows day that unless the oil administrator is given legislation with teeth in it that "hot" oil in almost unlimited quantities will be run in violation of the amount allowable under the code.

I believe in oil proration and restricting production. In my judgment it is the only way to save the oil industry. If the legislation introduced by my colleague, Congressman DISNEY, and by Senator THOMAS of Oklahoma, at the request of the oil administration, is enacted, it will give the necessary authority to the oil administrator. This will preserve the price of oil. If the price of oil goes down as it did in August 2 years ago, it will not only deprive Oklahoma of a large amount of revenue, but it will throw thousands of laborers out of employment; it will destroy the value of collateral pledged for loans; and it will disastrously affect not only Oklahoma but all the oil-producing States. It is a short-sighted policy for a few companies engaged in running "hot" oil to oppose this legislation for the benefit of the oil industry. They do not fear State authority. They think they can get by States and State agencies and still run "hot" oil. They have been able to do this in the past, and they hope to do it in the future. There really is no answer to the contention I make that those who really are opposed to this legislation believe that they are in a position in some way or other to evade existing law and regulations and will be able to run an excess amount of "hot" oil. This is the position in a nutshell. If not, why do they not agree that the Federal Government enact strengthening legislation which will put teeth in existing law and enable the oil administrator to enforce the law and prevent excess production?

This will result in keeping up the price of oil. Without this legislation the oil industry is headed for the rocks. You hear of scandals and all sorts of evasions of existing law. Congress ought not to adjourn, if this industry is to be preserved, without the enactment of legislation recommended by the oil administration and the President.

This bill is to regulate commerce in petroleum, and declares, in section 1, the policy that the excessive supply of crude petroleum and products derived therefrom has injuriously affected and now injuriously affects commerce in petroleum; that premature extraction of petroleum from the natural reservoir above the quantity which may be moved in commerce results in waste; and that to prevent this there is need of further regulation.

It gives the Secretary of the Interior, who is the oil administrator, the necessary power to make necessary investigations and collect data, and require reports and the examination and inspection of books, records, papers, and properties for the purpose of verifying such reports.

This means that producing companies, some of whom are engaged in running "hot" oil, cannot conceal the oil produced and sold above the allowable amount, and it will give the oil administrator the information he desires as to whether an excess amount of oil has been produced and sold over and above the amount allowed.

The bill authorizes the Secretary of the Interior to limit the importation of petroleum and its products and to determine the demand for consumption and regulate or fix the quota for each State or community of oil that may be produced.

Paragraph (b) of section 5 provides:

The Secretary of the Interior shall prescribe quotas of crude petroleum for movement into commerce, in such manner and to such extent as will limit the total movements into commerce to the demand for consumption, in the United States and the demand for export, as determined by the Secretary of the Interior, and he shall prescribe such quotas of crude petroleum from such States, pools, fields, leases or properties, storage units, or other sources of supply as he may find to be necessary to effect such national limitation. The quota prescribed for any such source of supply shall be equal to the demand for crude petroleum from that source of supply as determined by the Secretary of the Interior under this section.

Then there is a proviso for proper care for new sources of supply. After determining the amount of the allowable quota for any State or community, section 6 provides:

If the Secretary of the Interior shall determine that the effective enforcement of quotas prescribed pursuant to section 5 of this act requires the establishment of quotas for the production of crude petroleum within or from any State, pool, field, lease, property, or well, the Secretary of the Interior may prescribe quotas for production in or from such State, pool, field, lease, property, or well.

Then the bill makes it unlawful to produce oil in excess of the quota.

Section 7 provides that the Secretary of the Interior may provide certificates of clearance for petroleum.

Section 8 provides that the Secretary may make additional rules and regulations whenever it may be necessary.

Finally, an appeal is permitted to the courts, and any person adversely affected by any order, rule, or regulation issued under the provisions of the act or any act done or threatened thereunder may seek court review.

This bill makes sure that the Secretary of the Interior, appointed as the oil administrator, may have the authority to make the necessary investigations, examine books, prescribe quotas, and prevent imports in order to find data to compel all persons or corporations producing oil to live within the law. It will result in reduced production to the amount allowed. No person, firm, or corporation interested in having the oil industry to prosper honestly need be afraid of this bill. The "hot" oil man or company, of course, uses every kind of argument, constitutional or otherwise, to dodge the question. Of course, everyone who wants to evade the law first jumps behind the Constitution and uses it as a smoke screen. This legislation is constitutional. The committees of the House and the Senate should bring the bills out in the open and report them for the consideration of the House and Senate so that the questions involved may be debated and considered.

I am attaching an earnest appeal from President Franklin D. Roosevelt, urging the enactment of this legislation and outlining the situation such as we who are acquainted with the oil industry know to exist.

PRESIDENT'S MESSAGE RELATIVE TO FEDERAL PETROLEUM BILL.

The President has addressed identical letters to Senator M. M. LOGAN, Chairman of the Senate Committee on Mines and Mining, and to Representative SAM RAYBURN, Chairman of the House Committee on Interstate and Foreign Commerce, and has sent copies of these letters to Senator THOMAS of Oklahoma and Representative DISNEY. The President's letter read as follows:

MAY 22, 1934.

MY DEAR MR. CHAIRMAN: I have received a disturbing letter from the administrator for the petroleum industry, Hon. Harold L. Ickes, informing me of the continued daily production of oil in excess of the maximum amount determined on by the administrator pursuant to authority under the petroleum code.

The administrator states that the records of the Bureau of Mines during the first 3 months of this year show a daily average production of illegal oil of 149,000 barrels. Technically speaking, this may not all have been "hot" oil, but in a real sense it is, since it is oil produced in excess of the allowable. While the final figures of the Bureau of Mines are not available for the months of April and May, it is unquestionably true that there is growing disregard for production orders issued under the petroleum code and that the trend of "hot" oil produced is upward. For example, it is stated on reliable authority that the daily excess production in the east Texas field alone is running at 60,000 to 75,000 barrels per day. Other estimators say that this figure should be much higher. The Oil and Gas Journal recently estimated that there was illegal production in the country as a whole of 193,475 barrels per day during the week ended May 12.

If the principle of prorating production under a code is to be maintained, it seems necessary that the existing law should be strengthened by the passage of the bill which has been introduced in the Senate by Senator THOMAS, and in the House by Congressman DISNEY, and supported by the oil administrator.

It is a simple fact that as a result of the work of the oil administrator definite progress has been made both in eliminating unfair practices and in raising the price of crude petroleum to a reasonable level, which has brought added employment and more fair wages to those engaged in oil production.

I am frankly fearful that if the law is not strengthened illegal production will continue and grow in volume and result in a collapse of the whole structure. This will mean a return to the wretched conditions which existed in the spring of 1933.

I hope therefore that the proposed legislation can be enacted. I do not want to see this important American industry reduced to the condition under which it was operating before the oil administration started its work.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

JUDGE MANSFIELD

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. SANDERS] may be permitted to extend his own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SANDERS of Texas. Mr. Speaker, those of us who have spent many years in Congress learn to value above all else the sincere and able efforts of certain of our colleagues on both sides of the House. One of the most faithful and beloved is the gentleman from Texas, Judge MANSFIELD. His long service, his stout heart, and his indomitable courage have inspired us all. We learn now with a feeling of relief that the Judge will run without opposition in his district, and therefore will be spared the hardships and uncertainties, and the expense of a grueling campaign in the heat of summer.

Mention should here be made of a peculiar and unusual circumstance which has arisen in the Mansfield district which could have brought about a condition far less pleasant than the one that now exists. The State of Texas has been redistricted, and Galveston County, the home of the gentleman from Texas, Mr. THOMPSON, has been removed from the Seventh District and placed in the Ninth—Judge MANSFIELD's district. Thus two seated Congressmen were pitted against each other.

It is already known that Mr. THOMPSON, with a generosity and chivalry seldom found in our present-day life, has announced that he will not oppose our beloved Judge MANSFIELD, and that he will support him actively. This announcement, incidentally, caused two ambitious Ninth District politicians to withdraw from the congressional race. They had seen in the Mansfield-Thompson situation a possible chance to slip into a prominent place in the coming race.

It should be noted here, in justice to Mr. THOMPSON, that he has made an unusual record during his term in Washington. He is the caliber we need, and seldom get. His vision is clear and far-seeing. He has a mind of his own, but listens carefully to the counsel of his older colleagues. A staunchly loyal Democrat—still I am gratified to hear our Republican colleagues speak well of him.

His committee chairmen tell me his service has been capable and faithful, a gratifying bit of knowledge for me, because I placed him on his committees.

Of particular importance is his age—he is young—38 years this summer, and therefore has every prospect, should he

return to Congress in the near future, of attaining those places of power gained solely by seniority.

These things should be known and appreciated by his own friends here and at home, and by the good Texans who have been Judge MANSFIELD's supporters for so many years. This last group will, I hope, feel a sense of relief to know that when the Judge retires, which we hope will not be for many years, but when he does leave public life and settles down in his newly built home in Columbus, that there is available a worthy successor to carry on his work in the person of the Honorable CLARK THOMPSON.

The Democratic Party, too, will appreciate Mr. THOMPSON's self-sacrifice for through it the seniority of Judge MANSFIELD, with all of its value and influence, is preserved in the House of Representatives.

NATIONAL DEFENSE BY AIR POWER

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks on the subject of national defense.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, it is remarkable how the civil population of the United States has grasped and understood the remarkable power of aviation as a factor in national defense. In fact, this power is almost self-evident. What would we think of a horse that could travel 300 miles without having to have a road to run on, and could travel at that rate over water as well as mountains? A troop of cavalry made up of horses with that speed would certainly restore the confidence of all military minds in the power of cavalry. But such horses are not comparable to planes of that speed. Horses would become uncontrollable and break the formation if struck by a single bullet causing even a mere superficial wound. But airplanes may be shot through at nonvital points a hundred times and continue their usefulness, and only when some vital spot is struck is the airplane disabled. Since it has become fairly well known throughout the Nation that I have been standing for advocating and seeking to accomplish legislation looking to adequate defense by air, I have received thousands of letters from all sections of the country. I regret that my clerical force was inadequate to answer all these letters. I am asking all who may happen to read these remarks to consider it as something of an answer to the words of commendation that have come to me during the present session of Congress.

Mr. Speaker, not only is air power the most effective means of national defense, but it is the most economical means, and therefore appeals to the mind of the layman and the taxpayer for that reason. I feel sure that it will not be many years before the force of this public opinion operating in every quarter of the country will force itself upon the Government, and the Congress and the President will be compelled to respond to this public conviction that air power is the best and cheapest way of defending our country. Of course, I do not advocate the abandonment of either the Navy or of ground troops. Not one word has ever escaped my lips in derogation of either. But I do say that standing alone they cannot defend this Nation as we insist it must be defended. Furthermore, Mr. Speaker, I am discussing the national defense, and defense only. And I mean by defense the repulsion of any attempted invasion of continental United States or of our outlying possessions. I do not believe that the American people will ever again approve of our sending armies across the oceans to fight the battles of other nations upon a foreign soil. Our country is large enough and varied enough in resources of food and of materials to enable us to live comfortably while other nations destroy each other in war. It is far better for us to stay at home and develop our own resources, and, if needs be, have our foreign commerce for a time curtailed by reason of wars among other nations, than it is for us to undertake to engage in war on the other side of the ocean and thus be drawn away from our base of supplies and take the chance of having other nations combine against us and destroy hundreds of thousands of precious American youth.

So long as I am in Congress I will never vote to send another army across either ocean. But I will vote to spend the last dollar of American wealth and to bring into the service every man of military age to repel any effort by any enemy to invade our country. We want to give other nations of the world notice that we will not dabble in their affairs, but if they try to come over here and dictate to us we will by means of our fleet and especially by means of our air fleets, try to give them a watery grave before they get within 500 miles of our shores. But should we fail in this, then we will be still fighting by our reserve air forces, having brought into action not only the Organized Air Reserves but the emergency pilots, and will try to sink the enemy transport before they ever can touch American soil. If, however, they should break through this line of defense, we will by then have assembled sufficient forces of land troops consisting of Regular Army, National Guard, Organized Reserves, and millions of soldiers drafted from the unorganized reserves, and these will fight along with those already trained in the Regular Army, the National Guard, and the Organized Reserves, and we will furnish ground for graves for every enemy that lands on American soil. Conditions are very different from what they were a hundred years ago. No fleet can land as did the British in 1814, when they burned the National Capitol. No invading army can land as it did at New Orleans, when Andrew Jackson sent them to sudden and unexpected graves.

The following extracts from current publications are typical of thousands appearing in our newspapers and magazines:

The views of General Bullard, a most distinguished soldier, are entitled to the greatest respect, as they appeared in the New York American:

AVIATION BECOMES MOST DOMINANT FACTOR IN MILITARY SYSTEM, ADDS SECURITY LEADER

(By Lt. Gen. Robert Lee Bullard, formerly commander of the American Second Army in France, now president of the National Security League)

The amazing progress of aviation and in the adaptability of the airplane to war uses make necessary a reorganization of our national defense system.

The air is not "divided" at the shore line. We should have a unified air force.

The airplane is the most powerful weapon of offense and defense ever invented by man. It should not be made a "stepchild" of the older services. As such, plans for its use are woefully inadequate.

These plans, and appropriations to make them effective, are constantly subordinated to the needs of the Army and Navy—both of which are quite literally of diminishing importance to national defense.

There should be a separate, unified air force, equal in rank and importance with the Army and Navy, and the three services should be united under a single department head.

The time is very near when, of these three services, the air force will be by far the most important, effective and reliable means of defense.

It is imperative that we prepare for this day by freeing the airplane, as a defense weapon, from the apron strings of the older services; and seek to let men trained in carrying war into a new element study and prepare now, so that we may be able to meet the war as it will be fought in the future.

PLANES DOMINATE

After the World War, and again lately amid threats of war, we had discussion of air power, and in each case indecision. Facts and events give no warrant for indecision.

Even when the World War ended the airplane's superior power was clear. The dominant morale had shifted from side to side with mastery of the air. Soldiers, overflown, became demoralized and had little fight left in them. Panic-stricken civil populations fled. That kind of domination over the morale of a warring nation is next door to victory.

The airplane emerged from the World War armed with the deadly effectiveness of the machine gun, the destructiveness of the bomb, the frightfulness and insidiousness of poison gas. And it was even then evident that its attacks could neither be foreseen nor prevented.

No other arm or implement of war showed such wide development of uses. None had comparable material and moral effectiveness. None showed such possibilities of future development.

In Europe, France, in her fear of another war with her old enemy, Germany, at once made the airplane her principal arm.

In America Admiral Sims was quoted as saying that in a modern war the best place for the fleet would be as far up the Mississippi as possible.

NEW ACHIEVEMENTS

Then, a dozen years ago, General Mitchell, of the Army Air Force, contended that even then the airplane was superior to the dreadnaught. And during a storm of controversy he was court-martialed and resigned. But generally in America thinking on this subject has advanced little beyond the ideas of 1918.

Even though, within a few years, there have been staggering increases in size, spread, maneuverability, climb, lift, range, and fighting power of this war weapon.

New achievements are reported almost daily. An American commercial giant airplane has 3,000 miles cruising range. Even Mount Everest ceases to be an obstacle. Russia nears success with a plane which can carry 150 men, or even artillery. Italy staggers us with superspeed records and a trans-Atlantic air armada.

We produce a bomber which needs no escort of fighters; it is swifter and more agile than most pursuit planes. From Europe a story, not improbable, of the invention in Germany of a stratosphere bombing plane of almost incredible ceiling speed, range, and load capacity. While Britain experiments with a giant, heavily armed, which may be able to drive the submarine menace from beneath the seas.

To make this new weapon more deadly and terrifying, more powerful poison gases are being invented, and more frightful and outrageous of all bacteria for the infection and indiscriminate killing of civil populations are being prepared for broadcasting by aerial bombers.

For more than a dozen years the older services have been working on defenses against this new weapon of war. There is none, except the airplane itself.

DEFENSES FEEBLE

That is to say, until some radio wizard invents a ray which will cripple the ignition system in mid-air. Antiaircraft guns, gas masks, and caves, regardless of military reassurances, all constitute but feeble defense. They are merely palliatives.

Two years ago our Navy, with its airplanes, defeated our Panama Canal defenses in a war maneuver.

Last year British land defense, with its airplanes, was judged to have repelled and defeated attack by the British Navy, the most powerful in the world.

Russia is even now planning to strengthen her trans-Siberian Railway, with airplanes. Germany's rearmament demand is chiefly for airplanes.

France has just called for 3,000,000 francs and Great Britain for approximately the same sum, both for the purpose of enabling themselves to get into constant action with airplanes.

Great Britain is reported to have planned movement of her capital in event of war, to protect the seat of government from aerial attack. Doubtless France and many other European nations secretly have completed such tentative plans long since.

Britain also gives evidence of relying less upon her navy than upon specially armed seaplanes, having cannon firing a new undersea projectile, for protection of her pervious shipping against submarines.

Japan hastens the enlargement of her air force as the only defense which her highly inflammable great cities can have against a Russian air fleet of unknown proportions.

In the light of facts and events which have been cited, how can there be basis for indecision in America?

Frontiers and their forts, seas, rivers, and mountain ranges, concrete entrenched lines, armed millions and gigantic guns—all these mean nothing to this new weapon.

It does not seem to me that H. G. Wells was a literary dreamer when he pictured a general war breaking in 1942 which would so weaken all the powers of Europe that airmen finally would dominate Europe and enforce peace upon that continent.

The possibilities of air war now, today, are of such magnitude that we need to rewrite our whole conception regarding what constitutes an adequate defense system.

MUST BUILD DEFENSE

If the nature of war has changed, if it has already taken to the air, then we cannot be sure of the adequacy of our defenses against air attack if they remain subordinate to the two older services.

The development of air defense for war, as war will be fought henceforth, has been crippled repeatedly by traditional-minded men of the older services. These give preference to the strategy, tactics, methods, and equipment with which they have fought and which they know.

But war tomorrow will be startlingly and tragically different, and preparations for defense against it must not be hampered by short-sightedness.

Again, General Bullard, who, though retired many years ago, fortunately for the good of America continues to study and learn and gives us the benefit of his wise and courageous thinking.

Great powers lately have devoted much attention to various schemes for surface defense against air attack. Tacticians know this was almost wholly futile and was done mainly to put heart into civil populations.

There is no defense against the airplane except the airplane. Hence we have these powers now spending hundreds of millions of dollars building air power. More than that, they seek unified air power, in services kept separate and distinct from army and navy—and thus capable of thinking and acting freely in preparation for modern war.

The chief nations give every evidence of conviction that the airplane has become the predominant weapon of war. Study convinces me that this is true.

Meanwhile, our defense policy can only be characterized as one of indecision.

We have slipped from second place in air power to, some contend, sixth or seventh.

OLDER SERVICES JEALOUS OF AIR

The directors of the older services have been jealously intent upon keeping this new arm subordinate, as an auxiliary, lest they lose power and prestige.

They have belittled the airplane, denied its effectiveness, exaggerated obstacles and difficulties. In the hope of holding the airplane's power to their own services, and thus perpetuating those services, they have fixed rigorous conditions governing personnel, training, organization, construction, and delineation of objectives. Again and again it has been charged that the older services have hamstrung the new.

But for reasons of discipline and subordination to policies decided upon and in operation, this charge is voiced in whispers by only a few of the ranking officers of the Air Services. Younger officers and eminent civilian airmen speak the truth more freely. They know that we should set the airplane free.

Great Britain—so often wise in her foresight—had the vision to avoid such a condition as exists in the United States. No institution has been more sacred in Britain than the Navy, and it has a centuries-old record of geting what it wants. Nevertheless, ever since the armistice powerful forces within the Admiralty have struggled in vain attempting to break up the unified Royal Air Force and obtain control of that portion which is assignable to sea duty.

Great Britain—like most other powers—has placed the airplane in the hands of men who understand the airplane and who can work out the new strategy and tactics of a new type of warfare without hindrance by tradition-bound minds of the older services.

The older services do not face facts.

It is with difficulty that Army Air Corps leaders convince Army leadership that attack, bombardment, and large man-carrying planes give the air force an offensive power widely separate from and increasingly independent of land operations.

Few Army commanders, apparently, can even conceive of a new type of offensive from the air, so deadly in its effectiveness as to make land operations difficult, and an old-fashioned battle line almost meaningless. The airplane joined the Army in the Signal Corps branch—and, unfortunately, the habit of thought which rates it as observer and scout still persists.

Similarly, although there are bombers in the Navy, the discussions of naval men reveal that the airplane is valued by them chiefly as an aid to gunnery and as the eyes of the Navy.

But meanwhile the Army cannot develop an antiaircraft gun which is really effective against airplane attack; and the problem of safeguarding transport lines of a land army if the enemy dominates the air is literally insoluble.

As likewise is the problem of protecting bases of supply, both behind the front and in distant industrial centers.

NO INLAND CITIES IN WAR TIME

And although naval men still contend that floating forts are the heart of the fleet, we are building no new dreadnaughts, though we are building three new airplane carriers. The latter are destined to become, if they are not even now, the most powerful units of any fleet. The dreadnaught is disappearing from navies.

Always, the older services come slowly and reluctantly to decisions based upon the lessons of aviation development; and in a period when that development is so swift that it is rewriting war plans the world over, we inevitably must change our laggard policy. We should do so now.

We should learn also to think in terms of tomorrow, not of yesterday. We have now a bomber which can fight 500 miles at sea and return—outrunning pursuit planes sent against it. We will have soon planes capable—war-equipped—of cross-continent, nonstop flight. Sikorsky, builder of one of our biggest commercial planes, contends that the advance of science and new materials and power plants indicates that the airplane of 5,000-mile flying range is now in sight.

The shore line means nothing when such attacking ranges as that are achieved. The safety of isolation, of distance, of intervening seas, will be ended.

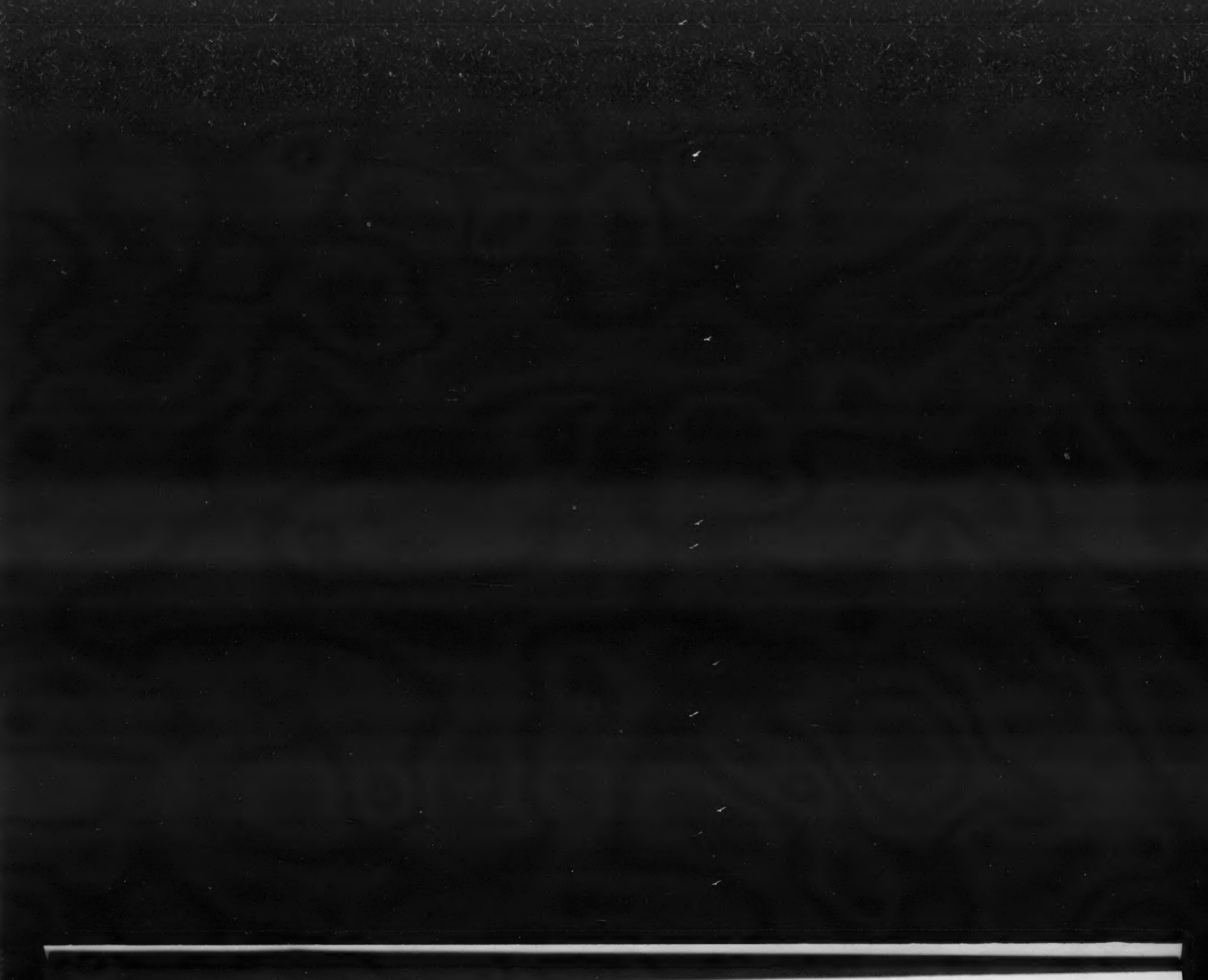
There will be no inland cities in war time. The shipping port, Pittsburgh, will be almost as vulnerable as the naval port, Boston. From bases in Canada or Mexico, or plane carriers at sea, it will be possible very soon for an enemy to attack any city within the United States, or bomb any vital railway or highway.

We cannot know precisely what aerial warfare of the future will be like. Except that it will be swift and deadly; it will strike at the vitals of a nation; it will be waged over a front many hundreds of miles in extent.

We cannot know precisely even what a naval engagement would be like today with airplanes; the world's last great naval engagement, at Jutland, was fought with no airplanes. Lately Britain's reliance on aviation has been such as to bring from a British naval expert a declaration that "the airplane is putting our navy in the museum."

We cannot know how to prepare to meet the war of the future if we treat the airplane as the stepchild of the Army and Navy, despite the fact that it is now being developed as the major weapon of offense and defense.

The airplane has been a helper to the Army and Navy.





But the airplane is rapidly forcing a reversal of old relationships. The Navy is becoming an escort to the airplane; while on land the Army will take over, to consolidate and hold gains made by the airplane.

NO FRONTIERS IN THE AIR

The *Akron* disaster, our admitted Army Air Corps combat weakness, our tardiness in providing the Navy with airplane carriers, our recent air-mail experience, our loss in air strength as compared with other powers—such things as these cry out the fact that our policy is wrong and is providing us with neither effectiveness at present, nor vision regarding the future.

There are no frontiers in the air. The air utterly refuses to lend itself to the present for-the-sake-of-peace agreement between Army and Navy, and divide at or near the coastline into air for Army aviation and air for Navy aviation. The agreement, everybody knows, is ridiculous and destined to fail in its first test in war.

Air war will sweep at high speed over land and sea. It will leave no time for passing the job of defense from service to service. Air defense against it should be unified, centrally controlled, commanded by men who can visualize its necessities and needs—by men capable of looking forward toward tomorrow and not backward toward yesterday.

We should seek, now, unified air defense; also the uniting under a single head of all defense—the services for air, land, and sea having equal rank. It is hard to see how this can be delayed long.

"The wise do in the beginning what fools are obliged to do in the end."

WHY IS AMERICA BEHIND IN AIR POWER FOR DEFENSE?

By George Daws, World-Telegram staff writer

Army aviation in the United States, the Nation that leads the world in commercial air development, is about 5 years behind the program Congress outlined for it in 1926. On the other hand, while naval aviation is under planned strength, it compares favorably with that of any other nation.

Despite the fact that American planes, engines, and pilots are rated as the best in the world and are sought and used throughout the world, the United States Army Air Corps today is sharply deficient in fighting planes, personnel, and training.

GRAVE DOUBT OF DEFENSE VALUE

There is grave doubt as to the value of this major weapon of defense if the Nation were suddenly attacked.

These statements can be made after a study of the Nation's air problem by the World-Telegram. The investigation included visits to official Washington and Army, Navy, and commercial airports, study and analysis of records and reports, and frank discussion of the situation with military, commercial, and congressional authorities. Certain information, classed as military secrets, obviously could not be included in these articles.

Recognition of the fact that something is wrong with military aviation in the United States came recently from two sources.

ROOSEVELT ASKED STUDY

President Roosevelt asked Congress to appoint a commission to study the problem and outline a broad policy. Also, acting on the President's request, Congress added $5,000,000 to the Army Air Corps' 1935 budget.

$120,500,000 NEEDED BY ARMY TO COMPLETE 1931 AIR PROGRAM

By George Daws, World-Telegram staff writer

It will cost the United States Government $120,500,000 to complete the Army Air Corps' 5-year plan of 1926 and provide the corps with the strength this year it should have had in 1931.

Further, the annual cost of maintaining the enlarged corps will be $19,700,000 more than at present.

These figures are quoted direct from an official estimate by the Army General Staff.

Expenditures of the $120,500,000 would not provide for the normal growth the corps should have had in the last 3 years—a period that brought the greatest improvement in aircraft since the first plane was flown. Neither would it properly recognize the fact that military aviation today is a much more important factor in the defense of the Nation than it was in 1926. It would only complete now the program Congress authorized 8 years ago after long and careful study of the Nation's needs.

This evaluation in dollars of the deficiency of the Air Corps is one of the principal disclosures of the World-Telegram's investigation of the Nation's air problem. Others showed the corps is dangerously short in strength and personnel and that there is a general lack of policy and agreement as to the future of the corps. That later situation may be corrected by the report of the Baker board, now meeting in Washington, provided the military authorities and Congress take proper action.

ONLY 450 FIGHTING PLANES SCATTERED ABOUT COUNTRY, MILITARY EXPERTS REVEAL—LARGE PART WOULD BE REQUIRED FOR ADVANCED TRAINING—LESS THAN HALF HAVE PERFORMANCE EQUAL TO THOSE NOW BEING BUILT

By George Daws, World-Telegram staff writer

The Army Air Corps, in the event of sudden aerial attack upon the United States, could only delay rather than defeat the invaders.

That statement by several military and civilian experts, including a high ranking officer of the Army, who must remain unidentified for obvious reasons, supported the conclusion of the World-Telegram investigation of the performance, number, and location of the Air Corps' fighting planes.

These men pointed out that the Army had only about 450 fighting planes scattered throughout the Nation, that a large share of them would be required for advanced training if war came and that considerably less than half had performance comparable to planes now being built. This further confirmed conclusions of the World-Telegram survey that Army aviation is 5 years behind its schedule.

"There is not a single fighting plane in Alaska to repel possible attack by way of the Aleutian Islands," they said. "There are no fighting planes in either the northwest or northeast corners of the Nation, which most certainly are vulnerable areas.

"An enemy coming in by way of Alaska would encounter no aerial opposition until he got down to San Francisco. That is an observation base, but they now are putting in some bombers.

"There's nothing much along the Atlantic coast except Langley Field in Virginia. They call that a bombardment post, but most of the ships are pursuits. Mitchel Field has quite a few observation planes—fine for the artillery but not to repel a hard-hitting aerial attack."

Mr. George Daws, of the New York World-Telegram, interviewed me hurriedly and represented me briefly as follows:

URGES FRONTIER BASES

Mr. MCSWAIN proposed establishment of a chain of seven frontier air bases, underground and bombproof. The most important one would be in Alaska, ready to repel possible attack by way of the Aleutian Islands. Of almost equal importance, he said, would be the bases in the now unprotected northeast and northwest corners of the Nation.

Swift planes, equipped with efficient radio sets, would maintain a constant patrol of the borders, ready to take the air immediately.

Mr. MCSWAIN's indictment of present conditions ranged from criticism of the lack of a separate promotion list for Air Corps officers to the charge that independent manufacturers do not get a fair chance at Government air contracts.

LET'S BE PRACTICAL

"Let's be practical", he said, in discussing the one department of national defense. "Presidents should not be and are not professional military experts. That is not their job. They have other, more important things to do. But the Army and Navy now insist unification of command exists through the President.

"What does the President do in a war-time emergency? He does the sensible thing. He calls in his experts, and they either are under command of or are the Secretaries of War and Navy. Each has his own idea and each advises something different. The result might well be paralysis of action.

UNIFIED CONTROL BETTER

"Common sense dictates that one man, one department, one general staff could get into action better than two groups, who probably previously were glaring at each other from opposite ends of a building."

The one department, Mr. MCSWAIN said, probably would save millions of dollars.

Air Corps officers applauded and then, speaking as individuals, brought forth their plan for the chain of bombproof air bases and the aerial patrol of the Nation's borders. It considerably resembles the one approved by Representative J. J. MCSWAIN, Chairman of the House Military Affairs Committee, and by Brig. Gen. William Mitchell, commander of the overseas air forces during the World War.

NOBODY EXPECTS WAR

"Nobody expects or wants war", said one officer. "But we're hired to defend the Nation. We must get it into our heads that war is not fun, not flashy formation flying to make crowds cheer, not taking off when we feel like it and only when the sun is shining.

"Suppose an enemy suddenly attacked the West coast and we wanted to get all our spare fighting ships out there. I'm saying just suppose, remember.

"First, we'd find that more than half of them either were slow and almost worthless or assigned and needed in schools. Flying west, all would be well for some of the boys if the weather was tough and just too bad for the others. We're not sufficiently trained in blind flying or in following the radio beams.

ENEMY WOULD DESTROY BASES

"You can bet the enemy, if he had any sense, first thing would have destroyed our air bases out there. We'd have to land somewhere for supplies. The sensible thing would be for the Air Corps men at the scene of action to scout around, select a safe field, and guide us in. But how?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill H.R. 8575.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose. The Chair will recognize the gentleman later. We want to call the Consent Calendar at this time.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, may I inquire of the majority leader the program for the remainder of the afternoon?

Mr. BYRNS. It is hoped to call the Consent Calendar.

Mr. SNELL. Are we to understand that nothing but the Consent Calendar will be taken up this afternoon?

Mr. BYRNS. I hope that too much time is not taken in the discussion of these bills, for we want to complete the calendar. There are, I think, about 90 bills on the calendar, and I hope we can conclude the calendar this afternoon. Many of the bills are bridge bills and will not require any particular discussion.

Mr. SNELL. Several Members on the minority side have requested me to find out what the program is expected to be for tomorrow and the next day.

Mr. BYRNS. It is my intention to ask unanimous consent either this evening or tomorrow to consider bills unobjected to on the Private Calendar, the call to begin at the star. It has been suggested that the request should be made to call first the Senate bills on the Private Calendar. Of course, that is subject to the will of the House. I may submit both requests.

Mr. COCHRAN of Missouri. Why not submit them now?

Mr. BYRNS. I will do so.

Mr. SNELL. I think it would be just as well to submit them now so we will understand what the program will be.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that on the calendar days of Friday and Saturday it may be in order to call the Private Calendar for the consideration of bills unobjected to, the call to begin at the star.

Mr. HILL of Alabama. Mr. Speaker, reserving the right to object to ask a question, in the event we do not finish the Consent Calendar today, is it the intention of the majority leader to continue the consideration of bills on the Consent Calendar tomorrow?

Mr. BYRNS. I may say to the gentleman that if this request is granted I shall ask unanimous consent to take it up, for consent would be necessary unless the House takes another recess tonight. This does not mean necessarily that nothing else will intervene. For instance, if there should be a conference report tomorrow it might be thought best to take it up. Personally, I should like to see the Consent Calendar finished today and the Private Calendar called on Friday.

Mr. SNELL. I do not believe there would be any objection to taking up a conference report, but I think it ought to be understood that no other legislation will be brought in when it is understood that the time is to be devoted to the Consent Calendar and to the Private Calendar.

Mr. HILL of Alabama. Mr. Speaker, further reserving the right to object, unless the House recesses tonight, it would not be in order to take up the Consent Calendar tomorrow.

Mr. BYRNS. In the event we do not finish the Consent Calendar tonight, I hope the House will agree to recess until tomorrow so the consideration of bills on the Consent Calendar will be in order tomorrow.

Mr. TRUAX. If the majority leader will make his request for 1 day at a time, it will be agreed to as far as I am concerned, but if he makes it for Friday and Saturday, I shall have to object to the request.

Mr. BYRNS. I thought we could dispose of both propositions in one request, but if the gentleman insists upon his objection I will confine it to Calendar Friday.

The SPEAKER. The gentleman from Tennessee modifies his request. Is there objection to the request of the gentleman from Tennessee?

Mr. McLEOD. Reserving the right to object, in view of the fact that there are not sufficient legislative days remaining in order to bring up my bill under the discharge rule on June 11, is it necessary for the House to recess in preference to adjourning?

Mr. BYRNS. It is necessary for the House to recess. We have not recessed solely for that purpose. I may say to the gentleman from Michigan that he had every opportunity to get a direct vote upon his bill by an amendment and a motion to recommit the Steagall bill the other day and declined to accept the opportunity.

Mr. McLEOD. May I answer the gentleman?

Mr. BYRNS. Certainly.

Mr. McLEOD. I would rather answer the question if the gentleman from Alabama [Mr. STEAGALL] were present. He is chairman of the committee.

I may say, however, that there was an understanding that the conferees of the House would stand by the House bill provision for depositors' pay off until the Capitol fell.

Mr. BYRNS. Do I understand the gentleman to state that he purposely refrained from asking for a direct vote upon his bill on the understanding that he had with the gentleman from Alabama? The reason I ask that question is that the gentleman has been quoted repeatedly in the newspapers and over the radio as complaining that the leadership of the House has denied to him and the majority of the House the right to vote directly upon his bill. The point I make is that the gentleman had this right and when he had the right he failed to exercise it and did not submit his motion. [Applause.]

Mr. COCHRAN of Missouri. Mr. Speaker, I demand the regular order.

Mr. McLEOD. Does the majority leader contend that the leadership of the House has permitted a vote on the so-called "McLeod bill"?

Mr. BYRNS. The gentleman had a right to call it up and to insist upon a vote. The gentleman deliberately ran out and failed to insist upon his right and have a vote on the question at a time when he had the right to make it, and no Member of this House could have prevented it.

Mr. BLANTON. The gentleman from Michigan did not call it up, because he did not have a majority of the votes.

Mr. BYRNS. Certainly; it is because the gentleman knew he did not have anything like a majority in this House in favor of the bill.

Mr. McLEOD. Does the floor leader object to my now moving to suspend the rules and pass the bill?

Mr. BYRNS. I say to the gentleman from Michigan that personally I have no objection to voting on his bill. I am against it myself, and I have no reason personally to object or to going upon record against it. I say that the gentleman ought to quit abusing the leadership of the House through the newspapers and over the radio and complaining that they have refused to give him a right to bring his bill to a vote when he had an opportunity to bring it to a vote and deliberately declined the issue.

Mr. McLEOD. I accept the statement of the floor leader as being sincere and in view of that, Mr. Speaker, I now move to suspend the rules and pass the bill H.R. 8479.

Mr. BYRNS. Mr. Speaker, I have not the right to recognize for suspension, and the gentleman knows it, and this is simply another camouflage that the gentleman is seeking to practice before the public.

Mr. BLANTON. Instead of getting a two-thirds vote, necessary to pass it under suspension, the gentleman would not be able to get one-third of the votes, hence such action would be futile and a waste of time.

Mr. McLEOD. Mr. Speaker, I renew my motion to suspend the rules and pass this bill.

Mr. BOILEAU. Mr. Speaker, reserving the right to object, may I ask the majority leader if a similar opportunity was given to those who advocated the Frazier-Lemke bill?

Mr. BYRNS. Mr. Speaker, I am simply trying to accommodate the House. I have not a single bill upon the Consent Calendar or upon the Private Calendar. If the gentlemen are not willing to permit this request to go through, it is their responsibility and not mine.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. BOILEAU. Mr. Speaker, I object.

CONSENT CALENDAR

The SPEAKER. The Clerk will call the first bill on the Consent Calendar.

DECLARATIONS OF INTENTION

The Clerk called the first bill on the Consent Calendar, H.R. 8317, to extend the validity of declarations of intention beyond 7 years.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

IMPORT AND EXPORT CARGOES

The Clerk called the next resolution, House Joint Resolution 282, requiring 50 percent of the cargo imported and exported under trade agreements between the United States and foreign nations to be carried in vessels of the United States.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I notice in the report on this bill that Mr. Roper, Secretary of Commerce, makes the statement that the views of the State Department should be obtained. In view of the fact that this involves an international question, I ask unanimous consent that the joint resolution be passed over without prejudice until such time as the opinion of the State Department may be obtained.

Mr. BLANTON. Let us take the bill off now.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

Mr. BLANTON, Mr. PIERCE, and Mr. WOLCOTT objected.

DISBURSING OFFICERS OF THE ARMY

The Clerk called the next bill, S. 2046, to provide relief for disbursing officers of the Army in certain cases.

Mr. COCHRAN of Missouri. Mr. Speaker, reserving the right to object, I hope the Members will listen to what I have to say. The Committee on Military Affairs has reconsidered this bill and has an amendment to offer. The amendment not only meets the objection I had to the original bill but it will be beneficial to the Government if the bill is passed with this amendment, because it takes certain powers from the Secretary of the Navy that he now has that he should not have, and with the understanding the amendment will be offered by the gentleman from Alabama [Mr. HILL], I shall not object. The law that the bill seeks to amend was a war-emergency measure. It should be repealed, but the amendment is satisfactory to the Comptroller General.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. TRUAX. Mr. Speaker, I object.

Mr. COCHRAN of Missouri. Will the gentleman withhold his objection a moment?

Mr. BLANTON. I want the bill to go over until we can see the amendment and be sure that it properly protects the Government.

Mr. COCHRAN of Missouri. The amendment is an amendment prepared by the Comptroller General, Mr. McCarl. The gentleman from Alabama [Mr. HILL] has the amendment and will offer it if permitted. I will not let the bill pass without the amendment.

Mr. BLANTON. I want to see the amendment, and I have asked that the bill go over without prejudice, until I do see it.

Mr. COCHRAN of Missouri. The gentleman from Alabama [Mr. HILL] will show the gentleman from Texas the amendment. I may say to the gentleman from Texas that under present law the Secretary of the Navy can relieve a disbursing officer of a shortage of $1,000,000 by writing a letter to the Secretary of the Treasury, and the Secretary of the Treasury is compelled, under existing law, to relieve that disbursing officer. The gentleman surely is willing to take such power from an executive official.

Mr. BLANTON. And that is what I have been trying to stop, but I want to see the amendment.

Mr. HILL of Alabama. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. HILL of Alabama. Let me say to the gentleman from Texas that the Comptroller General prepared this amendment for the Committee on Military Affairs. We took the matter up with him and asked him to go into the matter and investigate it and suggest an amendment.

Mr. BLANTON. The amendment, on my hurried reading of it, seems to be all right. Does General McCarl approve of it?

Mr. HILL of Alabama. He not only approves of it, he wrote the amendment.

Mr. BLANTON. Then, I know it is all right. I am backing General McCarl, the Comptroller General of the United States.

Mr. HILL of Alabama. The matter was referred to him.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. I object.

The SPEAKER. This bill requires three objections. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That the act of July 11, 1919 (ch. 9, 41 Stat. 132; U.S.C., title 31, sec. 105), be, and is hereby amended as follows: Wherever the word "Navy" appears in said act the words "or Army" be added, and wherever the words "Secretary of the Navy" appear the words "or the Secretary of War" be added.

Mr. HILL of Alabama. Mr. Speaker, by direction of the Committee on Military Affairs, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL of Alabama: Page 1, line 8, strike out the period and add the following: "*Provided*, That the said act of July 11, 1919, shall be applicable only to the actual physical loss of Government funds, vouchers, records, or papers, and shall not include deficiencies resulting from illegal or erroneous payments in the respective services."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. McLEOD. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. McLEOD. Mr. Speaker, I rise at this time in an endeavor to ascertain the sincerity of the leadership of this House, and I make the request and move to suspend the rules and pass the bill H.R. 8479.

The SPEAKER. The gentleman cannot be recognized for that purpose.

NAVAL AIR STATION, PENSACOLA, FLA.

The Clerk called the next bill, S. 1103, to authorize the Secretary of the Navy to proceed with certain public works at the Naval Air Station, Pensacola, Fla.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill calls for an appropriation of over $5,000,000 to be spent down in Florida, when we need every dollar we can rake together to relieve the drought-stricken people of this country; and I object to the bill.

Mr. LAMNECK and Mr. WOLFENDEN also objected.

AQUATIC PRODUCTS

The Clerk called the next bill, H.R. 9233, authorizing associations of producers of aquatic products.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, I should like to ask the gentleman why it is necessary to pass this bill. Why cannot the gentleman secure the same ends under the N.R.A.?

Mr. BLAND. That may be true, but I do not think the N.R.A. would cover the situation. It was found necessary to pass legislation of this kind for agriculture. The N.R.A. is not permanent legislation; and in order to provide these beneficial associations that are needed, there should be affirmative legislation, and this is identically the same measure that has been provided for agriculture.

Mr. ELTSE of California. Does the gentleman state that you could not secure a code? Was an effort made to secure a code for this industry?

Mr. BAKEWELL. Mr. Speaker, will the gentleman yield?

Mr. BLAND. I yield to the gentleman from Connecticut.

Mr. BAKEWELL. There is a code for the industry, but it does not cover this situation. Furthermore, as has been suggested by the chairman of the committee, the N.R.A. is temporary; and there is no reason under heaven why we

should not give these men the same privilege of cooperative marketing that we give agriculture.

Mr. ELTSE of California. The N.R.A. is not feasible?

Mr. BAKEWELL. It is not.

Mr. ELTSE of California. I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That persons engaged in the fishery industry, as fishermen, catching, collecting, or cultivating aquatic products, or as planters of aquatic products on public or private beds, may act together in associations, corporate or otherwise, with or without capital stock, in collectively catching, producing, preparing for market, processing, handling, and marketing in interstate and foreign commerce, such products of said persons so engaged.

The term "aquatic products" includes all commercial products of aquatic life in both fresh and salt water, as carried on in the several States, the District of Columbia, the several Territories of the United States, the insular possessions, or other places under the jurisdiction of the United States.

Such associations may have marketing agencies in common, and such associations and their members may make the necessary contracts and agreements to effect such purposes: *Provided, however*, That such associations are operated for the mutual benefit of the members thereof, and conform to one or both of the following requirements:

First. That no member of the association is allowed more than 1 vote because of the amount of stock or membership capital he may own therein; or

Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum.

and in any case to the following:

Third. That the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members.

SEC. 2. That if the Secretary of Commerce shall have reason to believe that any such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any aquatic product is unduly enhanced by reason thereof, he shall serve upon such association a complaint stating his charge in that respect, to which complaint shall be attached, or contained therein, a notice of hearing, specifying a day and place not less than 30 days after the service thereof, requiring the association to show cause why an order should not be made directing it to cease and desist from monopolization or restraint of trade. An association so complained of may at the time and place so fixed show cause why such order should not be entered. The evidence given on such a hearing shall be taken under such rules and regulations as the Secretary of Commerce may prescribe, reduced to writing, and made a part of the record therein. If upon such hearing the Secretary of Commerce shall be of the opinion that such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any aquatic product is unduly enhanced thereby, he shall issue and cause to be served upon the association an order reciting the facts found by him, directing such association to cease and desist from monopolization or restraint of trade. On the request of such association, or if such association fails or neglects for 30 days to obey such order, the Secretary of Commerce shall file in the district court in the judicial district in which such association has its principal place of business a certified copy of the order and of all the records in the proceedings, together with a petition asking that the order be enforced, and shall give notice to the Attorney General and to said association of such filing. Such district court shall thereupon have jurisdiction to enter a decree affirming, modifying, or setting aside said order, or enter such other decree as the court may deem equitable, and may make rules as to pleadings and proceedings to be had in considering such order. The place of trial may, for cause or by consent of parties, be changed as in other causes.

The facts found by the Secretary of Commerce and recited or set forth in said order shall be prima facie evidence of such facts, but either party may adduce additional evidence. The Department of Justice shall have charge of the enforcement of such order. After the order is so filed in such district court and while pending for review therein, the court may issue a temporary writ of injunction forbidding such association from violating such order or any part thereof. The court may, upon conclusion of its hearing, enforce its decree by a permanent injunction or other appropriate remedy. Service of such complaint and of all notices may be made upon such association by service upon any officer, or agent thereof, engaged in carrying on its business, or on any attorney authorized to appear in such proceeding for such association, and such service shall be binding upon such association, the officers and members thereof.

With the following committee amendment:

Page 4, line 19, strike out the word "may" and insert in lieu thereof the word "shall."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTHORIZING SEWARD, ALASKA, TO INSTALL A MUNICIPAL LIGHT AND POWER PLANT

The Clerk called the next bill on the Consent Calendar, H.R. 9468, to authorize the incorporated town of Seward, Alaska, to issue bonds in any sum not exceeding $60,000 for the purpose of constructing and installing a municipal light and power plant in the town of Seward, Alaska.

The SPEAKER. Is there objection?

Mr. ELTSE of California. Reserving the right to object, I should like to ask the gentleman from Alaska a question. By the construction of this municipal lighting plant will it confiscate private property in the shape of an electrical plant?

Mr. DIMOND. There is a privately owned plant, but it is very inefficient. For 3 weeks during the worst weather that we had last winter the people were without light and power. The people are entitled to relief. If the private plant is not able to furnish the light and power, the municipality is entitled to relief.

Mr. ELTSE of California. What provision is being made to take care of this private property?

Mr. DIMOND. None.

Mr. ZIONCHECK. Reserving the right to object, I take it that this $60,000 is for the purpose of paying for the condemnation.

Mr. DIMOND. I do not know.

Mr. ZIONCHECK. The gentleman would not say that they would not do it?

Mr. DIMOND. I do not know whether it could be done or is to be done.

Mr. ELTSE of California, Mr. LEHLBACH, Mr. BAKEWELL, and Mr. WOLFENDEN objected.

BRIDGE ACROSS LAKE CHAMPLAIN FROM EAST ALBURG TO WEST SWANTON, VT.

The Clerk called the next bill on the Consent Calendar, S. 3374, to extend the times for commencing and completing the construction of a bridge across Lake Champlain from East Alburg, Vt., to West Swanton, Vt.

The SPEAKER. Is there objection?

Mr. BAKEWELL. Mr. Speaker, reserving the right to object, in the absence of the gentleman from Vermont, I ask unanimous consent that this bill be passed over without prejudice. I also want to inform the House that the bill has passed the Senate which gives the power to the State of Vermont to complete the construction of the bridge, and that bill in time will be substituted for this bill.

Mr. TRUAX. I object.

Mr. BAKEWELL. I think the gentleman did not hear what I said—that a substitute bill has passed the Senate and gives the power to the State of Vermont instead of to this company.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

CONTRACTS AND AGREEMENTS UNDER FEDERAL FARM LOAN ACT AND HOME OWNERS' LOAN ACT

The Clerk called the next bill on the Consent Calendar, S. 2817, to amend the act relating to contracts and agreements under the Agricultural Adjustment Act, approved January 25, 1934.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Reserving the right to object, I understand that this is the bill that was defeated under suspension of the rules yesterday, the purpose being to allow Members of Congress to enter into contracts with the Agricultural Adjustment Act and the Home Owners' Loan Act; and I object.

Mr. JENKINS of Ohio and Mr. ZIONCHECK also objected.

PARITY OF AGRICULTURAL AND INDUSTRIAL DOLLAR

The Clerk called the next bill, S. 3185, to amend the Agricultural Adjustment Act, as amended, with respect to farm prices.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

DERIVATIVE CITIZENSHIP STATUS

The Clerk called the next bill, H.R. 9475, to clarify the status of certain citizens who derived naturalization from parent or husband, and for other purposes.

The SPEAKER. Is there objection?

Mr. LANZETTA. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS RIO GRANDE AT LAREDO, TEX.

The Clerk called the next bill, H.R. 9165, authorizing the International Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Rio Grande at Laredo, Tex.

The SPEAKER. Is there objection?

Mr. SINCLAIR, Mr. BLANTON, Mr. PIERCE, and Mr. TABER objected.

PLANNING COMMITTEE, UNITED STATES BOTANIC GARDEN

The Clerk called the next business, House Joint Resolution 327, authorizing the appointment of a Planning Committee in connection with the United States Botanic Garden, and for other purposes.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. ELTSE of California. Mr. Speaker, I object.

LOSSES RESULTING FROM ERADICATION OF THE MEDITERRANEAN FRUIT FLY

The Clerk called the next bill, S. 1800, to provide for an investigation and report of losses resulting from the campaign for the eradication of the Mediterranean fruit fly by the Department of Agriculture.

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object in order to ask the necessity for this. As I remember it, the whole four or five million dollars spent on the Mediterranean fruit fly was lost. What is the use of spending a lot of money to have a commission appointed to investigate how much was lost? It was all lost.

Mr. SEARS. Mr. Speaker, will the gentleman yield?

Mr. JENKINS of Ohio. Yes.

Mr. SEARS. The Mediterranean fruit fly was discovered in Florida by an Agriculture Department expert on Government property. Then they destroyed thousands of dollars worth of property, tomatoes, and so forth. Afterward they held that this was unnecessary. We want to gather this evidence. The bill provides that this does not bind the Government morally or legally. We want to gather the evidence. Last year the P.W.A. agreed to advance enough money to make this investigation. I protested it would be a waste of Government money for Floridians to make their investigation, because some Government official ought to make it.

Mr. JENKINS of Ohio. Mr. Speaker, in reply to what the gentleman says, I say to the House, especially those Members who were not here 3 or 4 years ago, that the older Members will remember distinctly when this money was voted. I forget exactly how many million dollars. A committee went down afterward, headed by the then Chairman of the Committee on Appropriations, the late gentleman from Indiana, Mr. Wood, and it brought back here a report that the expenditure of the money was a scandal, and that, as far as anybody was able to find out, nobody had ever seen a Mediterranean fruit fly down there. For that reason I object.

Mr. SEARS. Mr. Speaker, I ask the gentleman to reserve his objection. While that may be true, we had nothing to do with it. That was run by the Government entirely from Washington. The Government employed the men. Civilians did not do it. Take my case. They destroyed five acres of tomatoes, but I am not asking for any damages. Three weeks after they were destroyed they said that they should not have done it.

Mr. JENKINS of Ohio. Mr. Speaker, I ask the Chairman of the Committee on Appropriations, the gentleman from Texas [Mr. BUCHANAN], whether there was anything brought out in the Committee on Appropriations which would justify us in voting for this.

Mr. BUCHANAN. The destruction of the fruit and vegetables and trees down there was done under the local authority of the State of Florida, and was not the act of the Federal Government.

Mr. BLANTON. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. JENKINS of Ohio. Mr. Speaker, in order to terminate this I object.

BRIDGE ACROSS CHESAPEAKE BAY, BALTIMORE AND KENT COUNTIES

The Clerk called the next bill, S. 3211, to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.

There being no objection the Clerk read the bill as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Chesapeake Bay, between Baltimore and Kent Counties, Md., authorized to be built by the Chesapeake Bay Bridge Co. by section 11 of the act of Congress approved March 4, 1933, are hereby extended 1 and 3 years, respectively, from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

KING HILL IRRIGATION DISTRICT, IDAHO

The Clerk called the next bill, H.R. 9583, to convey to the King Hill Irrigation District, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes.

Mr. TRUAX. Reserving the right to object, I want to say on the bill which was just passed that we are spending thousands of dollars today on the so-called "quarantine line of the gypsy moth." You will find them about 10 miles east of East Liverpool, Ohio. There they stop your car. They do not even look into the car, but if you say "no" you go on. They did the same thing in attempting to stop the natural flight of the European corn borer. This Government spent over $20,000,000. This entire so-called "service" of stopping the spread of insects ought to be stopped.

Mr. McGUGIN. Mr. Speaker, reserving the right to object on this bill, H.R. 9583, which is before the House, if there is going to be any objection, I will ask unanimous consent that it go over without prejudice.

Mr. TRUAX. I withdraw my reservation of objection.

Mr. TABER. Mr. Speaker, I think the bill ought to go over without prejudice.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, I am the one who objected to this bill, which was introduced by our colleague, Mr. COFFIN. Before he was injured he properly explained the bill to me and I have no objection. I do not think anyone would have any objection.

Mr. McGUGIN. I have no objection.

Mr. TABER. I do not like to object, in view of Mr. COFFIN'S condition, but, from what I have heard about the bill, I feel I should have to object. I suggest that it go over without prejudice.

Mr. WHITE. If it goes over without prejudice, that will kill the bill.

Mr. TABER. Oh, we will be here all next week and probably the week after.

Mr. WHITE. This is the last day we will probably have on the Consent Calendar.

Mr. TABER. Oh, we will be calling the Consent Calendar three or four times. We are nowhere near through here now.

The SPEAKER. Is there objection to the request of the gentleman that the bill be passed over without prejudice?

There was no objection.

SETTLEMENT OF CLAIMS AGAINST POST OFFICE DEPARTMENT

The Clerk called the next bill, H.R. 8460, to amend section 392 of title 5 of the United States Code.

Mr. WOLCOTT. Reserving the right to object, I would like some information concerning the approximate cost of

this measure. I understand from the report that annually there might be about 54 claims. Last year there were 54 claims.

Mr. MEAD. That is correct. This bill was recommended by the Bureau of the Budget. These small claims are examined by the Bureau of the Budget and by the Post Office Department, and then they are printed in a House document and considered by the Appropriations Committee. We lose more money by the method we now pursue than we would if the Postmaster General was authorized to settle these minor claims, as was the intention of the Congress when it approved legislation enabling him to do so. This bill is necessary because of a ruling of the Comptroller General, who feels that even though Congress authorized the Postmaster General to settle small claims, that all claims caused by negligence of employees and resulting in injury to property or to persons should be referred to the Congress. This ruling by the Comptroller General, while in conflict with a law enacted by Congress, is in harmony with a similar act still on the statute books.

Mr. WOLCOTT. Is there any precedent for this in any of the other departments? There must be damages sustained in the operation of vehicles by the Customs Service and other departments. Is there any precedent there?

Mr. MEAD. I cannot say, but because the Post Office Department is such an extensive institution and uses so many trucks and automobiles, it is thought that these minor claims should be adjusted by the Department. Legislation was adopted to bring that about, but as I already said, a subsequent opinion of the Comptroller General makes it necessary that these matters be referred to the Congress. The Director of the Budget and the Post Office Department recommended this legislation, and it has been unanimously approved by the Post Office and Post Roads Committee of the House.

Mr. WOLCOTT. In view of the gentleman's explanation, I will withdraw my reservation of objection.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. ZIONCHECK. I object.

The SPEAKER. Three objections are required. The Chair hears only two objections, and the Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That that part of the act of June 16, 1921 (42 Stat. 63), incorporated in the United States Code as section 392 of title 5, is amended to read as follows:

"When any damage is done to person or property by or through the operation of the Post Office Department in any branch of its service and such damage is found by the Postmaster General upon investigation to be a proper charge against the United States, the Postmaster General is invested with power to adjust and settle any claim for such damage when his award for such damage in any case does not exceed $500, and this authority shall hereafter be construed as extending to cases caused by the negligence of any officer or employee of the Post Office Department or Postal Service acting within the scope of his employment."

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

WHITE SWAN SCHOOL DISTRICT NO. 88, YAKIMA, WASH.

The Clerk called the next bill, H.R. 7361, to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. ELTSE of California. Reserving the right to object, I note in the report on this bill that the Secretary of the Interior advised that the Director of the Budget stated that the proposed expenditures were not in accord with the financial program of the President. That is my idea. It is a raid on the Treasury. Just because there are 8 or 10 Indians who ought to go to school, it is proposed to have school buildings constructed in the districts. There are 10 or 12 of these bills, the aggregate of which will amount to $701,000.

Mr. HOWARD. Will the gentleman withhold his objection until I can have the gentleman from Montana [Mr. AYERS], a member of our committee, who understands this matter thoroughly and who has all the data here which I am sure will satisfy the gentleman, present these several claims to the House?

We want to group them all. If one falls, they all ought to fall. Will not the gentleman be pleased to hear the gentleman from Montana [Mr. AYERS] explain the bill?

Mr. ELTSE of California. Mr. Speaker, I yield to the gentleman from Montana.

Mr. AYERS of Montana. Mr. Speaker, the gentleman is correct; there are 13 of these bills altogether; and they make an authorization of $701,000.

These 13 bills have to do with 21 different schools, which are State schools in the 6 different States involved. In all of the schools there are now registered 7,928 children of which about 40 percent are Indian children. In these districts an average of 70 percent of the land is nontaxable.

Mr. ELTSE of California. Why is the land nontaxable?

Mr. AYERS of Montana. Because it is Indian reservation and Indian allotment land. In the case of the first bill, introduced by the gentleman from Washington [Mr. KNUTE HILL], 90 percent of the land is nontaxable. I was chairman of the subcommittee of the Committee on Indian Affairs, which considered this whole question. The gentleman from Wisconsin [Mr. PEAVEY], was a member of this subcommittee. The subcommittee held several hearings. We had the Commissioner of Indian Affairs before us, and we personally consulted the Secretary of the Interior. In the instance of every one of these bills the Secretary of the Interior and the Commissioner of Indian Affairs advised that the passage of all these bills was in harmony with the present Indian educational program. The Indian Department has changed the old program and has abandoned the Indian boarding schools, and these Indian children are now attending State public schools.

Mr. ELTSE of California. When the Interior Department made this arrangement with the State schools, did not the Department make some investigation as to whether or not the facilities were adequate to house and take care of these Indian children

Mr. AYERS of Montana. They did.

Mr. ELTSE of California. How long ago was that?

Mr. AYERS of Montana. The investigations were made at different periods. Some of them go back as far as 4 or 5 years.

Mr. ELTSE of California. And some are rather current, are they not?

Mr. AYERS of Montana. I would not say current; the most recent are 2 or 3 years.

Mr. ELTSE of California. Have the buildings so deteriorated during the interim, and has the attendance so increased that it is necessary now to expend this large sum?

Mr. AYERS of Montana. That is true, and additional Indian children farther back in the reservation are being brought to these schools by busses.

The Government made this arrangement with the various districts, with the understanding that it would pay tuition for these children. The tuition runs from 20 cents per capita per day to 40 cents. In every instance the actual overhead for teaching, heating, and the care of the buildings has amounted to 80 cents on an average for these children that are now being taught in the State schools on simply a tuition charge of less than one-half the actual cost for teachers and ordinary overhead. Nothing is provided for building and equipment.

These Indian children are wards of the Government. Their own schools have been abandoned. They are now attending the State public schools. In four different instances that I recall these children are being taught in makeshift classrooms. In one instance they are being taught in a coal shed. The result will be that when the school term opens next September there will have to be some elimination, and, of course, those eliminated will be the Indian

children. The lands of the Indians are not assessable; their lands are not bearing any of the burden. The increase in attendance in many of these cases for this year will be as high as 10 percent.

Mr. ELTSE of California. As I stated a moment ago, the Director of the Budget advises that these expenses are not within the financial program of the President. Therefore, it seems inadvisable at the present time to expend this money for the construction of these buildings.

Mr. GOSS. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. GOSS. I would like to call the gentleman's attention to the fact that in the original bill there was an actual authorization. That is why the report was made. An authorization is different from an appropriation. If the gentleman does not object to the bill, would he accept an amendment on page 2, changing the language "expenditure of any moneys so appropriated", so it would read "expenditure of any moneys when appropriated"; and to amend the title from "to provide funds" to "to authorize the appropriation of funds", thus making the title conform to the amendment if the amendment is adopted?

Mr. AYERS of Montana. The gentleman is correct; these are not appropriation bills. They are authorization bills. There would be no objection to that so far as I know.

Mr. TRUAX. Will the gentleman yield?

Mr. ELTSE of California. I yield to the gentleman from Ohio.

Mr. TRUAX. This will cost about $100 per pupil, as I understand the gentleman's statement. There are a little over 7,000 pupils affected, which means a total appropriation of $750,000. I call the gentleman's attention to the fact that in this report there are no recommendations or reports whatsoever from any of the officials who ought to be involved in the passage of this legislation. I call attention also to the fact that we have all over the United States hundreds of schools with white children in them that will be closed. Their education will have to stop because no provision has been made by this Congress. I call attention of this House also to the fact that if we are going to enact legislation at $100 per pupil for the relief of Indian wards, let us do something for our own white children of this great country.

Mr. AYERS of Montana. We cannot do these two things at once. This is for the white children as well as the Indians.

Mr. BAKEWELL. How many are involved?

Mr. AYERS of Montana. There is involved in all these bills 7,928 and this will increase by about 10 percent on the opening of this school year.

Mr. BAKEWELL. The gentleman from Ohio has made a little mistake in his mathematics.

Mr. WOLCOTT. We are doing everything we can to balance the Budget.

Mr. AYERS of Montana. On behalf of the Indian Affairs Committee, which committee reported these bills, we accept the amendment suggested by Mr. Goss.

Mr. GOSS. I would like to amend the title after passing the bill.

Mr. AYERS of Montana. Mr. Speaker, we will consent to the amendment suggested by the gentleman from Connecticut [Mr. Goss].

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, it seems somewhat ironical that we over here should be constantly protecting the President against such bills as these. The Director of the Budget has reported against these bills from no. 325 on the Consent Calendar to no. 345. We do not always follow the President, but, so far as the Budget is concerned, I think we ought to get behind the President, because we stood up here awhile ago and said we were in favor of balancing the Budget. When the Director of the Budget states that this is not a part of his program and that there has been no provision for the collection of the money to take care of these expenditures, I do not think we should pass these bills by unanimous consent. Until the Director of the Budget sees some way of collecting the money to balance this expenditure I think we ought to withhold action on these bills.

Mr. GOSS. May I call the gentleman's attention to the fact that when the bill was introduced it actually appropriated money. The report came up here from the Department on the theory it was appropriating money. The committee has offered an amendment which makes it a pure authorization and, therefore, the Bureau of the Budget has nothing to do with it until the Appropriations Committee appropriates the money or makes a request for an appropriation.

Mr. WOLCOTT. In answer to the gentleman from Connecticut, may I say that there are rarely instances where the money is not appropriated after the authorization is made by Congress. Until there is some provision made for taking care of this, I do not think it should be passed. If it is necessary to pass these bills to give this relief, it is also necessary to follow them up with an appropriation.

Mr. GOSS. The Appropriations Committee cannot appropriate a cent until the legislative committees have made the authorizations. It would not be possible to get any money at all until you had the authorization, because the Appropriations Committee cannot put the authorization in these bills.

Mr. WOLCOTT. Mr. Speaker, until such time as we hear from the Director of the Budget as to whether these bills will be satisfactory to the President, I am not in favor of passing them. I ask unanimous consent that the bills on the Consent Calendar from nos. 325 to 345, inclusive, be passed over without prejudice. This request is made in the hope that this matter may be straightened out, because I am in sympathy with the legislation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, for the sole purpose of trying to tell the gentleman something of the circumstances concerning these bills:

The reason these Indian children are in the State schools is because the Department of the Interior in its economy program closed the Indian schools in the States and put these children in the district schools which have to be supported by the taxpayers of the school districts. You are going to deprive the States of getting money to help these school districts carry on their school work on behalf of both the white children and Indian children. They will have to put the Indian children out of the schools in order to take care of their own white children. This is only an authorization, and it is up to the Director of the Budget and the Department of the Interior to decide how the funds shall be obtained. All we are asking you to do in these bills is to authorize the money.

Mr. WOLCOTT. The President of the United States and the Director of the Budget should have made provision for raising the money to take care of these wards of the Government.

Mr. O'MALLEY. They have to start with an authorization.

Mr. WOLCOTT. They come in here and make a report against this relief and that leads me to believe that we should at least give the President of the United States and the Director of the Budget an opportunity to he heard on them.

Mr. Speaker, I renew my unanimous-consent request.

Mr. ZIONCHECK. Does not the gentleman think, in view of the fact that we took this country from the Indians, that we ought to at least educate the Indian children?

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bills on the Consent Calendar from nos. 325 to 345, inclusive, be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. O'MALLEY. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. WOLCOTT, Mr. ELTSE of California, and Mr. MILLARD objected.

KING HILL IRRIGATION DISTRICT

Mr. McGUGIN. Mr. Speaker, since we passed over the bill H.R. 9583, a bill to convey to the King Hill irrigation district, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes, which was introduced by the gentleman from Idaho [Mr. COFFIN] I have discussed the matter with some of the Members and I do not believe there will be objection to the bill. I only did this on account of the absence of the gentleman from Idaho [Mr. COFFIN], who is in the hospital.

Mr. Speaker, I ask unanimous consent that we may return to Calendar No. 319, the bill H.R. 9583, to convey to the King Hill irrigation district, State of Idaho, all the interest of the United States in the King Hill Federal reclamation project, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, I would like to ask some gentleman who is an expert in these matters whether it is the custom to deed land to private irrigation districts without a consideration?

Mr. WHITE. This is a Carey project and it was a failure. The Government then took it over and spent a lot of money on it and the thing is now bankrupt.

Mr. ELTSE of California. I understand all that, but you are asking the Federal Government to quitclaim this property to a private irrigation district without receiving any payment for it, after the Government has spent nearly $2,000,000 on it.

Mr. WHITE. This is recommended by the Bureau of Reclamation and the Department of the Interior and they want to wipe the thing out and give these people a new start. The committee has also passed upon it.

Mr. McGUGIN. Let me say to the gentleman from California that in the light of the letter from the Secretary of the Interior it seems that here is a project on which the Government has spent $1,987,000 and from this letter it is apparent that there is no way to collect a penny out of it. It is a dead loss, and the operation of it is a loss, and it is valueless to anyone unless it is repaired, and the Government does not want to advance any further money. We took a mark-down in 1926, and the Secretary of the Interior recommends that the United States just walk out on it without any further obligation on the part of the United States.

When the original bill was introduced the Secretary of the Interior turned it down and recommended that another bill be introduced, which is the bill now before us.

Mr. ELTSE of California. In answer to the gentleman from Kansas, I may say that there is on the statute books at the present time a statute to the effect that land like this cannot be deeded to a private irrigation district or to a private concern wihout consideration. I recently put through a bill myself here where I was required to meet this requirement; and to make an exception in one case and require observance of the rule in another is hardly equitable or fair, and for this reason I shall be constrained to object. But I should ask, if it is agreeable, that the bill be passed over without prejudice, and if you can get a letter from the Department saying that this is a proper case in which to make an exception, I will let it go by.

Mr. McGUGIN. There is such a letter here.

Mr. ELTSE of California. Oh, no.

Mr. MURDOCK. This is not a question of conveying any land or any rights in any land. It simply has to do with the recision of a contract under which the Government has certain obligations.

Mr. TABER. Oh, no.

Mr. MURDOCK. Read the report.

Mr. TABER. Read the bill. The bill directly states that the Government shall quitclaim its interest.

Mr. MURDOCK. Yes.

Mr. TABER. That is a deed.

Mr. MURDOCK. It is a recision of a contract between the two and there are obligations on both parties, and the Department has recommended that this be done.

Mr. WERNER. The Government is going to be the gainer in this proposition.

Mr. BOILEAU. Has the Government a title in fee simple now?

Mr. MURDOCK. No; the Government simply has the right to be compensated for the money it has spent.

Mr. ELTSE of California. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

Mr. McGUGIN. Mr. Speaker, under the circumstances, I am willing to withdraw my request.

The SPEAKER. Is there objection to the request of the gentleman from California [Mr. ELTSE]?

There was no objection.

PUBLIC-SCHOOL BUILDING AT BROCKTON, MONT.

The Clerk called the next bill, H.R. 7146, to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place to be available to Indian children of the Fort Peck Indian Reservation.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, there is the same objection to this bill as to the preceding one.

Mr. TABER, Mr. ELTSE of California, and Mr. MILLARD objected.

MARYSVILLE SCHOOL DISTRICT, SNOHOMISH COUNTY, WASH.

The Clerk called the next bill, H.R. 7412, to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings to be available for Indian children.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, it now appears that the unanimous-consent request that these seven or eight bills be passed over without prejudice was objected to and that all these bills are now going to be objected to, and I wonder if we could have them all considered at one time.

Mr. HOWARD. It will be entirely agreeable to the committee, if you want to murder all of them now.

Mr. JENKINS of Ohio. I just ask this in the interest of saving time. I withdraw my reservation of objection, and you may go ahead with them one at a time and kill time in that way.

Mr. ELTSE of California, Mr. TABER, and Mr. MILLARD objected.

PUBLIC SCHOOL AT WOLF POINT, MONT.

The Clerk called the next bill, H.R. 6469, for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public building to be available to Indian children of the Fort Peck Indian Reservation, Mont.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, I want to assure the gentlemen on the other side that there are no personalities involved in the consideration of the Consent Calendar. The men on this side and the men on the other side who are charged with the consideration of it give a great deal of thought to the calendar. Personally, I work nights on this Consent Calendar and I have not any personal interest in any of the bills, and I try to have every bill considered on its merits.

Remarks have been made that we on this side could go down to the President and get his consent for the consideration of these bills. I do not object to the remark, because it will not be in the RECORD, but I do think it is rather unfair to the men who are willing to take the grief of working on this Consent Calendar, as we have and as gentlemen on the other side have, to be constantly subjected to side remarks on the floor concerning our endeavors to save this country a good many dollars in money.

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, I simply want to point out to the gentleman that I objected to the unanimous-consent request to pass over all these bills without prejudice. The Indian Affairs Committee has spent about 3 months trying to get these bills passed. The Republicans and Democrats upon that committee were unanimous in reporting out all of these bills. It is a very serious situation in certain Western States that these schools be given some help so that the Indian children can go to school. Nobody has objected to these bills. The administration, apparently, is for them, as the Commissioner of Indian Affairs came before our committee and asked us to report the bills out favorably. There is not a word in the committee report that says that anybody in the administration is against the committee or against the bills.

All the report says is that the bill purports to make an appropriation. We have changed that so as to make it an authorization. While I appreciate the hard work the Republican Members are doing to protect the Public Treasury, they ought not to compel us to go to the Rules Committee and ask for a rule for a very vital thing.

Mr. WOLCOTT. We do take very seriously the Budget of the United States. We think the Director of the Budget has a very difficult job. He is a man who while on the floor of the House was in the forefront for the Indians. We are all familiar with his record on the floor. I am going to make this suggestion: That you who are interested in the bills get a communication from Mr. Douglas that he can reconcile them with the Budget and will recommend these bills, and I will have no objection to them.

Mr. JENKINS of Ohio. Mr. Speaker, it is very evident that we are not going to finish this Consent Calendar tonight, and it will go over until tomorrow. Why not put these Indian bills over until tomorrow, until you can get the desired information from the Bureau? I ask unanimous consent that the bills, Calendar Nos. 325 to 354, be passed over and taken up tomorrow on the call of the Consent Calendar.

Mr. AYERS of Montana. You have had three objections to some of these bills, and they have gone off the calendar.

Mr. WERNER. Mr. Speaker, reserving the right to object, I should like to direct the attention of the Republican members of the committee to this fact, that these bills ought to be considered without political rancor. The Government of the United States is obligated to educate these Indian children.

Mr. JENKINS of Ohio. Mr. Speaker, I ask unanimous consent that these Indian bills, Calendar Nos. 325 to 345, be passed over and taken up tomorrow on the call of the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Ohio that the Indian bills, Calendar Nos. 325 to 345, be passed over until tomorrow?

There was no objection.

BRIDGE ACROSS OHIO RIVER, SISTERSVILLE, W.VA.

The Clerk called the next bill, H.R. 9618, authorizing the Sistersville Bridge Board of Trustees to finance, construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.

The SPEAKER. Is there objection?

Mr. WOLCOTT. Mr. Speaker, I reserve the right to object. I notice that the report refers to the bill H.R. 8665. The bill called by the Clerk is H.R. 9618. Has there been a sustitution, and does the report erroneously refer to H.R. 8665?

Mr. MILLIGAN. This is a report on a similar bill.

Mr. WOLCOTT. And it is the same bridge?

Mr. MILLIGAN. Yes.

Mr. WOLCOTT. I have no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, C. S. Sutton, president of the county court of Tyler County, W.Va., and his successors in office, W. L. Sutton, mayor of the city of Sistersville, W.Va., and his successors in office, and Arnold Stoeffer, president of the Board of County Commissioners of Monroe County, Ohio, and his successors in office, all as trustees, are hereby authorized to finance, construct, maintain, and operate a bridge and approaches there to across the Ohio River, at a point suitable to the interests of navigation, at Sistersville, Tyler County, W.Va., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act; and said trustees shall own and hold said bridge in trust for Tyler County, W.Va., Monroe County, Ohio, and the city of Sistersville, W.Va.; said trustees being known as and functioning as the Sistersville Bridge Board of Trustees, and serving without compensation. Said board of trustees is hereby granted the right to assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act.

SEC. 2. There is hereby conferred upon said board of trustees all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purpose in such State.

SEC. 3. The said board of trustees is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Page 2, line 2, after the word "to", strike out the word "finance."

The committee amendment was agreed to, and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

The title was amended to read: "A bill authorizing the Sistersville Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va."

BRIDGE ACROSS COLUMBIA RIVER, CATHLAMET, STATE OF WASHINGTON

The Clerk called the next bill, H.R. 9563, authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington.

The SPEAKER. Is there objection to the consideration of the bill?

There was no objection.

The SPEAKER. Without objection, the Clerk will report a similar Senate bill on the Speaker's table, S. 3615.

There was no objection; and the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county of Wahkiakum, a legal political subdivision of the State of Washington, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington, at a point suitable to the interests of navigation, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in said act.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

Line 6, after the article "a", insert the words "free highway."

The committee amendment was agreed to; and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 9563) was laid on the table.

COMMEMORATION OF TERMINATION OF WAR BETWEEN THE STATES

The Clerk called the next bill, H.R. 8852, to amend sections 1, 2, and 3 of the act entitled "An act to provide for the commemoration of the termination of the War between the States at Appomattox Court House, Va.", approved June 18, 1930, and to establish the Appomattox Court House National Historical Park, and for other purposes.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. DREWRY. Mr. Speaker, will the gentleman reserve his objection?

Mr. TRUAX. Yes.

Mr. DREWRY. This bill is similar to a bill that was passed 4 years ago, which provided for a memorial monument to commemorate the termination of the War between the States, to be erected at Appomattox Court House, Va. It was found impractical to create that as a monument. When this same area came into the hands of the Park Service it was suggested to have the memorial a park instead of a monument. That is all this bill does. It simply changes the memorial from a monument to a park.

Mr. TRUAX. Does the gentleman think that in the face of the emergencies with which the Congress is faced, in providing funds for destitute people, people who are starving, without clothing, that we should spend $100,000 now for a memorial park?

Mr. DREWRY. This park does not require the expenditure of one cent.

Mr. TRUAX. What about section 2, on page 2, which provides that there is authorized to be appropriated the sum of $100,000.

Mr. DREWRY. That is true. It authorizes it, but it does not appropriate it, and it is not expected that it will even cost anything. The people there are interested in the matter, and they want to donate the land, and a great deal of it will be donated.

Mr. TRUAX. Why not strike out section 2?

Mr. DREWRY. Because there may be some people who will try to obstruct the matter, and it may be that the Park Service will require part of the land which they cannot get by donation.

Mr. TRUAX. I am very willing to withdraw my objection and ask that it be passed over without prejudice until we can study the matter further.

Mr. DREWRY. Of course, if the gentleman is going to object to it, I have to accede to his request.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection?

There was no objection.

SALE OF CERTAIN LANDS AND BUILDINGS, CAMP EAGLE PASS, TEX.

The Clerk called the bill, H.R. 8728, authorizing the Secretary of War to lease or to sell certain lands and buildings known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to enter into a lease with the city of Eagle Pass, Tex., for a term of 25 years at a nominal rental demising such of the lands and buildings known as Camp Eagle Pass, Tex., to the said city, as is not needed for war activities, upon the express condition, and to be forfeited if not so used, that the said city shall agree to use said land during said term, and maintain and preserve said land as a public park, with the reservation that the United States may at any time during said term reenter upon said land and terminate the said lease as to any or all of said demised land without any liability to pay any damages to said city or to any agency, lessee, or licensee thereof in the event that the Secretary of War should determine that said land is needed for military purposes or in the event that Congress should determine that said land or any part thereof is needed for any governmental purpose, and upon the further condition that said city may at any time during the term of said lease purchase all of said land for use for public-park purposes at a price to be ascertained by appraisal at such time.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

DIVISION OF WATERS OF THE YELLOWSTONE RIVER

The Clerk called the next bill, H.R. 8954, to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River."

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object, to ask someone on the committee whether or not any other State that might be dependent upon this water has been given the chance to be heard before the committee. Was this an open hearing by the committee?

Mr. WHITE. Mr. Speaker, I am on the Committee on the Public Lands. I happen to know that the water in question runs from Wyoming into Montana and no other State is affected in that district.

Mr. JENKINS of Ohio. The gentleman is on the committee that considered the bill?

Mr. WHITE. Yes.

Mr. JENKINS of Ohio. Is the gentleman a member of the committee which considered this bill?

Mr. WHITE. Yes. I am a member of the committee.

Mr. JENKINS of Ohio. I withdraw my reservation of objection, with the understanding that no other States are interested.

Mr. McFADDEN. Reserving the right to object, is this an irrigation proposal?

Mr. CARTER of Wyoming. No. It is to stop litigation between the various States when it comes to the allocation of water.

Mr. McFADDEN. For irrigation purposes?

Mr. CARTER of Wyoming. It is for whatever use it may be. It is no irrigation project.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the act approved June 14, 1932 (47 Stat. 306) entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River", is hereby amended by adding the following thereto: "*Provided further*, That nothing in this act shall apply to any waters within the Yellowstone National Park or shall establish any right or interest in or to any lands within the boundaries thereof."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLAIMS OF KIOWA, COMANCHE, AND APACHE INDIANS OF OKLAHOMA

The Clerk called the next bill, H.R. 2869, to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes.

Mr. ELTSE of California. Reserving the right to object, I should like to ask the gentleman to explain why this claim has been allowed to stand so long.

Mr. JOHNSON of Oklahoma. Mr. Speaker, replying, I will state that this bill proposes to give the Comanche, Kiowa, and Apache Tribes of Indians jurisdiction to go into the Court of Claims in connection with certain claims they feel they have against the Government of the United States. If passed, this is one bill that will not cost the Government of the United States a dime. It merely proposes to permit those three tribes of Indians to spend some of their own money out of their own funds to prosecute certain claims. This bill has the endorsement of the Secretary of the Interior; it has the endorsement of the Commissioner of Indian Affairs as well as the approval of the Director of the Budget.

It is not a proposal to appropriate a penny of Government funds, but would expend funds belonging to the Indians themselves.

Mr. JENKINS of Ohio. How can the gentleman claim it will not cost the Government of the United States a dime if it permits them to sue the Government?

Mr. JOHNSON of Oklahoma. Oh, if the Indians have any just claims against the Government of the United States, then eventually it no doubt will cost the Government something, but certainly the gentleman does not want to be in the position of saying that if the Government of the United States really owes those Indians anything, that it should not pay it. Surely the gentleman will not object to giving these Indians their day in court. This is simply a jurisdictional bill. It permits them to get their evidence and present same to the Court of Claims.

Mr. JENKINS of Ohio. If it is a matter that has been adjusted 20 years ago——

Mr. JOHNSON of Oklahoma. Oh, I feel sure the gentleman is mistaken. That is the trouble; it has never been adjusted.

Mr. JENKINS of Ohio. And now they come and ask permission to sue the Government.

Mr. JOHNSON of Oklahoma. If they have a just claim, or even if they feel that they have, why should not they be granted such a right? I do not know whether they have just claims or not. But I do know that for 25 or 30 years these Indians have claimed that they did not get a square deal out of the Medicine Lodge Treaty, as well as other treaties made between their tribes and this Government. They are here with clean hands asking Congress to permit them to spend some of their own money for the expenses of an attorney, for instance, to come to Washington, not to pay attorneys' fees, you understand, but to prepare and present their claim. I personally know it is no fault of these tribes of Indians that such a bill as this has not been passed years ago.

Mr. JENKINS of Ohio. I hesitate to oppose the gentleman's bill. I judge the gentleman from Oklahoma [Mr. HASTINGS] is going to take up the cudgels with the gentleman from Oklahoma [Mr. JOHNSON], and I dislike to interpose my opinion against the opinion of those gentlemen who come from the Indian Territory; but both of the gentlemen know that in times gone by it has been the policy to object to these old, aged claims. Of course, if the gentleman takes the position that it is for the benefit of the Indians to spend their own money in lawyers' fees and various things like that, I perhaps should not object.

Mr. JOHNSON of Oklahoma. No; not a penny of it goes for any lawyers' fees. These Indians are broke. They do not have any money. They are poor Indians. This money comes out of what is known as "the 4-percent hospital fund". The Indian hospital has been constructed and there should be no objection to permitting these Indians to spend their own money at least satisfying them as to their rights.

Mr. ELTSE of California. The gentleman says that no part of the money could be used for attorneys' fees.

Mr. JOHNSON of Oklahoma. That is absolutely correct.

Mr. ELTSE of California. I call the gentleman's attention to the letter from the Secretary of the Interior which says that the bill under consideration authorizes the use of not to exceed $10,000 for expenses involved, no part of which is to be used for attorneys' fees, although expenses of attorneys in formulating these claims are permissible.

Mr. JOHNSON of Oklahoma. That is correct and that is what I said a moment ago; it is to pay the expenses of attorneys to come to Washington, but cannot be paid for attorney fees. The identical bill passed the Senate yesterday and I shall therefore ask that the Senate bill be substituted for the House bill.

Mr. ELTSE of California. And the claims go back as far as 1907.

Mr. TRUAX. Mr. Speaker, regular order.

Mr. HASTINGS. Now, will the gentleman give me just 1 minute?

Mr. TRUAX. Many Members are waiting here who have bills and want to have those bills called up.

Mr. ELTSE of California. Mr. Speaker, I object.

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. HASTINGS]?

There was no objection.

Mr. HASTINGS. Mr. Speaker, I will not trespass upon that time. These Indians have $14,000 to their credit. They want to make some investigations, and this amount of money, $10,000, is to be used only for the purpose of paying expenses. It comes out of their own money. They think they have some claims against the Government of the United States. If after they make investigation, then Congress passes a jurisdictional bill, and they think they have some claims, those claims are referred to our own court, the Court of Claims and the Supreme Court of the United States. Surely the gentleman from California [Mr. ELTSE] and the gentleman from Ohio [Mr. JENKINS] would not close the door of the Court of Claims against the wards of this Nation to come in and present any just claims they may have against the Government. I am not afraid of the Court of Claims. I am not afraid of the United States Supreme Court. I believe that the wards of this Government ought to have the power and privilege of going to court and presenting their claims.

Mr. ELTSE of California. If the gentleman will yield, I was about to make a unanimous-consent request that we return to the bill.

Mr. Speaker, I ask unanimous consent to return to Calendar No. 353, H.R. 2869.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk called the bill (H.R. 2869) to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill, S. 74, will be substituted for the House bill.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of the Kiowa Agency Hospital 4-percent fund, not to exceed the sum of $10,000, to pay the expenses of the Kiowa, Comanche, and Apache tribal council in the formulation of any claims of said tribes against the United States. Such expenses shall include traveling and other expenses of members of the tribal council, or committees thereof, including visits to Washington, D.C., when duly authorized or approved by the Secretary of the Interior; costs of procuring the attendance of witnesses, and the expenses of attorneys employed under contract in accordance with existing law. All claims for expenses hereunder shall be presented and paid in conformity with existing regulations.

With the following committee amendment:

On line 3, page 1, strike out the word "appropriated" and insert in lieu thereof "expended."

The amendment was agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CHALLIS NATIONAL FOREST

The Clerk called the next bill, H.R. 5791, to add certain lands to the Challis National Forest.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill, involving about 23,705 acres including public and private land, is approved by the Department of Agriculture but not approved by the Department of the Interior. Will the author of the bill advise me why the Interior Department expresses disapproval of the bill?

Mr. WHITE. The Interior Department does not disapprove the bill as amended to protect existing rights.

Mr. TRUAX. I read the gentleman a paragraph from the letter of Secretary Ickes of April 9, 1934:

In view of the character of the land, it is apparent that the object sought in the present bill is the regulation of grazing on the area. In my opinion, a wise method of dealing with the grazing problem on the unreserved public lands is to coordinate the use of all such lands under a comprehensive system which would promote the economic value and highest use of the entire public domain, instead of adding areas such as that involved to a national forest.

Mr. WHITE. The main objection of the Department of the Interior was because there was not an amendment in the bill protecting existing claims. The Secretary of the Interior depended upon the passage of the grazing bill, which failed.

The bill now under consideration was introduced at the request of the sportsmen's organization of Idaho to protect one of the few remaining bands of bighorn sheep. They are up in a rough, rugged country and without protection will be crowded out.

Mr. TRUAX. Can the gentleman get a statement to that effect from the Secretary?

Mr. WHITE. This bill was approved by the committee. We want to protect the bighorn sheep. We do not want to have to wait for the passage of the Taylor bill, for it may fail; we want to put these sheep under the protection of the forest organization.

Mr. TRUAX. Are any transfers of land involved?

Mr. WHITE. There are no transfers at all. This is one bill which has no graft in it and no connection with any exchange.

Mr. TRUAX. Does the gentleman admit that transfers have graft in them?

Mr. WHITE. They may have; I have known of such cases.

Mr. TRUAX. If the gentleman will assure me that there is no exchange involved, I will withdraw my objection.

Mr. WHITE. Absolutely none. This puts the bighorn sheep under the protection of the forest reserve game wardens.

Mr. TRUAX. So that the sports from the Northwest can go out and shoot one occasionally.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the following-described lands, are hereby added to the Challis National Forest, Idaho, and made subject to all laws applicable to national forests:

All of sections 5, 6, 7, 8, 17, 18, 19, 20, 30, and 31, and that part of sections 29 and 32 lying west of the Salmon River, township 13 north, range 19 east, Boise meridian.

All of sections 2, 3, 10, 11, 14, 15, 22, 23, 26, 27, 34, and 35, township 14 north, range 18 east, Boise meridian.

All of the remaining portions of township 13 north, range 18 east, Boise meridian, not now included within the national forest.

With the following committee amendment:

Line 3, page 1, after the word "lands", insert: "subject to existing valid rights."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS THE MERRIMACK RIVER AT LAWRENCE, MASS.

The Clerk called the next bill, H.R. 9571, granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, will the gentleman from Massachusetts advise us how far this proposed bridge is located from the nearest existing bridge?

Mr. CONNERY. My understanding is that they will probably do away with an old bridge, building the new bridge on the same site.

Mr. ELTSE of California. Does this bridge come in competition with any existing bridge?

Mr. CONNERY. No. It is a free highway bridge. There is no question of tolls involved.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the county commissioners of Essex County, in the State of Massachusetts, and their successors and assigns, to construct, maintain, and operate a free highway bridge and approaches thereto across the Merrimack River, at a point suitable to the interests of navigation, at Broadway, in the city of Lawrence, in the county of Essex, in the State of Massachusetts, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS BAYOU BARTHOLOMEW, MOREHOUSE PARISH, LA.

The Clerk called the next bill, H.R. 9594, granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.

The SPEAKER. Without objection, a similar Senate bill (S. 3640) will be substituted for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge and approaches thereto across Bayou Bartholomew, at a point suitable to the interests of navigation, at or near its mouth in Morehouse Parish, La., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider and a similar House bill were laid on the table.

BRIDGE ACROSS MISSOURI RIVER, WASHINGTON, MO.

The Clerk called the next bill, H.R. 9645, to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo., authorized to be built by the city of Washington, Mo., by an act of Congress approved June 15, 1933, are hereby extended 1 and 3 years, respectively, from June 15, 1934.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

GENERAL JOHN J. PERSHING NATIONAL MILITARY PARK

The Clerk called the next bill, H.R. 7517, providing for the establishment of the General John J. Pershing National Military Park near Laclede, in Linn County, Mo.

Mr. TRUAX. Mr. Speaker, reserving the right to object, this bill carries an appropriation of $250,000.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. COCHRAN of Missouri. This bill is to preserve the birthplace of General Pershing.

Mr. TRUAX. Was not General Pershing a member of the Economy League?

Mr. COCHRAN of Missouri. I do not know anything about that; that had nothing to do with the purpose of this bill.

Mr. McFARLANE. I can tell the gentleman that General Pershing was a member of the Economy League.

Mr. ROMJUE. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. ROMJUE. This bill does not carry an appropriation of $250,000 as stated by the gentleman from Ohio; this bill is merely an authorization giving the Secretary of War the privilege of asking for anywhere from $1 to $250,000 for park purposes, and whatever amount is needed may be appropriated.

Mr. TRUAX. It means the same thing.

Mr. ROMJUE. No; it does not mean the same thing. It means instead of a certain expenditure of that amount of money that the Seecretary of War may have a survey made and see what amount of money is needed, not exceeding that sum, and any amount below that may be asked for. It might not take over $50,000, or it might not require even that. I regret Congressman COFFIN is confined to the hospital and cannot be here today, as he is much interested in the passage of this bill and made the report in accordance with the wishes of the committee thereon. The Secretary of War, under the provisions of this bill, is authorized to acquire title to such acreage in such quantity and character as he deems advisable for the purpose of establishing this memorial park. The land and acreage near the town of Laclede are suitable and admirable in character for a park site. The territory near the town of Laclede includes a beautiful forest and stream area, the scene of General Pershing's boyhood playground. Near by exists the remains of an old and ancient mill and the boyhood swimming pool of General Pershing.

The establishment of the General John J. Pershing Park, as provided by this bill, as I said, has been endorsed by several State legislatures and by many leading citizens and organizations throughout the country. The Gold Star Mothers and many American Legion posts, farm organizations, and chambers of commerce throughout the country have enthusiastically endorsed the establishment of this park.

Gen. John J. Pershing's military and public career is so outstanding and appreciated generally, not only by the people of our own country, but his achievements and accomplishments and the knowledge thereof are world-wide. And the committee having this bill in charge have recommended its passage. Hon. Newton D. Baker, former Secretary of War, most heartily commends this project. Now is an ideal time to establish this park. It will give needed employment to many now unemployed.

It does not mean what the gentleman seems to think.

Mr. TRUAX. It does not?

Mr. ROMJUE. No; it may be much less than the amount stated by the gentleman and will no doubt be.

Mr. TRUAX. Will the gentleman tell me what it does mean?

Mr. ROMJUE. May I yield to the gentleman from Connecticut [Mr. Goss] to answer, as he started to do a moment ago? Of course, the gentleman from Ohio [Mr. TRUAX] has a right to object to the passage of the bill. I trust he will not do so.

Mr. GOSS. The gentleman who has charge of the bill, the gentleman from Idaho [Mr. COFFIN], is in the hospital, but I was on the committee that recommended the bill and all of these monumental bills unanimously. I may say to the gentleman that he knows how I have fought on this floor in reference to appropriations. All this does is to authorize the appropriation. It has to come up again before the Appropriations Committee before one cent of Government money may be spent.

Mr. TRUAX. But without the authorization the Appropriations Committee cannot spend the money?

Mr. GOSS. That is perfectly true.

Mr. TRUAX. Does not the gentleman believe that the spending of $250,000 on one of the war generals who now draws a retired pay of $21,000 a year could be spent to better advantage to feed some hungry mouths and clothe some naked bodies?

Mr. GOSS. No. The Appropriations Committee does not appropriate money for anything that is not included in a message from the Bureau of the Budget, and unless the Director of the Budget, and necessarily the President of the United States, desires to have this money spent, not one cent of it could be spent, because the Appropriations Committee does not pass appropriations unless they are in the Budget.

Mr. TRUAX. If this bill is stopped here and now, then the Appropriations Committee cannot authorize the expenditure of the money; hence we will save a quarter of a million dollars with which to relieve the poor people of this country.

Mr. GOSS. I call the gentleman's attention to the fact that unless the money——

Mr. TRUAX. Will the gentleman answer my inquiry.

Mr GOSS. I am saying absolutely no; that that money would not be available for relief unless it came from the Budget.

Mr. TRUAX. But the money will be there. It will not be spent for some memorial.

Mr. GOSS. That is true.

Mr. TRUAX. If it is necessary for the President of the United States to draw money to feed the people in these drought-stricken areas the money will still be there?

Mr. GOSS. No; because unless the President requests the appropriation it would not be possible to draw the money, even for relief purposes.

Mr. ROMJUE. May I explain something to the gentleman that has occurred even since this bill was before the committee?

Since the committee passed on this matter, the school children of Missouri and other public-spirited citizens made up enough money themselves to purchase 100 acres of land. If the gentleman from Ohio does not want to participate in it, I know that farm organizations, chambers of commerce, and American Legion posts all over the State of Ohio have endorsed this proposition, as well as legislatures from Texas, Illinois, and other States.

Mr. TRUAX. If the gentleman from Ohio does not want to participate, the taxpayers of this country do not want to participate in such a measure.

Mr. ROMJUE. The school children of Missouri are going to help buy the ground and are doing so.

Mr. TRUAX. You can get them to do anything that is suggested.

Mr. WOLCOTT. I know the gentleman's interest in the Economy League is about the same as mine. No one has ever accused the gentleman from Ohio or myself of ever being particularly friendly with the Economy League. I may say in deference and in fairness to General Pershing that after the Economy League's activities were known to the country, and the purposes of the Economy League were published, General Pershing cabled the Economy League withdrawing his name as a sponsor. I just wanted the RECORD to show that fact.

Mr. TRUAX. He was a member when the Economy Act was passed?

Mr. WOLCOTT. No; I understand he was not. That is the impression I desired to correct.

Mr. TRUAX. Regardless of that fact, I am opposed to an appropriation of $250,000 here and $100,000 there for memorials when 95 percent of the people of this country are bankrupt.

Mr. GOSS. I agree with the gentleman, but may I call his attention to this——

Mr. ARENS. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. I object, Mr. Speaker.

HABEAS CORPUS PROCEEDINGS

The Clerk called the next bill, H.R. 9547, to amend section 766 of the Revised Statutes, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 766 of the Revised Statutes, as amended, be, and it is hereby, further amended so as to read as follows:

"Pending the proceedings or appeal in the cases mentioned in the three preceding sections, and until final judgment therein, and after final judgment of discharge, any proceeding against the person so imprisoned and confined or restrained of his liberty, in any State court, or by or under the authority of any State, for any matter so heard and determined, or in process of being

heard and determined, under such writ of habeas corpus, may be stayed by a judge of any court of the United States in which are pending any such proceedings or appeal. After the granting of such a stay any such proceeding in any State court, or by or under the authority of any State, subsequent thereto, shall be deemed null and void. If no such stay is granted, any such proceeding in any State court, or by or under the authority of any State, shall be as valid and of as full force and effect as if no proceedings or appeal in the cases mentioned in the three preceding sections were pending in any court of the United States. No such appeal shall be had or allowed unless taken within 3 months after the date of the judgment or order complained of. Any proceeding, except final judgment or execution thereof, heretofore taken in any State court, or by or under the authority of any State, for any matter heard and determined, or in process of being heard and determined, in any proceeding or appeal in the cases mentioned in the three preceding sections now pending in any court of the United States, shall be as valid and of as full force and effect as if no such proceedings or appeal had been pending in any court of the United States at the time such proceeding was taken."

With the following committee amendment:

On page 2, line 6, after the word "thereto", insert the following: "pending the final adjudication of such habeas corpus proceedings in the court of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARINE BAND

The Clerk called the next bill, H.R. 9145, to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934.

Mr. TRUAX. Mr. Speaker, reserving the right to object, I ask that this bill be amended in accordance with the Navy Department's recommendation that the amount be reduced from $5,000 to $3,700, which they think will be ample.

Mr. ANDREW of Massachusetts. The $5,000 was only an authorization. The Navy Department states it will not cost more than $3,700. The amendment is acceptable.

Mr. TRUAX. Is the gentleman willing to offer such an amendment?

Mr. ANDREW of Massachusetts. Yes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., on August 14, 15, and 16, 1934.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such encampment there is authorized to be appropriated the sum of $5,000, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

Mr. ANDREW of Massachusetts. Mr. Speaker, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. ANDREW of Massachusetts: Line 11, page 1, strike out "$5,000" and insert in lieu thereof "$3,700."

Mr. McFARLANE. Mr. Speaker, when this bill was before our committee there was some question raised about it. There were two or three bills of this nature before the committee, and I should like to inquire what became of the other bills.

Mr. ANDREW of Massachusetts. I do not remember what bills were before the committee.

Mr. McFARLANE. There was one for the G.A.R.

Mr. ANDREW of Massachusetts. This bill was unanimously reported by the committee, but I do not recall what other bills were before the committee.

Mr. McFARLANE. There was a bill to send one band to the G.A.R. encampment and another bill to send a band to the Confederate encampment. What became of that bill?

Mr. ANDREW of Massachusetts. I do not recall. The Confederate reunion is now being carried on. This is supposedly the last reunion of the Grand Army. The same procedure has been followed in the past with respect to the Confederate veterans at Biloxi, Miss., and at Charlotte, N.C., but I do not recall any other bill being before the committee on the same day.

Mr. TRUAX. I may say to the gentleman that I am in favor of sending the Marine Band to this encampment. I would also send them to the encampments of all the other veterans' organizations.

Mr. ANDREW of Massachusetts. I would also.

Mr. McFARLANE. That is what I have in mind.

Mr. TRUAX. I would send them to the meeting of the Veterans of Foreign Wars and the Disabled American Veterans, the American Legion, and the other organizations.

Mr. McFARLANE. I was in favor of treating them all alike.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONDEMNATION PROCEEDINGS

The Clerk called the next bill, S. 2647, prescribing the procedure and practice in condemnation proceedings brought by the United States of America, conferring plenary jurisdiction on the district courts of the United States to condemn and quiet title to land being acquired for public use, and for other purposes.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object, it appears to me that unless there is something which saves this bill in existing law that I am not familiar with, the bill is very loosely drawn. I want to call the attention of the chairman of the committee to the fact that this is a new bill, separate and apart from any existing condemnation statutes. There is no provision in this bill requiring that the commissioners appointed by the court find that the taking of the land is necessary to the project or for the purposes set forth in the petition.

In addition to this I find there is no provision made for paying the award after the commissioners have determined the amount due the landowners.

In all condemnation matters that I have ever had anything to do with, there are three things which must be found either by the court or the commissioners: One is the necessity for the project, which is usually determined by the court on a hearing on the petition. The other two things are the necessity for taking the land for the purposes set forth in the petition, and the award of damages, both of which must be found by the commissioners.

I assume the Government agencies which file the petition will have found the necessity for the project before they file the petition, but there is nothing in the statute, as I read it, which provides that the commissioners shall find it is necessary to take the land set forth in the petition for the purposes of the project, neither is there any provision made for payment of the award after it is made, either to the landowner or by depositing it with the clerk of the court, the Federal Treasury, or some other agency of the Government.

I may say to the gentleman I have no particular objection to the bill, but I do want to say I think it is about the most loosely drawn condemnation statute I have ever had occasion to read.

Mr. SUMNERS of Texas. I do not care what the gentleman says about the bill, just so he does not object.

I appreciate what is in the mind of the gentleman. This bill, as I believe has been explained, has been approved by the Department of Justice. There were some interdepartmental difficulties and two bills were sent to the committee. This bill is the one agreed on and was in fact drafted by the Department of Justice.

The urgency for this bill grows out of the fact, as the gentleman knows, the Government is in process of acquiring or attempting to acquire sites for dams and lakes for the impounded waters, and so forth. Much of the land is wild land and it is very difficult to locate who are the owners of the land. In order to hurry the program it is desired by the Government to run boundaries around the lands and

proceed not as you would proceed under ordinary circumstances.

I telephoned the Department of Justice with regard to what is in the mind of the gentleman. They tell me they have filed about 7,000 condemnation suits and with no criticism as to allegation. I think there is no doubt, of course, that the Government will pay the award.

The gentleman will notice that the Government must pay 6-percent interest on the award from the time it was taken.

Mr. WOLCOTT. The necessity of the project is jurisdictional. Section 2, page 2 of the bill provides that the petition shall set forth the name of the petitioner, a description of the property, to which there may be attached a map, the purpose for which the property is to be acquired, the names of all owners, if known.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. ZIONCHECK. I ask unanimous consent that the bill be passed over without prejudice.

Mr. WOLCOTT. I do not believe that I am going to object. However, I think that the Department of Justice, for its own reputation should draw a better bill than this. Any lawyer who pretends to be a lawyer can draw a better bill.

Mr. ZIONCHECK. I withdraw my request.

Mr. WOLCOTT. Nowhere in this bill does it provide that any tribunal or any agency of the Government has found the necessity for the project.

The SPEAKER. Is there objection?

There was no objection.

The bill is as follows:

Be it enacted, etc., That whenever any agent, or the head of any department, or any other officer, who is authorized to procure real estate, including fixtures thereon, for the use of the United States of America, shall request the Attorney General to do so, the Attorney General may cause to be instituted in the United States district court of the district wherein such property, or a part thereof, is situate, or in the Supreme Court of the District of Columbia, the District Court for the Territory of Alaska, or the District Court for the Territory of Hawaii, if the property is situate, respectively, in the District of Columbia, the Territory of Alaska, or the Territory of Hawaii, a proceeding in condemnation and in the nature of a bill to quiet title, to acquire such property, or such easement, or right, or title, or ownership therein as shall be desired; and in said proceeding the court shall have plenary jurisdiction, to the end that title to said property, or such easement, or right, or title, or ownership therein desired shall be vested in the United States of America, and divested out of all other persons, firms, or corporations: *Provided*, That any such proceeding instituted in the Territory of Alaska shall be instituted in the division of the court within which the property, or a part thereof, involved, is situate.

SEC. 2. In all condemnation petitions filed hereunder, which need not be verified by affidavit, it shall be sufficient to allege—

(a) The name of the petitioner.

(b) A description of the property, to which there may be attached a map thereof.

(c) The purpose for which the property is to be acquired.

(d) The names of all the owners, if known, of the property sought to be condemned and their residences, if known, and giving the names of any of them under 21 years of age, or of unsound mind, or suffering under any other disability.

(e) The petition may also allege that there are unborn persons who may have some inchoate title or interest in, or lien or encumbrance on or against the property; and such allegation may be made on information or belief.

(f) A suitable prayer for the relief and for process.

SEC. 3. The list of owners, their conditions, ages, and addresses, and a description of the property, or any other relevant allegation or matter, may be set out in the body of the petition, or attached as exhibits or schedules thereto; and such exhibits or schedules shall be and are parts of the petition itself and the petition or the exhibits or schedules or other pleadings may be amended at any time before final judgment.

SEC. 4. Notice of such proceeding shall be given in the following manner:

(a) All persons, including minors, over 14 years of age, and the guardians of minors and all persons non compos mentis, having any interest in the property, residing within the jurisdiction of the court where the property sought to be condemned is situate, and whose residence is known, must be notified of the pendency of the proceeding by personal service on them of a citation by the United States marshal, or one of his deputies, or by a due admission of service by such persons, or by mailing a notice to him at his last known address.

(b) In addition to the notice provided in the preceding subsection, all minors, and all persons of unsound mind, shall have their interest represented and protected by a guardian ad litem, appointed by a judge of the court in which the petition is filed.

(c) All minors under the age of 14 years having a legal guardian must have notice served upon such guardian as provided in subsection (a) hereof. If such minors have no legal guardian, notice shall be served upon the person or persons having custody of the bodies of such minors.

(d) All nonresidents of the jurisdiction wherein the petition is filed, and all unknown parties, and all parties whose residences or post-office addresses are unknown, shall be notified of the pendency of the proceedings by publication once a week for 3 successive weeks in some newspaper published in the county, parish, or district where the land is situate; and if no newspaper is published therein, then the same shall be published in an adjoining county, parish, or district, or in such other manner as the court may direct.

SEC. 5. The notice to be served personally, or by publication, shall be substantially in the following form:

In the United States District Court for the _____ District of _____:

Notice:

The United States of America has filed a petition in the above court to appropriate and acquire title to a certain tract of land in the city _____ of _____, county of _____, State of _____, described as follows:

(Here describe the land)

"A", whose residence is unknown;

"B", who lives at _____, in the State of _____; and any and all other persons, firms, or corporations whomsoever or whatsoever, known or unknown, are hereby notified of the filing of such proceedings; and that the same will be heard before said court at the place of holding the same at _____ o'clock, ___m., on the _____ day of _____, 19____.

_____,
Clerk of said court.

SEC. 6. Each defendant shall have 10 days after the service of notice as aforesaid to plead to the petition.

After the cause is at issue, all other notices may be given by delivering copies of the papers to the attorneys of record, or by filing the same in the office of the clerk of the court where the proceeding is pending.

SEC. 7. If the issues are determined in favor of the petitioner, the court shall enter a decree condemning the property; vesting title in the United States of America, according to the prayer of the petition, quieting title to said property and appointing commissioners to fix just compensation therefor: *Provided*, That no commissioners shall be appointed in any case where a jury trial has been allowed.

SEC. 8. The petitioner may file a written demand for a common-law jury trial with the petition, and any defendant or intervenor to the suit may file a written demand for a jury trial at any time within which he is allowed to plead to the petition. In such event the cause shall be tried as other jury cases. If no jury trial is demanded, the court shall appoint as commissioners three disinterested residents of the judicial district, the District of Columbia, the Territory of Hawaii, or the division of the district court for the Territory of Alaska, as the case may be, where the property, or any part thereof, is situate, to view the property, hear testimony, and value the same and award damages to the owner for the taking.

SEC. 9. The order appointing the commissioners may be in substantial compliance with the following form:

United States of America v. a certain parcel of land et al., defendants

In the United States District Court for the ____ District of _____

Notice to_____
_____
_____
_____
_____

You are hereby appointed and notified of your appointment as commissioners to fix the amount of damages to which the several defendants in the above-entitled cause are entitled for taking their property under the proceedings therein, and you must make the return of your award within 15 days from the time you are sworn in as such commissioners, in substantially the following form.

_____,
Judge of the District Court.

The commissioners must report in writing, which may be substantially in the following form:

The undersigned commissioners named in the foregoing order in the above-entitled cause to view the property described in the petition and exhibits attached, after being duly sworn, viewed the property and examined the witnesses under oath in regard to the matters under inquisition, and respectfully report our findings as follows:

(The report shall contain)

(a) The names of the owners of each parcel of property, describing it, the value of the land, the value of the improvements, if any, the value of fixtures, if any.

(b) A list of all of the liens of every kind and character against said property, including taxes and assessments; and the value placed upon each and every parcel, and each and every interest therein, and any other matters which may be submitted under the direction of the court, together with a brief statement of the

manner in which they arrived at the amount of compensation awarded.

SEC. 10. The commissioners must be duly sworn, and must subscribe the oath, which shall be in substantially the following form:

We, and each of us, do solemnly swear that we will well and truly inquire into, and find and return a true award of damages and compensation to the property owners in a certain cause pending in said court, wherein the United States of America is petitioner and _____ are defendants, for the taking and appropriating the property described in the petition and in the foregoing commission appointing the undersigned as commissioners, according to the best of our ability.

Neither of us is in any way interested in said cause, nor are we, or any of us, of kin, nor related, to any of the parties to said cause by affinity or consanguinity.

_____,
_____,
_____,
_____,
_____,

The foregoing was subscribed and sworn to before me, the undersigned authority, by each and all of the above-named commissioners, on this, the ____ day of _____, 19__.

_____
(Here give the official title)

SEC. 11. The above oath may be administered by and sworn to before any judge of any court of record, or the clerk of any court of record, or notary public.

SEC. 12. There may be attached to the petition, and made a part thereof, a suitable and correct map of the land sought to be condemned, and the order of the court appointing the commissioners may have attached thereto a true copy of the petition and all exhibits or schedules exhibited.

SEC. 13. Where there are several parcels of land, regardless of whether they are owned by the same or different persons, jointly or separately, they may all be joined and condemned in one petition or proceeding, provided such parcels are contiguous, or provided they are being taken for one and the same project. Where lands sought to be acquired are contiguous and lie within the jurisdiction of two or more courts, the petition may be filed in either.

SEC. 14. It shall be the duty of the commissioners so appointed to examine into the value of the lands sought to be condemned, to conduct hearings and receive evidence, and generally to take such other and additional steps as may be proper for the determination of the value of the lands, as well as rights-of-way or other interests sought to be condemned, and for such purposes the commissioners are authorized to subpena witnesses, administer oaths, and conduct hearings for the ascertainment of just compensation to be awarded for the appropriation of the property. The award must be filed with the clerk of the court in which such proceedings are pending within 15 days from the date of the taking of the oath, unless further time is granted by the court, and upon the filing of such award in court, the clerk shall give notice of such filing to all the parties to said proceeding in the manner and form directed by a judge of said court.

SEC. 15. At any time within 20 days from the date of the filing of the said award in court, any party may file exceptions thereto. Such exceptions shall be heard before the court, which shall review questions of law and fact and shall render a final decree fixing just compensation.

SEC. 16. At any time within 30 days from the filing of the decree of the court any party may appeal therefrom to the Circuit Court of Appeals or the Court of Appeals of the District of Columbia, as the case may be.

SEC. 17. The United States may appeal without giving bond; but any other party appealing shall give bond, with good and sufficient surety, to be approved by the court, conditioned to pay all costs taxed against appellant on such appeal.

SEC. 18. If no exceptions shall be filed within 20 days from the filing of report of commissioners with the clerk, the court shall cause to be entered a decree fixing the amount of damages or compensation to which each and every party is entitled. The United States may withdraw or dismiss its petition at any time before the vesting of title to the property in the United States of America.

SEC. 19. All judgments or decrees awarded for the appropriation of property by the United States of America shall bear 6 percent interest from the time that title vests in the United States, subject to abatement for use, income, rents, or profits derived therefrom subsequent to entry of judgment or award, or verdict.

SEC. 20. On the rendition of the final decree, the clerk shall make and certify, under the seal of the court, a copy or copies of such decree, which shall be recorded in the proper local recording office or offices.

SEC. 21. Whenever, in the judgment of the court, there are so many defendants as to make it too expensive and impracticable to have all of them summoned as parties, the court may enter an order directing that a certain number of each class of claimants or owners, if there are more than one class, be selected for service and notice; and shall order notice given to all others by publication, as hereinbefore set out.

SEC. 22. Any person not already a party to the suit, who claims any interest in the property, may intervene as a party defendant.

SEC. 23. The court shall have full power and authority to determine any and all adverse claims or title or interest in the property, and the priority of liens thereon, without the intervention of a jury, unless demanded.

SEC. 24. All condemnation suits shall be preferred cases having precedence over all others except criminal causes where the defendants are in jail.

SEC. 25. All laws and parts of laws in conflict with the provisions of this act are hereby repealed: *Provided*, That the act approved February 26, 1931, entitled "An act to expedite the construction of public buildings and works outside of the District of Columbia by enabling possession and title of sites to be taken in advance of final judgment in proceedings for the acquisition thereof under the power of eminent domain", shall not be deemed repealed by this act.

SEC. 26. Should any provision or part of this act be declared unconstitutional or invalid, such decision shall not affect any other portion or part thereof.

With the following committee amendments:

Page 3, line 24, strike out the word "is."
Page 4, line 4, after the word "or", insert "if such person cannot be found in the district."
Page 4, line 20, after the word "proceedings", insert "in such manner as the court may direct, and if the court orders that notice be given."
Page 4, line 22, after the word "publication", insert "such publication shall be."
Page 5, line 2, strike out the words "or in such other manner as the court may direct."
Page 5, line 4, strike out the word "shall" and insert the word "may."
Page 5, line 10, after the word "in", strike out the words "the city."
Page 6, line 1, strike out "Each defendant shall have 10 days after the service of notice as aforesaid to plead to the petition" and insert "After the expiration of 10 days from the personal service or service by mail as provided herein of notice as above required, the cause shall be at issue. Where notice is given by publication, the cause shall be at issue 10 days after the notice has been published the third and last time."
Page 6, line 10, after the word "or", insert "if any party fails to appear by attorney, then."
Page 7, line 7, after the word "taking", insert "The compensation of said commissioners shall not exceed $15 per day plus travel and subsistence expenses."
Page 10, line 7, after the word "clerk", insert "or any deputy clerk."
Page 12, line 20, strike out section 21.
Page 13, line 2, strike out "22" and insert "21."
Page 13, line 5, strike out "23" and insert "22."
Page 13, line 9, strike out "24" and insert "23."
Page 13, line 12, strike out "25" and insert "24."
Page 13, line 20, strike out section 26.

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXTENDING BENEFITS OF EMERGENCY FARM MORTGAGE ACT

The Clerk called the next bill, H.R. 9528, to amend section 32 of the Emergency Farm Mortgage Act of 1933.

The SPEAKER. Is there objection?

There was no objection.

Mr. JONES. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 3540, be substituted in lieu of the House bill.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, is the language of the amendment, the language which is stricken out in the Senate bill the same as in the House bill?

Mr. JONES. It is identical.

The SPEAKER. Is there objection?

Mr. ELTSE of California. Mr. Speaker, I understand that the Senate bill is to be substituted. I reserve the right to object to the Senate bill and ask the gentleman if he does not think that by striking out that language of the Emergency Farm Mortgage Act it will make it possible for the mortgagor, however long ago the foreclosure took place, to come in and cause considerable trouble in demanding redemption.

Mr. JONES. No; he can only redeem when both parties agree or where redemption is a matter of right under existing law. This is to make it possible where the mortgagee is willing, for the Commissioner to make the necessary loan provided the mortgagor is able to meet the requirement. This does not confer an equity of redemption. It enables the Farm Credits Administration to furnish the money if an arrangement to redeem can be made.

Mr. ELTSE of California. And this has nothing to do with the limitation period?

Mr. JONES. Nothing at all.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the fifth sentence of section 32 of the Emergency Farm Mortgage Act of 1933 is amended by striking out "which has been foreclosed at any time between July 1, 1931, and the date of the enactment of this act, or which is foreclosed after the enactment of this act."

The SPEAKER. Is there objection?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H.R. 9528) was laid on the table.

PROHIBITING CERTAIN USES OF PATRONAGE

The Clerk called the next bill, S. 1884, to prevent the use of Federal official patronage in elections and to prohibit Federal officeholders from misuse of positions of public trust for private and partisan ends.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object. Will the gentleman please explain the bill?

Mr. SUMNERS of Texas. I think there is no explanation other than that which is in the report. Has the gentleman the report available? The purpose is to prevent these people holding Government jobs from stacking conventions.

Mr. TRUAX. Does not the distinguished Chairman of the Committee on the Judiciary think he ought to have an amendment there which would prevent national committeemen and national committeewomen, after they are appointed to office, from controlling appointments back home? That is the condition in my State today. Would the gentleman be willing to accept an amendment to this bill?

Mr. SUMNERS of Texas. Has the gentleman got such an amendment worked out?

Mr. TRUAX. I think I can work it out.

Mr. SUMNERS of Texas. I suggest that the gentleman let the bill go over until tomorrow.

Mr. TRUAX. Very well. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice, to be considered on tomorrow's calendar.

The SPEAKER. Is there objection?

There was no objection.

CONCERNING RATES OF PAY FOR LABOR

The Clerk called the next bill, S. 3041, to effectuate the purpose of certain statutes concerning rates of pay for labor by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes.

The SPEAKER. Is there objection?

Mr. McFADDEN. Mr. Speaker, I reserve the right to object to inquire whether or not this bill, if enacted, will apply to those cases where this very thing has already happened, and which a Senate committee is now engaged in checking over?

Mr. SUMNERS of Texas. It could not be retroactive, as the gentleman knows.

Mr. McFADDEN. Is there a bill that would cover the present situation?

Mr. SUMNERS of Texas. It is intended by this bill to do that. It is intended by this bill to make it a penal offense and that is as far as legislation can go.

Mr. McFADDEN. Take these cases now under investigation by the Senate committee, of which Senator WALSH is the chairman.

Mr. SUMNERS of Texas. We have a constitutional prohibition which prevents us from legislating and making penal a thing already happened, which is not now a violation of law. We cannot make a thing against the law which was not against the law at the time it was done. We are doing all that can be done in this bill.

Mr. McFADDEN. And it would not apply to any of the cases that might be uncovered in the Senate committee investigation?

Mr. SUMNERS of Texas. No; we could not do that.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That whoever shall induce any person employed in the construction, prosecution, or completion of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, or in the repair thereof to give up any part of the compensation to which he is entitled under his contract of employment, by force, intimidation, threat of procuring dismissal from such employment, or by any other manner whatsoever, shall be fined not more than $5,000, or imprisoned not more than 5 years, or both.

SEC. 2. To aid in the enforcement of the above section, the Secretary of the Treasury and the Secretary of the Interior jointly shall make reasonable regulations for contractors or subcontractors on any such building or work, including a provision that each contractor and subcontractor shall furnish weekly a sworn affidavit with respect to the wages paid each employee during the preceding week.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider laid on the table.

Mr. HOLMES. I make the point of order that there is no quorum present.

Mr. BYRNS. I hope the gentleman will not insist upon that. I think the gentleman ought to understand the responsibility that some of us have for putting this legislation through and giving the Members an opportunity to have their bills called. If the gentleman insists on quitting work at 5:15 and going home, I cannot help it, of course; but I am going to move a call of the House if the gentleman makes the point of order. We will waste 30 or 40 minutes for nothing, and then when we come we will stay here until we complete this calendar.

Mr. SNELL. I understood that the gentleman was going to rise?

Mr. BYRNS. I am going to rise directly.

Mr. HOLMES. I will withdraw the point of order for the time being.

JOHN P. LEONARD

Mr. HILL of Alabama submitted a conference report on the bill (H.R. 541) for the relief of John P. Leonard for printing in the RECORD.

PAUL JELNA

Mr. HILL of Alabama submitted a conference report on the bill (H.R. 3032) for the relief of Paul Jelna for printing in the RECORD.

WILLIAM G. BURRESS, DECEASED

Mr. HILL of Alabama submitted a conference report on the bill (H.R. 2439) for the relief of William G. Burress, deceased, for printing in the RECORD.

MARINE BAND TO ATTEND UNITED CONFEDERATE VETERANS' 1934 REUNION

Mr. McFARLANE. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 8539) to authorize attendance of the Marine Band at the United Confederate Veterans' 1934 reunion at Chattanooga, Tenn.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. McFARLANE]?

Mr. McFARLANE. Mr. Speaker, this bill will permit sending the Marine Band to the Confederate reunion. It was stated that this bill had already been passed. I find on checking up that it has not been passed, so I trust there will be no objection made to it, because we have already passed bill no. 361 on the calendar to send the band to the G.A.R. convention at New York. It is in the interest of fairness to both parties, and I hope there will be no objection.

Mr. JENKINS of Ohio. Reserving the right to object, the gentleman is asking the privilege of having his bill come before 75 or 100 other bills.

Mr. McFARLANE. No; these bills were both reported out of the committee together.

Mr. JENKINS of Ohio. But the gentleman has not taken the precaution to have it put on the calendar. What does the bill propose?

Mr. McFARLANE. It proposes to permit the Marine Band to attend this year's Confederate reunion at Chattanooga, Tenn.

Mr. JENKINS of Ohio. How much is the appropriation?

Mr. McFARLANE. Five thousand dollars, or as much of that amount as may be necessary.

Mr. JENKINS of Ohio. Is it not a fact that heretofore the appropriation has only been $3,700?

Mr. McFARLANE. I will be glad to accept such an amendment.

Mr. JENKINS of Ohio. I will not object if that amendment is accepted.

Mr. McFARLANE. That was the same amendment that was offered to the other bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. McFARLANE]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the United Confederate Veterans' Reunion to be held at Chattanooga, Tenn., on June 6, 7, and 8, 1934.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such reunion there is authorized to be appropriated the sum of $5,000, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

Mr. McFARLANE. I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McFARLANE: On page 1, line 9, strike out "$5,000" and insert "$3,700."

The amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KENNESAW MOUNTAIN NATIONAL MEMORIAL MILITARY PARK

The Clerk called the next bill, H.R. 1729, to create a national memorial military park at and in the vicinity of Kennesaw Mountain in the State of Georgia, and for other purposes.

Mr. TRUAX. Mr. Speaker, I object. This appropriates $100,000 for another national park.

Mr. TARVER. Will the gentleman reserve it?

Mr. TRUAX. I will reserve it, but I will not withdraw it.

Mr. TARVER. I hope the gentleman will not close his mind against the arguments which I intend to address to him, and which I think ought to make an impression upon him.

I have listened to the gentleman's remarks with regard to one or two other legislative proposals this afternoon of a similar nature. I am not entirely out of sympathy with the position the gentleman takes, but I wish to point out some things to him which make a distinction between those proposals and the one we are now considering.

Mr. TRUAX. I think the gentleman will agree that I could not with consistency allow his bill to pass and object to the other bills.

Mr. TARVER. That is exactly the point. I am undertaking to point out some very substantial differences between the other bills and the bill under consideration.

Mr. TRUAX. I shall be glad to hear the gentleman.

Mr. TARVER. In the first place, permit me to point out to the gentleman that the Battle of Kennesaw Mountain and the engagements around Kennesaw Mountain were participated in by 150,000 soldiers of the North and South, and that the losses in that battle on both sides, killed, wounded, and missing were 25,000. The Federal Government has not memorialized a single battlefield of the entire Johnston-Sherman campaign from Dalton to Atlanta in the spring of 1864, one of the most important campaigns of the War Between the States. No battlefield in the country is of greater interest nor more suited to memorialization purposes than Kennesaw Mountain.

Mr. MARTIN of Massachusetts. Mr. Speaker, regular order.

Mr. TARVER. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

Mr. TRUAX. I will have to object to that. I want to say to the gentleman that I am willing to agree to every contention he has made, but I wonder if the gentleman has thought about the thousands and hundreds of thousands of economic casualties in this country today that are living and that have to be taken care of?

Mr. TARVER. Unless I am permitted to go into this matter briefly I shall demand a quorum.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the regular order.

Mr. TARVER. Mr. Speaker, if the gentleman insists upon demanding the regular order, I shall make a point of no quorum.

Mr. BYRNS. Mr. Speaker, I hope the gentleman will not make the point of no quorum.

Mr. TARVER. All I ask is to be allowed the privilege of briefly stating the facts regarding this bill.

Mr. BYRNS. The gentleman never ceased work at home at 5:20 o'clock in the afternoon.

Mr. TARVER. Mr. Speaker, I do not want to cease work; I want to continue to work. I ask only the privilege of explaining my bill.

Mr. BYRNS. Mr. Speaker, I do not think the gentleman ought to take it out on other Members of the House who are sitting here patiently hoping their bills will be called.

Mr. TARVER. Mr. Speaker, nothing is further from my purpose. Will not the gentleman withdraw his demand for the regular order and allow me to proceed for 2 minutes?

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my demand for the regular order.

Mr. TARVER. Mr. Speaker, I want to point out to the gentleman from Ohio that this in a way is an unemployment-relief proposition. The purpose of the proposed legislation is to pave the way for an application to the Public Works Administration for an allocation to this project, which includes the construction of a road alongside 4½ miles of breastworks, part of a battlefield where organizations from 14 different States of the Union were engaged, so that the people who travel the Dixie Highway alongside this battlefield may have an opportunity of going over this historic ground.

We do not intend to ask a single dollar of appropriation by the Congress at this time. We intend to ask the money of the P.W.A. The State of Georgia has received only a very limited amount for Federal projects out of the $3,300,000,000 appropriated by Congress for public works. We want an opportunity to participate in this Public Works program. We have not had it to any considerable extent. This is a comparatively small amount. We want it partly for the purpose of furnishing employment to our unemployed. Surely the gentleman cannot in good faith object upon the grounds mentioned by him.

Mr. TRUAX. Mr. Speaker, I may say to the gentleman from Georgia that I would consider the employment proposition involved in this case the same as I do the employment relief afforded by certain public road-building projects. If the gentleman will go over route no. 40 he will notice cuts being made in some of the mountains, curves being straightened, and fills being made. How is this work being done? They have two or three steam shovels, two or three tractors, and a number of trucks; and a project that formerly would give employment to 2,000 men now gives employment to about 20.

Mr. TARVER. The work contemplated under this bill would give employment to a large number of men, as most of it is to be done on the rugged sides of Kenesaw Mountain, where the use of machinery would be difficult.

Mr. MARTIN of Massachusetts. Mr. Speaker, I demand the regular order.

Mr. TRUAX. Mr. Speaker, I object.

EXTENSION OF GEOLOGICAL SURVEY TO PUERTO RICO

The Clerk called the next bill, H.J.Res. 202, providing for extension of cooperative work of the Geological Survey to Puerto Rico.

Mr. ELTSE of California. Mr. Speaker, I object.

PHILIPPINE CURRENCY RESERVE

The Clerk called the next bill, H.R. 9459, relating to Philippine currency reserves on deposit in the United States.

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that this bill go over without prejudice.

The SPEAKER Is there objection to the request of the gentleman from Alabama?

There was no objection.

BRIDGE ACROSS AGATE PASS, KITSAP COUNTY, WASH.

The Clerk called the next bill, H.. 9723, a bill to revive and reenact the act entitled "An act authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, is this a toll bridge?

Mr. ZIONCHECK. No; it is not. It will be a toll bridge until the State of Washington wants to take it over. At the present time the State is in no position to build this bridge.

Mr. GOSS. Mr. Speaker, reserving the right to object, this is a toll bridge.

Mr. MILLIGAN. The bill provides that it may be a toll bridge for 20 years.

Mr. GOSS. Authorization to build this bridge was granted way back in 1929. I have been to Bainbridge Island and am familiar with that country myself.

Mr. MILLIGAN. Mr. Speaker, I demand the regular order.

Mr. GOSS. Mr. Speaker, I object.

BRIDGE ACROSS COLUMBIA RIVER AT ASTORIA, OREG.

The Clerk called the next bill, H.R. 9706, authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MOTT. Mr. Speaker, I ask unanimous consent that the bill S. 3502 may be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That, in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Oregon-Washington Bridge Commission (hereinafter created, and hereinafter referred to as the "commission") and its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River at or near the city of Astoria, Oreg., at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this act. Such commission is further authorized and directed to acquire all the assets and liabilities of the Rivers Improvement Corporation, a corporation organized under the laws of the State of Oregon.

SEC. 2. There is hereby conferred upon the commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the States of Oregon and Washington as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate or other property is situated, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said States, respectively.

SEC. 3. The commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge in accordance with the provisions of this act.

SEC. 4. The commission and its successors and assigns are hereby authorized to provide for the payment of the cost of the bridge and its approaches and the necessary lands, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission, bearing interest at not more than 6 percent per annum, the principal and interest of which bonds and any premium to be paid for retirement thereof before maturity shall be payable solely from the sinking fund provided in accordance with this act. Such bonds may be registrable as to principal alone or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 25 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the commission may determine. The commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the commission prior to the issuance of the bonds. The commission may enter into an agreement with any bank or trust company in the United States as trustee having the power to make such agreement, setting forth the duties of the commission in respect of the construction, maintenance, operation, repair, and insurance of the bridge, the conservation and application of all funds, the safeguarding of moneys on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law and also provisions for approval by the original purchasers of the bonds of the employment of consulting engineers and of the security given by the bridge contractors and by any bank or trust company in which the proceeds of bonds or of bridge tolls or other moneys of the commission shall be deposited, and may provide that no contract for construction shall be made without the approval of the consulting engineers. The bridge constructed under the authority of this act shall be deemed an instrumentality for interstate commerce, the postal service, and military and other purposes authorized by the Government of the United States. Said bonds shall be sold in such manner and at such time or times and at such price as the commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6-percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge and its approaches, and the land, easements, and appurtenances used in connection therewith. The cost of the bridge shall be deemed to include interest during construction of the bridge, and for 12 months thereafter, and all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definitive bonds the commission may, under like restrictions, issue temporary bonds, or interim certificates with or without coupons of any denomination whatsoever, exchangeable for definitive bonds when such bonds have been executed and are available for delivery.

SEC. 5. In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or repurchase price of all or any thereof redeemed or repurchased before maturity as herein provided. All tolls and other revenues from said bridge are hereby pledged to such uses and to the application thereof as hereinafter in this section required. After payment or provision for payment therefrom of all such cost of maintaining, repairing, and operating and the reservation of an amount of money estimated to be sufficient for the same purpose during an ensuing period of not more than 6 months, the remainder of tolls collected shall be placed in the sinking fund, at intervals to be determined by the commission prior to the issuance of the bonds. An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The commission shall classify in a reasonable way all traffic over the bridge, so that the tolls shall be so fixed and adjusted by it as to be uniform in the application thereof to all traffic falling within any such reasonable class, regardless of the status or character of any person, firm, or corporation participating in such traffic, and shall prevent all use of such bridge for traffic except upon payment of the tolls so fixed and adjusted. No toll shall be charged officials or employees of the commission or of the Government of the United

States or any State, county, or municipality in the United States while in the discharge of their duties.

SEC. 6. After payment of the bonds and interest, or after a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, the commission shall deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within Oregon to the State of Oregon or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Oregon interests") and that part within Washington to the State of Washington or any municipality or agency thereof as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the "Washington interests"), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, and repaired by the Oregon interests and the Washington interests, as may be agreed upon; but if either the Oregon interests or the Washington interests shall not be authorized to accept or shall not accept the same under such conditions, then the bridge shall continue to be owned, maintained, operated, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management, until such time as both the Oregon interests and the Washington interests shall be authorized to accept and shall accept such conveyance under such conditions.

SEC. 7. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Oregon-Washington Bridge Commission, and by that name, style, and title said body shall have perpetual succession; may contract and be contracted with, sue and be sued, implead and be impleaded, complain, and defend in all courts of law and equity; may make and have a common seal; may purchase or otherwise acquire and hold or dispose of real estate and other property; may accept and receive donations and gifts of money or other property and apply same to the purposes of this act; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The commission shall consist of Guy Boyington, A. W. Norblad, and M. R. Chessman, all of the city of Astoria, Oreg., and L. D. Williams and O. H. Roessler, of Pacific County, Wash. Such commission shall be a body corporate and politic. Each member of the commission shall qualify within 30 days after the approval of this act by filing in the office of the Secretary of the Interior an oath that he will faithfully perform the duties imposed upon him by this act, and each person appointed to fill a vacancy shall qualify in like manner within 30 days after his appointment. Any vacancy occurring in said commission by reason of failure to qualify as above provided, or by reason of death or resignation, shall be filled by the Secretary of the Interior. Before the issuance of bonds as hereinabove provided, each member of the commission shall give such bond as may be fixed by the Secretary of the Interior, conditioned upon the faithful performance of all duties required by this act. The commission shall elect a chairman and a vice chairman from its members, and may establish rules and regulations for the government of its own business. A majority of the members shall constitute a quorum for the transaction of business.

SEC. 8. The commission shall have no capital stock or shares of interest or participation, and all revenues and receipts thereof shall be applied to the purposes specified in this act. The members of the commission shall be entitled to a per diem compensation for their services of $10 for each day actually spent in the business of the commission, but the maximum compensation of the chairman in any year shall not exceed $2,500 and of each other member shall not exceed $500. The members of the commission shall also be entitled to receive traveling-expense allowance of 10 cents a mile for each mile actually traveled on the business of the commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as they may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act. After all bonds and interest thereon shall have been paid and all other obligations of the commission paid or discharged or provision for all such payment shall have been made as hereinbefore provided, and after the bridge shall have been conveyed to the Oregon interests and the Washington interests as herein provided, the commission shall be dissolved and shall cease to have further existence by an order of the Secretary of the Interior made upon his own initiative or upon application of the commission or any member or members thereof, but only after a public hearing in the city of Astoria, Oreg., notice of the time and place of which hearing and the purpose thereof shall have been published once, at least 30 days before the date thereof, in a newspaper published in the city of Astoria, Oreg., and a newspaper published in South Bend, Wash. At the time of such dissolution all moneys in the hands of or to the credit of the commission shall be divided into two equal parts, one of which shall be paid to said Oregon interests and the other to said Washington interests.

SEC. 9. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from the funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States.

SEC. 10. All provisions of this act may be enforced, or the violation thereof prevented, by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of Oregon, the attorney general for the State of Washington, or the United States district attorney for any district in which the bridge may be located in part, in any court having competent jurisdiction of the subject matter and of the parties.

SEC. 11. The right to alter, amend, or repeal this act is hereby expressly reserved.

SEC. 12. Section 1 of the act entitled "An act to authorize the construction of certain bridges and to extend the times for commencing and completing the construction of other bridges over the navigable waters of the United States", approved June 10, 1930, as amended, is hereby repealed.

Mr. MOTT. Mr. Speaker, I offer an amendment to the Senate bill.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Page 1 of the bill, S. 3502, after the word "bridge", in the title of the bill, strike out the word "Commission" and insert in lieu thereof "Board of Trustees."

The amendment was agreed to.

Mr. MOTT. Mr. Speaker, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. MOTT: Strike out all of the provisions of the Senate bill following the enacting clause and insert in lieu thereof the following:

"That in order to promote interstate commerce, improve postal service, and provide for military and other purposes, Guy Boyington, judge of the county court of Clatsop County, Oreg., and his successors in office, J. C. Ten Brook, mayor of the city of Astoria, Oreg., and his successors in office, and L. D. Williams, chairman of the Board of County Commissioners of Pacific County, Wash., and his successors in office, all as trustees, are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River, at a point suitable to the interests of navigation, at Astoria, Clatsop County, Oreg., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act; and said trustees shall own and hold said bridge in trust for Clatsop County, Oreg., Pacific County, Wash., and the city of Astoria, Oreg.; said trustees being known as and functioning as the Oregon-Washington Bridge Board of Trustees, and serving without compensation. Said board of trustees is hereby granted the right to assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act.

"SEC. 2. There is hereby conferred upon said board of trustees all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"SEC. 3. The said board of trustees is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 25 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

"SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVY AND MARINE CORPS

The Clerk called the next bill, H.R. 4554, to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3)

to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps.

Mr. TRUAX. Mr. Speaker, reserving the right to object, will the author explain the purpose of the bill?

Mr. HOEPPEL. The purpose of the bill is to extend the same hospital privileges and considerations to enlisted men of the Navy and Marine Corps that are today enjoyed by the Army.

Mr. TRUAX. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That from and after the 1st day of the month following the passage of this act provisions of section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) are hereby amended to provide that the deduction of 20 cents per month from the pay of officers and men in the Navy shall not apply to transferred members of the Fleet Naval Reserve, Marine Corps Reserve, and officers and men on the retired lists of the Navy and Marine Corps while on inactive duty: *Provided*, That no existing rights of such personnel to admission and treatment in naval hospitals shall be affected by the provisions of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS AGATE PASS, STATE OF WASHINGTON

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to return to no. 372 on the Consent Calendar, the bill (H.R. 9723) to revive and reenact the act entitled "An act authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", and to substitute for the House bill the Senate bill S. 3604.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

Mr. MILLIGAN. Mr. Speaker, I object to returning to any of these previous bills.

ALIEN VETERANS OF THE WORLD WAR

The Clerk called the next bill, H.R. 6912, to amend the act entitled "An act to admit to the United States and to extend naturalization privileges to, alien veterans of the World War", approved May 26, 1926.

Mr. JENKINS of Ohio. Mr. Speaker, I ask that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

UPPER MISSISSIPPI WILD LIFE AND FISH REFUGE

The Clerk called the next bill, H.R. 9646, to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, may I ask the author of the bill how much this is going to cost?

Mr. BIERMANN. It will not cost anything.

Mr. ELTSE of California. How many acres are involved?

Mr. BIERMANN. It is an indefinite amount. The Sixty-eighth Congress authorized the expenditure of a million and a half dollars for this Upper Mississippi River Wild Life and Fish Refuge, and it confined the expenditure to land which is subject to overflow. This bill eliminates that part of the authorization which confined the purchases to lands subject to overflow. This does not add a dollar to the authorization and the average price of the land cannot be over $5 an acre.

Mr. ELTSE of California. It is overflow land?

Mr. BIERMANN. Under present law it has to be confined to overflow land. This bill allows the purchase of land along the hillsides and banks of the river. I may say that the Chief of the Biological Survey endorses this proposition and his predecessor also endorsed it.

Mr. ELTSE of California. What does this have to do with fish?

Mr. BIERMANN. This is the Upper Mississippi River Wild Life and Fish Refuge.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the Upper Mississippi River Wild Life and Fish Refuge Act (43 Stat. 650) is amended to read as follows:

"SEC. 2. The Secretary of Agriculture is authorized and directed to acquire, by purchase, gift, or lease, such areas of land, or of land and water, situated between Rock Island, Ill., and Wabasha, Minn., on either side of or upon islands in the Mississippi River which are not used for agricultural purposes, as he determines suitable for the purposes of this act."

With the following committee amendment:

On page 1, line 7, strike out the words "and directed."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EMERGENCY CONSERVATION WORK

The Clerk called the next bill, H.R. 9619, to authorize the disposal of surplus personal property, including buildings, of the emergency conservation work.

Mr. TRUAX. Mr. Speaker, I object.

Mr. GOSS. Will the gentleman withhold that a minute?

Mr. TARVER. Mr. Speaker, this affects the disposition of the abandoned property involved in C.C.C. work.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. GOSS. Mr. Speaker, I object.

UNIFORMITY IN LAWS AFFECTING LABOR AND INDUSTRIES

The Clerk called the resolution (H.J.Res. 267) to authorize the several States to negotiate compacts or agreements to promote greater uniformity in the laws of such States affecting labor and industries.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this joint resolution be passed over without prejudice.

Mr. SUMNERS of Texas. Will the gentleman withhold his request for a moment in order that I may make an explanation?

Mr. TRUAX. Why not let it go over until tomorrow?

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EMERGENCY FARM MORTGAGE ACT OF 1933

The Clerk called the next bill, H.R. 8389, to amend section 36 of the Emergency Farm Mortgage Act of 1933 and amendments thereto.

Mr. ELTSE of California. Mr. Speaker. I object.

Mr. DOXEY. Mr. Speaker, will the gentleman withhold his objection and tell me the reason for his objection?

Mr. HOLMES. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ELTSE of California. Mr. Speaker, I object.

PIONEER NATIONAL MONUMENT, STATE OF KENTUCKY

The Clerk called the next bill, S. 3443, to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes.

Mr. TRUAX. Mr. Speaker, reserving the right to object, the author of the bill is here——

Mr. TARVER. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Mr. Speaker, I object.

CONSTRUCTION OF PUBLIC WORKS BY THE NAVY

The Clerk called the next bill, H.R. 9272, to authorize the Secretary of the Navy to proceed with the construction of certain public works, and for other purposes.

Mr. BAKEWELL. Mr. Speaker, reserving the right to object——

Mr. TARVER. I demand the regular order, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BAKEWELL. I object, Mr. Speaker.

AGRICULTURAL PURCHASING POWER

The Clerk called the next bill, S. 2674, to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933.

Mr. WOLCOTT. Mr. Speaker, reserving the right to object——

Mr. TARVER. Mr. Speaker, I demand the regular order.

Mr. HOLMES. Mr. Speaker, I make the point of order there is no quorum present.

Mr. WOLCOTT. Mr. Speaker, I want to know if this procedure is going to be followed, so that we are not going to be allowed an opportunity to have these bills explained.

Mr. TARVER. The gentleman is out of order. I demand the regular order.

Mr. BYRNS. Will the gentleman withhold his point of order while I make a brief statement?

Mr. HOLMES. I withhold it, Mr. Speaker.

Mr. BYRNS. Mr. Speaker, I am not going to stand here and insist that the House stay in session any longer. I have had only one purpose in view, and that has been to give the gentlemen here who have bills on the calendar an opportunity to have the House pass on them. I do not know whether you will have another opportunity at this session of Congress or not, and this is the reason I have been anxious to get as far along with the calendar as possible.

Mr. BOILEAU. Mr. Speaker, if the gentleman will yield, I may say that this afternoon when the gentleman asked unanimous consent to take up the Private Calendar tomorrow I objected because at that time I wished to clear up something in the RECORD. If the gentleman renews his request at this time, I shall not object.

Mr. JENKINS of Ohio. May I ask the majority leader a question?

Mr. BYRNS. I yield.

Mr. JENKINS of Ohio. I understood when the majority leader submitted his consent request this afternoon the understanding was we would continue with the Consent Calendar tomorrow.

Mr. BYRNS. We can only do that by taking a recess, and I shall see just what will happen when I make a motion to recess in a few minutes. Of course, if someone makes the point of no quorum——

Mr. JENKINS of Ohio. We have passed over certain bills this afternoon so that we might consider them later.

Mr. BYRNS. And I think those gentlemen are entitled to have the bills considered, and I am willing to stay here until 2 o'clock in the morning, although I have not a single bill on either calendar.

Mr. BOILEAU. The gentleman could have the Consent Calendar brought up tomorrow by unanimous consent.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow to consider bills on the Private Calendar unobjected to, beginning at the star.

Mr. TRUAX. Mr. Speaker, reserving the right to object, will the gentleman from Tennessee advise us at what hour we are to meet?

Mr. TARVER. Mr. Speaker, I demand the regular order.

The SPEAKER. This is the regular order.

Mr. TRUAX. Mr. Speaker, I reserve the right to object to inquire about the hour of convening tomorrow.

Mr. BYRNS. I have not submitted that motion. I am simply asking now, regardless of the hour at which we assemble, that we may consider bills on the Private Calendar unobjected to. I may say to my friend that if we meet at 11 o'clock in the morning, we will adjourn sooner tomorrow night, and while I am not going to do it tonight, I am going to ask a majority of this House to stay here tomorrow night to make up for the hour we will lose on the calendar, because I do think at the heels of the session Members ought to be willing to stay here and transact the business of the House and give the Members an opportunity to have their bills considered. This is the only reason I am submitting this request now.

Mr. TRUAX. Mr. Speaker, reserving the right to object——

Mr. BYRNS. I am going to move to recess until 11 o'clock tomorrow, and it is up to the House to decide whether or not they will adopt the motion, I will say to my friend from Ohio.

Mr. AYERS of Montana. Mr. Speaker, reserving the right to object, does this unanimous-consent request mean that the Private Calendar will be taken up tomorrow after consideration of the Consent Calendar is completed, including the bills we have passed over today?

The SPEAKER. It simply makes the calling of the Private Calendar in order.

Mr. BYRNS. And if a recess is taken, the calling of the Consent Calendar tomorrow will be in order.

Mr. TRUAX. I want to say to the distinguished gentleman from Tennessee that in the closing days of this session we ought to be considering some legislation for the benefit of all the people of this country, and not for the few who have bills on the Private Calendar and the Consent Calendar.

We ought to be considering bills to relieve the farmers of the country, so that they will not have their farms confiscated every day.

JEAN BAPTISTE DE LA SALLE

Mr. SIROVICH. Mr. Speaker, I ask unanimous consent to address the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. SIROVICH. Mr. Speaker, in the year 1651 in Rheims, France, was born a son to the wife of a wealthy lawyer of that famous city. This son was christened Jean Baptiste de la Salle. To his youthful and adult education was devoted all the interest of his well-educated parents and all of their resources. From the noble University of Rheims, in France, young La Salle received his degree of master of arts and later his doctorate degree.

Though every opportunity was open to young La Salle to follow in the routine of the higher classes of his time, he chose the church as his field of endeavor, and his father obtained for him a canonry in the cathedral at Rheims. Here La Salle established a school where he gave free instruction to poor children. This enterprise grew beyond La Salle's dearest hopes, and about him gathered a devoted band of young and enthusiastic assistants.

La Salle, following his inspiration, resolved to devote his life entirely to education. In his day there was no middle class. Persons were either rich or poor, and the poor were very poor. Education of the poor was a most radical step, and bitterly opposed by those who wished to keep them in a chattel-like condition of life, tethered to a bare subsistence and with no future possible, except that to which "their lot in life and Providence had called them", as it was impiously expressed by a sycophant of the upper classes of that day.

La Salle and his assistants organized themselves into a community under La Salle's leadership, and this community spread throughout France. A training school for teachers, the Collège de Saint-Yon, was set up in Rouen and was so successful that it was recognized by the Pope of that time, in the short space of 6 years after the death of La Salle, under the official title of "Brothers of the Christian Schools." The members of this order took the usual monastic vows but did not aspire to the priesthood.

For the first century of its existence the brotherhood confined its activities to France, and the education they inculcated in the young was responsible for the increase in intelligence in the French people in that century, by which they were lifted from serfs of the soil and shop to rational, thinking beings. During the nineteenth century the brotherhood and their system spread throughout Europe and found a hearty welcome and support in the United States,

where it found a fertile field among those who had left the shackles of European life behind to find the freedom of thought, speech, and action guaranteed in the United States.

La Salle was canonized in 1900 and became St. Jean de la Salle, commonly called "St. La Salle", and as such is venerated by Roman Catholics the world over. His canonization helped forward the educational work of which he was the pioneer, but before he was raised to that eminence there had been established in the city of New York, in the Fourteenth Congressional District, which I have the honor to represent in Congress, the La Salle Academy, which chose a site at 44 Second Street and for nearly a hundred years has there maintained the traditions so nobly set up by St. La Salle. The academy has become known to the public, not alone of its vicinage but throughout the United States, as "Old La Salle."

Many of our leading citizens received their education at Old La Salle, among them His Eminence, Patrick Cardinal Hayes, of New York, and the other, His Eminence, George Cardinal Mundelein. Another alumnus is Monsignor Lavelle, vicar-general of the Archdiocese of New York. Former Gov. Alfred Emanuel Smith, of New York, one time candidate for the Presidency of the United States, just 50 years ago was presented by Old La Salle with a medal for oratory—the first medal for that accomplishment that he ever received and now among his dearest treasures.

This year Old La Salle will inaugurate a world-wide celebration in honor of the two hundred and fiftieth anniversary of the establishment of the first institute of popular education by Jean Baptiste de la Salle.

St. La Salle was not the only member of his family that attained eminence in public life. Two famous American explorers, Pere Marquette, whose statue adorns the Statuary Hall in the Capitol of the United States, placed there in grateful remembrance of his work by the State of Louisiana, and René Robert Cavalier, Sieur de la Salle, the discoverer of the Illinois, Ohio, and lower Mississippi Rivers and the explorer of the Great Lakes.

Indirectly Old La Salle cherishes the memory of these men though not to the same extent as they do that of their patron saint.

Old La Salle has carried forward to a well-rounded system the plan of group education originated by St. La Salle. La Salle found great opposition among the wealthy classes to any education in group form, preferring the teaching of their youth to be individual and through tutors. To achieve group education it is necessary to have the service of properly trained teachers, and St. La Salle established the first normal school for training these teachers. Scarcity of books handicapped La Salle's work, so he established circulating libraries. The Academy of La Salle follows along these lines and emphasizes the thorough education of those who are, in their turn, to teach the young.

Old La Salle Academy, at Second Street and Second Avenue in New York, will be the focus of the La Salle anniversary celebration in the United States because that institution is considered the cradle of the Christian Brothers' schools throughout America. It is proud of such schools as St. Mary's College, of California; Manhattan College, of New York; La Salle College, of Philadelphia; St. Thomas' College, of Scranton; De La Salle College, of Maryland, and hundreds of primary and secondary schools which today valiantly serve the cause of education among the poor.

In 1900, at the time of the canonization of La Salle by Pope Leo XIII, and this year, on the two hundred and fiftieth anniversary of St. La Salle's contribution to the cause of universal education, the friends and alumni of Old La Salle plan to rebuild the ancient edifices that have served the academy so well, and to do it in the same way that public funds were raised for the completion of the Washington Monument and for the pedestal of the Statue of Liberty in New York Harbor by accepting contributions from 1 penny upward.

In a recent message to Brother Andrew, director of Old La Salle, Cardinal Hayes pronounced a blessing on all who will cooperate to make a success of this laudable project. The cardinal wrote:

> The movement has my fullest approval. Nothing could give greater joy to those who have studied within the walls of the venerable old institution than to find it renewing its youth in a modern structure for a continuance of its noble career in the field of education.

Old La Salle Academy has contributed to the great intellectual and spiritual development of our Nation. We pray God that the New La Salle Academy when completed will carry along the beautiful and magnificent traditions of this glorious institution of the past, to achieve and realize the tremendous possibilities for public service to the people of our Republic in the future. [Applause.]

TEACHERS' OATH

Mr. KENNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including House Joint Resolution 339, introduced by me.

The SPEAKER. Is there objection?

There was no objection.

Mr. KENNEY. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following joint resolution introduced by me:

[H.J.Res. 339, 73d Cong., 2d sess.]

Joint resolution memorializing the States of the Union to require the taking of an oath of allegiance to the Constitution of the United States by all teachers of the public schools and other institutions of learning, and for other purposes

Resolved, etc., That it is the sense of the Senate and the House of Representatives that each teacher, officer, and employee of every public school or other public educational institution in the United States shall, before assuming the duties of his position or office, be required by law to take substantially the following oath:

UNITED STATES OF AMERICA

State of ———
County of ———

I, ——— ——— (name in full), having been duly appointed by the Board of Education of (district, city, or town) an employee of the public schools of the (district, city, or town), do solemnly swear that I will support the Constitution of the United States and faithfully discharge the duties of the aforesaid office, and that I have neither promised nor paid, nor has anyone to my knowledge either promised or paid, any monetary or other valuable consideration to any person for influence or other assistance in securing my appointment or promotion.

Sworn to and subscribed to before me this — day of ———, 19—.

———.
(Signature of applicant)

SEC. 2. The Secretary of State is authorized and directed to transmit a copy of this resolution to the Governor of each State and Territory.

THE ROOSEVELT FARM PROBLEM

Mr. ARENS. Mr. Speaker, I ask unanimous consent to speak for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. ARENS. Mr. Speaker, I was 1 of 18 this afternoon who voted against the bill exempting 2,000 pounds of pork from the processing tax. I had no opportunity to explain my vote at that time. I wish to say that under that bill, if that amount of pork is exempted, it will not enable the A.A.A. to fulfill its contracts under the corn and hog program. Hogs selling in the stockyards will be subject to the processing tax, and will fix the price of pork. The bill will not add one cent to the price of hogs. It will make bootleggers of the farmers. It is a shot in the back. I do not like to see the agricultural program killed off in that way.

Mr. Speaker, under this act every farmer that raises hogs is going to have 2,000 pounds of live hogs, besides what he needs for his own use, exempted from the processing tax, if he does not sell them in the public stockyards or to the packer. It will cut in two the receipts through the processing tax; and, unless money is appropriated, it will not enable the Agricultural Department to fulfill its contract under the corn and hog agreement. All hogs sold in stockyards will pay the processing tax. They will fix the price of hogs as in the past. The farmer who sells his 2,000 pounds locally will have to sell at this price, plus the cost of killing the hogs. It will not add one cent to the price of hogs

per pound. If the farmer sells to the local butcher, the butcher, who buys part of his pork from the packer, will add the tax to the price of pork chops, although he will not pay it to the farmer. The local butcher, although he is going to make a small extra profit on locally purchased hogs, will lose by the farmer selling hogs direct to his trade.

The farmer who has a hog or two more than the exempted 2,000 pounds will be apt to "bootleg" them and land in jail. There cannot be any benefit to anybody, not even the packer.

The processing tax has brought no benefit to the farmer. We should repeal it completely and appropriate enough money to fulfill the corn-hog contracts now made, or have the repeal go into effect on a day when enough money has been collected to honor these contracts. We should not destroy the agricultural program by such underhanded methods as proposed in this bill.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, and I also ask unanimous consent to insert in the RECORD a speech delivered by my colleague, Mr. MAGNUS JOHNSON, over the radio the other night.

The SPEAKER. Is there objection?

There was no objection.

Mr. ARENS. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of my colleague, Mr. JOHNSON of Minnesota, delivered on June 4:

To discuss fully the present farm situation and the measures so far adopted by the special and regular sessions of the Seventy-third Congress is impossible in the time allotted me, and I shall only endeavor to point out the high lights of the President's program in trying to raise farm prices toward parity with the things the farmer must buy to maintain his home and property.

The wide difference that has existed since 1914 between the purchasing power of the farmer and what he receives in return for the sale of his products after his numerous fixed charges have been deducted is known to every American farmer. It has been impressed upon him every time he ships his products to market. It has been impressed upon him every time he goes to town to purchase the necessities for his house and family, and God knows he has not even had the money to buy the bare necessities.

This great gap in the orderly marketing of the farmer's products had been widening steadily until 1932 and the outset of 1933 it had reached such gigantic proportions that not a single farmer was able to withstand the pressure of low prices, sagging markets, and the far from cost of production for the things he raises for sale. In April 1933, just after the President took the oath of office, the farmer was compelled to pay exactly twice as much in dollars and cents for the things he had to buy, whatever they may have been, than what he was getting for the crops he was raising on his farm. It does not take college professors or trained economists to tell the average farmer that under such conditions he can not long stay in the business of farming. Could any merchant, no matter how strictly he attended to his business, continue to sell his wares for less than what it cost him to buy them? No, my good friends; it would not be long before he would be bankrupt and foreclosed, and this is what is actually happening now to thousands of farmers, a great number of whom will never be able to recoup their finances to such a state where they can again farm successfully for a livelihood.

An earlier political administration paralleled farm prosperity with high tariffs; they clamored that the American market must be protected; and yet when they were granted that authority, did they protect the American farmer? No. They sold him out. And how they sold him out! Industrial giants reaped billions in profits while everywhere in the Farm Belt our farmers, unorganized and misled, were mulcted out of even a cost of production. For 8 years the steal went on, farm prices dropping and prices on manufactured goods going up. At every turn of the road, farm mortgages were being foreclosed and interest obligations on new debts were mounting. For relief to agriculture, our Government floated huge sums to be lent the farmer.

This same previous administration, representing that once great political party, kept making idle pledges to the farmer and continuing their money-loaning system. But they knew that this would never solve the farmer's problems and they knew that he needed more than loans. What was needed and what he could not get was production control coupled with Government supervision of markets. They knew that this must come about and yet they failed and miserably so; and at this point may I congratulate the effort now being exercised by the President in trying to establish parity through a logical and orderly planned production-control program. However, I must state here that great impetus can be given this control plan by the enactment of the Frazier-Lemke bill to refinance farm indebtedness at a low rate of interest and a scaling down of the farm-mortgage debt. This load must be taken from the farmer's back if he is to make reasonable recovery. In a speech made a few weeks ago, I urged such refinance legislation, and I urge every farmer within the sound of my voice tonight to carry on the fight for such a bill to be passed by the National Congress, and I hope that the President will heed the farmer's plea for farm-relief legislation of this type.

No matter what political spellbinders may tell you, the farmer's cash income has increased with the passage of the Smith-Jones Farm Act in the special session called by President Roosevelt. At the present time, with the program still in the formulative stage on some crops included in the emergency act, the farmer has received many millions of dollars in benefit payments, and mind you, they are not benefit in the sense of charity. No; they are actual earnings no matter what persons opposed to the President's farm-relief program might say. They represent earnings because they are based on efforts toward price fixing.

And now when the farmers ask for a reasonable control and supervision of markets, meat packers and food processors immediately raise the cry that the American farmer is being made a serf, he is being dictated to, he is being ground under foot by Government domination, and that he has been made the ignorant subject of a dictator. Such is not the case. The farmers themselves, I am sure, will realize this. The farmers know that when the Smoot-Hawley tariff bill became a law that their foreign market which absorbed normal surpluses was lost and that they had been duped. If they did not realize it then, they most certainly do now. They know now that the passage of that unjust, unfair, and despicable measure that was sponsored by Mellon, Grundy, and Vare, and which placed a high tariff wall around the United States, meant the loss of foreign trade. It meant that competitive purchasing of foreign goods was lost; it meant an era of high prices for everything the laborer in the city and the farmer in the country had to buy; and yet G.O.P. political leaders said it was wisdom, it was building prosperity, it was making America for Americans.

Monopolistic control of price fixing by industry which is in complete control and which is forcing high prices on manufactured goods down the throats of underpaid laborers and struggling farmers has made it doubly hard for the President to push his fight for parity prices for the farmer. Nor can he shake off this grip on Government that the industrial leaders now hold and are enforcing. Continuing along a definite plan started by capitalists bent on choking independent business men, beating down wages, lengthening working hours, and pegging farm prices far below the cost of producing them, these industrial giants will not yield until they crash, and the great majority of the people will welcome the breaking down of this type of monopolistic control which will erase gigantic mergers that throw thousands of people out of employment and onto the city's and county's bread lines.

Today throughout the Nation alarming conditions of unrest among the people have been breaking out. Farmers have congregated in angry groups preventing foreclosures on farm mortgages, and in the cities both organized and unorganized labor have been striking for better wages and shorter hours. These conditions are a direct result of capital's vicious control over the people. These unhappy conditions will continue to exert themselves unless radical changes in the system are made. Call it under any name you like, label any way you see fit, these conditions must change and change soon; neither the farmer nor the laborer will continue to tolerate much longer such domination of our natural resources, our wealth, and private ownership of public services that have been stolen from them. Everywhere throughout the Nation evidences of a desire to break away from capital's grip on the financial structure is displaying itself by the rank and file. The time has arrived for greater recognition of human rights.

When agriculture fails, the Nation fails. I am of the firm opinion that the President knows this. I am hopeful that the gradual rise or increase in the cash income and spending power of the farmer will continue. Briefly speaking, the President's program has pushed the farmer's purchasing power up nearly 20 percent, and this increase would be even greater, figured in terms of parity price, if profiteering by industry under the N.R.A. had been severely dealt with by N.R.A. officials and not allowed to get out of control. Although I shall not deal with this phase of the President's program, I cannot too strongly urge administration officials to crack down on these capitalists that are accumulating fortunes in profits while labor and agriculture are still suffering from the terrific blow dealt them during the past 5 years.

Granted broad, sweeping powers under the Smith-Jones Act, I hope the Secretary of Agriculture will carry out the authority of this act that has been so granted him. In administering this agricultural adjustment measure I hope that the Secretary will never lose sight of these five major principles which I believe are absolutely necessary for substantial farm recovery. First, the farmer be granted cost of production plus a reasonable profit; that, secondly, the program for acreage control and the rental basis features be continued at least until definite stabilization sets in; third, that price levels on major crops be maintained at the 1910–14 basis; fourth, that processors be so taxed as to aid in forming a definite price-fixing feature and that this be maintained in such a way as to aid in determining the price level to be paid for the farmers' crops; and, fifth, that the Secretary should not lose sight of, in dealing with those processors and packers that do not wish to help the farmer, that all wealth comes from the soil, and by definite and orderly control of those who till the land can they be given a fair deal.

There is no question in my mind but that this carefully and well-laid plan of production control will be seriously retarded because of the wide-spread and general drought now wreaking havoc

throughout the Farm Belt. Although farmers and governmental agencies, in cooperation with Congress, are doing everything possible to alleviate the suffering and distress in this area, I do not believe there is anyone that can foretell the exact outcome of this extensive drought.

Thousands of acres that had been designated as "idle acres" under the Agricultural Adjustment Act will be thrown into production and used for forage crops and for the raising of stock feed. That this maladjustment created by this unforeseen drought will seriously affect prices and will perhaps cause a wide-spread breach in an extensive corn-hog and wheat-control plan is evident. Livestock prices will unquestionably be hit the hardest as a result of this dry wave, and unless rain falls over this great area thousands upon thousands of cattle and horses will die and untold thousands of head of cattle will be disposed of to the Department of Agriculture, now conducting a cattle-buying program at a frightful loss.

During the latter part of last week, I introduced into the House a bill providing for a moratorium on the payment of interest on all farm indebtedness and also providing for a moratorium on mortgage foreclosures in the drought areas. This legislation, now being considered by the House Agricultural Committee, will be a boon to the farmers in this wide area now stricken by the worst drought of the century.

I hope that the farm program started under President Roosevelt and enacted into law by the Seventy-third Congress is given a fair trial. However, a unified farm organization must be effected at all costs if the farmers are to get a square deal from any administration. They must be solid in their demands and they must present them with the same militancy that other groups do that come before the National Government seeking aid. The farmer has too long maintained himself as an individual, and as such he has sought legislation. He must organize to protect himself. Big business found this out years ago; and because of their completeness in this respect, they have been successful in keeping the small-store owner, the local merchant, and the farmer from doing likewise. They know that as soon as labor organizes, local merchants organize, and the farmers organize their day of highjacking and racketeering is over.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. CANNON of Wisconsin, indefinitely, on account of injury.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 9322. An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes; and

H.J.Res. 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on June 7, 1934, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 8687. An act to amend the Tariff Act of 1930;

H.R. 9280. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands;

H.R. 9322. An act to provide for the establishment, operation, and maintenance of foreign trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes; and

H.J.Res. 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs.

RECESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the House stand in recess until 11 o'clock tomorrow.

The SPEAKER. Is there objection?

There was no objection.

Accordingly (at 5 o'clock and 45 minutes p.m.) the House stood in recess until tomorrow, Friday, June 8, 1934, at 11 o'clock a.m.

COMMITTEE HEARING

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(Friday, June 8, 10 a.m.)

Hearing on H.R. 9596—railroad pensions.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 9827. A bill granting the consent of Congress to the State highway commission to construct, maintain, and operate a highway bridge across Eleven Points River, in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.; with amendment (Rept. No. 1911). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 8893. A bill relating to the construction, maintenance, and operation by the city of Davenport, Iowa, of a bridge across the Mississippi River, at or near Tenth Street, in Bettendorf, State of Iowa; with amendment (Rept. No. 1912). Referred to the House Calendar.

Mr. MILLIGAN: Committee on Interstate and Foreign Commerce. H.R. 9826. A bill granting the consent of Congress to the State highway commission to construct, maintain, and operate a highway bridge across Eleven Points River, in section 17, township 23 north, range 2 west, approximately 12 miles east of Alton, on route no. 42, Oregon County, Mo.; with amendment (Rept. No. 1913). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. H.R. 7721. A bill for the relief of George S. Van Schaick as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; with amendment (Rept. No. 1899). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7722. A bill for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; with amendment (Rept. No. 1900). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7723. A bill for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; with amendment (Rept. No. 1901). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7724. A bill for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; with amendment (Rept. No. 1902). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7737. A bill for the relief of Alta Melvin and Thomas Melvin; with amendment (Rept. No. 1903). Referred to the Committee of the Whole House.

Mr. SCHULTE: Committee on Claims. H.R. 3483. A bill for the relief of Anthony Nowakowski; with amendment (Rept. No. 1904). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6115. A bill granting compensation to the estate of Thomas Peraglia, deceased; with amendment (Rept. No. 1905). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on Claims. H.R. 7622. A bill granting compensation to Walter F. Northrop; with amendment (Rept. No. 1906). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 7719. A bill for the relief of George S. Van Schaick, as superintendent of insurance of the State of New York, and as liquidator of Equitable Casualty & Surety Co., in liquidation; with amendment (Rept. No. 1907). Referred to the Committee of the Whole House.

Mr. MONTET: Committee on Military Affairs. H.R. 7443. A bill for the relief of Thomas Lee Mitchum; without amendment (Rept. No. 1908). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9053. A bill to authorize the Comptroller General of the United States to settle and adjust the claim of the George A. Fuller Co.; with amendment (Rept. No. 1909). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9537. A bill authorizing the payment of compensation to Fred L. Applewhite for the death of his son, Fred L. Applewhite, Jr.; with amendment (Rept. No. 1910). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOBBINS: A bill (H.R. 9866) amending the act of May 23, 1930, authorizing the Postmaster General to impose demurrage charges on undelivered collect-on-delivery parcels; to the Committee on the Post Office and Post Roads.

By Mr. LAMNECK: A bill (H.R. 9867) amending the Independent Offices Appropriation Act of 1935; to the Committee on the Post Office and Post Roads.

By Mr. McSWAIN: A bill (H.R. 9868) to authorize an appropriation for the construction and installation of safe ammunition storage facilities at Edgewood Arsenal, Md.; to the Committee on Military Affairs.

By Mr. WADSWORTH: A bill (H.R. 9869) to make further provision concerning the method of amending the Constitution of the United States; to the Committee on the Judiciary.

By Mr. VINSON of Georgia: Joint resolution (H.J.Res. 367) to prohibit limitations on the establishment of certain industries; to the Committee on Ways and Means.

MEMORIALS

Under clause 3 of rule XXII, a memorial was presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing Congress regarding the establishment of a national memorial park on the Battlefield of Chalmette in commemoration of the Battle of New Orleans; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CROWTHER: A bill (H.R. 9870) granting a pension to Lester Aumick; to the Committee on Pensions.

By Mr. FORD: A bill (H.R. 9871) to amend an act entitled "An act for the relief of Arabella E. Bodkin", approved May 21, 1934; to the Committee on Claims.

By Mr. HOWARD: A bill (H.R. 9872) authorizing the Secretary of the Treasury to pay Paul Ashford, of Winnebago, Nebr., for funeral services and supplies furnished to Indians; to the Committee on Indian Affairs.

By Mr. McCORMACK: A bill (H.R. 9873) for the relief of Charles S. Perkins; to the Committee on Military Affairs.

By Mr. SNYDER: A bill (H.R. 9874) granting a pension to Michael Gannon; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5022. By Mr. LEHR: Petition of the Farmers' Union of Britton, Mich., urging support of the Frazier-Lemke bill; to the Committee on the Judiciary.

5023. By Mr. LINDSAY: Petition of the National Gauge Corporation, G. M. Cowenhoven, president, Brooklyn, N.Y., opposing the passage of the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

5024. Also, petition of Norman Winnall, of Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

5025. Also, petition of the Broadway Merchants' Chamber of Commerce, Inc., Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

5026. Also, petition of H. S. Chardavoyne, Inc., Brooklyn, N.Y., urging postponement of the Wagner labor bill until the next session of Congress; to the Committee on Labor.

5027. Also, petition of Scranton & Lehigh Coal Co., George J. Patterson, president, Brooklyn, N.Y., opposing the amended Wagner labor disputes bill; to the Committee on Labor.

5028. Also, petition of the Burton-Dixie Corporation, Keith Wallace, sales manager, bedding division, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5029. Also, petition of the Kroger Grocery & Baking Co., Cincinnati, Ohio, opposing the amended Wagner labor bill; to the Committee on Labor.

5030. Also, petition of Edward F. Caldwell & Co., Inc., New York City, opposing the passage of the Wagner labor disputes bill (S. 2926); to the Committee on Labor.

5031. Also, petition of M. Lowenstein & Sons, Inc., New York City, opposing the 3-cent tax per pound on coconut oil; to the Committee on Ways and Means.

5032. Also, petition of Chase Bag Co., New York City, opposing the passage of Senate bill 3326; to the Committee on Labor.

5033. Also, petition of Holland Laundry, Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5034. Also, telegram from the Torrington Co. of New York, opposing the Wagner bill; to the Committee on Labor.

5035. Also, petition of the Peoples National Bank of Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

5036. Also, petition of the Cooking & Heating Appliance Manufacturing Industry, Washington, D.C., opposing the Wagner labor disputes bill (S. 2926); to the Committee on Labor.

5037. Also, petition of the Burton-Dixie Corporation, E. F. Rusboldt, manager bedding division, Brooklyn, N.Y., opposing the Wagner bill (S. 2926); to the Committee on Labor.

5038. Also, petition of the New York Towboat Exchange, New York City, opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

5039. Also, petition of the National Association of Pattern Manufacturers, Chicago, Ill., opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

5040. By Mr. RUDD: Petition of Chase Bag Co., New York City, opposing the passage of Senate bill 3326; to the Committee on Interstate and Foreign Commerce.

5041. Also, petition of the Kroger Grocery & Baking Co., Cincinnati, Ohio, opposing the passage of the Wagner disputes bill; to the Committee on Labor.

5042. Also, petition of the National Association of Pattern Makers, Chicago, Ill., opposing the new Wagner disputes bill; to the Committee on Labor.

5043. Also, petition of the Cooking and Heating Appliance Manufacturing Industry, Washington, D.C., opposing the new Wagner disputes bill (S. 2926); to the Committee on Labor.

5044. Also, petition of Edward F. Caldwell & Co., New York City, opposing the new Wagner disputes bill; to the Committee on Labor.

5045. Also, petition of the Holland Laundry, Brooklyn, N.Y., opposing the passage of the Wagner disputes bill; to the Committee on Labor.

5046. Also, petition of the Peoples National Bank, Brooklyn, N.Y., opposing the new Wagner disputes bill; to the Committee on Labor.

5047. Also, petition of the Torrington Co. of New York, protesting against the passage of the new Wagner disputes bill; to the Committee on Labor.

5048. Also, petition of the New York Tow Boat Exchange, New York City, opposing the passage of the Wagner bill (S. 2926); to the Committee on Labor.

5049. By the SPEAKER: Petition of the Profile Timber Corporation, opposing House bill 8301; to the Committee on Interstate and Foreign Commerce.

5050. Also, petition of the Woman's Press Club of New York City, opposing House bill 9323; to the Committee on Interstate and Foreign Commerce.

5051. Also, petition of the senior branch of the Sodality of the Blessed Virgin Mary of Mary Help of Christians Church of the city of New York; to the Committee on Merchant Marine, Radio, and Fisheries.

5052. Also, petition of the city of Clinton, Iowa, regarding the construction of Locks and Dam No. 13; to the Committee on Rivers and Harbors.

5053. Also, petition of numerous railway employees of southern Illinois, supporting House bills 9596 and 9597; to the Committee on Interstate and Foreign Commerce.

5054. Also, petition of W. H. Davis and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

5055. Also, petition of Henry Cabral and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

5056. Also, petition of the Junior Holy Name Society of St. Margaret Mary's Church, Bronx, N.Y.; to the Committee on Merchant Marine, Radio, and Fisheries.

5057. Also, petition of the Railroad Employees' National Pension Association, Inc., supporting Senate bill 3231 and House bills 9596 and 9597; to the Committee on Interstate and Foreign Commerce.

5058. By Mr. GOODWIN: Petition of W. S. Wilson, of Hudson, N.Y., opposing the National Industrial Act; to the Committee on Labor.

5059. By Mr. MILLARD: Petition signed by railway employees of the New York Central Railroad Co., urging the passage of House bill 9596 and amendments to the Railway Labor Act (H.R. 9689); to the Committee on Interstate and Foreign Commerce.

SENATE

FRIDAY, JUNE 8, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, June 7, was dispensed with and the Journal was approved.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts and joint resolution:

On June 4, 1934:

S. 2623. An act to amend the act entitled "An act to require the erection of fire escapes in certain buildings in the District of Columbia, and for other purposes", approved March 19, 1906, as amended.

On June 5, 1934:

S. 2745. An act to provide for changing the time of the meeting of Congress, the beginning of the terms of Members of Congress, and the time when the electoral votes shall be counted, and for other purposes; and

S. 3290. An act to amend an act entitled "An act to establish a Board of Indeterminate Sentence and Parole for the District of Columbia and to determine its functions, and for other purposes", approved July 15, 1932.

On June 6, 1934:

S. 308. An act to authorize the award of a decoration for distinguished service to Harry H. Horton;

S. 1073. An act for the relief of E. Walter Edwards;

S. 1081. An act for the relief of McKimmon & McKee, Inc.;

S. 1429. An act for the relief of Anthony J. Lynn;

S. 1932. An act for the relief of Alfred Hohenlohe, Alexander Hohenlohe, Konrad Hohenlohe, and Viktor Hohenlohe by removing cloud on title;

S. 2342. An act for the relief of I. T. McRee;

S. 2748. An act to authorize an appropriation for the reimbursement of Stelio Vassiliadis;

S. 2798. An act for the relief of Nephew K. Clark;

S. 3128. An act to pay certain fees to Maude G. Nicholson, widow of George A. Nicholson, late a United States commissioner;

S. 3307. An act for the relief of W. H. Le Duc; and

S.J.Res. 123. Joint resolution empowering certain agents authorized by the Secretary of Agriculture to administer oaths to applicants for tax-exemption certificates under the Cotton Act of 1934.

On June 7, 1934:

S. 3586. An act for the relief of George A. Fox.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Kean	Robinson, Ark.
Ashurst	Couzens	King	Robinson, Ind.
Austin	Cutting	La Follette	Russell
Bachman	Davis	Lewis	Schall
Bailey	Dickinson	Logan	Sheppard
Bankhead	Dieterich	Lonergan	Shipstead
Barkley	Dill	Long	Smith
Black	Erickson	McCarran	Stelwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Murphy	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Wagner
Caraway	Hale	O'Mahoney	Walcott
Carey	Harrison	Overton	Walsh
Clark	Hatch	Patterson	Wheeler
Connally	Hatfield	Pittman	White
Coolidge	Hayden	Pope	
Copeland	Johnson	Reynolds	

Mr. LEWIS. I announce the absence of the Senator from California [Mr. MCADOO], occasioned by illness; and the absence of the Senator from Wisconsin [Mr. DUFFY], the Senator from Florida [Mr. TRAMMELL], and the Senator from Indiana [Mr. VAN NUYS], who are necessarily detained. I ask that this announcement may stand for the day.

Mr. FESS. I desire to announce that the Senator from Delaware [Mr. HASTINGS], the Senator from Pennsylvania [Mr. REED], the senior Senator from Rhode Island [Mr. METCALF], the junior Senator from Rhode Island [Mr. HEBERT], the Senator from New Hampshire [Mr. KEYES], and the Senator from New Jersey [Mr. BARBOUR] are necessarily absent.

The VICE PRESIDENT. Eighty-six Senators have answered to their names. A quorum is present.

PROGRAM OF THE ADMINISTRATION (H.DOC. NO. 397)

The VICE PRESIDENT. The Chair lays before the Senate a message from the President of the United States, which will be read.

The Chief Clerk read as follows:

To the Congress of the United States:

You are completing a work begun in March 1933, which will be regarded for a long time as a splendid justification of the vitality of representative government. I greet you and express once more my appreciation of the cooperation which has proved so effective.

Only a small number of the items of our program remain to be enacted, and I am confident that you will pass on them before adjournment. Many other pending measures are sound in conception, but must for lack of time or of adequate information be deferred to the session of the next Congress. In the meantime we can well seek to adjust many

of these measures into certain larger plans of governmental policy for the future of the Nation.

You and I, as the responsible directors of these policies and actions, may with good reason look to the future with confidence just as we may look to the past 15 months with reasonable satisfaction.

On the side of relief we have extended material aid to millions of our fellow citizens.

On the side of recovery we have helped to lift agriculture and industry from a condition of utter prostration.

But in addition to these immediate tasks of relief and recovery we have properly, necessarily, and with overwhelming approval determined to safeguard these tasks by rebuilding many of the structures of our economic life and of reorganizing it in order to prevent a recurrence of collapse.

It is childish to speak of recovery first and reconstruction afterward. In the very nature of the processes of recovery we must avoid the destructive influences of the past. We have shown the world that democracy has within it the elements necessary to its own salvation.

Less hopeful countries where the ways of democracy are very new may revert to the autocracy of yesterday. The American people can be trusted to decide wisely upon the measures taken by the Government to eliminate the abuses of the past and to proceed in the direction of the greater good for the greater number.

Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

Among our objectives I place the security of the men, women, and children of the Nation first.

This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

In a simple and primitive civilization homes were to be had for the building. The bounties of nature in a new land provided crude but adequate food and shelter. When land failed our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we have.

So, also, security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

With the full cooperation of the Congress we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. The task thus begun must be pursued for many years to come. There is ample private money for sound housing projects; and the Congress, in a measure now before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

In regard to the second factor, economic circumstances and the forces of nature themselves dictate the need of constant thought as to the means by which a wise government may help the necessary readjustment of the population. We cannot fail to act when hundreds of thousands of families live where there is no reasonable prospect of a living in the years to come. This is especially a national problem. Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now found.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

There are many illustrations of the necessity for such planning. Some sections of the Northwest and Southwest, which formerly existed as grazing land, were spread over with a fair crop of grass. On this land the water table lay a dozen or 20 feet below the surface, and newly arrived settlers put this land under the plow. Wheat was grown by dry-farming methods. But in many of these places today the water table under the land has dropped to 50 or 60 feet below the surface, and the topsoil in dry seasons is blown away like driven snow. Falling rain, in the absence of grass roots, filters through the soil, runs off the surface, or is quickly reabsorbed into the atmosphere. Many million acres of such land must be restored to grass or trees if we are to prevent a new and man-made Sahara.

At the other extreme there are regions originally arid, which have been generously irrigated by human engineering. But in some of these places the hungry soil has not only absorbed the water necessary to produce magnificent crops, but so much more water that the water table has now risen to the point of saturation, thereby threatening the future crops upon which many families depend.

Human knowledge is great enough today to give us assurance of success in carrying through the abandonment of many millions of acres for agricultural use and the replacing of these acres with others on which at least a living can be earned.

The rate of speed that we can usefully employ in this attack on impossible social and economic conditions must be determined by businesslike procedure. It would be absurd to undertake too many projects at once or to do a patch of work here and another there without finishing the whole of an individual project. Obviously the Government cannot undertake national projects in every one of the 435 congressional districts, or even in every one of the 48 States. The magnificent conception of national realism and national needs that this Congress has built up has not only set an example of large vision for all time but has almost consigned to oblivion our ancient habit of pork-barrel legislation; to that we cannot and must not revert. When the next Congress convenes I hope to be able to present to it a carefully considered national plan covering the development and the human use of our natural resources of land and water over a long period of years.

In considering the cost of such a program it must be clear to all of us that for many years to come we shall be engaged in the task of rehabilitating many hundreds of thousands of our American families. In so doing we shall be decreasing future costs for the direct relief of destitution. I hope that it will be possible for the Government to adopt as a clear policy to be carried out over a long period the appropriation of a large, definite, annual sum so that work may proceed year after year not under the urge of temporary expediency but in pursuance of the well-considered rounded objective.

The third factor relates to security against the hazards and vicissitudes of life. Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established, among other things, "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

This is not an untried experiment. Lessons of experience are available from States, from industries, and from many nations of the civilized world. The various types of social insurance are interrelated; and I think it is difficult to attempt to solve them piecemeal. Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. I believe there should be a maximum of cooperation between States and the Federal Government. I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all, I am convinced that social insurance should be national in scope, although the several States should meet at least a large portion of the cost of management, leaving to the Federal Government the responsibility of investing, maintaining, and safeguarding the funds constituting the necessary insurance reserves.

I have commenced to make, with the greatest of care, the necessary actuarial and other studies necessary for the formulation of plans for the consideration of the Seventy-fourth Congress.

These three great objectives—the security of the home, the security of livelihood, and the security of social insurance—are, it seems to me, a minimum of the promise that we can offer to the American people. They constitute a right which belongs to every individual and every family willing to work. They are the essential fulfillment of measures already taken toward relief, recovery, and reconstruction.

This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Ample scope is left for the exercise of private initiative. In fact, in the process of recovery, I am greatly hoping that repeated promises that private investment and private initiative to relieve the Government in the immediate future of much of the burden it has assumed will be fulfilled. We have not imposed undue restrictions upon business. We have not opposed the incentive of reasonable and legitimate private profit. We have sought rather to enable certain aspects of business to regain the confidence of the public. We have sought to put forward the rule of fair play in finance and industry.

It is true that there are a few among us who would still go back. These few offer no substitute for the gains already made, nor any hope for making future gains for human happiness. They loudly assert that individual liberty is being restricted by government, but when they are asked what individual liberties they have lost they are put to it to answer.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way of progress. Neither you nor I will rest content until we have done our utmost to move further on that road.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 8, 1934.*

The VICE PRESIDENT. The message will lie on the table and be printed.

SUPPLEMENTAL ESTIMATE OF APPROPRIATION—DISTINCTIVE PAPER FOR SECURITIES (S.DOC. NO. 202)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1935, amounting to $69,220, to cover the increased cost of distinctive paper for United States securities, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

MANUFACTURE AND SALE OF MUNITIONS—PETITION

Mr. FRAZIER. I present a petition submitted by the executive committee of the International Reform Federation to the Senate of the United States and ask that it be printed in the RECORD and lie on the table.

The VICE PRESIDENT. Without objection, it is so ordered.

The petition is as follows:

To the honorable Senate of the United States:

Whereas world peace is impossible without world disarmament, both material and psychological;

Whereas the chief obstacles to disarmament come from manufacturers of war implements and their sinister influence over politics in various nations, according to the revelations concerning the makers of munitions contained in recent literature, especially in two books—"Merchants of Death" and "Iron, Blood, and Profits."

Whereas the arms agreement proposed by the League of Nations in 1919 never went into effect, though ratified by all smaller nations, because the great munitions-producing countries had all agreed that they must ratify in a body or not at all, and the United States refused to ratify because it did not wish to refuse to send arms to revolutionary governments in South and Central America;

Whereas the United States Government in that and similar decisions acted to protect the private manufacturers of munitions of war and bankers whose funds were invested in that antisocial international trade, which is a menace to our civilization;

Whereas the Department of State has on several occasions urged that it be given favorable consideration and President Hoover in a message on January 10, 1933, recommended that the Senate consent to its ratification;

Whereas President Franklin Roosevelt has expressed the hope that the representatives of the nations in the League of Nations may be able to agree upon a convention containing provisions for the supervision and control of the traffic in arms much more far-reaching than those which were embodied in the convention of 1925;

Whereas the Seventy-first Congress, by Public Resolution No. 98, approved June 27, 1930, responding to the long-standing demands of American war veterans, speaking through the American Legion, for legislation "to take the profit out of war", created a War Policies Commission, which reported recommendations on December 7, 1931, and on March 7, 1932, to decommercialize war and to equalize the burdens thereof, and these recommendations never have been translated into the statutes;

Whereas the Senate of the Seventy-third Congress has appointed a committee of five Sentaors, of which Senator NYE is chairman—

"(a) To investigate the activities of individuals and of corporations in the United States engaged in the manufacture, sale, distribution, import, or export of arms, munitions, or other implements of war; the nature of the industrial and commercial organizations engaged in the manufacture of or traffic in arms, munitions, or other implements of war; the methods used in promoting or effecting the sale of arms, munitions, or other implements of war; the quantities of arms, munitions, or other implements of war imported into the United States and the countries of origin thereof, and the quantities exported from the United States and the countries of destination thereof; and

"(b) To investigate and report upon the adequacy or inadequacy of existing legislation and of the treaties to which the United States is a party for the regulation and control of the manufacture of and traffic in arms, munitions, or other implements of war within the United States, and of the traffic therein between the United States and other countries; and

"(c) To review the findings of the War Policies Commission and to recommend such specific legislation as may be deemed desirable to accomplish the purposes set forth in such findings and in the preamble to this resolution; and

"(d) To inquire into the desirability of creating a Government monopoly in respect to the manufacture of armaments and munitions and other implements of war, and to submit recommendations thereon."

Therefore, we, the undersigned, the executive committee of the International Reform Federation, representing thousands of members of all branches of the Christian Church, respectfully petition Congress to add another duty to the Nye committee, viz:

To recommend to Congress a bill designed to protect Congress and official representatives of the people in the Federal Government—executive, legislative, and judicial—from political leaders, who because of voluntary contributions for political campaigns have exercised political pressure in moral crises which are destructive of the Constitution, the foundation rock of our Republic, from which our liberties and unprecedented prosperity have come and our departure from which has brought just penalty for our sins.

ROBERT WATSON, *President.*
JOHN W. ELLIOTT, *Vice President.*
GEORGE S. DUNCAM, *Secretary.*
W. W. MILLAN, *Treasurer.*
WILLIAM SHEAFE CHASE, *Superintendent.*

REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on Commerce, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3679. An act to place officers and men of the Coast Guard on the same basis as officers and men of the Navy with respect to Medals of Honor, Distinguished Service Medals, and Navy Crosses (Rept. No. 1290);

S. 3737. An act authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes (Rept. No. 1291);

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass. (Rept. No. 1292);

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries (Rept. No. 1293); and

H.R. 9654. An act to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof, and for other purposes (Rept. No. 1294).

Mr. STEPHENS also, from the Committee on Claims, to which was referred the bill (H.R. 7161) to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn., reported it without amendment and submitted a report (No. 1337) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (S. 1601) to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass., reported it with an amendment and submitted a report (No. 1295) thereon.

He also, from the Committee on Military Affairs, to which was referred the bill (S. 2539) for the relief of Anthony J. Constantino, reported it with an amendment and submitted a report (No. 1343) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 3130. An act to extend the benefit of the United States Employment Compensation Act to Frank A. Smith (Rept. No. 1296);

H.R. 3243. An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased (Rept. No. 1297);

H.R. 3748. An act for the relief of Mary Orinski (Rept. No. 1298);

H.R. 4447. An act for the relief of Vertner Tate (Rept. No. 1299);

H.R. 4952. An act for the relief of Theodore W. Beland (Rept. No. 1300);

H.R. 5639. An act for the relief of Harriet V. Schindler (Rept. No. 1301);

H.R. 5835. An act for the relief of Ward J. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce (Rept. No. 1302);

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co. (Rept. No. 1303);

H.R. 6324. An act for the relief of Mabel Carver (Rept. No. 1304);

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary (Rept. No. 1305);

H.R. 7292. An act for the relief of the Boston Store Co., a corporation, Chicago, Ill. (Rept. No. 1306);

H.R. 7372. An act for the relief of Donald K. Warner (Rept. No. 1307); and

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland (Rept. No. 1308).

Mr. BAILEY also, from the Committee on Claims, to which were referred the following bills, reported them severally with an amendment and submitted reports thereon:

H.R. 3502. An act for the relief of the estate of William Bardel (Rept. No. 1308);

H.R. 3749. An act for the relief of Hunter B. Glasscock (Rept. No. 1310);

H.R. 5400. An act for the relief of Thomas F. Olsen (Rept. No. 1311);

H.R. 7736. An act for the relief of Rocco D'Amato (Rept. No. 1312); and

H.R. 9830. An act for the relief of the State of Nebraska (Rept. No. 1313).

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 4175. An act for the relief of Oscar C. Olson (Rept. No. 1314);

H.R. 4666. An act for the relief of Jerry O'Shea (Rept. No. 1315);

H.R. 4670. An act for the relief of Lyman D. Drake, Jr. (Rept. No. 1316);

H.R. 4957. An act for the relief of F. M. Peters and J. T. Akers (Rept. No. 1317); and

H.R. 5031. An act for the relief of Edith L. Peeps (Rept. No. 1318).

Mr. GIBSON also, from the Committee on Claims, to which was referred the bill (H.R. 4793) for the relief of Moses Israel, reported it with an amendment and submitted a report (No. 1319) thereon.

Mr. TOWNSEND, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 3146. An act for the relief of John W. Barnum (Rept. No. 1320);

H.R. 4082. An act for the relief of John J. Corcoran (Rept. No. 1321);

H.R. 4446. An act for the relief of E. E. Hall (Rept. No. 1322);

H.R. 4832. An act for the relief of Edgar Sampson (Rept. No. 1323); and

H.R. 5109. An act for the relief of Joe G. Baker (Rept. No. 1324).

Mr. TOWNSEND also, from the Committee on Claims, to which was referred the bill (H.R. 4395) for the relief of the General Warehousing Co., reported it with an amendment and submitted a report (No. 1325) thereon.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 452. An act for the relief of Laura B. Crampton (Rept. No. 1326); and

H.R. 8688. An act for the relief of Stella E. Whitmore (Rept. No. 1327).

Mr. WHITE, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 3606. An act for the relief of William Sheldon (Rept. No. 1328);

H.R. 6350. An act for the relief of Arthur Smith (Rept. No. 1329);

H.R. 7107. An act for the relief of Frank Baglione (Rept. No. 1330);

H.R. 7264. An act for the relief of M. N. Lipinski (Rept. No. 1331);

H.R. 7387. An act for the relief of Royce Wells (Rept. No. 1332);

H.R. 7697. An act for the relief of William Chinsky (Rept. No. 1333); and

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex. (Rept. No. 1334).

Mr. SHEPPARD, from the Committee on Military Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3121. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as "Camp Eagle Pass, Tex.", to the city of Eagle Pass, Tex. (Rept. No. 1338);

S. 3464. An act to retire Walter L. Rasasco with the rank of second lieutenant, Air Corps, United States Army (Rept. No. 1344); and

S. 3528. An act to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass. (Rept. No. 1342).

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, to which were referred the following bill and joint resolution, reported them each without amendment and submitted reports thereon:

H.R. 5330. An act to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes" (Rept. No. 1335); and

H.J.Res. 344. Joint resolution to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution (Rept. No. 1336).

Mr. PITTMAN, from the Committee on Foreign Relations, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 1769. An act for the relief of Jeannette S. Jewell (Rept. No. 1339); and

H.R. 7781. An act for the relief of Rosemund Pauline Lowry (Rept. No. 1340).

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 1508) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon, reported it with amendments and submitted a report (No. 1341) thereon.

REGULATION OF TRAFFIC IN FOOD AND DRUGS

Mr. COPELAND. From the Committee on Commerce I report back favorably certain additional amendments—and I hope the last—to the food and drug bill, being Senate bill 2800, now on the calendar as Order of Business 520. Various amendments were considered and adopted by the committee. I ask that the bill be reprinted showing all the amendments.

The VICE PRESIDENT. Without objection, it is so ordered.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WAGNER:

A bill (S. 3762) to amend the Home Owners' Loan Act of 1933; to the Committee on Banking and Currency.

By Mr. McCARRAN:

A bill (S. 3763) relating to automatic promotions of Federal employees; to the Committee on Civil Service.

By Mr. McKELLAR:

A bill (S. 3764) to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation;

A bill (S. 3765) to enable the Postmaster General to withhold commissions on false returns made by postmasters; and

A bill (S. 3766) to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended; to the Committee on Post Offices and Post Roads.

By Mr. STEIWER:

A bill (S. 3767) to credit the Klamath Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Klamath Reservation, Oreg.; to the Committee on Indian Affairs.

A bill (S. 3768) for the relief of F. T. Wade, M. L. Dearing, E. D. Wagner, and G. M. Judd; to the Committee on Claims.

By Mr. COOLIDGE:

A bill (S. 3769) to provide for legalizing the residence in the United States of certain classes of aliens;

A bill (S. 3770) to provide adjustment of status of certain aliens lawfully admitted without requirement of departure to foreign country; and

A bill (S. 3771) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes; to the Committee on Immigration.

By Mr. McKELLAR:

A joint resolution (S.J.Res. 136) authorizing an appropriation for the expenses of the arbitration of the claim of George R. Jones Co., Inc., against the Government of Norway; to the Committee on Foreign Relations.

A joint resolution (S.J.Res. 137) designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes; to the Committee on Public Lands and Surveys.

MONETARY USE AND ACQUISITION OF SILVER—AMENDMENT

Mr. GORE (by request) submitted an amendment intended to be proposed by him to the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF THE BANKING ACT OF 1933—AMENDMENTS

Mr. BULKLEY submitted four amendments intended to be proposed by him to the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, which were ordered to lie on the table and to be printed.

REGULATION OF TRAFFIC IN FOOD AND DRUGS—AMENDMENT

Mr. COSTIGAN submitted an amendment intended to be proposed by him to the bill (S. 2800) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics, and for other purposes, which was ordered to lie on the table and to be printed.

FINANCING OF HOME CONSTRUCTION AND REPAIR—AMENDMENT

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (S. 3603) to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home mortgage financing, to prevent speculative excesses in new mortgage investment, and to eliminate the necessity for costly second mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes, which was referred to the Committee on Banking and Currency and ordered to be printed.

ADDITIONAL COPIES OF HEARINGS RELATIVE TO ST. LAWRENCE WATERWAYS TREATY

Mr. PITTMAN submitted the following concurrent resolution (S.Con.Res. 20), which was referred to the Committee on Printing:

Resolved by the Senate (the House of Representatives concurring), that in accordance with paragraph 3, of section 2, of the Printing Act approved March 1, 1907, the Committee on Foreign Relations of the Senate be, and is hereby, empowered to have printed for its use 2,000 copies of the hearings held before a subcommittee of said committee during the second session of the Seventy-second Congress, on the resolution (S.Res. 278), a resolution authorizing the Committee on Foreign Relations to make an investigation and to hold hearings respecting matters touching the St. Lawrence Waterways Treaty, part 1 and part 2.

STRENGTH OF OFFICER AND ENLISTED PERSONNEL OF THE ARMY

Mr. SHEPPARD submitted the following resolution (S.Res. 264), which was referred to the Committee on Military Affairs:

Resolved, That the Committee on Military Affairs, or any duly authorized subcommittee thereof, is authorized and directed to make an inquiry into the need for an increase in the present strength of the officer and enlisted personnel of the Regular Army of the United States.

LIABILITY OF POSTAL CONTRACTORS—MOTION TO RECONSIDER

Mr. COPELAND. Mr. President, I desire to enter a motion to reconsider the vote on the passage on June 6, 1934,

of House bill 7340, to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof.

I have no particular objection to the spirit of the bill, but I think in the form in which it was passed it is not as it should be; and I enter a motion to reconsider the vote whereby it was passed.

The PRESIDING OFFICER (Mr. POPE in the chair). The motion will be entered.

Mr. COPELAND. I now move that the House be requested to return the bill to the Senate.

The PRESIDING OFFICER. The question is on the motion of the Senator from New York.

The motion was agreed to.

Mr. COPELAND. I ask, in this connection, that a letter I have relative to the matter be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The letter is as follows:

MAY 29, 1934.

H.R. 7340. To hold mail carriers liable for damages for loss, etc., of mail

Hon. ROYAL S. COPELAND,
United States Senate, Washington, D.C.

DEAR SIR: H.R. 7340, which has passed the House and has been favorably reported by the Senate Post Office Committee, would, it appears to us, expose any steamship or aircraft carrying mail to claims for unlimited damages without any opportunity for adequate protection.

A large part of the foreign mail of the United States is carried by American vessels under mail contracts which make the contractor answerable in damages for loss, rifling, damaging, etc., of mail.

The pending bill gives the Government no additional protection with regard to mail thus carried under contract, but carriers of noncontract mail carrying smaller amounts of mail at poundage rates fixed many years ago would be very seriously affected by this bill.

Steamships are, from time to time, given mail in sacks to be carried to foreign destination. Except in the case of registered mail, no record is kept by the postal authorities or anyone else of the number of pieces in each sack or their identity or value. The carrier has no means of knowing the value. The rate of compensation is based on performance of service and not on responsibility in damages for the full value of any piece of mail lost.

Existing law authorizes the Post Office Department by fine to penalize the carrier for negligence in handling the mail and to deduct the amount of the fine from his mail pay, but the proposal now advanced to make the carrier of noncontract mail answerable in full damages seems to turn the Post Office Department into a collector of damages for the sender, without giving the carrier any opportunity to know the value of the mail when he accepts it.

No express company is so exposed. The Post Office itself in carriage of parcel post is open only to a limited liability. For ordinary mail the Government itself assumes no liability for damages, yet the proposed legislation would make the carrier heavily liable.

A similar bill, S. 3445, applicable to domestic railroads, was the subject of hearings before the Post Office Committee of the Senate, and the basic difficulties and objections to the principle of this legislation were there presented by representatives of the railroads.

We feel that the same injustice exists in H.R. 7340, and we hope it will not pass, and for this reason have given you our views as above.

Respectfully,

ROBERT H. PATCHIN,
Vice President, Grace Steamship Co.

THE STOCK EXCHANGE ACT

Mr. FLETCHER. Mr. President, there appeared in the New York Times on yesterday an editorial in relation to the Stock Exchange Act, which I ask to have printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE STOCK EXCHANGE ACT

Now that the stock exchange control bill has become law, Wall Street will doubtless call a truce in criticism of its more questionable provisions and begin quietly to make the necessary adjustments. The act, as amended, is far less drastic than had been supposed. The margin requirements, for example, turn out on closer scrutiny to be actually more liberal for some stocks than the exchange's own regulations. If the prices of these stocks should advance substantially, the new margin requirements would automatically become greater (unless the Federal Reserve Board should decide otherwise), but this could only act as a stabilizing force in the market. The new regulations governing margins are not effective until October 1, and do not apply to outstanding margins until July 1, 1937; so no danger faces the market from forced selling out of accounts.

The new law, further, in its final section, repeals or modifies many of the most onerous restrictions previously existing under the Securities Act of 1933. Many critics of the Roosevelt policies have regarded that law as a greater obstruction to recovery than any other single measure yet enacted. In a careful analysis of the new amendments, published in yesterday's New York Times, Eustace Seligman, who has hitherto been one of the most vigorous critics of the Securities Act, expresses the opinion that the amendments remove at least four-fifths of the warranted objections to the original measure.

These amendments show that the administration is not entirely deaf to criticism, even if much of it comes from Wall Street, and they are at least an indication that if the present stock exchange control law proves to be in some respects ill-advised, it, too, will probably be modified.

Many provisions in the new measure may prove not mere vexatious restrictions but genuinely stabilizing influences. Those which attempt to curb manipulation and pools, and which require fuller and more frequent corporation reports, may eventually do a great deal to restore public confidence. There is little reason to suppose that the new measure, if administered by the Federal Reserve Board and the newly created commission with reasonable wisdom, will in the long run seriously lower the general level of security prices. It may, indeed, tend to reduce the total volume of transactions compared with what it might otherwise have been. No doubt this consideration has been one of the causes for the pessimism concerning the bill felt in some brokerage houses. Their gloom appears in recent weeks to have communicated itself unduly to their customers, and the sagging stock market has in turn affected business sentiment. But perhaps the financial community will soon begin to recognize that a few of its misgivings have been much greater than the facts justify.

INDIANS AT WORK—ARTICLE BY COMMISSIONER OF INDIAN AFFAIRS

Mr. CUTTING. Mr. President, I ask that there be inserted in the RECORD a very important article by the Commissioner of Indian Affairs, Mr. John Collier, entitled "Indians at Work", published in the Survey Graphic for June 1934.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIANS AT WORK

By John Collier

A crisis is upon the Indians. Through soil erosion, through the allotment system, their lands are melting away. The remedy involves a radical change in their mode of life, great personal sacrifice, hard work. How the Indians have responded—their cooperation, their readiness to learn new ways and apply them—is told here by the Commissioner of Indian Affairs. The Wheeler-Howard bill, urged by President Roosevelt, essential to the reorganization of Indian economy, and to the provision of land for 150,000 landless Indians, is being resisted by numerous special interests and by some schools of opinion, and its fate in Congress is uncertain at this writing.

Is it too late for Indian tribes, wards of the Government, to demonstrate statesmanship? Have the Indians still a race to run?

The 12 months behind, even the 5 years behind, have supplied, for the Indians as a whole, merely the beginnings of a possible answer. Whether (ignoring the question of their capacity) the Indians shall be allowed to try to run their race at all is still an unanswered question. It is discussed below. But let us start at the point of clearest evidence and greatest hope.

That point is the Navajo Tribe and the Navajo regional plan. Forty-five thousand Indians, pure bloods and mostly non-English-speaking; in their religion, pre-Columbian; a nomad desert tribe, occupying nearly 25,000 square miles of desert land of wild, somber, and splendid beauty. They have multiplied nearly four-fold in 70 years. Their flocks have multiplied faster. They overpopulate and congest their barren range, and their sheep and goats desperately overgraze it. Their material standard of living is very low, indeed; their physical standard is high; their elan vital is irrepressible. They are esthetes, adventurers, gamblers, sportsmen, and nature mystics. They have not the peasant's submissiveness to work nor the bourgeoise idolatry toward it.

And suddenly the Navajos have been faced with a crisis which in some aspects is nothing less than a head-on collision between immediate advantages, sentiments, beliefs, affections, and previously accepted preachments, as one colliding mass, and physical and statistical facts as the other.

The crisis consists in the fact that the soil of the Navajo Reservation is hurriedly being washed away into the Colorado River. The collision consists in the fact that the entire complex and momentum of Navajo life must be radically and swiftly changed to a new direction and in part must be totally reversed.

And the changes must be made, if made at all, through the choice of the Navajos themselves—a choice requiring to be renewed through months and years, with increasing sacrifices for necessarily remote and hypothetical returns, and with a hundred difficult technical applications.





Nor is the burden of sacrifice an equal one; indeed, those Navajos, individuals and families, who have the greatest power to prevent the collective sacrifice from being made, are the ones whose uncompensated individual sacrifice must be greatest.

It is the Navajos' past which has made their virtues. Their past still is, psychologically, their present. These virtues, aggressive and yet attractive and appealing, must not die from the new order which has suddenly become a matter of life or death. Yet can they live on? For human qualities are institutional products. The question is intense with sociological as well as with human interest.

About 10 months ago a joint committee of the Departments of Agriculture and Interior described the crisis and charted the emergency program. Soil erosion, they found, due to extreme overgrazing, had totally destroyed several hundred thousand acres of the Navajo range. It had seriously damaged millions of acres more. It was advancing not in arithmetical but in geometrical progression, and in 15, perhaps 20, years the Navajo Reservation would be changed to a divinely painted desert and the Navajos would be homeless on the earth.

Whereupon last July the Navajo tribal council and 2,000 other Navajos were brought together at Fort Wingate, N.Mex. With technical detail, through interpreters, and endless hours of discussion the facts were supplied them. And the condition precedent to an ultimate saving of the soil was stated with no sparing of words. That condition was a sacrifice of hundreds of thousands of their sheep and goats. But in addition there must be a planning of economic use for the whole reservation; range control, with redistribution of range privileges; an intensive revival of subsistence farming, irrigated and dry; a recasting and diminution of the road-building program; the fencing of areas of the range for soil experimentation, with total removal of stock from these areas; and erosion engineering and revegetative operations, under time pressure, throughout the wide region.

Nor could Government funds pay for all the needed innovations. The Navajos themselves must pay, in labor and money.

The Navajo Reservation is being washed into the Boulder Dam Reservoir. That reservoir's rate of silting has been computed upon a static erosion rate which is but a fraction of the present and speeding-up rate. Hence southern California, as well as New Mexico and Arizona, is involved with the Navajos in their crisis. Actually two-thirds of the silt being fed to Boulder Dam is washed from the Navajo lands.

Mandatory sheep and goat reduction, mandatory range control, Federal dominance over the Navajos' present and future program are already possible in law, and might be justified from the standpoint of national necessity.

But the Navajos were expressly and formally told that compulsion would not be used. This problem was their own and they, not the Government, must do the things necessary to its solution. A profound recasting of the economic and social life of a people must be sought through knowing consent of the people and must be forced through their own will, or it must fail.

How did the Navajos respond? The tribal council adopted the program, with the proviso that it must go by referendum to the whole Navajo people through those local chapters which are the ultimate units of Navajo government. The tribe adopted the program at this referendum.

Again, after 4 months, a more drastic and more fast-moving program went before the council, was by it submitted to the people, and was adopted. The Navajos through this decision surrendered 90,000 of their sheep.

And again, after 4 months, a yet more drastic program was submitted. It called for the immediate sacrifice of 150,000 Navajo goats and for coordinate adjustments that will cut the total of Navajo flocks by much more than one-third. The cost of this latest stock reduction will be $225,000; the Government does not undertake to pay the bill, and the Navajos themselves are proposing to pay it, dependent on a Government loan to the tribe. This latest sacrifice was adopted by referendum and confirmed by the tribal council in early April.

Meantime, the positive tasks of erosion control are well under way. The technical direction is being supplied by the soil-erosion service of the Department of the Interior. The Navajos are themselves carrying out the projects. In February, at Washington, the Carnegie Institute presented a photographic display showing erosion as a menacing condition threatening many parts of the United States. The exhibit climaxed with photographs of model erosion-control operations. The pictures bore no local designations, but they were photographs of the engineering works not merely built with Navajo hands but planned, practically in their entirety, by the Navajos. Four hundred Navajos had worked at the projects, assisted by only two white men.

I do not believe that any white community in the United States would have met a complicated and profound, urgent challenge, entailing the upset of widely distributed but unequal vested property interests, with the spirit, the audacity and the resourcefulness which the Navajo Tribe has shown. Be it remembered that the Navajos are illiterates, in the main, and speak only the Navajo language, in the main. And that the women are, in most cases, the owners of the goats and sheep; and that goats and sheep are viewed by the Navajos emotionally, all but as human children.

Let me quickly sketch the social program, going beyond erosion and range control, now being put into effect by the Navajos and by the Government as their partner. First comes the drastic decentralization of Indian Service administration. The new Navajo capital (called "Nee Alneeng", which means center of the Navajo world) will be the Indian service office of the whole reservation. Into it, whatever Washington authority can be legally transplanted will be transplanted. Under the pending Wheeler-Howard bill, discussed below, that will be substantially the whole authority of the Federal Government.

Here, likewise, will be the capital of the tribe—the headquarters of the tribal council.

But beyond this headquarters, decentralization will be carried to the more than 25 subagencies, each the center of the locally organized Navajos and the administrative office for the school work, health work, agricultural extension, erosion, law enforcement, and other services of the Government. These subagencies will be people's houses, and into them the formal schooling of the Navajos will be merged; indeed, if hopes are fulfilled there will be no formal schooling of the cloistrated or standardized order. All educational work will start from, and end in, the community group. The Navajo language will be used coordinately with English; Navajos and the Government's workers with the Navajos will be bilingual in the future. The employees at these subagencies, and at the capital, will increasingly be (again, subject to the enactment of the Wheeler-Howard bill) Navajo Indians.

I have begun with this happy and inspiriting example, and I will give one bright instance more because it testifies to what qualities there are in all Indians; and then I will pass to the gloomy side. For it will become evident that the Indians, now as before, are shrouded in gloom.

Last May President Roosevelt decided that 14,000 Indians in all parts of the Indian country should be admitted to emergency conservation camps, to work on reforestation, on water development, and erosion control. We were glad, but we were frightened. For the permission extended beyond the Pueblos, Pimas, Papagos, and Navajos, famed for their sobriety and their industry. It reached to the Oklahoma, Dakota, Montana, and Pacific coast tribes—to those Indians reputedly not willing to work and reputedly demoralized. Would the camps become centers of drink, of debauchery? Would the Indians respond to their opportunity and after they responded would they work?

The sequel has been, I believe, the most impressive event in Indian affairs in these "lonesome latter years" of Indian life. The Indians thronged to the camps and projects. The camps became and have uniformly remained (there has not arisen even one exception) models of orderly, happy living. The work projects, involving every kind of technical operation connected with forestry and with land conservation and use, have been pursued with better than mere industry—rather, with joyous ardor. Of all the technical and supervisory positions, more than 60 percent are now being efficiently filled by Indians, and the rank and file of the workers is 100 percent Indian. But the main significance is here: That the southwestern tribes have in no degree, in no particular excelled those of the other regions.

These Indians of the allotted areas have been, at the camps, like creatures released from prisons and dungeons. Once more they have been allowed to live in groups, to work in groups, and to work for a common good. They have furnished the solution of the so-called "problem of the American Indian." Just in such a way the Mexican peons of yesterday, now members of the recreated pueblos or ejidos of Old Mexico, have furnished the solution of the problem of the Indians south of the Rio Grande.

Because this article has space limits I shall now deal with only one other matter, the Wheeler-Howard Indian land and home-rule bill, and, in conclusion, with the objection raised against this bill, namely, that it tends toward an unfortunate segregation of the Indians.

Though this article will be published too late to have persuasive weight with the outgoing Congress, a description of the Wheeler-Howard bill will serve to give a perspective of the Indian situation as a whole and will tell what it is that the present administration seeks to do. President Roosevelt has thus summarized the intent of the bill:

"In offering the Indian these natural rights of man we will more nearly discharge the Federal responsibility for his welfare than through compulsory guardianship that has destroyed initiative and the liberty to develop his own culture."

The bill primarily drives against two states of fact—an Indian landholding system fatal, sinister, and dishonest, and a system of law which makes of the executive an unreviewable czar over Indian life.

The present system of land tenure was ushered in 57 years ago with the passage of the General Allotment Act. Previous to this time the soil of the various Indian reservations was owned in common, title resting in the tribe. Every member of a tribe had the right to occupy as much land as he could beneficially use; his house and other improvements passed on to his heirs, but he could not alienate and dispose of a square foot of tribal soil. Those reservations which escaped allotment have today as much and frequently more land than they contained 60 years ago.

Through the General Allotment Act the Government proceeded to break up the reservations, to attach to each Indian then living a tract of land as his individual property, and to throw the part of the reservations not used in this individual land distribution open to white settlement. Thus the Indian was to become an individualized farmer and assume all the white man's burden after a comparatively short trust period during which the privilege of mortgaging and selling his land was denied him.

After allotment the individualized land began to slip out of the Indian owners' hands at high speed. When the trust period ex-

pired or the Indian was declared "competent", he disposed of his land in short order, spent the proceeds, and went to live with his relatives. And when an allotted Indian died, the usual impossibility to make an equitable partition of the land forced its sale, not to Indians but to those who had the money to buy, to the waiting white people. Thus allotment dissipated—continues to dissipate—the Indian estate.

In 1887 the Indians were owners of 136,340,950 acres of the best land. In 1933 they were owners of 47,311,099 acres, of which a full 20,000,000 acres were desert or semidesert. The surface value of the Indian-owned lands had shrunk 90 percent in these 46 years. Of the residual lands, 7,032,237 acres (the most covetable of the remnant) were awaiting knock-down sale to whites—sale conducted by the Government itself, usually without reference to Indian choice. And of the usable land still owned by the allotted Indians, a full three-fourths was already possessed and used by whites under the allotment leasing system. Such land is tax-exempt, and the white lessees (cattlemen, sheepmen, farmers, and grain corporations) reap the benefit of tax exemption. Since 1887, 150,000 Indians have been rendered totally landless; and existing law—the practices mandatory or administratively inescapable under it—insured the dispossession of the remaining allotted Indians within the present generation.

What the Indians themselves have done or have left undone has been a negligible factor in the above-stated record. The allotment law and system intends and compels the transfer of Indian title to whites. Less swift than treaty-breaking with Indians or than outright rape of Indian lands, but surer and cheaper, bloodless and silent, the allotment law has fulfilled the civilizing intentions of the Government of 1887.

The facts of 1933 are the facts of today. I give some other facts of the workings and consequences of Indian land allotment.

The Indian lives in an ever-narrowing prison pen of allotment until his last acre is gone, and then he is summarily cast out from Federal responsibility. But the Indian Service, hardly less than the Indian, lives and endeavors to work in a prison pen of land allotment. Governmental appropriations into the millions each year, sorely needed for health service to Indians, for education, for relief, and for the economic rehabilitation of Indians, are of necessity diverted to the real-estate operations connected with the still shrinking allotted lands. Pari passu with the dwindling of the lands, the costs of administration rise. And there is no escape from these results under existing law.

I refer, of course, to the allotted areas, but these are all of the Indian country of Oklahoma and nearly all of the Indian country of Wisconsin, Minnesota, the Dakotas, Montana, Nebraska and Kansas, Wyoming, Oregon, Washington, and California.

The allotment system fights against all the human services attempted for Indians. Two Oklahoma cases will serve as examples, chosen because the bitterest of the embittered opposition to the Wheeler-Howard bill comes from whites.

At the Kiowa and Comanche Agency, the total Government expenditure—school costs aside—is $80,000 a year. Of this total, only $15,000 can be used for health, relief, reimbursable loans, agricultural extension and all the other human services. Sixty-five thousand is required for the real-estate operations of the allotted lands. Meantime the lands inexorably pass to whites by Government sale. About sixty of every hundred Indians in this jurisdiction are totally landless, all but a few are in poverty, and their needs for service are extreme. At most allotted jurisdictions the proportion of the landless Indians is greater than at this one.

On its work other than schools, the Five Civilized Tribes Agency of Oklahoma spends $300,000 a year. All except $60,000 of this total is devoured by the real-estate operations of the allotted lands. Of the 100,000 Five Tribes Indians, 72,000 are totally landless; the remaining lands are swiftly being forced into white ownership; and the per-capita income of the Five Tribes, omitting oil and mineral royalties paid to a few individuals, is $47 a year. These Five Tribes possessed, 25 years ago, 15,000,000 acres of the best Oklahoma land; they now possess 1,500,000 acres.

Subdivision of inherited allotments on a hundred reservations has proceeded to that point where an individual equity is fixed by subdividing, for example, the sum 5,200 into the sum 114,307,200, and the Government solemnly pays each heir the value of a postage stamp once a month. The heir possesses an equity in 10, 30, or 50 separate allotments. Administration costs more than the total rental, even the total value of the lands. Not merely farming lands, but grazing properties and even forests have been fractionated to these vanishing dimensions, making impossible the working of their own assets by the allottees; and the fading Indian lands are dots within the sea of white ownership. Twenty-five years ago the areas were solidly Indian.

The Wheeler-Howard bill centers in the land problem. The bill's 48 pages are their own explanation, but the principles can be stated in a few words. Under the bill, individual allotted titles may be exchanged for equitable rights in a community title. Use of the land, ownership of the improvements, ownership of the rental value of the land, and the right to use an equal area or value of land within the community estate, is safeguarded and made into an inheritable vested right. The physical allotments may be inherited so long as their subdivision does not reach the point of destroying their economic use.

Under the bill, reservation areas are to be marked out for ultimate consolidation into unbroken Indian holdings. The new land procedures will apply only inside these consolidated areas. To buy the white-owned tracts and to purchase the Indian heirship lands for the communities, the bill authorizes $2,000,000 a year. This grant will be used likewise for buying land on which homeless Indians will be colonized. In addition, submarginal lands, now being purchased by the Government, will be furnished the Indian communities, and funds from the subsistence homestead appropriation will be used for experimental colonies.

Financial credit, which is now practically denied the Indians, is essential to the Wheeler-Howard plan, and the bill establishes a revolving fund of $10,000,000, which will be a Federal grant, allocated to the Indian communities to be used by them as a revolving loan fund, capitalizing the individual and group enterprises.

The bill forbids any and all allotment of lands hereafter and forbids the sale of Indian lands to whites, and through many devices seeks to enable the Indians to repossess their lands now rented to whites and to become their own operators.

The so-called "home-rule provisions" of the Wheeler-Howard bill are geared with the land provisions, but their application is more general than that of the land provisions. Under existing law the Secretary of the Interior and Indian Commissioner practically are forced to stand as absolutists over the Indians. Usually their actions are exempt from court review. But they, in turn, are victims of the mandatory allotment system and of an appropriation and budgeting system which conceals facts and which freezes Government moneys into outmoded and sometimes even fictitious uses, leaving Congress itself helpless to control the expenditures, while the Indian office is no less helpless and the Indian is kept in the dark.

The total effect of these above conditions has been to impose on the Indian service an extreme centralization at the Washington office. The free movement of ideas, of experimentation and of local adjustment is impeded everywhere, and in the allotted areas is all but prohibited. There has been a wealth of bold effort and of truly creative initiative within the Indian Service during the last 4 or 5 years, and by main strength and awkwardness, as it were, some of this innovation has been pushed through to the Indians' actual life in the 200 reservations. But the autocratic and centralized system practically defies the human effort, and the best administration, whether from the headquarters or from the field, is as water poured into the labyrinthine sands of bureaucracy, which is forbidden by law to reorganize itself.

The Wheeler-Howard bill cuts through the tangle of legal compulsions and inhibitions and provides for a radical decentralization of the Indian Service. Indians may organize and become chartered for any of the tasks or interests of their own lives; their organization may be geographical or functional, according to their wishes or requirements. When organized, the chartered Indian communities become instrumentalities of the Federal Government. Doing less or more according to the facts of the innumerable variable cases, these communities in their fullest development may become wholly self-governing, subject only to Congress and the Constitution. Any function of Indian Service, with the appurtenant Federal moneys, may be transferred to these communities. The communities in turn may enter into contract with States, counties, and any other local institutions.

A special Indian civil service is created by the bill, and communities may appoint their qualified members for any position of local Indian service, and power of recall over local government employees is given to the communities.

The bill in its title 2 broadens the authority for Indian educational work, and through a system of loans and scholarship grants opens the colleges and the professional and technical schools to Indian youth.

Title 4 of the bill sets up a court of Indian affairs, with functions, ministerial as well as judicial, and brings the Indian Service and the Indian communities under the review of this court. Through this court the constitutional rights will be insured, including minority rights, religious rights, and the due process of law in matters of life and property which are necessarily withheld from Indians under the present system.

I conclude with some necessary remarks directed to the only reasoned criticism which has been brought against the Wheeler-Howard bill and the Roosevelt-Ickes Indian policy. The bill and policy, it is contended, make for racial segregation and would wall the Indians off from civilization and from modern opportunity. To meet the contention is to bring the Indian situation under a sociological searchlight.

Where the trend or drift of a race has gone in one direction—in the case of most of the Indians, downhill—for a hundred years more or less, there cannot be any sudden or easy reversal of the trend. Subtle and deep readjustments, sociological, psychological, and even biological, take place within peoples; human beings make structural adaptations to the life-limiting environment. The prison psychosis would furnish an illustration.

Space limits forbid the pursuit of this analysis, but as a practical matter, the Indian Service task has to be visioned in relation to such facts as the following:

The extreme poverty of the Indians, which was recognized as a controlling factor by the Institute for Government Research in 1928, continues unrelieved. Indeed, with data greatly enriched, the fact of Indian poverty has become more impressive. The shrinkage of landholdings, due to allotment, actually is smaller than the shrinkage of capital funds. These have disappeared altogether, in the cases of scores of tribes.

Earned income and subsistence production have continued at an almost unbelievably low level. Only when the land system is examined do the facts become credible, especially in the light of the proved readiness of Indians to work, and their ability to work efficiently, as displayed in emergency activities during the past year.

The incomplete returns have now been tabulated from 10 allotted areas in the six States of South Dakota, North Dakota, California, Kansas, Montana, and Oklahoma. The studies were made by competent investigators employed under a Civil Works grant. Case records were made for families containing 38,772 individuals. The per capita per year income was found to be $47.78, after excluding the oil and mineral royalties paid to a handful of individuals in these 10 areas.

This per capita income—$47.78—represents the earned income and the lease money and the market value of goods produced or consumed. These Indians have consumed no more than $47.78 worth of goods in the year. The ascertained figure is higher, not lower, than it would be in an average year, because Federal emergency expenditures, on works projects in the Indian country, were rising toward their peak during the time of the survey.

The poverty of the Indians contributes to their continuing morbidity and death rates. The death rate, taking the Indians as a whole, continues at twice the death rate of the general population, including the Negroes. Tuberculosis, with an Indian death rate more than seven times the white, is not yet being controlled. Trachoma is uncontrolled although clinical treatment has been multiplied tenfold since 1925.

Less tangible, but no less important, are the registrations of economic inferiority in the mental and social reactions of the Indians. Between the elder and younger generations, suppressed or open conflict rages. Between the pure bloods and the mixed bloods, conflict rages. Between the allotted Indians and the Government, conflict rages. Rarely, where these conflicts go on, are the causes understood by the Indians. The causes are objective and imminent, residing as they do in the allotment system, in the dictatorial and centralized Bureau management, and in the segregation forced upon the Indians by their poverty and their underequipment. But the conflicts, psychologically analyzed, are essentially neurotic conflicts—compensations, escapes, and rationalizations of misery. And in the allotted areas, it is largely out of the question to recapture and harness these neurotic energies for practical social tasks, because the tasks are forbidden by the law and the system.

The total effect of these and related conditions is to degrade the Indian social level, and the degradation goes steadily forward. The real values of the Indian are driven inward, insulated from world contact, and compelled to face toward remembered glory, remembered plenty, and power. And assimilation, whether biological or social, becomes for Indians, with each passing year, an assimilation into still inferior levels of the white life.

The Indian Rights Association, in company with some of the missionaries, fears the policies of Secretary Ickes' administration, and looks with doubt on the Wheeler-Howard bill, on the ground, stated above, that the policies and the bill are working toward the segregation of Indians. I have stated the facts of Indian poverty because, from any point of view, they are controlling in the appraisal of the Indian situation, but also because they dispose, I believe, of the segregation argument. The Indians today are segregated by factors all-penetrating, infinitely more potent than mere geographical segregations could ever be. Their extreme poverty segregates them. Their inferiority status in law intensifies their segregation. Their infectious diseases segregate them. Their inferiority sentiment, elaborately planted at the center of their consciousness by deliberate governmental policy as well as by the unintended action of poverty, effectually segregates them.

Their ancient interests and loyalties, which are far from being extinct, are by these same conditions imprisoned, and denied the chance to partake in social action, to salvage themselves through development and change.

And the Indian, in his profounder psyche, is condemned to that which could be termed a "social-psychic infantilism" a dream-escape to the social mother—that social mother who, to the Indian, is always his own tribe. Yet even this escape takes with it a conflict into the very heart of the Indian's life. Due to the rendering of the ancient values powerless by social segregation, insecurity, and inferiority haunt even this inmost refuge or shrine.

The mechanisms and policies of the Wheeler-Howard bill are, first and last, a prescription for bringing this Indian segregation to an end.

HAWAII, THE OUTCAST—EDITORIAL FROM THE HONOLULU TIMES

Mr. KEAN. Mr. President, at the request of the Senator from Rhode Island [Mr. METCALF] I ask that there be inserted in the RECORD an editorial from the Honolulu Times of April 28, 1934, entitled "Hawaii, the Outcast."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HAWAII, THE OUTCAST

Hawaii, kicked out of the Union by the recent act of Congress which says, in effect, that this American Territory is not an integral part of the United States, stands now in the position of Lazarus waiting for the crumbs to fall from the rich man's table.

Having been denied its just rights, Hawaii is humbly asking for charity.

Having been told by the National Legislature that we have no rights which the Federal Government is bound to respect, that we exist only by sufferance, and that we may produce only so much of our principal crop as the Secretary of Agriculture in his boundless wisdom and the kindness of his heart shall say we may, we must now humbly beg of him that our industry and prosperity be not entirely destroyed.

A few kind words have been thrown to us as a bone might be tossed to a hungry dog.

Those who engineered, through Congress, the Jones-Costigan sugar control bill, with its infamous provision that Hawaii, in common with Puerto Rico, the Philippines, and the Virgin Islands, may produce only as much sugar as Mr. Wallace, within certain broad limitations, shall permit, are now soothingly telling us that we may be sure of getting a fair deal.

Fair deal? We already have been given a raw deal. Any administrative mitigation of the harshness of that raw deal can come only as charity, not as justice.

For justice has been denied us.

For the moment Hawaii is helpless. Her business envoys, together with her official representative in Washington, can only go, hat in hand, to the Secretary of Agriculture and plead with him not too drastically to reduce the amount of sugar this Territory may produce.

The best that can be hoped for is that the Government official who has been created by act of Congress the czar of the sugar industry and the absolute master of the destinies of Hawaii and its 360,000 people will extend to us a little of the charity he and his fellows in the administration have for Cuba and Wall Street.

The prospects, it must be admitted, are not encouraging. For Secretary Wallace has put himself on record as believing that the American sugar industry ought to be completely destroyed because it is not "economically efficient." Mr. Wallace, however, says the time has not yet come to do away with the entire American sugar industry—but he can at least make a beginning by crippling the sugar industry of Hawaii.

And Senator COSTIGAN, who worked the sugar control bill through Congress, has stated publicly that the time may come when it will be advisable to put an end to the insular sugar industry. That, insofar as the production of American sugar is concerned, would give a monopoly to his own Colorado and the other beet-sugar States.

It may be that Secretary Wallace may be charitably inclined and will allot Hawaii a sugar quota not greatly less than the amount of sugar now produced. But that will not be justice; it will be charity.

Hawaii would stand in a far better position if Congress had fixed a quota for the Territory, just as it did for the mainland sugar industry, even though that quota might be much smaller than may be alloted by the Secretary of Agriculture. For it would at least have been recognition of the fact that Hawaii is an integral part of the United States and entitled to the same treatment as that accorded other parts of the Union. It would have been recognition of Hawaii's rights as a part of the Union.

But Hawaii's rights have been denied; and the implications of that denial are ominous.

If in the matter of sugar production Hawaii can be treated differently than the rest of the United States, then Hawaii can be treated differently in any and all other matters.

If, while allotting to the mainland sugar States a sugar quota equal to or approximating the amount heretofore produced, Congress can legally give the Secretary of Agriculture authority to reduce Hawaii's sugar production by 200,000 tons, then Congress can legally authorize him to prohibit the production of any sugar at all in Hawaii.

And if the production of sugar may be so limited or prohibited, then the same is true of pineapples, potatoes, taro, and dried squid.

Nor are Hawaii and the Hawaiian sugar industry alone in being placed in jeopardy by the act of Congress limiting sugar production. The mainland sugar States fare well in the present allotment of quotas, but what assurance is there that they will always fare well?

If, for the sake of aiding Cuba and the Cuban sugar industry, Congress can limit the amount of American sugar produced, then it is conceivable that some day an administration unduly friendly to France might wish to aid that country by prohibiting the manufacture of wine in America. Or it might be felt desirable to curry friendship with Japan by forbidding Americans to engage in industries that compete with the industries of the Japanese.

Limitation of the amount of sugar that shall be produced in the United States is not on the same footing as the restrictions on cotton production imposed by the Bankhead cotton control bill. For the United States has been producing more cotton than could be used in this country and more than could profitably be sold abroad, with the result that the price of cotton had dropped to a calamitous level and the cotton industry was in dire straits. Limitation of production of cotton is intended to increase the price.

But only about one-third as much sugar is produced in the United States, including Hawaii, as is consumed in the country. The comparatively low price is not due to domestic overproduction but to overproduction in Cuba. It is Cuba, not American growers, that the Jones-Costigan bill is intended to help.

Nor does the Jones-Costigan bill contemplate any material increase in the price of sugar. On the contrary, President Roosevelt and his administration insist that the price to the consumer shall not be increased. And it is difficult to see how sugar producers, at least those in Hawaii, are to be helped by the complicated and vague provisions for a processing tax.

However, all those things are details comparatively unimportant. What is important, and serious, is that Congress has read Hawaii out of the Union, denied the Territory its just rights and compelled it to beg for charity.

And that is precisely what, it seems, the Territory must do, or at least what is expedient to do, for the present.

But Hawaii cannot afford to let the matter ride. The issue has been raised and it must be determined in the only way it can be effectively and permanently determined, by an appeal to the courts. Insofar as the Jones-Costigan bill affects Hawaii, it seems to be plainly unconstitutional. But only the Supreme Court of the United States can say so finally.

If the law is held constitutional as regards Hawaii, then the Territory must resign itself to being an unwanted stepchild and to accepting humbly as charity what it has been accustomed to regard as rights.

MEMORIAL DAY—ARTICLE BY A. DONALD ANDERSON

Mr. LONG. Mr. President, I ask unanimous consent to place in the RECORD an article entitled "Memorial Day", by A. Donald Anderson, I believe the Members of the Senate would like to read it.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MEMORIAL DAY

By A. Donald Anderson

Today is Memorial Day. At a monument symbolic to the lives of millions of gallant soldiers men will speak a tribute and offer prayers for those fallen heroes. They will go on to say how gloriously they fought, and how grand a privilege it is to serve one's country, that we all, each and every one of us, should feel as though the supreme sacrifice, while fighting for one's country (regardless of the cause) is a death to be greeted with a smile; nothing is greater nor more honorable. Arrested by the beautiful march music, the pictures of honor, reward, and glory painted with the words of masterful orators, some of the young audience would, if asked, enroll there at the foot of the tombstone of the Unknown Hero.

Tomorrow Memorial Day will be yesterday. We will not be attracted by scheduled speeches and prayers and the beautifully composed march music nor the memory of the dead heroes. We will read of public leaders who, with all their strength, pleaded and urged men to go to the front to defend their country and its material wealth, but who are now denouncing and damning every effort to pay the soldiers or their survivors a cash bonus. We are attracted by the marching of the hungry, the roaming of the homeless, the cry of pain of those in agony. We see heroes of that war, and wars before, so badly physically wrecked that death alone will end their sufferings. Amongst those cast into the streets to be trod upon are the survivors of men of war because selfish, cruel, and unjust laws do not provide for them as they should.

What price glory! What price hypocrisy! What price for material greed!

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes;

S. 3211. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 3540. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933; and

S. 3640. An act granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.

The message also announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 2046. An act to provide relief for disbursing officers of the Army in certain cases; and

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington.

The message further announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 2647. An act prescribing the procedure and practice in condemnation proceedings brought by the United States of America, conferring plenary jurisdiction on the district courts of the United States to condemn and quiet title to land being acquired for public use, and for other purposes; and

S. 3502. An act authorizing the Oregon-Washington Bridge Commission to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate;

H.R. 4554. An act to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps;

H.R. 5791. An act to add certain lands to the Challis National Forest;

H.R. 8460. An act to amend section 392 of title 5 of the United States Code;

H.R. 8539. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1934 Reunion at Chattanooga, Tenn.;

H.R. 8728. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as "Camp Eagle Pass, Tex.," to the city of Eagle Pass, Tex.;

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River";

H.R. 9145. An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934;

H.R. 9233. An act authorizing associations of producers of aquatic products;

H.R. 9391. An act to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes;

H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.;

H.R. 9618. An act authorizing the Sistersville Bridge board of trustees to construct, maintain, and operate a toll bridge across the Ohio River at Sistersville, Tyler County, W.Va.;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge; and

H.R. 9829. An act to amend the Agricultural Adjustment Act with respect to the processing tax on hogs.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H.R. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 1405. An act for the relief of Yosemite Lumber Co.;

H.R. 2035. An act for the relief of Jennie Bruce Gallahan;

H.R. 2287. An act for the relief of Warren Burke;

H.R. 2632. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 2749. An act for the relief of E. B. Rose;

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3353. An act to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3354. An act to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3362. An act to provide a preliminary examination of the Nooksack River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3363. An act to provide a preliminary examination of Skagit River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3768. An act to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies;

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4272. An act for the relief of Annie Moran;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4932. An act for the relief of Judd W. Hulbert;

H.R. 4962. An act for the relief of Joseph B. Lynch;

H.R. 5175. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.;

H.R. 5636. An act for the relief of Jose Ramon Cordova;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 5935. An act for the relief of Oscar P. Cox;

H.R. 6246. An act granting 6 months' pay to Annie Bruce;

H.R. 6847. An act providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va.;

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr;

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli;

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 7759. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin;

H.R. 8234. An act to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods;

H.R. 8541. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin;

H.R. 8562. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts;

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina;

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes;

H.R. 9064. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind.;

H.R. 9141. An act granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County in the State of Alabama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge, and approaches thereto, across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, District of Columbia, organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H.R. 9313. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.;

H.R. 9392. An act to reclassify terminal railway post offices;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington;

H.R. 9567. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.;

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933; and

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa.

PROCEDURE AND PRACTICE IN CONDEMNATION PROCEEDINGS

The PRESIDING OFFICER (Mr. COPELAND in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2647) prescribing the procedure and practice in condemnation proceedings brought by the United States of America, conferring plenary jurisdiction on the district courts of the United States to condemn and quiet title to land being acquired for public use, and for other purposes.

Mr. ASHURST. I move that the bill with the amendments of the House be referred to the Committee on the Judiciary.

The motion was agreed to.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred or ordered to be placed on the calendar as indicated below:

H.R. 4554. An act to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps;

H.R. 8539. An act to authorize the attendance of the Marine Band at the United Confederate Veterans' 1934 reunion at Chattanooga, Tenn.; and

H.R. 9145. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934; to the Committee on Naval Affairs.

H.R. 5791. An act to add certain lands to the Challis National Forest; and

H.R. 8954. An act to amend an act approved June 14, 1932 (47 Stat. 306), entitled "An act granting the consent of Congress to the States of Montana and Wyoming to negotiate and enter into a compact or agreement for division of the waters of the Yellowstone River"; to the Committee on Public Lands and Surveys.

H.R. 8460. An act to amend section 392 of title 5 of the United States Code; to the Committee on Post Offices and Post Roads.

H.R. 8728. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as "Camp Eagle Pass, Tex.", to the city of Eagle Pass, Tex.; to the Committee on Military Affairs.

H.R. 9547. An act to amend section 766 of the Revised Statutes, as amended; to the Committee on the Judiciary.

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.; and

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.; to the Committee on Commerce.

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge; to the Committee on Agriculture and Forestry.

H.R. 9233. An act authorizing associations of producers of aquatic products; and

H.R. 9391. An act to provide for a census of unemployment, employment, and occupations to be taken as of November 12, 1934, and for other purposes; to the calendar.

THE WORK OF CONGRESS

Mr. FESS obtained the floor.

Mr. ASHURST. Mr. President, will the Senator yield to me?

Mr. FESS. I yield to the Senator from Arizona.

Mr. ASHURST. I thank the Senator.

Mr. President, I have received a number of telegrams from Arizona protesting against the adjournment of Congress until certain legislation described in the telegrams shall have been enacted. I ask unanimous consent to have them printed in the RECORD as a part of my remarks, without reading.

The PRESIDING OFFICER. Without objection the telegrams will be printed in the RECORD.

The telegrams are as follows:

Railroad employees will be greatly disappointed if Congress adjourns before adopting Senate bills 3266 and 3231.
(Signed by 14 citizens of Arizona.)

Respectfully urge you work for passage S. 3231 and S. 3266 before adjourning.
(Signed by 35 citizens of Arizona.)

We are deeply interested in passage amendments labor act, 3231 and 3266, pension bills. Your quick action in passage before adjournment will be of untold value to railroad fraternity, and act as relief to unemployed. Your support will be graciously returned.
(Signed by four citizens of Arizona.)

Mr. ASHURST. Mr. President, there is at this time quite naturally much speculation in the press as to when Congress will adjourn; and inasmuch as I doubt if the adjournment resolution when presented will be debatable, I therefore embrace the present opportunity to say that I am opposed to any adjournment of Congress until the legislation helpful toward national recovery and within reasonable range of accomplishment shall have been enacted.

This Congress has, in Milton's noble words, been able—

To scorn delights and live laborious days.

Industrious as this Congress has been, it should not, in my opinion, adjourn unless and until its task shall have been fully performed.

In this life perplexing problems constantly recur. The time and energy that one might expend in trying to avoid difficult problems would in most cases, if applied to the problems, solve them. No Member of this Congress has or could conceivably have more deeply personal and political reasons for an adjournment than I have. Indeed, I make no concealment of the fact that I am anxious to go home and reconstruct some political fences that are now, as I am advised, in a condition of disrepair. I am convinced, however, that I should cut a sorry figure were I to abandon my duties here, or were I to assist in securing an early adjournment which might be to the great detriment of the country at large in order that I might return to the more pleasing work of rehabilitating my political fortunes.

I am convinced that the people, not only of Arizona but of the other States, will not permit the political interests of anyone to suffer who is here, without default and without complaint, doing the day's work for which he has been chosen and for which he is being compensated.

It is far better that I should lose the nomination than that I should be remiss and truant to my duty here, especially in these trying times, when our citizens are exhibiting so much patience and fortitude and are making so many sacrifices. I can with equanimity sustain any political defeat, but I have not the temerity—the audacity—to face the charge that I abandoned my post here to promote my reelection.

One of the most powerful reasons for adopting the amendment abolishing "lame ducks", which amendment was so ably championed by my friend from Nebraska [Mr. NORRIS], was that the 4th of March deadline would be erased, and Congress would be left free to adjourn at discretion when its task was finished.

Therefore, I hereby register in advance a protest against adjournment until, as I said before, all the legislative business within the domain of reasonableness shall have been performed.

Mr. FESS. Mr. President, whatever comment may be made upon the rare talent of the distinguished Senator from Arizona, no one will claim that he is short on political psychology. He expresses the sentiment that probably is in the minds of a great many Senators.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

[Mr. FESS resumed and concluded the speech begun by him yesterday. His entire speech is as follows:]

Thursday, June 7, 1934

Mr. FESS. Mr. President, I hesitate to enter upon the discussion of a subject of this nature at this hour of the day. I feel like paraphrasing the expression of a great orator, who, when speaking in the city of Indianapolis, said:

The past rises before me like a dream.

When we discussed this subject, the particular past that I have in mind is 1896. In that year came the climax of one of the most exciting discussions that ever took place

in the political history of the country. The climax came not so much because of the points of dispute in the contest, or of any particular philosophy, but the crisis was, in a smaller measure, very much as we see it today.

We had gone through the depression which began early in 1893, and everyone was looking for a remedy by means of which we could emerge. The silver question had been discussed throughout the country, and especially in the Houses of Congress. In fact, it was a very interesting topic of congressional dispute in 1896. The history of the issue which found its climax at that time covers the entire period of our national life.

I, myself, at the time interested in college work, and having some familiarity with the subject of finance from the standpoint of the classroom, made a trip to Columbus to listen to the speech of a statesman who was regarded as an authority on finance, John Sherman. He made a very remarkable address. It was clear-cut, there was no extra verbiage, no ambiguity, but it set out the issue in a very concise manner. It attracted such wide attention that it was fully reported in the great newspapers of the country.

I have before me now a copy of that speech of John Sherman as taken from the New York Times. As I read it, I have a vivid recollection of the exciting personal experience I enjoyed as I sat in the audience and listened to this remarkable address. Let me read the first paragraph:

> At the coming Presidential election there will be submitted to your judgment two questions, one of which is whether any holder of silver bullion may deposit it at the mints of the United States and have it coined for his benefit and without cost to him into silver dollars, each of the weight of 412½ grains of standard silver 0.9 fine, and may tender them for any debt, public or private. The other question, in levying duties or taxes on imported goods, we should only consider the revenue required, or whether, while raising the needed revenue, we should seek also to protect and encourage domestic industry; the one is called "revenue tariff" and the other "protective tariff." Both the silver and tariff are vital questions of domestic policy, of equal importance, but I propose on this occasion to confine my remarks mainly to what is known as the free coinage of silver at the ratio of 16 parts of silver to 1 of gold. This issue is thrust upon us by the Democratic Party, or rather, by the populistic branch of the Democratic Party.

This statement I am reading because it coincides with my own view:

> Gold and silver coins are recognized by all commercial nations of the world as the best standards of value, as the measure of every article of desire, of everything that is bought or sold. These two metals not only measure all other things, but they measure each other. Their relative value constantly changes. Twenty-three years ago 16 ounces of silver were worth more than 1 ounce of gold. Now 31 ounces of silver can be bought with 1 ounce of gold. This fluctuation of value cannot be prevented by law. It is beyond the reach of legislation. It is caused by the changing demand for and the increasing supply of these metals from the mines. Both are necessary as money, silver to supply the daily wants of life and gold to measure the larger transactions of business, especially in exchange with foreign nations.

Then Mr. Sherman proceeds to discuss the difficulty of maintaining the parity of these two metals.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BANKHEAD in the Chair). Does the Senator from Ohio yield to the Senator from Utah?

Mr. FESS. I yield.

Mr. KING. I think the statement made by the late Senator Sherman illustrates—I shall not say his lack of familiarity with bimetallism, the question of gold and silver, but certainly that he failed to take into account the fact that during the period of 23 years to which he referred silver had been demonetized in a number of countries, and that that was responsible for its decline in value. The decline in value of silver was not due to the increased use of gold in the arts or for money, except as the increase was necessitated by reason of the demonetization of silver, or to a diminished demand for silver, except insofar as that diminished demand was the result of demonetization.

The Senator will recall that when the gold mines of California and Australia poured their golden stream into the channels of trade and commerce, a number of the countries of Europe—notably Austria and a number of the states of Germany—demonetized gold; and immediately in those states gold in their domestic transaction shrank in value, and silver increased in value. That result was not because of any increased demands for commercial purposes; but the change in the relative value, one measured by the other, was the result of the demonetization of gold.

If gold should be demonetized today throughout the world—and we may have done it in our country—the demonetization of gold would reduce its value. The demonetization of silver reduced its value measured by gold. The violent fluctuations referred to by the Senator from Ohio were the direct result of demonetization acts rather than an increase or a decrease in the production of those metals.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. PITTMAN. While agreeing with everything the Senator from Utah has said, it is satisfying to me to note that the distinguished Senator recognized that both gold and silver were standard moneys of our country at the time of which he is speaking, and that they were basic moneys everywhere. He did not believe that a ratio could be brought about between them.

It will also be remembered that it was Senator Sherman who desired to increase the amount of silver money in our country.

The bill pending before the Senate does not attempt to establish any ratio. It does attempt to do just what Sherman did in the Sherman Act—to increase the proportion of silver in our circulating monetary system. I may say that at the very time Senator Sherman was attempting by means of the Sherman Act to increase the amount of silver in our monetary system, the percentage of silver to gold was over twice as great as it is now. Our monetary system was not so badly maladjusted at that time as it now is.

Mr. FESS. Mr. President, in the course of the discussion I intend to make I shall pay attention to the subjects mentioned by the two Senators in indicating the progress of this dispute as we see it in our own history and in that of other countries. I read the statement of Senator Sherman with personal approval. I have always believed that silver, being one of the precious metals, ought to be given a monetary value if it can be done without driving out of circulation another kind of money which is more valuable, thus putting us upon a purely silver basis.

I do not see any possibility of the policy of bimetallism in actual, successful operation in our own country, unless we can secure an agreement with the chief countries of the world with which we trade to adopt the same policy. I had hoped—I really had an abiding hope—that our leadership might be able to induce the commercial countries of the world to decide upon a basis for bimetallism. If for any reason they refuse to do it, I do not see the possibility of our utilizing that policy in our country alone.

I admit, Mr. President, that under the anomalous condition we now have in our monetary situation, Gresham's law does not apply as it did when we were on a bimetallic basis or on a gold basis. We did not coin any silver dollars, to speak of, between 1834 and 1873, not because it was illegal, but because the holder of silver had more purchasing power in bullion than he had in coin, and he would not be so foolish as to take his bullion and have it coined and be given back a coin that was worth less than what he had coined. For that reason, no matter how many silver dollars we coined, they would have gone out of circulation by virtue of the operation of Gresham's law.

The vice of the contention for 16 to 1 in 1896, without an agreement with other countries with which we were dealing, was that it would have given full sway to the operation of that law, which is that the cheaper metal would have driven out of circulation the dearer, and placed us on the basis of the cheaper metal. That law is just as certain in its operation as is the law of gravitation. It is really a question whether it would apply today, because we have no gold in circulation; we have not any gold basis; that is, there is no power of redemption in gold of our present paper currency.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. BORAH. Speaking of Gresham's law, for 199 years, from the time Sir Isaac Newton established the ratio between gold and silver in England, neither drove the other out of England. They were both used interchangeably for 199 years.

Mr. KING. Mr. President, will the Senator again suffer an interruption? Then I shall not interrupt again.

Mr. FESS. I yield.

Mr. KING. The Senator will also recall that after Great Britain had demonetized silver, France, under the leadership of a very great political economist and a great statesman, fixed the ratio at 15½ to 1, and opened the mints of the country to the free and unlimited coinage of silver and gold. The ratio was maintained without the slightest interruption until 1872, when Germany took one billion in gold by way of indemnity from France, then debased her own silver and flooded France with it; and then the Latin union pursued the evil course which had been adopted by Germany and the United States.

Mr. FESS. The Senator's historical citation is correct, that Germany demonetized silver in 1872 after the indemnity of $1,000,000,000 was paid her in 1871. The interesting point of the question of the Senator from Idaho is that I think he means to deny that Gresham's law would operate if we had both the metals as standard money.

Mr. BORAH. What I meant to say was that in actual historical fact Gresham's law did not operate in the instance I cited.

Mr. FESS. I cannot dispute the Senator's statement, because I have not looked up the matter; but if, in this country we had two metals on a parity, both of them used as commodities—even though they were not bought and sold as commodities, they would have to be mined by labor and paid for—I cannot believe that by law the two could be kept at a fixed ratio. I think the operation of Gresham's law would cause the cheaper metal to drive out of circulation the dearer. It may be assumed that by law the two can be kept equal in value, but I do not see the possibility of that.

Mr. BORAH. I readily admit that if, for instance, there were today throughout the world certain ratios between gold and silver, and the United States fixed a different ratio between gold and silver, and by reason of those ratios one or the other of the metals were more valuable in one country than in another, the metal would travel to the country in which it was most valuable.

Mr. FESS. It certainly would.

Mr. BORAH. I admit that; but in a country where both gold and silver are acceptable as legal tender in full payment of all debts, and perform exactly the same kind of service, and just as effectively, why should one drive out the other?

Mr. FESS. If one becomes more valuable than the other, it drives out the other because the one is more valuable. That seems to be the undisputed or uncontroverted fact in law. Simply because I should prefer to have the better value, the metal that has the greater value, to the one that has the lesser value, the one that I should hoard would be the one that had the greater value.

Mr. PITTMAN. Mr. President, may I interrupt the Senator again?

Mr. FESS. Certainly.

Mr. PITTMAN. Speaking of the pending measure, does the Senator think it would tend to drive gold out of the country even if we were under conditions which existed 2 or 3 years ago?

Mr. FESS. I rather think it would. If I correctly read and understand the measure, we are to buy the silver. We are to issue silver certificates for that silver. Those silver certificates can be redeemed in silver. The bill makes silver the basis of that circulation. If gold were in circulation, it would have to be upon some particular basis. Unless we could by law—which I do not concede to be possible—make the gold equal to the silver, the cheaper would evidently drive out of circulation the dearer.

Mr. PITTMAN. Going back to just before we demonetized gold a few months ago, why did not gold then leave the country?

Mr. FESS. The Senator must understand that up to the demonetization of gold, or the enactment of the gold legislation, we were proceeding under the law of July 14, 1900, which made gold the standard of value. All other moneys could be redeemed in gold. Silver virtually stood on the gold basis, because it could be converted.

Mr. PITTMAN. There was no redemption of silver or silver certificates in gold.

Mr. FESS. It was not specifically so stated.

Mr. PITTMAN. And in fact it was not so.

Mr. FESS. I think in fact it was so. There was no redemption for the greenback, but it was put on a parity under the law of 1900, which made gold the standard of all our currency without reference to whether it was silver, bank notes, or what not.

Mr. PITTMAN. Does the pending measure——

Mr. FESS. Let me say to the Senator that I do not think the Gresham law will operate under the condition of gold today.

Mr. PITTMAN. I did not want to question the Senator about that. I had in mind another question. Let us go back to 5 years ago. Would the measure which we now have before us in any way change the situation with regard to the redemption of silver certificates under conditions as they then existed?

Mr. FESS. No; I think not, except that with the law of 1900 operating, silver certificates, while not specifically redeemable in gold, being redeemable in silver, were on the basis of gold. People felt they could present their silver certificates or their silver dollars and get a piece of money that was equal to gold.

Mr. PITTMAN. Does the pending measure in any way change the law of 1900 with regard to that feature?

Mr. FESS. No; I think not. The only thing the bill proposes to do is specifically to state that the silver certificate is redeemable in silver.

Mr. PITTMAN. Is there any difference between that provision and the law of 1900?

Mr. FESS. No.

Mr. PITTMAN. Therefore the measure does not endanger any condition that has existed from 1900 up to this time?

Mr. FESS. I think not, so far as the redemption feature goes.

Mr. President, while I have been listening to the discussion, which has been very able, I have been thinking how little interest there seems to be in the subject throughout the country. If we look at the newspapers, we find that no editorials disclosing any degree of interest such as we would anticipate should attend the discussion of a subject of this kind, especially with the background of the discussion had in other days. We cannot stir up any interest in the subject. Even individual Senators do not seem to be extremely interested in it. I am wondering why it is.

Mr. VANDENBERG. Perhaps they are all numb! [Laughter.]

Mr. FESS. No; I do not think it is because they are all numb.

Mr. KING. Perhaps they are all dumb? [Laughter.]

Mr. FESS. No; it is not that, either. There seems to be a different cycle of thought existing from any I have known. For instance, in previous legislation we gave to the President absolute unlimited authority to coin silver at any ratio he chose. Any one of numerous things of that kind would have created the most fierce discussion if we had attempted to do it 30 years ago, and yet we have that full authority turned over to an individual without restraining him by any kind of qualifications. Just how to explain that lack of interest I do not know.

I have been interested from three angles in the discussion of the silver question as it has been discussed in modern days and as it has been presented by the Senator from Nevada [Mr. PITTMAN]. Let me say that I think the people of

his State should recognize the untiring efforts he has put forth in giving what he thinks is a proper recognition to this particular phase, not only of a product of the country but the monetary value of that product to the country.

I think of the days of the famous William M. Stewart, and the no-less famous John P. Jones, and the equally famous Francis G. Newlands, who gave great renown to the State of Nevada, largely because of the position they took in their high-grade discussions of the silver question. I doubt whether anyone has to his credit more untiring effort of record than has the author of the bill now before us. I want to pay him that tribute. Since he presented the bill in its various phases I have given rather sympathetic attention to what he said.

I believe we ought to encourage any industry of the country, even if it be nothing more than a commercial product, which represents any amount of investment, employs labor, and, of course, is the last feature the Senator from Nevada has in mind.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Nevada?

Mr. FESS. I am glad to yield.

Mr. PITTMAN. I thank the Senator for his kind and complimentary words. I wish to say, however, that he does me entirely too much honor when he designates me as the author of the bill. When I presented the bill, in my opening remarks, I stated that it was the outgrowth of 5 or 6 weeks of work on the part of a voluntary group, whose names I gave at that time, in conference with representatives of the Treasury Department, and finally of the President of the United States.

Mr. FESS. I think the Senator's modesty does him credit. He evidently had more to do with it than he is willing to admit here—to say nothing about his collaborators who worked with him.

If we discuss the subject from the standpoint of what industry represents, it becomes immediately important, especially if in its development it is to do good; and if we, by our efforts, give it some monetary phase that would not do any harm—that, of course, is the question which is uppermost in my mind.

I desire to discuss the subject of the demand for silver from the monetary standpoint; and I shall give data the chief source of which is a recent publication from the Brookings Institution on the subject of silver.

I have here a table showing the net coinage of silver of the specified countries from 1900 to 1931. These countries are the United States, Austria-Hungary, Austria and Hungary, Australia, Canada, France, Germany, Great Britain, Italy, India, Indo China, Japan, Mexico, the Netherlands, Persia, and Russia. I shall not take the time to comment upon the changes from year to year; but I ask the privilege of inserting the data in the RECORD, because they are quite valuable in the study of this question.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Net coinage of silver by specified countries, 1900–1931

[In millions of fine ounces]

Calendar year	United States	Austria-Hungary	Austria	Hungary	Australia	Canada	France	Germany	Great Britain	Italy	India	Indo-China	Japan	Mexico	The Netherlands	Persia	Russia	Total, all countries
1900	24.9	4.8	.....	.....	.....	0.4	0.1	(1)	5.9	0.1	48.4	10.9	0.6	13.4	−0.2	(1)	3.8	113.1
1901	21.0	2.3	.....	.....	.....	.3	.1	(1)	2.2	.4	14.0	2.9	.5	19.5	−.3	(1)	1.1	64.0
1902	20.3	5.6	.....	.....	.....	.2	(1)	(1)	2.4	(1)	12.3	3.6	.3	5.8	(1)	(1)	.3	50.2
1903	12.7	3.3	.....	.....	.....	.2	(1)	(1)	.9	(1)	43.4	8.0	.4	21.4	(1)	(1)	1.9	92.2
1904	10.2	.4	.....	.....	.....	.2	(1)	(1)	(1)	(1)	30.3	4.5	.8	8.0	(1)	.....	−5.9	48.5
1905	3.4	.2	.....	.....	.....	.3	(1)	(1)	−0.4	(1)	43.8	2.8	5.1	(1)	−0.6	.....	−5.2	49.4
1906	7.0	.4	.....	.....	.....	.6	(1)	(1)	4.0	(1)	61.0	8.0	4.2	−4.1	−0.8	.....	2.4	82.7
1907	8.6	(1)	.....	.....	.....	.8	(1)	(1)	4.5	−1.1	54.5	11.0	6.6	2.3	(1)	.....	2.6	89.8
1908	8.3	6.0	.....	.....	(1)	.2	(1)	8.4	2.5	.7	4.7	11.0	4.7	−.4	(1)	.....	1.4	47.5
1909	5.3	10.6	.....	.....	(1)	.4	8.2	8.6	1.6	.5	(1)	7.3	2.4	2.5	−1.4	(1)	1.8	47.8
1910	2.2	4.2	.....	.....	1.2	1.2	(1)	7.4	7.3	1.0	(1)	.8	.....	(1)	(1)	7.6	.6	33.5
1911	4.3	6.3	.....	.....	1.3	.6	.1	6.5	5.3	.5	1.9	.5	2.1	(1)	.7	.8	1.6	31.4
1912	4.9	2.7	.....	.....	.7	.1	2.7	5.5	5.1	.9	44.7	.2	2.6	.9	(1)	.5	3.9	75.3
1913	1.1	6.2	.....	.....	.6	.7	(1)	8.2	3.9	2.1	46.8	4.7	.9	3.1	.1	1.9	2.7	83.8
1914	3.9	5.7	.....	.....	.9	.3	1.5	10.8	10.1	2.8	10.7	.6	−4.5	(1)	5.3	2.3	7.1	58.5
1915	2.5	7.6	.....	.....	.3	.1	7.1	6.9	25.6	2.0	5.9	1.0	.2	(1)	2.3	1.6	22.2	85.3
1916	1.3	(1)	.....	.....	2.0	.7	15.1	1.9	27.8	3.1	71.5	.3	.8	.2	1.7	3.8	43.1	173.3
1917	19.6	(1)	.....	.....	(1)	1.4	11.6	(1)	13.1	1.6	91.4	(1)	67.2	9.8	(1)	(1)	(1)	215.7
1918	−110.9	(1)	.....	.....	1.5	1.6	12.4	(1)	30.7	(1)	146.2	(1)	4.9	2.4	1.0	(1)	(1)	89.8
1919	−66.2	.....	.....	.....	.8	2.2	10.3	(1)	10.9	(1)	150.5	.1	2.6	.5	1.8	1.3	(1)	114.8
1920	17.6	.....	(1)	.....	.4	1.2	−5.7	(1)	−.8	(1)	37.3	.6	.....	14.2	(1)	.3	(1)	65.1
1921	67.8	.....	(1)	.....	1.1	.4	(1)	(1)	−13.4	(1)	.1	6.7	.....	6.1	.9	.3	1.7	71.7
1922	62.6	.....	(1)	.....	.5	−0.1	(1)	(1)	−17.7	(1)	−2.2	7.5	11.9	9.7	2.1	1.7	(1)	76.0
1923	49.1	.....	0.4	.....	(1)	−0.2	(1)	(1)	−18.2	(1)	−2.0	2.8	13.4	11.0	.2	1.1	8.7	66.3
1924	14.5	.....	5.0	.....	.2	−0.1	(1)	21.0	−5.7	(1)	−3.3	2.5	5.6	11.2	1.0	.3	22.1	74.3
1925	13.3	.....	19.0	.....	.6	−0.1	(1)	14.5	−5.4	(1)	−3.0	2.3	−.2	2.3	.1	1.8	22.6	67.8
1926	13.1	.....	8.3	2.4	1.0	−.2	(1)	15.2	−2.3	−.8	−3.6	4.5	.4	1.8	−.3	3.9	11.8	55.2
1927	6.0	.....	9.1	1.8	1.5	−.1	(1)	7.0	−6.5	−6.8	−.3	6.7	−.1	.1	.1	3.8	(1)	22.3
1928	3.5	.....	4.6	(1)	.5	.4	−43.2	9.6	−9.4	−4.5	−13.4	6.8	−.6	−1.4	1.2	7.7	.....	−38.2
1929	3.3	.....	2.7	1.0	(1)	.6	4.9	4.4	8.1	4.6	−28.2	.4	.6	10.1	3.5	4.7	(1)	4.5
1930	−.2	.....	.7	1.9	−.4	.1	8.1	2.7	−4.8	−.9	−38.4	1.0	−1.0	.2	8.0	.9	15.5	−6.6
1931	−4.5	.....	.9	.....	(1)	(1)	7.8	18.0	5.3	(1)	−39.6	−3.9	.....	−.8	−5.5	.....	.....	−22.3

[1] Indicates balance between coinage and withdrawals.

Compiled from Annual Reports of the Director of the Mint. These net figures were obtained by subtracting from the total annual domestic coinage of each country the amount of domestic coin withdrawn from monetary use. The coins struck and the coins withdrawn were converted into fine ounces on the basis of their legal content; or, where only the value of the fine silver consumed in coinage or withdrawn from circulation was given, the fine silver content was derived by dividing the value by the average price of silver in London.

The minus sign indicates that withdrawals from monetary use were greater than new coinage.

This total is incomplete, as data for Hungary, Japan, Persia, and Russia are not available.

Mr. FESS. Mr. President, the war greatly affected silver coinage. It induced large issues of paper currency, with inevitable inflation of prices, which compelled greater use of silver by the allied countries, and the reduced use of it in the central countries, which, in time, discontinued the coinage of silver entirely. This situation during the World War induced a large use of silver in India, and it was largely purchased from the United States during 1918 and 1919. Then, in 1920, the debasement of silver by many countries began.

I recall, while a Member of the other branch of Congress during the midst of the war, a sort of a signal call, a warning which came to us that because of a certain situation in India we ought to make possible, without debate, a certain allotment of silver for a use which seemed to be absolutely essential in winning the war. I recall asking someone in the House why a subject of such popular import was not permitted to be discussed. We were asked by the committee to allow the measure to be put through without any debate. That was done. It was at a time when the world situation

was so critical that we were left under the impression that certain things ought not to be made public. That situation, as the chairman of the committee remembers, provided a great market for silver for a time; but in 1920 these countries began to debase their silver. No official statistics of the amount of silver derived from demonetization and debasement are available, but unofficial estimates of the amount sold from those sources have been prepared by the firm of Handy & Harman. I ask unanimous consent to have the table showing the current of debasement by the several countries from 1920 to 1932 inserted in the RECORD without reading. The figures are in millions of fine ounces.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

	Sales
1920	27
1921	37
1922	43
1923	45
1924	20
1925	30
1926	8
1927	18
1928	60
1929	67
1930	72
1931	69
1932	47
Total	543

The quantity derived from these sources is probably somewhat larger than the amount sold, as a number of countries still have a reserve of retired silver. France, for instance, has disposed of only a part of its demonetized silver, and India has a large supply for sale.

Mr. FESS. The war tended to drive silver out of circulation in all countries except Great Britain, where the circulation increased heavily, I think about two and a half times. Since that time Britain has entered upon the debasement of the metal. In view of the fact that there is a demand for increased silver circulation in the United States, a study of the table I have before me is important.

Mr. President, this table shows the standard silver dollars in circulation and the standard silver dollars and silver certificates outside of the United States Treasury for the years from 1900 to 1932, giving in one column the silver dollars in circulation and also the percentage of silver currency outside of the Treasury; in another column the silver currency outside of the Treasury, in millions of dollars, and the percentage of such currency. This is a very interesting study, especially the percentages. I shall not take the time to read it. I had intended to comment on the different years, but instead of doing so I ask unanimous consent to insert the table in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Standard silver dollars in circulation and standard silver dollars and silver certificates outside of the United States Treasury, 1900–1932 [1]

Year	Silver dollars in circulation [2]		All silver dollars outside of Treasury [3]		Silver currency outside of Treasury [4] (in millions of dollars)
	In millions	As percentage of silver currency outside of Treasury	In millions	As percentage of silver currency outside of Treasury	
1900	118	21.4	143	25.8	550
1901	85	15.7	115	21.1	544
1902	70	12.7	99	18.1	545
1903	65	11.9	92	16.8	547
1904	60	10.9	84	15.4	547
1905	59	10.9	83	15.4	539
1906	45	8.3	71	13.1	543
1907	63	11.3	88	15.7	558

[1] Figures are for June 30 of each year.
[2] Figures for 1929–32 are not available.
[3] Includes silver dollars in circulation and in banks.
[4] Includes standard silver dollars and silver certificates in circulation and in banks.

Standard silver dollars in circulation and standard silver dollars and silver certificates outside of the United States Treasury, 1900–1932—Continued

Year	Silver dollars in circulation		All silver dollars outside of Treasury		Silver currency outside of Treasury (in millions of dollars)
	In millions	As percentage of silver currency outside of Treasury	In millions	As percentage of silver currency outside of Treasury	
1908	38	6.9	81	14.9	547
1909	52	9.4	76	13.8	555
1910	47	8.5	76	13.7	555
1911	47	8.8	76	14.3	531
1912	46	8.5	73	13.5	542
1913	44	8.1	75	13.7	545
1914	31	5.7	61	11.4	540
1915	30	5.5	56	10.4	538
1916	32	5.8	69	12.3	559
1917	44	7.9	74	13.4	551
1918	23	5.4	43	10.1	422
1919	58	23.0	83	32.8	252
1920	56	22.0	136	53.4	254
1921	51	18.5	77	27.6	278
1922	43	11.5	69	18.5	373
1923	45	9.3	68	14.1	480
1924	42	8.6	78	15.9	486
1925	40	7.6	71	13.7	520
1926	37	7.0	70	13.2	528
1927	34	6.3	63	11.8	533
1928	34	6.5	61	11.5	533
1929			52	9.9	520
1930			45	8.4	532
1931			42	7.8	535
1932			39	7.4	526

Mr. FESS. It will be of value to observe the holdings of some of the leading banks in the leading countries of the world. Not only have the silver holdings of the 18 banks I have selected decreased relatively, but they have decreased absolutely, as shown by the following 5-year averages given in millions of dollars:

In the 4 years from 1900 to 1904, on an average, the banks held $501,600,000.

From 1905 to 1909 they held, on an average, thirteen millions more, an increase.

From 1910 to 1914 there was a decrease from $514,000,000 to $471,000,000.

Then from 1915 to 1919 there was a further decrease to $306,700,000, which is a decrease of nearly $170,000,000.

Then in the next 4 years, from 1920 to 1924, the holdings were further reduced to $290,000,000.

Then, in the next 4 years, from 1925 to 1929, the holdings of the banks were further reduced about $20,000,000, to $273,000,000.

I ask unanimous consent to have inserted in the RECORD the table showing the silver holdings as percentages of total metallic holdings of these 18 banks of issue from 1900 to 1929.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Silver holdings as percentages of total metallic holdings of 18 banks of issue, 1900–1929

[5-year averages]

Bank of issue	1900–1904	1905–9	1910–14	1915–19	1920–24	1925–29
National Bank of Austria-Hungary	20.5	19.4	16.0	14.2	0	1.8
National Bank of Belgium	20.1	23.5	19.2	8.5	7.4	4.5
National Bank of Bulgaria	52.6	34.0	29.1	25.4	31.9	25.0
National Bank of Denmark	0	2.9	6.7	1.4	3.8	6.0
Bank of Finland	11.5	8.2	6.2	0.2	15.5	4.5
Bank of France	30.8	23.8	16.0	7.1	7.3	3.7
Banks of Italy, Naples, and Sicily	13.9	10.9	8.6	9.8	9.7	6.5
Bank of Japan	2.0	.2	.1	0	1.9	2.4
Bank of Java			46.4	16.5	20.6	13.5
Bank of The Netherlands	55.3	38.1	6.8	1.3	2.0	5.4
National Bank of Norway	0	0	2.2	.4	7.0	0
Bank of Portugal	58.9	53.1	61.3	56.1	58.8	9.2
Reichsbank (Germany)	28.0	25.6	17.0	2.1	3.0	2.5
National Bank of Roumania	6.0	.7	.3	0	1.3	2.6
Imperial Bank of Russia	7.0	4.9	4.0	7.1	0	9.1

Silver holdings as percentages of total metallic holdings of 18 banks of issue, 1900–1929—Continued

Bank of issue	1900–1904	1905–9	1910–14	1915–19	1920–24	1925–29
Bank of Spain	55.3	63.5	57.6	28.2	20.1	21.0
Bank of Sweden	6.5	5.0	4.4	6.6	3.6	1.5
National Bank of Switzerland	8.8	7.7	8.1	13.3	16.3	10.3
18 banks of issue	24.5	20.4	15.1	8.7	9.1	7.1

Mr. FESS. It is interesting to me to know just how much of a demand there is for silver outside the monetary value—say, for example, the industrial demand. I will take it in the United States, Great Britain, France, Sweden, and Switzerland. These are the five great countries using silver.

From 1900 to 1904 the United States used 17,400,000 fine ounces, while the other four countries—this is the amount in industrial use—used 17,300,000 ounces, or a little less than the United States.

In the next 4 years, from 1905 to 1909, the United States used, for industrial purposes, 24,400,000 fine ounces, while all the rest of the countries used but 20,600,000 ounces. In other words, the other four countries used a little less than two-thirds of the amount which the United States used.

From 1915 to 1919 on an average the United States used 31,000,000 plus, while the other four countries used only 10,300,000. In other words, the United States used three times in industry, outside the monetary value, the silver these other four countries used.

The next 4 years, on an average, the United States used 34,000,000, while the other four countries used 18,000,000.

The next 4 years, up to 1929, the United States used 39,000,000, and the other four countries but 18,000,000.

I give these figures as to the consumption of silver for industrial purposes by these five countries, outside the monetary requirements.

The classes of use the United States has made of silver for industrial purposes are given in the following table:

Classes of uses

	1928	1929	1930	1931
	Percent	*Percent*	*Percent*	*Percent*
Sterling ware	36.4	34.4	31.5	37.4
Photographic	25.4	26.6	31.5	27.9
Electroplating	14.9	14.4	11.6	9.8
Jewelry, optical, etc.	8.6	9.0	9.2	8.8
Chemical	6.0	6.2	7.0	6.2
All others	8.7	9.4	9.2	9.9

A study of these figures opens up the question in what particular fields there is an increased demand for silver for use industrially.

Mr. President, I now wish to pass to other countries in ascertaining the demand for the use of silver. First, I take India, and limit the demand to other than monetary purposes.

Private uses known as hoarding take the form of ornaments and bullion in the ratio of 90 to 10. These are interconvertible.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. PITTMAN. To make that clear, the ornaments in India are the money of the women, because they cannot inherit property, and when famine comes, they cut a little piece of silver off, go to the bazaar, and with it they buy food. While it has the name of jewelry, it is money to them.

Mr. FESS. I thank the Senator. I recall seeing that statement somewhere. I was interested to know just how the ornaments could be used. I am informed that ornaments serve for decorative values and for capital. Since 1921 India has consumed annually, on an average, 85,000,000 ounces of silver for other than monetary purposes, 35 percent of the world's annual production.

Mr. PITTMAN. They class that as nonmonetary use.

Mr. FESS. Yes.

Mr. PITTMAN. But, under the interpretation in India, it is monetary use.

Mr. FESS. The trade movement in India, measured by the use of silver, is shown by the following table:

Net private imports of silver into India compared with net private imports of gold and net private exports of merchandise, 1900–1932 [1]

Calendar year	Net imports of silver			Net exports of merchandise (in millions of dollars)	Net imports of gold (in millions of dollars)
	In millions of dollars	As percentage of net exports of merchandise	As percentage of net imports of gold		
1900	4.3	4.5	15.6	95.9	27.5
1901	15.8	16.0	84.5	96.6	18.7
1902	25.0	19.4	126.3	129.1	19.8
1903	21.0	11.2	41.3	187.9	50.9
1904	23.4	12.4	37.0	189.3	63.3
1905	18.5	11.7	39.6	157.7	46.7
1906	20.9	12.0	53.0	173.7	39.4
1907	29.2	15.3	53.6	191.2	54.5
1908	41.4	105.1	184.8	39.4	22.4
1909	33.1	19.9	86.2	166.5	38.4
1910	24.8	9.4	33.1	263.8	74.9
1911	21.9	8.3	21.5	262.8	101.7
1912	18.5	6.6	12.9	279.3	143.6
1913	18.0	6.3	19.5	287.8	92.5
1914	32.4	20.6	74.1	157.0	43.7
1920	5.9	0	15.8	[2] 119.8	37.4
1921	36.8	0	0	[2] 157.4	[3] 51.3
1922	46.9	41.0	54.2	114.4	85.6
1923	61.7	18.6	50.6	331.4	122.0
1924	59.6	13.9	41.4	428.4	143.7
1925	73.4	11.7	33.3	627.3	220.6
1926	68.2	21.7	80.8	314.3	84.4
1927	55.0	21.5	92.1	255.6	59.7
1928	52.7	17.9	68.5	294.7	76.9
1929	36.9	14.1	57.1	261.4	64.6
1930	44.2	19.0	77.5	233.0	57.0
1931	27.1	27.7	0	98.0	[3] 115.6
1932	[4]	[4]	0	12.1	[3] 195.7

[1] Compiled from annual Accounts Relating to the Sea-borne Trade and Navigation of British India, Department of Commercial Intelligence and Statistics, Calcutta. The original figures, which were in rupees or pounds sterling, have been converted into dollars at the average rate of exchange of each year. The war years 1915–19 were omitted from consideration because, owing to the world shortage of gold and silver, to the many impediments to the free flow of treasure, and to the restriction on private importation of treasure by the Indian Government, practically no gold or silver was imported into India on private account during this period.

[2] Net import.

[3] Net export.

[4] Statistics for silver imports are incomplete for 1932.

[At this point Mr. FESS yielded the floor for the day.]

Friday, June 8, 1934

Mr. FESS. Mr. President, yesterday I set out to make a study of whether the claim made for this measure by its proponents is justified by the facts of trade. In order to do that I desired to deal with silver as a commodity in the country as well as a monetary factor, in order that we might know just how much the price of silver is influenced by what is alleged to be discrimination against that metal.

It is necessary to get at the real demands for silver. Then it is necessary to have some idea of the supply of silver, as well as to designate the uses to which it is being applied.

In order to do this I shall use some graphs which indicate the direction of the currents, both of production and consumption, not only of silver but of other commodities which are bought and sold in the same currents of trade in which silver is bought and sold.

When we adjourned last night I was using the case of India, and I will use also the case of China, which is really the great silver-consuming country.

In reference to India, a study of the figures shows that net imports of silver vary little from year to year, and that while India's demand for gold for private use is largely determined by the trade balance, its demand for silver for private use bears very little fixed relationship to the trade balance, a fact which is generally not agreed to or admitted. It is also shown that the contention is unfounded that gold imports for private use increase at the expense of silver. That fact is shown by figures which I wish to give the Senate.

In 1921 net private imports of silver, compared with the net imports for Government use, were fifty-one and four-

tenths million ounces. The imports for Government use were only three-tenths of a million fine ounces.

In the next year there was an increase of imports for private use of 26,000,000 ounces, which was an increase of a little over 50 percent. There was a net import for Government use of 1,000,000 ounces, which was an increase also of about seven-tenths of a million ounces.

In the year 1923 the increase for private use was 16,000,000, while for Government use the figure remained exactly the same.

In the next year, 1924, there was a decrease of 5,000,000 ounces in the importations for private use, and a decrease of about eight-tenths of 1,000,000 in importations for Government use.

The figure for 1925 is very significant. There was an increase of importations of 13,000,000 fine ounces for private use, and instead of there being any imports for Government use, there was a net export from India of one-tenth of a million ounces.

In 1926, a banner year, there was an increase which amounted to 6,000,000 ounces for private use and also an increase for government use of two-tenths of a million ounces.

In 1927 the decline started in the use for private purposes, and it went down with rather unusual speed. In the year 1927 there was a falling off for private use of 12,000,000 ounces and there was a falling off for Government use of one-tenth of a million.

Mr. NORRIS. Mr. President, I hope we can have better order. It is difficult to hear the Senator, there is so much conversation in the Chamber.

The PRESIDING OFFICER (Mr. COPELAND in the chair). The Chair will ask the visitors in the galleries to refrain from conversation. The Senate is glad to have them here, but conversation annoys any Senator who may be addressing the Senate. The Chair asks Senators also to refrain from conversation.

Mr. FESS. Mr. President, I appreciate the suggestion. A discussion of this question cannot be of any particular concern to one who does not have some special interest in the study of the problem. As I stated yesterday, it is most amazing to me that a subject which a little over 30 years ago stirred our people as no other subject presented to them ever did is of such little interest today that no one outside of those who are particularly concerned in this problem cares a fig for it. It seems impossible to arouse interest in the country in the matter, as is shown by the editorials in the newspapers. One who went through the campaign of 1896, and compares the interest of the people of that day with that manifested by our people today, finds the most remarkable contrast. So I cannot complain of anyone who fails to give attention to these dry figures. However, they are the very basis of the study of the question. We cannot discuss it by appeal to mere sentiment, as has been done so often. We have to have figures which will demonstrate whether the suggestions made in arguments for this legislation will justify its enactment.

Mr. KING. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. KING. The Senator, I assume, is taking the figures from Mr. Pasvolsky's book recently published by the Brookings Institution.

Mr. FESS. Yes.

Mr. KING. What significance does the Senator attach to those figures, particularly in view of the fact that in India, as the Senator knows, there has been since the demonetization of silver in Great Britain, and particularly since the demonetization of silver in India by the British Government, to the injury of the people, such a condition of uncertainty and confusion as to the monetary situation that it seems to me that it would be of little advantage, would throw but little light upon the situation, to tell how much silver was introduced, how much was purchased, how much was used by the Government, and how much by private individuals? Nor is it possible to determine, it seems to me, with the data furnished in the Brookings Institution book, which I have read, what part of that which is introduced into India ultimately finds its way into the channels of trade and commerce, what part is used with the Government, or what part is used for storage values, as so much of the silver in India is used.

Mr. FESS. Mr. President, I appreciate the statement of the Senator from Utah. I am not embarrassed by these figures.

Mr. KING. Nor am I.

Mr. FESS. I desire to give facts and not mere statements. I cannot argue with those who make mere statements about conclusions and say that the figures which indicate the currents of trade do not mean anything. These figures mean everything to me. They are the basis on which the argument must either stand or fall.

In 1927 the decline in private use started and proceeded with amazing rapidity. There was a fall of 12,000,000 ounces in the use for private purposes. In 1928, instead of importing silver, India exported 19,000,000 fine ounces of silver. Up to that time India was an importing country. That fall continued until 1931, which is the last year for which I have the figures, when it reached the low point of about 61,000,000 ounces, and that very year the exports amounted to 23,800,000 ounces.

The significance of this fact is that the private use in India, a leading silver-using country, was declining most rapidly, and the exportation of silver, instead of importation, set in and proceeded for a succession of years.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. FESS. I yield.

Mr. NORRIS. I was interrupted for a moment and could not hear distinctly what the Senator just said. Do the figures of exports and imports which the Senator has been reading apply to India?

Mr. FESS. They do.

Mr. NORRIS. And the Senator is speaking of silver?

Mr. FESS. Yes.

Mr. NORRIS. I thank the Senator.

Mr. FESS. We will now take China.

Mr. KING. Mr. President, I apologize for again rising to interrupt the Senator from Ohio. Will the Senator yield?

Mr. FESS. I yield. The Senator does not need to apologize.

Mr. KING. The Senator knows that when Great Britain determined to debase silver—if I may use that expression—and to force the gold standard upon India, as efforts have been made to force it upon China, one of the methods which she adopted to accomplish that end was to sell silver, so she debased silver and exported large quantities, and bought some gold to replenish the treasury in order to put back of issued paper money a gold base instead of silver reserves, or, rather, to establish a gold standard instead of the double standard which for centuries had prevailed.

It does not seem to me that there is great significance to be attached to the figures quoted, as bearing upon the question of the validity of silver as money, to show that the British Government demonetized silver, sought to debase it, and to throw upon the market millions of ounces of silver. The same was done 2 or 3 years ago in Indo-China, and the evil which was wrought and the harm that occurred to the people in the way of a fall of prices has been very clearly pointed out by a number of writers.

Mr. FESS. Mr. President, let me state again that the Senator from Utah is at perfect liberty to make his own interpretation of these figures. His interpretation is not mine. But he is entirely at liberty to say that this means one thing rather than another. I am not going to deny him that privilege.

Now, as to China: As is well known, silver is the favorite metal in that oriental country. It circulates, whether in coin or bullion, as gold circulates in gold-standard countries.

It can be used for barter as well as a medium of exchange. For that reason it is very difficult to designate the proportion of silver which goes into uses other than the monetary use.

China's net imports or exports of silver, compared with the percentage ratio of the index of China's volume of exports and the index volume of her imports, is illustrated by a graph which I have before me.

If we take the period from 1900 to 1905, for example, and use the ratio of exports and imports, indicating whether there is a balance of trade for or against the country, and then compare the currents of that ratio with the net silver import or export, there can be drawn, I think, a very important conclusion.

I will start in the year 1900, with the percentage of silver at 130. The export-import percentage ratio was at 130, while the net silver imports or exports were about 115. If we follow the course of the export-import ratio, it will be found that there was a very sharp decline by 1905, when it fell below 80. It fell from 130 to 80, while the net silver imports or exports fell from 115 to only 80. There was a less range in the case of silver imports or exports. But the export-import percentage ratio showed a sharp increase in 1905, and by 1910 it had jumped from 80 to 145, while the net silver imports or exports jumped only from 80 to 120.

That variation continued, while both were going in the same direction, one further than the other, until the time of the war.

In 1919 the highest point was reached, which was nearly 160. Then they immediately began to separate, so that the one dropped to 50 by 1931, while the other, having reached the high point of 161 in 1929, the boom year, dropped from 161 to about 125 in the 2 years following, from 1929 to 1932.

A study of these currents will indicate there is a similarity in direction, but to say that they are the same is not at all borne out by the facts. If we take for example the mine production of silver of the principal producing countries of the world from 1929 it will be found that there is a similar percentage of variation, which will indicate that the price current is not determined by Government decree so much as it is determined by the law of supply and demand.

For example, the world mine production on a 5-year basis in the period 1900–1904 was 168,000,000 fine ounces, of which 56,000,000 ounces were produced in our country, 61,000,000 in Mexico, 4,000,000 in Canada, and about the same amount in Peru.

A variation will be shown from year to year, until we get down to 1925–29, when the world production leaped to 254,000,000 fine ounces, the production in the United States being 61.8 million fine ounces, while in Mexico it went to 102,000,000 plus, in Canada to 22,000,000, and in Peru to 20,000,000.

If we take the percentage of world totals the United States is found to have produced in that first period 33.3 percent of the silver production of the world, while Mexico has produced 36.4 percent. Then our production began to decrease.

In the next 5 years it was 29,000,000 ounces. The next 5 years a little more than that. Then in the 5 years beginning 1915 and going to 1919, which included the World War period, there was an increase of at least 7,000,000 ounces in the United States. In the period 1920 to 1924 there was a falling off of 8,000,000 ounces. In the next period there was a still further falling off of 5,000,000 ounces.

So if we take the current of production of silver and the current of price it will be found that there is a similarity with the live currents in the case of any other metal which may be taken as an illustration, or with the world average of commodities, or, if one wants to single them out for comparative purposes, with the products of the farm.

It would, I think, be of interest for the Senate to follow a graph which I have. It shows a comparison of the production of silver in the United States with that of copper and lead. We will take silver beginning in 1900 at 60. By 1915 it had gone to about 72, while copper, which in 1900 began as low as 30 had, by 1915, gone to 90. That means that copper started 40 points below silver, and in the period of 15 years it had gone to 30 points above silver.

Then the graph shows that a decline set in and copper had a greater fall than either silver or lead, until the year 1929 when it went up and reached its high point.

Mr. President, this graph is very instructive. In 1929 the graph shows that copper was at the 100 point. It took a precipitate fall after that and by 1933 had fallen to about 28. In that 4-year period it had fallen from 100 to that low point of 28.

But, while in the same year, 1929, silver stood at 60, it dropped even a little below copper. The fall was not so great because the starting point was away below that of copper. Lead, however, started still lower than copper, but reached a little higher point than did silver in 1929 and fell just about as low as silver in 1932. So taking those three commodities, which are used for different purposes but are all metals, it will be found that the current of prices does not widely differ.

If we take the world production of silver and gold and compare the prices of those two commodities with the prices of all commodities, it will be most interesting. For example, the current production which marks the price of silver, is a little more variable than the current production of all commodities. The one thing that seems to have the least variation is the average price of all commodities; that varies less than silver; but, on the other hand, if we take the price of gold we find that has a greater variation than the price either of all commodities or of silver. I am certain that that statement is a surprise to a great many persons, but it is demonstrated here by the actual figures; and it is this point which I think is hazy in the minds of the public.

The same situation applies with reference to the refinery production of silver in the principal silver-producing countries. I do not wish to take the time of the Senate to interpret these figures, but will ask unanimous consent to have them inserted in the RECORD without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Refinery production of silver of the world and the principal producing countries, 1921–30 [1]

[In millions of fine ounces and as percentage of world production]

Calendar year	World (quantity)	United States		Mexico		Germany		Canada	
		Quantity	Percent	Quantity	Percent	Quantity	Percent	Quantity	Percent
1921	182.0	103.2	56.7	39.2	21.5	13.9	7.6	10.2	5.6
1922	205.3	112.0	54.6	49.1	23.9	14.9	7.3	10.5	5.1
1923	237.4	136.7	57.6	54.2	22.8	11.5	4.8	11.8	5.0
1924	235.2	133.7	56.8	51.6	21.9	12.7	5.4	12.0	5.1
1925	234.0	124.7	53.3	54.3	23.2	15.4	6.6	12.0	5.1
1926	247.7	132.3	53.4	59.6	24.1	13.8	5.6	15.0	6.1
1927	246.1	122.7	49.9	61.1	24.8	17.1	6.9	15.3	6.2
1928	269.4	139.5	51.8	63.3	23.5	23.3	8.6	13.5	5.0
1929	282.8	147.3	52.1	61.4	21.7	28.6	10.1	14.5	5.1
1930	264.7	134.0	50.6	60.0	22.7	25.7	9.7	15.0	5.7

[1] Compiled from Year Books of the American Bureau of Metal Statistics.

Mr. FESS. Mr. President, there is another very interesting fact from the standpoint of the United States, and that is the countries that have the control and management of the production of silver. In the production of silver American capital is far in the lead of the capital of any other country in the world. The countries that control the production of silver are the United States, the British Empire, and Germany, especially those three. It is interesting to follow the figures in reference to that control. It is, however, of no particular interest in this discussion, and so I ask unanimous consent to insert those figures in my remarks without reading.

The PRESIDING OFFICER. Without objection, it is so ordered.

The figures are as follows:

Capital control of mine and refinery production of silver, 1929

Producing countries grouped to show nationality of capital control	Mine production			Refinery production		
	In millions of ounces	As percentage of domestic production	As percentage of world production	In millions of ounces	As percentage of domestic production	As percentage of world production
Controlled by American capital	172.7		62.2	205.9		72.8
United States	61.2	100.0	23.4	147.3	100.0	52.1
Mexico	81.0	74.5	37.6	58.6	95.6	20.7
Canada	7.8	33.8	3.0			
Peru	15.8	87.4	7.2			
Central America	2.5	89.0	1.0			
Chile	1.1	82.5	.4			
Others	.3		.1			
Controlled by British capital	56.8		21.1	32.1		11.4
Canada	15.3	66.0	5.7	14.5	100.0	5.1
Mexico	21.5	19.8	8.2			
Australasia	10.4	100.0	4.0	9.2	100.0	3.3
India and Burma	7.3	100.0	2.8	7.3	100.0	2.6
Cape Colony and Transvaal	1.0	100.0	.4	1.1	100.0	.4
Others	1.3		.5			
Controlled by German capital	5.1	100.0	1.9	28.6	100.0	10.0
Germany	5.1	100.0	1.9	28.6	100.0	10.0

Mr. FESS. Mr. President, I will omit a discussion of the question which has been rather confusing to me, as to the price of silver in countries other than our own, and come directly to the price of silver as compared with the price of other commodities not only in our country but, on the average, in other countries of the world. I will use as an example the price in New York, taking as a basis of comparison with silver, first, the prices of all commodities; second, the price of nonferrous metals, and, third, the price of farm products—especially the latter, because that is interesting to us all. An examination of the chart I have before me will show that the prices of all these four commodities have not had a uniform movement but a corresponding movement. In other words, if the price of one goes up, the other is likely to go up, but the prices do not go up to the same extent, while, if the price of one decreases the price of the other is likely to decrease, but the prices do not decrease to the same extent. If we take silver——

The PRESIDING OFFICER. If the Senator from Ohio will suspend for a moment, the Chair respectfully asks Senators to refrain from conversation or to retire to the cloakrooms. There is a tremendous amount of confusion in the Chamber.

Mr. FESS. I do not know, Mr. President, whether that situation is more embarrassing to me than it is to our visitors, but I will not be embarrassed, if any other Senator wants to talk, if I may just have the attention of the Presiding Officer; that is all I want.

The PRESIDING OFFICER. The Chair is glad to give his attention, but he is also distracted by the conversation which he can hear even from remote distances. There must be quiet in the Chamber, please.

Mr. FESS. Mr. President, I am tempted to make just a brief observation. Training in the other House, where a Member is permitted to take a position in the well of the House and address his colleagues face to face unfits one so trained to follow the rules of the Senate.

Here a Senator has to stand at his desk unless some colleague gives him permission to stand at his desk, and unfortunately a Senator's remarks must be addressed to the Presiding Officer. For that reason, if the Presiding Officer can, without difficulty, give attention that will have to suffice, no matter how much inattention there may be all around the speaker. The truth about the matter is the United States Senate is the worst place in which to make an address of any place in the world.

Mr. ASHURST. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arizona?

Mr. FESS. I yield.

Mr. ASHURST. I would not want the impression to be created that the Senate lacks in according attention to speeches made by the learned Senator from Ohio [Mr. FESS]. If he will pardon me, I shall say that only yesterday I happened, by great favor, to come into possession of a book written by the learned Senator more than 20 years ago. It is entitled "History of Political Theory and Party Organization in the United States." I confess—and I do it with some shame—that I never read this book before, but I spent more than 3 hours last evening reading it, and I read nearly 200 pages thereof.

Mr. FESS. I thank the Senator.

Mr. ASHURST. The Senator need not worry about lack of attention. The Senate is peculiar in that most of its Members are speakers; they are busy, and what they do not hear they read in the RECORD; I do not belong to the Senator's political party, and am opposed to most of his political theories; but there is no Senator whose speeches are read with more avidity, and, I might say, from which more information may be gleaned, than the speeches of the able Senator from Ohio.

Mr. FESS. I thank the Senator very much. I think he is endeavoring to salve a situation in which a Senator is placed when he is dealing with figures which are interesting to but very few.

Mr. President, to resume where I was interrupted, if we will follow the price currents of silver and compare them with the price currents of all commodities, compare them with the price currents of nonferrous metals, and especially with the price currents of farm products, we will have an awakening to the fact that while the currents are in the same direction they are not uniform, and yet the difference is only in degree. That is well demonstrated especially by the price movements of farm products. Starting at the price index for farm products of 50 as compared with the silver index price starting at a hundred, and making it the base, by 1905 the farm price index varied very little, while the silver price index first dipped about 10 points and then recovered, and even went beyond a hundred. By 1915 the price of silver, undulating, reached the low point of 81, while the farm price went from 50 to just slightly below 80, a little below the silver price. Then the war came, and the index price of silver jumped from 81 to 180, while the farm price increased from about 70 to 155, about 25 points as yet below silver. Then the rapid decline started, and the price of silver dropped from 180 back to 100, while the farm price dropped down to about 90. They both start off again in a rather uniform undulation, with a little less variation in the farm price than in that of silver. Then when the unfortunate relapse came in 1929 a precipitate decline started and both went down almost identically, the price of silver a little below that of the farm price. That is true not only of these two commodities but it is true of the other two.

Mr. HATFIELD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from West Virginia?

Mr. FESS. I yield.

Mr. HATFIELD. Has the Senator the market price of silver in those days?

Mr. FESS. No; I have not.

Something has been said about the ratio indicating the comparative value of gold and silver. The ratio from 1866 to 1870 was 15.6 to 1; from 1871 to 1875 it was about 16 to 1; from 1876 to 1880 it was 17.9 to 1. I am giving the ratio of silver to gold. From 1881 to 1885 it was 18.6 to 1. There was a greater decline in silver or else a greater increase in gold, depending upon which we take as the base.

In the 4-year period, 1886 to 1890, silver was 21.1 to 1; from 1891 to 1895 it was 27 and a fraction; from 1896 to 1900 it was 33 and a fraction; from 1901 to 1905 it was 36 and a fraction; from 1906 to 1910 it was 35 and a fraction; from 1911 to 1915 it was 36.8 to 1; from 1916 to 1920 it was 23

to 1, a tremendous increase due to the fact that that was the period including the World War, silver jumping from a ratio of 37 to 1 to a ratio of 23 to 1. Then the decline started again. During the next 4-year period it dropped to a ratio of 31 to 1.

Then, taking it year by year, in 1926 the ratio of silver to gold was 33 to 1; 1927, 36 to 1; 1928, 35 to 1. In 1929, the boom year, there was a decrease in the ratio of silver to 39 to 1, and in 1930 it went to 53 to 1. Then came the great drop to 71 in 1931, and in 1932 it dropped further to 73.3 to 1.

Of course, those who are proponents of the preferment of silver contend that it is not the silver variation, but the gold variation; that silver is not becoming cheaper, but gold is becoming dearer. However, that is a point of controversy which I think it is hardly worth while for me to answer.

The price of silver shows less variation, as indicated by the chart I have just interpreted, than does the price of nonferrous metals. Since the war farm products have been more stable than silver. Since 1926, when prices began to fall, commodity prices fell at a slower rate than silver.

In the early part of the period the prices of farm products and nonferrous metals fluctuated more than the price of silver. After 1932 silver remained at the same level as in 1931, while general commodity prices, especially farm and nonferrous metals, continued their steep descent since the year 1931. I have a chart which shows that fluctuation.

It is not always safe to use the price of silver sold as a commodity as a basis for our comparison, but it is safe to measure the price of silver by its purchasing power. It is hard to convince people that really the high wage is not a high wage. When measured by its real value it must be on the basis of how much of goods necessary for consumption the high price will buy. Frequently we are confused about whether silver is going down or gold is going up. One of the things that will help us in that situation is to use the purchasing power of silver instead of the price of silver, the purchasing power of silver meaning how much the silver will buy of the things we have to have. Let us take that as a basis of comparison.

The value of silver in purchasing power compared with the purchasing power of gold and nonferrous metals, with which we have made a comparison, will be found to be as follows. I shall take silver and gold, omitting the nonferrous metals. Beginning in 1900, starting at 180, gold had a gradual decline. There was no upward trend from 1900 until about 1903, when there was a very slight upward movement of gold, immediately followed by a downward movement until 1910, while silver had a sharp fall from 180 in 1900, reaching the low point of 142 in 1904. Immediately it took an upward curve to such a point that in 1906 silver was above gold by about 5 points, gold gradually declining in purchasing power. In 1906 silver began to take a downward trend so that by 1910, while gold had reached 141, silver had dropped to 120.

In 1910 gold took a slight upward trend, as did silver also, but silver went further than gold. Immediately a reversion set in and gold slightly declined while silver greatly declined. Silver declined from about 138 to 128, while gold declined from 152 to only about 146. This decline continued until 1915, which was 1 year after the World War broke out in Europe. Now, we will see a most remarkable trend on the part of gold.

In 1915 the purchasing power of gold stood at 140. By 1920, including the period of the war, it had dropped from 140 to 64. Silver in the same period declined, but not so much as gold. In other words, the statement in purchasing power would be that gold had gone up as measured by the amount it would buy, although that seems ridiculous.

Then if we follow the curve we find that gold jumped from 64 in 1920 to over 100 in 1922 and remained almost uniform at that figure until 1927. In 1929 the curve went upward and reached the high point of 148 in 1932, while silver reached the low point of only 64.

Mr. President, that movement, which marks not the price of gold and silver except as measured in goods they will buy, what we call purchasing power, is most interesting during that particular period.

This chart shows that silver is not the only commodity whose purchasing power has fallen. The relative position of silver, if measured in commodities, taking for comparison 550 commodities sold at wholesale, is but 0.1 of 1 percent of the value of the articles in which we are dealing.

Had the wholesale value of silver been compared with the total value of commodities in the United States in any one year, the proportion would have been less. Of whatever importance silver has been, it has not suffered at least as much as many of the important commodities in which it is measured.

I have selected a group of the 550 commodities to which I refer, and have indicated first the percentage of average converted to a purchasing-power index, and the value of these various commodities of the United States as elements of production. Silver is 0.1 of 1 percent of the total production, silk and rayon represent 2.6 percent, hogs constitute 2.7 percent, and the grains constitute 3.6 percent. Silver, as I have stated, is only 0.1 of 1 percent.

I therefore summarize what, in my judgment, these figures indicate, as follows:

First, that silver, though unstable in price, is more stable than a great many other commodities.

Second, the price level of many commodities corresponds very well to the price level of silver. During the present depression, nonferrous and farm products have declined in price further than silver has declined. The same thing is true of the purchasing power of many of these commodities.

I have before me, if it should be thought of any importance, a comparison of the value of silver with the values of other minerals in the same silver-producing countries. I was surprised to find that iron constitutes 12.3 percent of the value of all the minerals produced in the mineral-producing sections of our State, while silver, which we regard as quite important, constitutes only 0.6 of 1 percent in value of the minerals produced in the country. Bituminous coal amounts to 18 percent, while petroleum amounts to 21 percent.

These figures as to the comparative value of all minerals produced in the United States in contrast with that of silver, I think, are important; and while I do not care to read them, I ask that they be inserted in the RECORD.

The PRESIDING OFFICER (Mr. RUSSELL in the chair). Without objection, it is so ordered.

The matter referred to is as follows:

Value of principal minerals produced in the United States, 1925–29 [1]

[5-year averages]

Mineral	In millions of dollars	As percentage of all minerals produced
Silver	37.2	0.6
Aluminum	42.6	.7
Copper	263.5	4.6
Gold	47.1	.8
Lead	92.9	1.6
Zinc	80.6	1.4
Ferro-alloys	62.3	1.1
Iron	706.7	12.3
Cement	275.5	4.8
Clay products	400.9	7.0
Bituminous coal	1,032.0	18.0
Anthracite coal	400.4	7.0
Natural gas	332.1	5.8
Natural gasoline	134.6	2.3
Petroleum	1,248.2	21.8
Sand	113.7	2.0
Stone	192.1	3.3
All minerals (including those not listed)	5,738.6	100.0

[1] Compiled from Mineral Resources of the United States.

Mr. FESS. In our country, therefore, from the standpoint of value, silver constitutes six-tenths of 1 percent of the total production of minerals. The value of our total mineral production is but 3 percent of the entire income of the United States. As less than 1 percent of the total revenue from the mining industries comes from silver, its pro-

duction must necessarily be regarded as of somewhat minor importance. Since the United States produces one-fourth of all the silver produced in the world, the world supply is of comparatively small consequence.

I have here the figures of the mineral production of Mexico and Peru. I do not see any particular value in taking the time to read them, but I should like to have them inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Value of principal minerals produced in Mexico, 1925–28 [1]

[4-year averages]

Minera	In millions of dollars [2]	As percentage of all minerals produced
Silver	61.9	24.5
Lead	36.1	14.3
Zinc	18.4	7.3
Copper	18.1	7.2
Gold	15.0	5.9
Coal	3.7	1.5
Iron	2.5	1.0
Petroleum	95.0	37.5
All minerals (including those not listed)	[3] 252.8	100.0

[1] Data for all minerals except petroleum are from Anuario de Estadistica Minera, Secretaría de Industria, Comercio y Trabajo, Mexico. Data for petroleum are from Boletín del Petróleo, Secretaría de Industria, Comercio y Trabajo, Mexico.

[2] Values originally in Mexican pesos were converted to dollars at the average rate of exchange for each year.

[3] This value figure does not include the production of all minerals. According to reports to the U.S. Department of Commerce by its representatives in Mexico, small quantities of cement, clay products, sand, and stone, for which no official data are available, are produced in Mexico. The Statistical Year Book of the League of Nations, 1932, p. 128, also shows that Mexico produces annually a small amount of cement.

Value of principal minerals produced in Peru, 1925–28 [1]

[4-year averages]

Mineral	In millions of dollars [2]	As percentage of all minerals produced
Silver	12.6	13.1
Copper	15.4	16.1
Vanadium	4.2	44.4
Lead	1.8	1.9
Gold	2.0	2.1
Petroleum	54.9	57.3
All minerals (including those not listed)	95.8	100.0

[1] Extracto Estadistico del Peru, Bureau of Statistics, Peru, 1927–30.

[2] Value figures, originally in Peruvian pounds, were converted into dollars at the average rate of exchange for each year.

Mr. FESS. I think the most difficult problem we have in dealing with silver—not if it were kept simply as a commodity, but especially if it is to be used as a monetary factor—is the price it is to command at the agencies that produce it. Has the decline in the price of silver in India and China, the two great silver-consuming countries, reduced their purchasing power in foreign markets, and thereby largely aided in bringing about the present depression?

That is the biggest question I have in mind. The statement that that is the case has been made by the author of the bill, and also by Senators like my good friend from Utah [Mr. KING] and others who are well versed on the subject. Their statements led me to believe at one time that in all probability we ought to have a more facile use of silver in order to share the markets of the Orient. I stated when the other bill was under consideration that I thought there ought to be a greater use of silver; that I looked with some favor upon silver legislation, for the following reasons:

First, because silver is an American commodity, and when its production can be encouraged without any injury to the public it ought to be done.

Secondly, I had the feeling that we would be justified in accepting silver in payment of a certain amount of the foreign debt. I do not need to state why I was willing to have that done.

Thirdly, the thing that made a greater impression on my mind than anything else was the claim that a larger use of silver would largely facilitate our trade with the Orient; and at the time that seemed to me rational. I have since gone into the subject more thoroughly, however, and I have serious doubts about it at the present time, to say nothing of the fact that the commerce of China is only 2 percent of the world's commerce, so that it is comparatively inconsequential. Assuming it to be large, however, which I doubt very much when I take the facts which have been prepared by Dr. Kemmerer—who ought to be the best-posted man on silver that we have in this country, at least, because he was called to China to take charge of her financial situation for a period of time—I raised the question, "Has the decline in the price of silver in India and China reduced their purchasing power as has been alleged, and, therefore, been a major cause in the depression?"

China continues to import silver in spite of the depression. This means only one thing, that is, that she maintains a favorable balance of trade, which indicates that she has not suffered from the low price of silver, since she has not been purchasing foreign goods with silver, but has been importing silver.

I desire to give here the figures which will detail the current of trade in China, showing the net imports and exports of silver from 1890 to 1932.

The net imports in the 4-year period from 1890 to 1894 were six and a fraction million fine ounces.

In the next 4-year period the net imports were 11,000,000 ounces.

Between then and 1904 there were no imports, but exports of nearly 6,000,000 ounces.

In the next 4-year period, up to 1909, there were further exports of 15,000,000 ounces.

Then began the large imports.

In 1910 China imported a little more than 26,000,000 ounces.

In 1911 she imported 46,000,000 ounces, almost double the amount of the preceding year.

Then there was a drop in 1912 of 23,000,000 ounces.

In 1913 there was an increase of 20,000,000 ounces, which is an increase of almost 100 percent.

In 1914, the year of the war, the imports were entirely wiped out, and China exported 16,000,000 ounces, and she continued to export until 1917. That year she exported 25,000,000 ounces.

Then, in 1918—which was the year, as Senators will recall, when we passed some silver legislation on behalf of India—China imported 28,000,000 ounces, and the next year considerably over 100 percent more, 64,000,000 ounces, and in 1920 111,000,000 ounces of fine silver. This is what China imported at the very time we are talking about her trade being so depressed.

She cannot import if the balance of trade is against her. She imports because the balance of trade is favorable.

In 1921 she imported 39,000,000 ounces; in 1922 she imported 47,000,000 ounces; in 1923 she imported 81,000,000 ounces. The increase continued. In 1927 the importations amounted to 78,000,000, and in 1928 to 128,000,000. In 1929, our boom year, the importations amounted to 127,000,000.

Then began the drop. In 1930 China imported only 81,000,000 ounces, in 1931 only 55,000,000, in 1932 only 29,000,000. It is evident that if the decrease continues, the necessity for importations will cease, and she will be exporting.

Mr. President, I cite these figures as a refutation of the theory that the failure of the business of China is due to silver, because her business is constantly increasing, judged by the favorable balance she shows, and that is displayed in the large increases in imports of silver.

I ask that the table to which I have been referring be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:





China's net imports and exports of silver, 1890–1932 [1] *(in millions of fine ounces)*

Period:	Net imports [2]
1890–94	6.1
1895–99	11.0
1900–1904	−5.8
1905–09	−15.1
1910	26.3
1911	46.2
1912	23.2
1913	43.4
1914	−16.4
1915	−22.2
1916	−34.6
1917	−25.3
1918	28.4
1919	64.1
1920	111.7
1921	39.1
1922	47.8
1923	81.1
1924	31.4
1925	75.4
1926	64.2
1927	78.6
1928	128.4
1929	127.7
1930	81.0
1931	55.0
1932	29.3

Mr. FESS. Mr. President, another study most significant is a comparison of the net imports of silver with the net imports of gold. Especially is that true where the allegation is made that silver is discriminated against on behalf of gold.

If we take the same period, beginning with 1900 and running to 1931, confining our attention to the imports of the two metals to China, we find that in the 4-year period from 1904 there were no imports of silver, but there was an export of about 3,000,000 ounces. There was also an export of gold of eight-tenths of a million ounces.

In the next 4-year period there were no imports of silver, and there were fewer exports of gold. There were, however, about 10,000,000 ounces of silver exported and three-tenths of a million ounces of gold exported.

From 1910 to 1914 there were net imports of silver of 14,000,000 ounces, while eight-tenths of a million ounces of gold were exported.

From 1915 to 1919 the imports of silver amounted to eleven and one-tenth millions, while the imports of gold amounted to twelve and seven-tenths millions. It is difficult for me to understand how that happened. During the preceding 4 years there was an export of gold of eight-tenths of a million ounces, and in the next 4 years there was an import of nearly 13,000,000 ounces of gold at the very time when there was an import of silver of only 11,000,000 ounces, less than the imports of gold, while gold had been constantly exported, and that continued after that year. It must be explained by the fact that that was the period of the war from 1915 to 1919.

Immediately following that, from 1920 to 1924, there was a large import of silver, about 50,000,000 ounces, but an export of gold of 8,000,000 ounces.

From 1925 to 1929 there was an importation of 56,000,000 ounces of silver, and an exportation of about a million ounces of gold.

Mr. President, this indicates that if gold is being used as the money of exchange, then the export of gold would indicate that the balance of trade was against China. But if silver is being used as the money of exchange, it would indicate that the balance of trade is favorable to China. The evidence, taken from the earlier figures, is that China has a balance of trade favorable to her. That is the reason why China does not look with favor upon the proposal of this country to increase the price of silver. That will not be to her advantage, but rather to her disadvantage, a matter with which I shall deal later on.

I ask that the table to which I have been referring may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

China's net imports of silver and gold, 1900–1931 [1]

[In millions of dollars]

Period	Net imports of silver [2]	Net imports of gold [2]
1900–1904	−2.9	−5.8
1905–09	−9.7	−.3
1910–14	14.1	−.8
1915–19	11.1	12.7
1920–24	49.5	−8.7
1925–29	56.2	−.9
1930	30.9	−7.6
1931	15.1	−10.9

[1] Data are taken from Foreign Trade of China, Chinese Maritime Customs. The original figures in Haikwan taels have been converted into dollars at the average rate of exchange for each year. Prior to 1930 the figures are 5-year averages.

[2] Net exports are indicated by the minus sign; net imports are shown as positive numbers.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. BORAH. May I ask the Senator what part of China is objecting to the advancement of the price of silver?

Mr. FESS. I have to assume that the voice of China will probably be heard from Shanghai, which is the great center.

Mr. BORAH. What I intended to convey by my question was that those who are interested in establishing cotton mills and other industries in China, and who are taking away the trade of England and of the United States and of India in the cotton business, are interested in cheap silver in China, there is no doubt, but, outside of them, I doubt whether there will be found any great support.

Mr. FESS. That subject would be worth investigation. I must confess that I have not gone into it.

Mr. President, the price of silver in New York and the present-day ratio of the index of the volume of imports into China to the index of the volume of exports from China for 1931 show the relationship between the price of silver and China's ability to purchase foreign commodities. The ratio tends to vary inversely with the price of silver, which indicates that imports relative to exports tend to increase in volume when the price of silver is relatively low, and to decrease when it is relatively high.

Does it not follow that if the ability of China to purchase in foreign countries were determined by the price of silver alone, there would be a direct correlation between the price and the ratio; that is, that a decline in the price of silver would be accompanied by a decrease in imports relative to exports, and vice versa? It seems to me obvious that China's capacity to purchase foreign goods, so far as imports indicate, has been enhanced, rather than curtailed, by the fall in the price of silver. That is a conclusion which, it seems to me, these facts warrant.

Mr. President, if we consider the variations in the foreign trade of China and the United States, and in the trade between these countries from 1925 to 1932, we will find, I think, significant conclusions to be drawn. I have here the figures of the imports and exports of China as compared with the imports and exports of the United States. They indicate only what I stated a while ago in interpreting the chart about which I was speaking. Instead of taking the time to read these figures into the RECORD, which are confirmatory of the statement I have just made about the low price of silver being an enhancement of trade, rather than a deterrent of trade, I ask unanimous consent to have the figures printed in the RECORD, instead of reading them.

The PRESIDING OFFICER. Is there objection?

[1] Data are from Foreign Trade of China, Chinese Maritime Customs, Shanghai. The original figures in Haikwan taels have been converted into fine ounces at 1.20665 ounces per tael. Figures are 5-year averages through 1909 and on a yearly basis thereafter.

[2] Minus sign indicates net exports.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

Variations in the foreign trade of China and the United States and in the trade between these countries, 1925–32

[Value figures, in dollars, as percentages of the respective 1923–25 averages]

Calendar year	China [1]		United States		Imports from China into United States [2]	Exports to China from United States [2]
	Imports	Exports	Imports	Exports		
1925	101	104	109	108	107	90
1926	108	105	114	106	91	106
1927	89	101	108	107	96	80
1928	107	112	106	113	89	133
1929	102	104	113	115	105	119
1930	76	65	79	84	64	87
1931	61	49	54	53	42	94
1932	[3] 44	[3] 27	34	35	16	54

[1] Basic data are from the Foreign Trade of China, Chinese Maritime Customs. The original figures in haikwan taels were converted into dollars at the average rate of exchange for each year.

[2] Basic data are from Commerce Yearbooks, 1925–32.

[3] Statistics of the imports and exports of China for 1932 are not complete. Figures of imports into and exports from the Manchurian ports cover only the first 6 months. During 1928–31 imports into and exports from these ports on the average comprised 15 and 33 percent, respectively, of China's total imports and exports.

Mr. FESS. Mr. President, the table shows that the decline in China's foreign trade was no greater than that of the United States on a gold basis. In 1932 the imports and exports of the United States fell to about the same level, while in China exports dropped far below imports. In 1932 the gold value of Chinese imports from the United States was 54 percent of the value of accrued imports from this country during 1923 to 1925, while the corresponding figure for the United States imports from China was only 16 percent.

This indicates that Chinese imports were sustained. The decline in the foreign demand for Chinese goods, rather than the fall in the price of silver, probably explains the decline in the gold value of Chinese imports of recent date.

The table shows that China imported 19 percent more goods in 1931 than she did on an average from 1923 to 1925, while, on the other hand, exports declined both in volume and value during 1930–31. While the price of silver was falling drastically, there was considerable increase in the ratio of imports to exports.

In contrast, the principal volume of imports into the United States shows a decrease, while the physical volume of purchase of the United States from all countries has shown only a slight absolute reduction.

The demand of the United States for China's commodities during that period had sharply declined. On the other hand, the volume of China's purchases from the United States has remained quite large.

These facts, it seems to me, indicate that the fall in the price of silver has not only had no appreciable adverse effect on China's ability to import foreign goods, but that her capacity to purchase in foreign markets would have been greater had foreign countries been able to purchase more from her, and that is the cause of the falling of the trade rather than the change in the price.

The facts which I have just mentioned are demonstrated, in my judgment, by the figures I have before me, using the years 1923 to 1931, showing import index compared with export index and the percentage as to China being compared with the import index, export index, and percentage index of the United States. I do not care to take the time to read these figures in demonstration of the statement, but will ask unanimous consent to have them printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

Import-export ratios for China and the United States and for China's trade with the United States, 1923–31 [1]

[Average 1923–25=100]

Calendar year	China			United States			China's trade with the United States		
	Import index	Export index	Import index as a percentage of export index	Import index	Export index	Import index as a percentage of export index	United States exports to China (index)	United States imports from China (index)	Export index as a percentage of import index
1923	96	101	95	100	90	111	110	105	105
1924	106	101	105	97	102	95	103	80	129
1925	98	98	100	103	108	95	87	116	75
1926	116	104	111	110	115	96	97	97	100
1927	98	114	86	112	124	90	88	109	81
1928	117	115	102	113	130	87	139	100	139
1929	125	110	113	129	133	97	130	119	109
1930	117	97	121	109	108	101	118	91	130
1931	119	97	123	98	86	114			

[1] The indexes of Chinese imports and exports for 1923–30 are those of Franklin L. Ho, Quarterly Journal of Economics and Statistics, March 1932, pp. 128–49, Nankai Institute of Economics, Tientsin. The index numbers for 1931 have been computed by the writer. (For further explanation regarding Ho's and the writer's indexes see table VII, p. 149.) Indexes of imports and exports of the United States are those of the Bureau of Foreign and Domestic Commerce, U.S. Department of Commerce. The methods used in computing these indexes are described in Commerce Yearbook, 1925, pp. 76–77. The indexes of the exports to China from the United States and of imports from China into the United States are from F. D. Graham, The Fall in the Value of Silver and its Consequences, Journal of Political Economy, August 1931, p. 433. All the indexes have been converted to the common base 1923–25 by the writer. Computed from the Specified Indexes of Physical Volume of Trade.

Mr. FESS. Also, Mr. President, the import-export price comparisons with a single city's exports and imports, namely Shanghai's, is of significance, but in identically the same line as if the whole of the Republic of China were taken for comparison purposes. I am, therefore, asking unanimous consent to insert these figures without reading them.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement is as follows:

Import-export price comparisons for Shanghai, the United States, Canada, and India computed from the specified price indexes

[1926=100]

Calendar year	Shanghai			United States			Canada			India		
	Import price index	Export price index	Import index as a percentage of export index	Import price index	Export price index	Import index as a percentage of export index	Import price index	Export price index	Import index as a percentage of export index	Import price index	Export price index	Import index as a percentage of export index
1925	102	97	105	102	109	94	106	103	103	108	111	98
1926	100	100	100	100	100	100	100	100	100	100	100	100
1927	107	106	101	92	94	99	96	98	98	94	95	98
1928	103	105	98	90	94	97	97	94	103	96	95	101
1929	108	105	102	85	95	89	93	93	100	91	89	102
1930	127	108	117	69	86	81	87	80	110	87	74	117
1931	150	108	140	53	67	79	72	65	112	78	57	137

Indexes of import and export prices are from: Shanghai, the Shanghai Market Price Report, 1925–32, National Tariff Commission, Shanghai; United States, Commerce Yearbook, 1925, pp. 76–77 and later volumes; Canada, Prices and Price Indexes 1913–29, Canada Dominion Bureau of Statistics, p. 216, and Canada Year Book, 1932, p. 700. For commodities included in the Canadian indexes, see Price and Price Indexes, 1913–26, pp. 169–170. The indexes for India have been computed by the writer by dividing the relatives of value (in rupees) of India's imports and exports by the writer's indexes of the physical volume of imports and exports, respectively.

Mr. FESS. Mr. President, in times of depression demand for raw materials falls more rapidly than the demand for finished products. This statement can be demonstrated by a study of the currents of trade. Countries producing raw materials suffer greater decline than those exporting manufactured articles. Hence the more rapid decline in China, India, and Canada, because they are raw-material export-

ing countries, than we find in the United States, because we are the exporter of finished products rather than raw materials. This is not due to fall in monetary value of either gold or silver but to fall in demand for foreign goods, especially raw materials, which is most greatly felt in China, India, and Canada, which countries export raw materials.

Mr. President, I have the figures upon the exportation of raw materials as compared with the exportation of finished products, giving the ratio of index of raw-material price to index of finished-product price, covering the years from 1926 to 1931, and I think the study of those figures will demonstrate what I have stated.

I therefore ask unanimous consent to have them inserted in the RECORD without reading them.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement referred to is as follows:

Comparison of wholesale price indexes of raw materials and of finished products in the United States, 1926–31 [1]

[1926=100]

Year	Index of raw-material price	Index of finished-product price	Ratio of index of raw-material price to index of finished-product price
1926	100	100	100
1927	97	95	102
1928	99	97	102
1929	98	96	102
1930	84	88	95
1931	66	75	88

[1] The index numbers are those of the Bureau of Labor Statistics, U.S. Department of Labor.

Mr. FESS. Study of these figures will indicate the general truth of the statement I made a while ago that in times of depression the countries which export raw materials suffer much more than the countries which export finished products. And since our country is an exporter of finished products, and China and India are raw-material exporting countries, the suffering in those countries would be greater by the falling off of this trade than any effect that the monetary factor would indicate.

In the discussion of silver from the international standpoint, India and China are linked together, as they always are, because they are on the same monetary basis. India has been on gold exchange from 1901 to 1931. Since 1931 she has been on the sterling exchange standard. The Indian rupee since the Currency Act of 1927 has tied its value to the pound sterling at 1 shilling and 12 pence, or 18 pence circulation at 18 pence regardless of the silver content. The price of silver does not seem to affect the purchasing power of the rupee in foreign commerce.

I know that Senators listening to me doubt that statement, but I believe that the study of these facts indicating the current of trade between us and those two countries will demonstrate the accuracy of that statement.

In fact, the price of silver in India in 1931–32 fell less than the general commodity price. The index price ratio will show that the purchasing power of silver actually increased when confined to domestic trade. It is not so, of course, when it comes to foreign trade, where silver has declined more than the price of imported articles, such as finished products, which are India's chief imports. But as India has been a consistent importer of silver it would seem she has not suffered from the necessity of sending silver abroad for finished goods. Since India's holdings of gold are larger than those of silver, she would protect herself against loss by exporting gold instead of silver at a loss.

This certainly is borne out by what actually takes place.

This trend can easily be illustrated by an examination of the facts. Mr. President, I have here a table showing the price of silver in Bombay and New York compared with wholesale prices of general commodities in Calcutta, affording a comparison of prices between these two centers. I do not care to take the time to read the figures, but will ask to have them inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

The price of silver in Bombay and New York compared with wholesale prices of general commodities in Calcutta, 1926–32

[1926=100]

Calendar year	Wholesale prices in Calcutta [1]	Silver price in Bombay [2]	Silver price in Bombay as a percentage of wholesale prices in Calcutta	Silver price in New York [2]	Silver price in New York as a percentage of wholesale prices in Calcutta
1926	100	100	100	100	100
1927	100	91	91	91	91
1928	98	93	95	94	96
1929	95	85	89	85	89
1930	78	75	96	62	79
1931	61	68	111	46	75
1932	45	61	136	46	102

[1] Compiled from Indian Trade Journal. Since the suspension of gold payments by Great Britain toward the end of September 1931, India has not been on the gold-exchange standard. To make the index numbers subsequent to the suspension comparable with the earlier index numbers, which were on a gold basis, the index numbers from October 1931 on have been adjusted by multiplying them by the corresponding index numbers of the rates of exchange of the rupee in terms of the dollar.

[2] The relatives for 1927–30 were computed from data taken from the Annual Market Reviews published by Premchand Roychand & Sons, Bombay. The original figures represent the average price in Bombay per 100 tolas (ready). The relatives for 1931–32 were computed from data compiled from Cotton and Finance, Bombay. They represent the annual average of monthly prices. The original figures were quotations in Bombay at the end of each month per 100 tolas (spot). Like the index of wholesale commodity prices, the monthly relatives from September 1931 on were adjusted to make allowance for the decline in rupee exchange rates on the United States in consequence of the abandonment of the gold standard by England.

[3] Computed from data obtained from Annual Report of the Director of the Mint, 1932, p. 127.

Mr. FESS. That India's foreign trade has not suffered from a depressed price of silver is shown by statistics. It is demonstrated that if a low price of silver will adversely affect foreign trade, then a high price of silver would improve foreign commerce. This would require the price of silver to correspond to the ratio of imports to exports. But a chart of the foreign trade prices shows that the tendency is adverse; that as the price of silver declines the import ratio varies adversely with that of exports.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. BORAH. The Senator has been speaking of India and the silver question in connection with India. Will the Senator object to my reading a paragraph from Sir Osborne A. Smith, president of the Imperial Bank of India?

Mr. FESS. I shall be glad to have the Senator do so.

Mr. BORAH. He says:

> The economists throughout the world are agreed that maldistribution of gold and overproduction of goods are two of the fundamental causes of the depression. If we consider the fact that the great masses of the Orient are half-starved and less than half-clad, one cannot say that there is overproduction in terms of requirements, but rather that there is overproduction in terms of purchasing power. Our job, then, is to recreate purchasing power, and we have the instrument at hand in silver, of which these masses are possessed. The remonetization of silver will furnish us with a needed purchasing power, and will cause to disappear, through consumption, the world overproduction of goods.

Mr. FESS. That is a statement by Sir Osborne A. Smith, who says that the economists of the world are agreed. I shall indicate before I get through that that is not true.

Mr. BORAH. I think myself that Sir Osborne Smith spoke rather freely when he said that the economists were agreed on anything.

Mr. FESS. I think so, too. However, I did not wish to convey the inference that the Senator did about economists when I suggested that I did not think that was true, but I do agree with what he inferred. When one can get economists to agree one can succeed in getting oil and water to mix.

Mr. President, the graph that would indicate the price of silver as compared with the import-export percentage ratio is worthy of study. I am convinced that anyone who will look over it as it is demonstrated in the actual figures, showing what the imports and the exports are, will agree with me that the price of silver does not have the effect which so many of our friends are claiming for it.

This graph shows that silver fell in 1926–27 while the ratio of imports to exports rose; silver increased in 1928 and the latter decreased; silver declined in 1929 while import ratio increased in 1929 but decreased in 1930–31. This drop was largely due to boycott of goods by Indian patriots and a general trade movement due to a world decline in demand for raw materials, the chief supply of export goods to be exchanged for imports of finished products.

The foregoing facts compel the conclusion that the decreasing foreign trade of the two chief silver-consuming countries is not due to the falling price of silver, for the imports of finished goods of those two countries have been fairly well sustained throughout the depression, and, notwithstanding the decline in the world demand for raw material, China has been continuously importing silver on net balance, and India for hoarding purposes.

It is the judgment of economists that instead of attributing the world depression to the inability of the Orient to purchase from the Occident because of the fall in the price of silver, it should be stated that what little brightness there is in the economic gloom of the world is partly due to that degree of sustained capacity of these two silver countries still to make a market for our goods.

The Senator from Idaho [Mr. BORAH] in mentioning Mr. Smith referred to the economists. Mr. President, I have in my hand the resolution adopted by the Executive Committee of the Economists' National Committee on Monetary Policy. These economists, to the number of about 100, I regard as being the best thinkers in our country on subjects of economics, including money. This group of a hundred men and women, through their executive committee, adopted the following resolution touching silver legislation, not as to this particular bill but as to the claims for a larger use of silver:

Watching with grave concern the various silver measures introduced and proposed in Congress, the executive committee of the Economists' National Committee on Monetary Policy wishes to go on record as opposing these notoriously unsound proposals to do something for silver, whether they involve the introduction of bimetallism or symmetallism, or the purchase of silver for the purpose of increasing our silver reserves or the circulation of silver or silver certificates.

The adoption of this resolution, Mr. President, suggests a growing opinion, as expressed by the frequent discussion throughout various parts of the country, toward uniting silver and gold not as two metals but as one, so as to have symmetallism instead of bimetallism. I do not believe that it is worth while to repeat any argument on the possibility of bimetallism on the part of our country alone. I said yesterday that I would be glad to see bimetallism inaugurated if with our country the leading commercial countries of the world would join. Under such circumstances I think it would be an advantage; but to operate alone or to proceed without regard to other countries, it seems to me, would be fatal.

Now the proposal is that we can avoid the confusion of attempting to have two metals circulate by combining them. There seems to be in some sections of the country a great deal of interest in that possibility. I notice that in high circles there is now being discussed the feasibility of having an international currency, of having, instead of an American dollar, an international dollar, or pound sterling, or whatever it may be called. There has been much talk of that, and some expressions in high circles in our Government in favor of taking the step under this legislation of impounding all the silver just as we have impounded all the gold, and making it illegal for an individual to possess silver under the limitations we have provided in connection with the possession of gold.

Then, after we have all the gold and all the silver impounded, it is contended in some places that we should proceed to inaugurate some kind of an international currency, having the governments of the world join us, because we stand ready to buy all the gold and all the silver that might be offered to us. I do not know how much there is in that rumor, but it is sufficient to say that such a plan is being talked about, and, at least, when we are to vote on nationalizing silver, as provided in this bill, giving authority to the President to take all the silver, as he has authority to take all the gold, we want to know just what is to be the policy to be inaugurated to carry out such a plan. At any rate, it is too uncertain to enable me to act with freedom.

Now, proceeding further to read from resolution of the executive committee of this group of 100 economists:

Recognizing that those various prosilver proposals are extremely dangerous, if the lessons of monetary history and the principles of money are to have any place in the consideration of monetary legislation in this country, this committee resolves:

1. That no additional silver should be purchased at any price except for the necessary fractional silver coins as provided for under the laws enacted prior to the Thomas amendment of May 12, 1933.

2. That the purchase of silver bullion at artificial prices will not promote sound recovery, but, on the contrary, will add to the liabilities of the Government and reduce confidence in the Nation's currency.

3. That the restoration of bimetallism at the market ratio would cause national injury and retard recovery.

4. That the restoration of bimetallism at a ratio of 16 to 1 would be a national calamity.

5. That a rise in the price of silver benefits materially neither domestic industry nor the foreign trade of the United States.

These are the resolutions adopted by this group of economists.

Then the argument proceeds:

Perhaps a brief survey of our experience with bimetallism and of the past efforts to do something for silver will be of some service in enabling the public to see the present proposals before Congress in their proper perspective.

Mr. President, the history of bimetallism in our own country is of such common knowledge that I do not intend to take the time of the Senate to repeat what is well known to every person who has any acquaintanceship whatever with the history of the monetary question in the United States; but, after reciting the history of bimetallism and its effect, this group of economists proceed:

On four occasions, however, the silver interests have managed to get through Congress legislative measures which gave them a Government subsidy. In 1878 the Bland-Allison Act, passed over Hayes' veto, commanded the Treasury to buy not less than $24,000,000 worth of silver bullion per year and to coin it into silver dollars.

They might also have stated not less than $24,000,000 worth and not more than $48,000,000 worth, because that was the provision of the law.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. FESS. I yield.

Mr. BORAH. Mr. President, the Bland-Allison Act and the Sherman Act, silver-purchasing acts, were not the acts or measures which the silver people were advocating; they were compromises and were never satisfactory to the advocates of silver. They were never believed in as a remedy for the silver problem. They were the result of a compromise dictated in large measure by Mr. Allison and by Mr. Sherman, both of whom were against silver.

Mr. FESS. The Senator does not mean that Mr. Bland, of Missouri, was against silver, does he?

Mr. BORAH. No; but I mean to say that the proposition which Bland made resulted not in the passage of his measure but in the adoption of a compromise.

Mr. FESS. The Senator is correct in that statement. The bill was introduced by Bland in 1878 and was a simon-pure free-silver bill, such as I would have assumed the silver people would have approved, but when it got to the Senate it was modified through the influence of Senator Allison and reduced to not less than 2,000,000 ounces per month nor more than 4,000,000 ounces per month. I assume that

4,000,000 ounces per month or 48,000,000 ounces per annum would be about the production of silver at that time, which meant, if it would have been carried out as the authors had in mind, that it would cover about all the silver mined.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. ADAMS in the chair). Does the Senator from Ohio yield to the Senator from Idaho?

Mr. FESS. I yield.

Mr. BORAH. Permit me to say at this point that I think the principles upon which the Bland-Allison Act was based, and those upon which the Sherman Act was based, were unsound. I think it was an attempt to deal with silver as a commodity and to peg the price of silver. I do not believe in any such method. I think any measure that deals with silver merely as a commodity and undertakes to restore the price of silver by pegging it as one would a commodity price, is wholly unsound. That is an inherent defect of this bill.

Mr. FESS. In other words, the Senator believes that if we have any measure of value used as a medium of exchange, the commodity element ought to be eliminated entirely. The Senator, of course, is taking the position that the value of money therefore has no inherent element, but is wholly due to the promise of the Government to make good its pledge.

Mr. BORAH. No; I am not taking that position.

Mr. FESS. If we eliminate the commodity value I do not see what other value there is in it.

Mr. BORAH. I would deal with it purely as a monetary proposition and not undertake to peg it as the price of a commodity may be pegged. We do not eliminate the value in gold because we treat it purely as a monetary proposition.

Mr. FESS. It is true we do not eliminate the value of gold, but we aim to take all the gold that is mined and mint it.

Mr. BORAH. Exactly, and that is precisely what I would do with silver. Silver is as good money as gold, and was so regarded until it was legislatively destroyed.

Mr. FESS. What would the Senator do with gold?

Mr. BORAH. I would do the same thing with gold. I believe that today there are not sufficient precious metals in the world to constitute more than a sound basis for our monetary system. We need both precious metals.

Mr. FESS. Of course the Senator there indicates a philosophy upon which he and I are just as far apart as the poles. His idea is a quantitative value or philosophy in money.

Mr. BORAH. Then, as I understand the Senator, if there was but a thousand dollars of gold in all the world, that would be a sufficient basis upon which to base a monetary system?

Mr. FESS. It might be. It depends entirely upon the confidence in the government of the people who are using the money, as to whether they want the metal rather than a representative of the metal.

Mr. BORAH. In other words, if we do not have more than a thousand dollars' worth of gold, upon that amount of gold we could base a sufficient monetary system upon which to transact the business of the world, including Great Britain, France, Germany, and the United States.

Mr. FESS. No. All I mean is that if I want to sell 100,000,000 bushels of wheat I do not need 100,000,000 bushel baskets with which to measure it. One basket should do it. We would need enough baskets to measure it conveniently, but I would not need a bushel basket for every bushel of wheat I have to sell.

Mr. BORAH. Exactly, but if the Senator has sufficient faith in the promise of the Government when it has only a thousand dollars' worth of gold upon which to base its monetary system, he is going to reach the point, I am afraid, where he would be willing to accept the faith of the Government and issue paper alone.

Mr. FESS. No; not I.

Mr. BORAH. If it is a matter of faith, and that is all it is, if all the wealth and all the integrity and all the good faith of the United States is behind its paper money, is it not worth more than a thousand dollars in gold?

Mr. FESS. Mr. President, I did not want to be diverted from the remarks I am now making to a discussion of this question, but I am afraid I shall have to be. The Senator is going to lead me into a discussion of a point that is very controversial. The Senator is going to take the position that in order to facilitate trade it is not necessary to depend upon the working element of currency, but it is necessary to depend upon the amount of currency we may have.

Mr. BORAH. No, Mr. President. Let me state my position. I concede that the mobility of currency is an essential element in the problem. If it were not for that fact, then all the gold and silver of the world would be wholly insufficient upon which to base the monetary system. I do not eliminate that question from the problem by any means. But mobility is not all there is to the money question.

Mr. FESS. Of course, it is difficult to discuss a matter of this kind when there is involved a matter of degree. The Senator asked me whether I was willing to risk a currency system with only $100,000,000 for all the world. That involves a matter of degree. Now, the Senator has said he is not for the unlimited printing of paper money. I know he is not. Just where we are going to reach the degree which is the point of separation between us is a problem. Everybody knows, as was so well illustrated by the Senator from Oklahoma [Mr. THOMAS] yesterday, that we have $13,000,000,000 of monetary value, either in metal or the representatives of metal, and yet of the $13,000,000,000 we have only a little less than 50 percent of it which is actually doing work.

Is it conceivable that our solution of the situation is in increasing the amount of money rather than increasing the use of the money we have? We have more money today than would be necessary, twice over, at the most active point of business the country ever had. It is not the amount that gives us prosperity and it is not the lack of the amount of money or currency that is giving us lack of prosperity. It is our failure to find a way the money we have can be put to work. We may talk until we are blind, we may enact laws to increase the amount of silver, to increase national bank notes, to increase Federal Reserve notes, to increase Federal Reserve bank notes—we may enact legislation to increase all of them and dump them out into our business world, but we will not have prosperity until that money actually works. The amount does not mean anything.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield further to the Senator from Idaho?

Mr. FESS. Certainly.

Mr. BORAH. If we could have an answer to the question by those who are opposed to silver, if we could have an answer to the question of how they are going to make that money work, how they are going to restore faith so the banks will put out their credits, and so forth, it might simplify the issue very much. In 1922 to 1929, as the Senator knows, there was a heroic effort made to get back on the gold standard with all nations on the theory that when we did, confidence would be restored throughout the business world and the money would begin to work. All the leading nations went back onto the gold standard, with one exception, and still it did not work; still the liquidation went on and unemployment increased.

Mr. FESS. When did that occur?

Mr. BORAH. I mean immediately after we went back on the gold standard in 1929.

Mr. FESS. We never went off the gold standard.

Mr. BORAH. I am speaking of world conditions.

Mr. FESS. Oh yes.

Mr. BORAH. It did not restore confidence. Unemployment continued to increase and business continued to be demoralized. The question is, if the able Senator from Ohio will discuss it, How we are going to restore confidence and get this money to work? He said we have sufficient money if it will work, but how is it going to work if we keep it in the banks and in the vaults and hidden? Gold has become so sacred that if a man is found with a $20 gold piece he

may be sent to jail. It has become a sacred thing. It serves the public in no sense whatever. It might as well be in the mines as where it is. How are we going to get it out and put it to work?

Mr. FESS. Mr. President, I will tell the Senator how to get it out. Stop this foolish legislation that is frightening every holder of money that otherwise he would be willing to invest in any productive industry and employ the unemployed if he knew, first, the amount of exactions that is to be demanded from him; secondly, if he knew what is to be the purchasing power of the dollar in which he is to be paid when he makes today a contract that is to be executed a year from now. Until we do stop this travesty of uncertainty in this program of nostrums, no risk will be taken by any sane man in investing a dollar in anything.

Mr. BORAH. Mr. President——

Mr. FESS. I yield.

Mr. BORAH. The Senator will have to admit that this manifestation of distrust and want of confidence, this depression, began at a time when the questionable legislation of which the Senator speaks had not even been discussed. It began at a time when we had the most conservative legislation, when we had the gold standard, when we had the monetary system for which the Senator is now asking. It began under the conditions which the Senator would restore.

Mr. FESS. Mr. President, the gold standard was interrupted by a world convulsion which included every country of the world. We went on an artificial basis. We made no effort to hold value anywhere near price. Prices became inflated. Farms sold at $400 an acre. People were fools enough to pay that kind of a price, and to offer a mortgage upon the farm they bought, or the farm they had before they bought the additional farm. What was done on the farm was done everywhere. It was done in every business. It was done in Florida, where the only thing purchased was air and sunshine, offered at such prices that nobody who had any sort of poise of mind financially would have bought them had not the atmosphere been such that anyone who stayed there for 24 hours would become crazy and buy anything. That condition was common, and it existed all over the world. It was not confined to the United States. We were on the most artificial basis that any nation in the world had ever seen.

At the time this was going on, the war was over. Germany was required to pay reparations. The total amount was first fixed at $32,000,000,000. Afterward, a commission appointed to study the ability of Germany to pay decided that the total of reparations ought to be cut down to $12,000,000,000; and the commission stated that there was not any way for Germany to pay these reparations unless the allied countries would extend to her long-term credits in order to enable her to get on her feet. They fixed the amount at $250,000,000 and asked the United States to lend $110,000,000 of the $250,000,000, and required that the balance of it should be supplied by allied countries such as Britain and France and Italy.

When Germany received the long-term credits, she immediately reorganized her entire industrial life, including her railroads, and her industry became semigovernmental, with the government giving a certain amount of security in operation, at least, if not in ownership; and Germany, in issuing securities for rebuilding her industries, sold those securities in the market in the United States.

We were on this abnormal basis. Everybody had money. Everything was quoted at three times its actual value. From five to six billion dollars of securities were floated in the greatest financial market in the world, much of which was unstable. The buyers of these German securities—and I mention them only as an example—gave to Germany the money, took the securities in exchange, and used these securities as collateral in borrowing from American banks the money needed by the purchasers of the securities

What happened? With this abnormal level, this unstable basis of doing business the world over, the largest bank of Austria collapsed, a bank which had been established as far back as 1856 by the famous Rothschild family. It was an international institution. It had its accounts in every country of Europe. It went to the wall.

Mr. BORAH. Mr. President——

Mr. FESS. Just a moment, if the Senator please.

Another bank went down with it. Then, with these two banks gone, the Anglo-Austrian bank, the third one, went down, and the central empire of Austria collapsed, and Germany was collapsing with it. When Germany announced that she could not make the July reparations payment, it was an announcement of bankruptcy; and the holders of the German securities which were clogging the banks and which had been deposited as collateral for loans realized that they would become worthless overnight; and such a fright as never before occurred in the world took place. It even took Britain off the gold standard, but not until there was mutiny in the navy.

Two days after that Britain went off the gold standard. Austria was down. Germany was about to collapse. Britain was off the gold standard. Money that had been deposited here in America was leaving us; and it looked as if we were about to go off the gold standard, although the distinguished Senator from Virginia [Mr. GLASS] said that in his judgment there was no particular danger of our going off the gold standard, and some others held the same view.

Mr. President, the gold standard or any other standard—the silver standard, the gold and silver standard, bimetallism, symmetalism, or what not—never could have sustained business under such cataclysms. They were the result of the overstimulus created by the war; and we are now in the backwashes of that condition in this country. It will take time to get out from under it.

If anybody wants to know why Europe went off the gold standard, there is the answer. There was no possibility, under such a situation as that, of any government that was in the meshes of it maintaining herself, although France still clings to the gold standard, and four other governments in Europe cling to it. They might about as well be off it. They might about as well have the kind of money that I have here. Somebody yesterday handed me a rubber dollar. I do not know where he got it. [Laughter.]

[At this point Mr. FESS exhibited to the Senate a rubber bill similar in appearance to United States currency.]

Mr. FESS. That is the answer as to why these countries could not stay on the gold standard. The question in my mind is, How long will the abnormal situation produced by those effects continue?

The Senator from Oklahoma [Mr. THOMAS] was almost brutally frank yesterday, and I admire him for it. He gave us the figures, and came to the conclusion which he frankly stated, that he sees no way out of this difficulty except by shaving down in some way the indebtedness under which the world is laboring now.

I recognize as well as anybody does the force of that contention. My only difficulty is as to the method of doing it. If we should take the step of some form of bankruptcy that we could claim was more or less justified by events that could not be controlled, like the forces of war, where so many billions of dollars were totally destroyed, how could we do it without untold injury as well as injustice to a great many citizens who would not be benefited by it but would be seriously harmed by it? What I am pleading for is something different from the rubber dollar that we have.

I do not think this legislation will do it. I do not believe there is any possibility of any substantial recovery outside of starting the industries of the country to employing labor through normal investment and normal employment, and we can never accomplish that by putting the sword of Damocles over the head of every man who wants to take a risk, telling him that we cannot indicate to him what is to be the future if he takes this risk.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. BORAH. Would the Senator advocate going back on the gold standard now?

Mr. FESS. Yes; I would advocate going back on the gold standard. I think we would have to go back on the basis that the dollar has been devalued.

Mr. BORAH. Go back on the gold standard, and have all our money then redeemable in gold?

Mr. FESS. Yes. It is not a question of the money being redeemable in gold. The Senator does not want the gold if he knows he can get it.

Mr. BORAH. I know I might not want it if I knew I could get it, but I am uneasy if I do not know where I can get it. That was the situation when the depression came. The world knew that there was a very small quantity of gold with which to do business and at the first tremor everybody sought gold, and it turned out that Great Britain and France and the United States had all the gold. No wonder the Bank of Austria failed. So purchasing power failed.

Mr. FESS. Mr. President, if that is the theory of the Senator, he will never get what he wants by the pending bill.

Mr. BORAH. I do not expect to get what I want by the bill, but I expect to use it as a starting point to get what I want. This is but the first step.

Mr. FESS. Does the Senator mean by that that he is in favor of the country going on the silver basis?

Mr. BORAH. No; I mean that I am in favor of the country going on the gold and silver basis.

Mr. FESS. How?

Mr. BORAH. I am in favor of going back to the gold standard, restoring silver as money at a ratio which would mean that we would be upon a basis of 16 to 1, taking into consideration the present status of gold.

Mr. FESS. Then the country would be on a silver basis?

Mr. BORAH. No; it would not.

Mr. FESS. Yes; it would be.

Mr. BORAH. It would not. We were on a bimetallic basis until '73.

Mr. FESS. The country would be on the silver basis. Every dollar of gold would go out of circulation if we did that.

Mr. BORAH. Mr. President, in the fact of all history, that is untrue.

Mr. FESS. In the face of all history, that is true. [Laughter.]

Mr. BORAH. Mr. President, let me say just a word further.

Mr. FESS. Very well.

Mr. BORAH. I stated yesterday—and I looked the matter up again last night—that Great Britain was on a gold-and-silver basis for 199 years, both of the metals being used freely in business at a ratio which was established by Sir Isaac Newton. That is one instance in which gold did not leave the country and silver stay.

Mr. FESS. Mr. President, this is the first time I knew the Senator from Idaho stood on the 16-to-1 platform. He did not do so in 1896.

Mr. BORAH. The Senator is mistaken; I did.

Mr. FESS. The Senator did?

Mr. BORAH. Yes.

Mr. FESS. I am disappointed. [Laughter.]

Mr. BORAH. I am sorry to disappoint the Senator, but if it had not been for the discovery of gold in Alaska and in Australia and in the Rand, if it had not been for the supply of gold from those sources, the 16-to-1 proposal would have won, in the end.

The only thing that changed the situation was an increase, by a vast amount, in gold as the circulating medium.

Mr. FESS. Mr. President, "the past rises before me like a dream."

Mr. KING. Some dreams are true.

Mr. FESS. "Did you ever see a dream walking?"

Mr. KING. The Senator presented that the other day, and I thought he was walking.

Mr. BORAH. I have heard a dream talking. [Laughter.]

Mr. FESS. The Senator is unfair. He did not ask me the privilege of saying that, and that is what I was about to say.

Mr. President, I have achieved one thing: We are reviving the interest of 1896. This is a voice of the past. I thought it was stilled forever, although I knew that the moment the country got into a depression the same old thing, though under another name, would be brought forward. We may bury this argument today as deep as it was buried in 1896, and it will sleep only until there is another cycle of distress, then we will hear the nostrums of the money cure-all offered from many stumps in the country.

Mr. BORAH. Mr. President, instead of saying "another cycle of distress", why not say "another result of the single gold standard"?

Mr. FESS. No, Mr. President; if the Senator were wise, he would not make a statement of that kind. We had cycles of depression during the time when we were under bimetallism and during the time we were on the silver basis—cycles of depression then just as we have them now. Cycles of depression are not due to the monetary question. The monetary question becomes a question because of the cycle of depression. It is an effect and not a cause. We will have the cycle of depression as long as we are unable to keep production and consumption within proper limits. One of the arguments our socialistic brethren have always urged is that we have to take control of production in order to insure that it will not go beyond consumption. Otherwise there is depression.

Mr. BORAH. Mr. President, the Senator says we must take control of production.

Mr. FESS. No; I said the Socialists said the Government must take control of production.

Mr. BORAH. As I understand it, the Senator joins the Socialists. [Laughter.]

Mr. FESS. No; I do not. Certainly I do not; not on that.

Mr. BORAH. Then let me answer the Socialists' argument.

Mr. FESS. Very well.

Mr. BORAH. The Senator says that the Socialists, as contradistinguished from himself, believe that the Government must take control of production in order that we may not have more than is consumed.

Mr. FESS. Yes.

Mr. BORAH. At the present time it is pretty well established that 80 percent of the human race are living below the poverty line. Does the Senator think we are producing more than would be consumed if the human race were eating and wearing what they should have?

Mr. FESS. Do not put the argument of the Socialists in my mouth. No; certainly not.

Mr. BORAH. If the Socialist does not answer that, then what is the Senator's remedy for taking care of the 80 percent who are living below the poverty line? The Senator does not claim that it is overproduction, does he?

Mr. FESS. No.

Mr. BORAH. There are 40,000,000 people in this country who are living close to the poverty line.

Mr. FESS. Mr. President, that question is not one which can be determined by legislation. That is a question to be determined by normal laws, common-sense practice of life. If there is more wheat than we can either consume or sell, the remedy is not for the Government to say, "You dare not raise more wheat", but for the man to say, "If I insist upon raising wheat, I will pay the penalty of having no price." That is the solution.

Mr. BORAH. Exactly; but the Senator says "more wheat than we can use or sell."

Mr. FESS. I said if we raised more than we could use or sell.

Mr. BORAH. It cannot be sold to this 80 percent who are living below the poverty line, because they have nothing with which to purchase. They have no medium of exchange. They have no currency. The only medium of purchase they ever had has been taken away from them.

Mr. FESS. The Senator is getting the cart before the horse. It is not currency; it is a chance to work for the currency the 80-percent need.

Mr. BORAH. How can they get a chance unless there is money in circulation in order to create the chance?

Mr. FESS. In other words, if there are 80,000,000 people at work there must be $80,000,000 to circulate?

Mr. BORAH. No; it is not a question of 80,000,000, but there must be an adequate medium of exchange in order to make things move. Nearly half the human race have been deprived entirely of any medium of exchange whatever.

Mr. FESS. How has that happened?

Mr. BORAH. They are living upon a basis of barter.

Mr. FESS. How has that occurred? It is not because the money is not in existence. It is because they have no work for which the money will be paid.

Mr. BORAH. The Senator heard me read a while ago the statement of the president of the Imperial Bank of India. I have on my desk a statement of Sir Montague Webb, who has studied the India question for the last 20 years. He states that the misery and the suffering in India today are owing to the fact that the people were deprived of their money—the silver rupee. He ought to know something about it.

Mr. FESS. Mr. President, he says that; others say that that is not true. I have given the figures here showing that it is not true.

Mr. President, there is no need of the Senator and myself entering into a controversy of this sort. The Senator is asserting that our trouble is the lack of quantity of money. He does not take into consideration the fact that it makes no difference how much money the country has, if it is not used, there is not a chance for the man who lacks work to get work. It is not a question of money; it is the chance to work for the money that we lack today. We have the money.

Mr. BORAH. We have the money? Who has the money?

Mr. FESS. The lack of work is not because we do not have the money; we do have the money.

Mr. BORAH. We have the money? Who has the money in the United States today? Where is this money? It is in the banks. It is in the vaults. It does not circulate among the people. The people cannot get it. Business cannot get it. The banks will not lend it. Who has the money about which the Senator talks?

Mr. FESS. Suppose the Senator were a banker and had the money. How could he get it to the man who wanted to work and could not find work?

Mr. BORAH. Under the system of the Senator from Ohio, I would not do anything. I would do exactly what the bankers are doing; I would be afraid to put the money out. It is the system of which I am complaining, not the individual banker.

Mr. FESS. Mr. President, I do not think I can understand the Senator from Idaho. I insist that he stated that the trouble is not the lack of a chance to work, but that it is the want of a quantity of money that is troubling us. That is an error, if that it what the Senator means to say. We have the money. What the man who is out on the street wants is a chance to work. His capital is his ability to serve, and if he has no chance to sell his ability, no matter how much money we have, are we going to give it to him? The fundamental problem is the problem of setting the money to work.

Mr. BORAH. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. BORAH. The Senator says that the problem is to set the money to work. If the question, Mr. President, as to how to set the money to work can be answered, I think it will shorten this discussion very much.

Mr. FESS. Permit me to ask the Senator a specific question.

Mr. BORAH. I should like to have the Senator answer mine first and then I will have a chance to think over his.

Mr. FESS. All right.

Mr. BORAH. How are we going to set this money to work under present conditions?

Mr. FESS. Just give a breathing spell for a time to the man who would be willing to invest capital in the employment of labor.

Mr. BORAH. What does the Senator mean—give a breathing spell?

Mr. FESS. Mr. President, we are spending $7,000,000,000 more this year than we take in. There is no way to take in any money except by way of taxation. Taxation is limited to the man who is employing labor in business. If he has no assurance that this increased expenditure for government, which has become shocking, is not going to continue to be assessed on him in addition to the already heavy burden of taxes, he will not invest a dollar in business, and he would be a fool if he did. Until we give some assurance to the business man that he will have a chance, so that what he invests will not mean an assured loss, but that he will have some reasonable chance to avoid a loss, he is not going to invest any money either in a new business or in his old business. And it is not difficult to see that he will not.

We are now complaining about the business man. We ask why he does not do this. And at the same time we are charging him with being responsible for the trouble concerning which we are complaining today. I state again that no recovery is possible except the normal recovery which must come from the employment of labor in the normal industries of the country which are producing the things required by the wants of the people. Those industries are not going to be revived unless the man who takes the risk of conducting business, who risks his money in investing the capital in business, knows what he is to meet in the future. No man knows that today. And he is not properly chargeable with the results complained of by many people who are making complaint against him because of his not investing new capital in the employment of labor.

Mr. BORAH. Mr. President, it is undoubtedly true that we are spending a vast amount of money, and it may be that in expending this vast amount of money we are expending some money which ought not to be expended, but I do not see how it would be possible to stop expending this money when we have from ten to twelve million people who would go upon the highway the next day after we cease doing it.

Mr. FESS. It is not possible to stop it.

Mr. BORAH. No; it is not possible to stop it. Therefore there should be no complaint because this money is being expended. It is being expended because it is necessary to save human lives. That part of it we ought to dismiss.

I agree with the Senator that business is not to be assailed for not making long-time contracts, and so forth, because we do not know what is going to happen. But we do not know what is going to happen here, and they do not know what is going to happen anywhere else in view of conditions which now confront us, and until we change our monetary and banking systems we shall never have any different condition, in my judgment, from what we now have.

The Senator spoke about 1896. We had at that time a distressed condition such as we have at present, except that at that time it was not on so large a scale. What was said to be the cause of it? We were told at that time it was because of machinery, overproduction. If one will go back into the record of that time he will find that the same argument was made at that time which is being made now, that our trouble is that machinery is supplanting men; that there is overproduction, and so forth, and so forth. Now what happened? It continued until when? It continued until the gold from Alaska and from the Rand and from Australia began to pour into the coffers of trade, and there was never any revival until that happened.

Mr. FESS. Mr. President, I have heard that many times before.

Mr. BORAH. Does the Senator dispute it?

Mr. FESS. Of course, I dispute it.

Mr. BORAH. Then what did revive trade? What did revive the situation from 1896?

Mr. FESS. Allowing business, which had been largely harmed by the legislation of 1893, which the Senator is well aware of——

Mr. BORAH. The legislation of 1893 had been repealed long before.

Mr. FESS. Oh, no; I am not talking about the Sherman Repeal Act. I am talking about the Roger Q. Mills' Act of 1893, whereby disturbances caused by a change of the tariff schedules throughout the country suspended business for a time until people could recognize what the prices would be. That always happens.

Mr. BORAH. Then, as I understand the Senator, an adequate tariff bill would revive industry at the present time?

Mr. FESS. No; but industry will not be revived by a change of the tariff downward.

Mr. President, I should like to have the Senator from Idaho state, if he could, how he is going to get this money he proposes now to issue to the man who has no work. I should like to know how he is going to get it.

Mr. BORAH. The Senator just complained a few minutes ago that we were spending billions and billions of dollars. No trouble about getting the money into circulation.

Mr. FESS. Will the Senator answer my question?

Mr. BORAH. That is exactly my answer to it.

Mr. FESS. Well, that is no answer at all.

Mr. BORAH. The Government is expending and putting out vast sums of money continually, and it is securing it by means of taxation. The Government could put out any reasonable amount of money it desired; these silver certificates or any other money that it desired.

Mr. FESS. Then the Senator means that when a man is working for the Government he ought not to be paid by a Government check; that he ought to be paid with money instead of a Government check; that we should do away with checks?

Mr. BORAH. Oh, no; not at all, but the Government may place its money on deposit anywhere it desires and have checks issued against it, but there must be money.

Mr. FESS. That is what the Government is doing. That is what it is doing now.

Mr. BORAH. Where is it getting the money?

Mr. FESS. It makes $3,000,000,000 gold by fiat.

Mr. BORAH. Exactly; and the Senator does not complain of that, does he?

Mr. FESS. Yes; I do.

Mr. BORAH. The Senator does?

Mr. FESS. Yes; certainly I do.

Mr. BORAH. Well, I do not.

Mr. FESS. Mr. President, what an argument! Here we have $4,000,000,000 of gold in the country. We put it in the Treasury. In tonight's paper appears the statement of the Treasury's condition this morning, which is that there is $4,000,000,000 of gold in the Treasury.

Tomorrow morning's statement is that it is $7,700,000,000, without a dollar of increase of wealth. And the Senator thinks that is money! The Senator thinks that is wealth! That wealth can be made by decree. If it can be done that way, then for God's sake let us stop all this business, and instead of devaluing the gold at 50 percent let us devalue it again, and instead of it being $7,000,000,000 in the Treasury, let us make it $14,000,000,000; and then devalue it again and instead of being $14,000,000,000 make it $28,000,000,000; and then devalue it again and make it $56,000,000,000; and just go on and create money.

That is a nice kind of an argument. [Laughter.]

Mr. BORAH. Mr. President, the Senator said a while ago that if we had $1,000 in gold it would be sufficient upon which to base the monetary system of the world, so why not——

Mr. FESS. No, Mr. President, I did not say anything of the sort.

Mr. BORAH. I beg the Senator's pardon.

Mr. FESS. Oh, no.

Mr. BORAH. The RECORD will show that that is what the Senator said.

Mr. FESS. Oh, no; the Senator used some figure and asked me whether that would do, and so on.

Mr. BORAH. Well, the Senator said it would.

Mr. FESS. If I did it was just to appease the Senator—or stop him. [Laughter.]

Mr. BORAH. I thank the Senator.

Mr. FESS. Mr. President, I cannot imagine how in the face of what every Senator knows we can listen to this kind of an argument from the Senator from Idaho. Here we have so much money in circulation. The Senator is convinced that we must have more, and he introduces a measure known as the "Borah amendment", to increase the national-bank circulation, without realizing that if we pump additional money out of the Treasury, unless there is use for it, if it goes out it only goes out to displace other money. Take the Federal Reserve System today. I had the statement of the Treasury of yesterday here a while ago.

We have $3,000,000,000 of Federal Reserve notes issued on a reserve of 40-percent gold. I do not understand why the Senator, if he really believes in the quantitative theory of money, does not devote his powers to induce the Government to take this step: We have $3,000,000,000 of Federal Reserve notes today, issued on a 40-percent gold reserve. We have more than $7,000,000,000 of gold in the Treasury. Suppose we should proceed to issue Federal Reserve notes on the basis of 40-percent gold reserve and use the $7,000,000,000 as such reserve, we would increase the Federal Reserve note issue almost two and a half times what it is now. In other words, we could issue $8,000,000,000 of Federal Reserve notes without calling on a single other agency in our governmental system to increase the quantity of money.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Ohio yield to the Senator from Louisiana?

Mr. FESS. Just a moment, if my friend will wait. We could have $8,000,000,000 of this kind of money. Suppose we should do that, what would happen? If we should issue a certain amount of money, that portion of it beyond what is needed would force other kinds of money to retire. Why have we not been issuing additional money? Already we have $13,000,000,000, and yet only a little over $5,000,000,000 are in circulation. Why do we not have $13,000,000,000 in circulation? Is the Government at fault? Is the administration blamable? Certainly not. Money cannot be pumped into business unless there is demand for the work of that money, and the $13,000,000,000 now available are merely resting in the vaults, not because someone is controlling a corner on it, not because there is a gold-standard control, but because there is no need of more money for the work that is now being done. The minute the work which the money can do is increased, the money flows into work, and when the work is lessened the money flows back. That is the basic character of any wise system of money; and we have the finest system of any country in the world today.

Mr. LONG. Mr. President——

Mr. FESS. I now yield to the Senator from Louisiana.

Mr. LONG. The Senator has made a statement which I have made on the floor of the Senate a number of times, that we could issue now from eight to ten billion dollars of money on our present gold stock without inflation. The Senator agrees with that statement, I take it?

Mr. FESS. Yes; I agree with it.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. FESS. I will yield in just a moment. I have before me now the last daily statement of the United States Treasury, which shows that there are outstanding Federal Reserve notes amounting to $3,330,000,000 against which there are $18,871,000 in commercial paper, $364,300,000 in Government bonds, and $3,004,771,000 in gold certificates. Those Federal Reserve notes are issued on a 40-percent gold basis. There could be, of course, a great many more of them issued.

In answer to the question of the Senator from Louisiana [Mr. LONG], $3,300,000,000 Federal Reserve notes are on a 40-percent gold basis, and if we should issue up to the full reserve of $7,700,000,000 gold, the issuance of such notes would go way beyond anything like $7,700,000,000.

Mr. LONG. That could be done today on the basis of 40 cents gold for every paper dollar, and we would still be on a standard monetary basis, as I understand?

Mr. FESS. It could be done, because if they wanted to go even beyond that they could supplement it by Government bonds of which there are now plenty.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. FESS. I yield to the Senator from Kentucky.

Mr. BARKLEY. What the Senator from Ohio says is true only theoretically. It is not true that the Government could issue, based upon the amount of gold now in reserve, amounting to something like $7,000,000,000, sufficient currency to have outstanding money enough to represent all that could be issued on a 40-percent basis. As a matter of fact, before the gold dollar was devalued and the dollar value of gold in reserve was increased, we had never, as I recall, issued all the money that could be issued upon the 40-percent basis computed on the old dollar value.

Mr. FESS. That is because we did not need to do it.

Mr. BARKLEY. Very largely, that is true.

Mr. FESS. That is the only reason. We could have done it.

Mr. BARKLEY. My recollection is that the provision in the Gold Devaluation Act prevents the Government from issuing gold certificates based on gold in reserve, taken over from the Federal Reserve System, except to the Federal Reserve System in lieu of possession and ownership of the actual gold; so that, to that extent, we would be limited in issuing gold certificates or paper money based upon that amount of gold.

Mr. FESS. The Senator is correct.

Mr. BARKLEY. While it is true that theoretically we could issue eight or ten billion dollars more of circulating money, and not go beyond the requirement of 40-percent gold as a basis for every dollar issued, as a matter of fact, that money, under the present system, will not be issued and will not be called for, and the Government of the United States could not issue it except upon the demand of the Federal Reserve Board——

Mr. FESS. Precisely.

Mr. BARKLEY. As a result of the demand from the Federal Reserve banks.

Mr. FESS. From the member banks.

Mr. BARKLEY. In their respective districts, based upon a wider demand for money to be used in commerce and business.

Mr. FESS. That statement is correct.

Mr. BARKLEY. In view of the caution that everybody recognizes is prevailing in all the banks and their unwillingness to make loans because of the fact that they have had their fingers burnt in the last 4 or 5 years, and on the theory that a child, even a banking child, dreads the fire when its fingers have been burnt, does not the Senator believe that the issue of additional money based upon this silver proposition of 25 to 75 might in some way inspire a little more confidence, so that money that is already in existence, in vaults or in banks or wherever it may be, might loosen up somewhat and result in a more rapid turnover of the money that is now in existence and in bringing about a more rapid revival of business?

Mr. FESS. The Senator means that confidence would be inspired because there would be a metallic value in the money that would be issued on a metallic basis?

Mr. BARKLEY. Not necessarily, for there is a metallic value in all our money theoretically, based upon the fact that there are 40 cents in gold back of every dollar that is issued. What I am driving at is, would it not be possible, by reason of the wider utilization of silver as a basis for money, and some advantage coming to the silver nations that might reflect itself in larger purchases of the surplus commodities of the United States, operating as a sort of a priming of the pump, to bring about a loosening of credit and a more rapid turnover of money, so that the indirect benefit of this additional circulating medium might be to bring about a better credit situation and a currency more responsive to the real needs of the country?

Mr. FESS. A direct answer to the Senator is that I think whatever amount of money under this proposed legislation should be issued would force a retirement of that much or comparatively that much of some other kind of money, such as Federal Reserve notes. If we should issue a billion dollars of money such as is contemplated under this bill, my fear is that, instead of having $3,000,000,000 of Federal Reserve notes, we would, in due time, have $2,000,000,000.

Mr. BARKLEY. Of course, as I understand, there is no mandatory increase in the amount of paper money that will be in circulation after the enactment of this bill over what there is at this time.

Mr. FESS. If the Senator will permit me to make a statement with reference to his remark as to there being no mandatory provision, the only thing that would lead me to look with any favor upon this proposed legislation is that it is purely permissive, that it does not command that anything be done. In other words, the President is not under compulsion, any more than he is to proceed under the act which now gives him the authority in an unlimited way, if he wanted to use it, to fix the ratio to suit himself. He has never resorted to it. When that measure was before us I opposed it vigorously because I did not want to give any man such power as that. The President has not used that power and I am of the opinion that he will not use it.

The bill now before us is on exactly the same basis. It does not compel the President to use the power. I wrote to about 20 of my friends over the country asking their opinion as to why there is so little interest in legislation of this character. In nearly every case the answer came back, "I believe it is because of the confidence the people have in the President that he will not use the authority."

Mr. BARKLEY. I appreciate that. I realize that the authority is only permissive. I have not yet been willing to go so far as to say that I would vote for it if it were not permissive. In other words, if the bill compelled him to do it I am not prepared to say I should support it. I realize that in the permissive status, unless he did use it, it might be possible that the only direct benefit coming from the bill would be to increase the price of silver, which would be beneficial, of course, and that would not occur probably except as a speculative venture unless the President did make some use of the power granted by the bill.

I am wondering whether the enactment of legislation of this kind, even though it is not used, or at least not used to any great extent, would tend to revive confidence among other nations than our own to such an extent that they might be in a better position to benefit us by buying larger amounts of our products, both of the factory and of the farm, and in a way, though indirectly, bringing about some revival of our languishing industries.

Mr. FESS. I do not see the connection and how it would bring about any additional confidence. If the bill shall pass, whatever may be done under it, that money will be the only money that is based upon any commodity which has an inherent value. Gold is out of circulation now. It is impounded. Silver would be the basis of the new money and the bill provides that silver certificates shall be redeemable in silver. That, of course, makes it immediately a basic kind of money and it would be the only basic money we would have.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. FESS. I yield.

Mr. WHEELER. I want to correct one statement the Senator made, which was concurred in by the Senator from Kentucky [Mr. BARKLEY], and that is that the measure is entirely permissive. If the Senator will read the bill he will find that the policy is declared by the Congress to be that we shall have 25 percent of our money reserves in silver, and that the President is authorized and directed to purchase silver until our reserves reach 25 percent in silver and 75 percent in gold.

So it is not permissive. The President is directed to do it. It is only discretionary in the matter of the time within which he is to do it. It must be assumed under the provisions of the bill that the President will be given only a reasonable time within which to do what he is authorized

and directed to do under the bill. No other interpretation could be placed upon it except that he is authorized and directed to do it, and must do it within a reasonable time under the provisions of the bill.

Mr. FESS. I thank the Senator. I think he has corrected an error that was made. The original idea was that it was to be purely permissive, and evidently that was what was in the minds of the people to whom I wrote. The almost universal response was that there is no interest in the particular bill in business circles, because it is believed the President will not use the power, as there is no requirement that he shall use it.

Mr. WHEELER. One reason why there is opposition to it will be disclosed to the Senator if he will read an article which appeared on the financial page of the New York Times of yesterday. He will find there an article indicating that certain banking groups in New York met and denounced the bill. But generally I believe the sentiment of the country at the present time is so much in favor of this kind of legislation that that is why he has not heard of any particular opposition.

Mr. FESS. I should like to say to my friend from Montana that I believe the reason why there is no particular interest is that the rapidity with which we are doing heretofore unheard of things has had the effect of absolutely making everybody dizzy. I cannot keep up with them, to say nothing of understanding them, and I believe the public has the same feeling. I doubt whether any kind of a radical proposal would very much arouse the public interest today. That is my honest judgment.

Mr. WHEELER. I agree with the Senator entirely in that statement because of the fact that I believe the people have gone so far ahead of the Senator from Ohio in their views that they have become liberal in their views, whereas the Senator from Ohio has been standing still. [Laughter.]

Mr. DICKINSON. Mr. President will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Iowa?

Mr. FESS. I yield.

Mr. DICKINSON. It was said that if we did certain things we would get certain results. We have liberalized conditions, and yet the results have not come about. So it is said that if we will pass this bill and give permission for certain issues and certain changes in the monetary system certain results will ensue. I am wondering whether the uncertainty which prevails by reason of the proposed change in the law does not more than offset any possible benefit or confidence which may come about under the bill.

Mr. FESS. That is precisely my fear. In other words, we lack in the country today a very essential element which we must have if there is to be any substantial recovery, and that is the element of confidence. So long as every movement is accompanied by a degree of uncertainty, when nobody knows what is going to happen, when people are inquiring "Where are we going?" there is bound to be a lack of confidence. Nobody is going to make any venture under such conditions.

Nobody has any right to complain because no one will venture under those conditions. It is all right for those who never made a dollar in their lives, and who would fail before night if they were to try to stand on their own merits, to tell the world how to do business, but the man who has to face loss without any possibility for recouping is not going to take that kind of advice. Everything that is being done brings about an additional lack of confidence, additional uncertainty. Under the bill now before us we cannot be certain, first, whether anything is going to be done; or, secondly, what will be done, and certainly we cannot be sure of the results of anything that might be done.

Mr. DICKINSON. Let me suggest, as was suggested a few moments ago, that we now have 10,000,000 unemployed and we find the statement creeping into the public press that undoubtedly we are going to be required to face that more or less as a permanent condition.

Mr. FESS. That is my fear.

Mr. DICKINSON. Not as an emergency situation.

Mr. FESS. That is my fear.

Mr. DICKINSON. We will have to find a way by which we can meet the situation and work it out along those lines and under those conditions.

Mr. FESS. That is my fear. Already all through the country people are making demands as a matter of their own right. Their demands today are that we shall appropriate money to keep them. From all over my State demands are coming that we shall vote money from the Federal Treasury to pay off the depositors in the closed banks. I have said to the people who have written me, if under its legitimate functions the Federal Government is to give money out directly for the benefit of the people, I do not know of any way by which there could be a wider use of the money than by employing it in that way.

But when a Senator, for instance, has money tied up in a closed bank, or has money tied up in building-and-loan associations, he naturally asks, On what basis could he demand that the taxpayer shall give, out of the United States Treasury, the funds to pay him off because of his misfortune in having his funds tied up in a closed bank? Yet, the people are demanding it as a right.

The unemployed in many cases regard the Government as responsible for their unemployment, and they demand as their right either that they be given work or else be paid a dole. I repeatedly argued against the dole when it first was proposed. Under the Hoover administration when the question first came up I urged time and again that the dole was dangerous because it was not for the unemployed, but it was for the unemployable. As we increased its use, we increased the number of unemployed and we have now reached the point where it is demanded as a matter of right. Of course, I know we cannot stop it now. We have gone to the point of destroying the local agencies which theretofore had supplied the needs of the communities. With those local agencies destroyed, of course, we have to keep it up. I want to know when it is going to stop and what is to be the outcome of it.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Oklahoma?

Mr. FESS. Certainly.

Mr. GORE. Does not the Senator think that when we decided to start the dole we decided not to stop it?

Mr. FESS. The Senator has stated the situation in a cryptic manner which is beyond my ability to equal.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Idaho?

Mr. FESS. I yield.

Mr. BORAH. I should like to ask those who criticize the starting of this program what they would have done. Would they have permitted the people to starve? The program was not initiated until people were in dire distress, until they could not get work, until want stared them in the face morning and night. What would Senators have done? Would they have refused to have fed and to have clothed and to have taken care of the people under those circumstances? I do not think so. The Senator is talking against an actuality, a thing that existed. It was not a theory. It was a condition and the Government had to meet it. It is having to meet it now. Can the Government at this time stop this program of relief?

Mr. FESS. No.

Mr. BORAH. Certainly not. Well, we might just as well stop it now and let them starve, as not to have started it and let them starve in the first place. It is a condition which the Government will have to meet, and there is no use complaining about it.

Another thing, Mr. President: This idea that by helping the people of the United States we are making them loafers and worthless people I think is a wholly mistaken one. Give them an opportunity to work, and there is not one out of a hundred who would not infinitely prefer to have a

job than to accept charity. It is a condition which confronts them and confronts the Government, and it must be met as it is being met.

Another thing: Senators are saying we must restore confidence. I call their attention to the fact that this depression began at a time when confidence was at its height. I recall a book that was written in 1929, consisting of articles contributed by the great industrialists and financiers of the United States, and the introduction was written by a man who afterward became President of the United States. We were told in that book that we had not reached our industrial height; that we were going to make more and more industrial progress in the United States; and yet in the very midst of that condition, when confidence was universal throughout the United States, when investments were being made everywhere, when business was going forward, the depression began the world over.

Mr. FESS. Mr. President, the Senator from Idaho will very well recall the rather intense controversy which he and I had when, by his aid, this program was launched. I said then, "We are starting something that we shall never stop." I say that now, and the reason why we shall never stop it is seen from the manner in which it is operating.

Let me use as an example a certain town in my State. Up to last year the unfortunate people of that town who had not employment were cared for. Not a single person froze. No one starved. No one suffered to any serious extent. The town took care of all of its people at a cost of $40 a month for one person at the point of distribution. All the work was voluntary. All the supplies were contributed. Nobody thought of charging rent for the headquarters where the community interests were administered. It was all a voluntary effort. It had always succeeded. No one not familiar with a situation of that kind can fully understand what we lose by destroying the community interest which indicates the willingness of those who have to help those who have not.

What happened last year? The first person who come into that town to administer relief was a Government man at $150 a month. He has an assistant at $90 a month, and some clerks. The aggregate salaries run up to $320 a month. The Government pays rental for the headquarters, and the whole thing is Federalized. What had heretofore been done at a total cost of $40 a month, all local, all voluntary, every dollar contributed, the Government is doing at a cost of $320 a month, to say nothing about the cost for rental. That is what happens. There is not a dollar, so far as I know, contributed by the local people. That sort of thing destroys the very best element in our civilization.

Mr. President, that is what we have done; and these social settlement leaders regard it as a great humanitarian movement. Just in the degree that it is so regarded it has become permanent. From now on the Federal Government will be called upon continuously to perform as a duty a function which the community ought to have performed; but we shall never get from under it now. We have destroyed those functions at home, and there is nothing left for us to do but to vote the billions out of the Public Treasury.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. FESS. I yield.

Mr. WHEELER. I think much that the Senator from Ohio has said is correct; but I think he should concede the fact that practically all these local governments have completely broken down. Here is the city of Chicago, one of the richest and one of the biggest cities in the United States, unable even to pay her school teachers.

Mr. FESS. Oh, Chicago could take care of her people.

Mr. WHEELER. Yes, Mr. President; but she did not take care of them.

Mr. FESS. No.

Mr. WHEELER. New York City could take care of her people, but she did not take care of them. Various other cities and States could have taken care of their people, but they did not do so. They could not get the money to take care of them, and there was a complete breakdown.

Mr. FESS. I admit that that element is there. They did not do it, but they could have done it.

Mr. WHEELER. As I say, in the city of Chicago they did not even pay their school teachers. They had to close the fire department in the city of Chicago. The city government was completely broken down long before the Federal Government started in.

Mr. FESS. The Senator states that they could not pay the school teachers, which is true. Does he think we ought to inaugurate the policy of having the Federal Government pay the school teachers of the cities?

Mr. WHEELER. No; I do not think the Federal Government ought to pay the school teachers. I am simply calling attention to the fact that the city governments all over the country were completely broken down. The fire departments were breaking down. The police systems were breaking down. We had a complete demoralization of the State governments, the city governments, and the county governments, which could not collect enough taxes to keep up their organized activities. If the Federal Government had not stepped in and done a great many of these things, I tremble to think what would have occurred in this country.

Mr. FESS. The Senator may be right about that, but I have not felt that there is any community that could not have taken care of its unemployed. What I fear is that we shall add to this sort of thing. We are about to start in on the teachers. There is no doubt about it. The propaganda from my State by the teachers' associations indicates their position to be that education is a Federal matter, and we cannot afford to let the schools be closed, and the Federal Government must come to the rescue in the way of appropriations. I have no doubt that that propaganda will win in time; and that is not all. The Federal Government will be the source from which almost all sorts of funds will be demanded; and tell me where the money is to come from!

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. TYDINGS. I do not wish to take issue with the Senator, but the Relief Administrator was before one of the committees this morning in connection with relief appropriations; and, speaking of one phase of the matter, rural relief, he stated that the Federal Government is now bearing only about 50 percent of the load which it originally carried. In other words, there is a distinct improvement in that field.

Mr. FESS. I am glad to hear that.

Mr. TYDINGS. Many of the other activities in which the Federal Government was forced to engage last fall and winter are diminishing. They are on the downward side. While I do not mean to say that the Senator's remarks are not apt in many cases, it is only fair to say that the relief situation is improving, and not increasing, as to expenditures.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. FESS. I yield.

Mr. DICKINSON. I attended the entire hearing this morning to which the Senator from Maryland has referred. The Senator from Maryland was there for only a short time. I desire to suggest that the Administrator told us that it would take $110,000,000 a month for the entire next year, which is over a billion dollars, to carry on the relief program as the authorities now have it organized.

What I rose to suggest to the Senator from Ohio, however, was that when the States were tabulated—and it does not seem to me that there can possibly be this difference in the capacity of the various States to take care of themselves—it developed that there are some States in the Union in which 99.7 percent of all the money that has been used for relief has been furnished by the Federal Government. There are other States in which less than 15 percent has been furnished by the Federal Government. The percentages run all the way between those two extremes. I do not see how anyone can insist that there is so much difference in the capacity of the different States to take care of them-

selves that there is that variation in the percentage required to take care of the Federal relief problem in the respective States.

Mr. FESS. I thank the Senator from Iowa for his observation.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. FESS. I yield to the Senator from Maryland.

Mr. TYDINGS. While the Senator stated an outside figure, he did not qualify his statement with the fact that the money which the Federal Relief Administrator requested for relief purposes is not to be expended in grants or direct gifts. It is to be used in many cases for loans upon physical property to rehabilitate these people and get them off the permanent relief roll. That constitutes a very large proportion of the amount which the Senator from Iowa indicated.

Further than that, the Senator from Iowa knows, and I know, that the relief load in the large cities of the country is diminishing. The Senator further knows that many of the States have not any credit. There is not a banking house or an investor in the world who will lend them money. Further than that, the Senator from Iowa himself voted the other day for a bill to permit municipalities and counties to go into bankruptcy.

Mr. DICKINSON. Mr. President, let me suggest further that I did not vote for that bill, and I was one of its opponents on this side of the Chamber. I think it was one of the most vicious things this administration has permitted to go through the Senate. I also desire to suggest that the Administrator told us that there are more than 4,000,000 families on relief right now; and the item to which the Senator refers with reference to loans amounted to less than $25,000,000 out of one and one-eighth billion dollars.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. FESS. I yield.

Mr. TYDINGS. If I have done the Senator from Iowa wrong in saying that he voted for the bill, I apologize; but let me point out that his eminent friend and colleague on the other side of the aisle, and of the same general wing with which the Senator usually goes into action, begged and pleaded with us, coming from Detroit, to pass that bill in order that Detroit and other towns in Michigan might have the benefit of it, because he said there was no doubt that if we did not pass the bill they could not raise a dollar and could not liquidate their obligations.

Mr. LONG. Mr. President, will the Senator yield to me?

Mr. FESS. I yield, and then I must continue.

Mr. LONG. Mr. President, the trouble is that there is plenty of food to eat and plenty of things to wear, but we have allowed a few men to have them and have left the balance of the people to starve. These wealthy men will not share their wealth. I have proposed a bill to correct that.

Mr. FESS. Mr. President, in speaking of this very serious problem, I have referred to the administration inaugurating a policy the wisdom of which I doubted, stating that if we began it we could not stop it, though I have a good deal of confidence in what has been suggested, that in all probability those in control are trying to reduce. That is quite important.

I hope also that we will not take lightly the statement that the locality cannot take care of its needs, and that therefore the Government must do it. In other words, there ought to be something of matching appropriations by the localities where the Government is extending assistance. If that is not done, local communities are simply going to say, "The Government owes it to us, and we will depend on the Government." It is a very easy thing to say, "We cannot do it, therefore you must do it." If we yield to that kind of argument, it will be simply too bad for this Nation in the future, because I can see what this is building up among our own people.

Mr. President, on the question of the use of silver as under the Sherman Law, which was enacted in 1890, in substitution for the Bland-Allison Act, which was passed in 1878, the dollar bill was redeemable, not in silver alone but in coin. The obligation that was written on the face of the certificate was, "This note is redeemable in coin", which meant either gold or silver.

But when the holder of a Sherman note came to the Treasury and demanded gold, the Treasury could have said, "This is redeemable in coin, and we will give you silver, but we will not give you gold." It was thought that that discrimination would immediately react in favor of gold, and would at once throw the country on a silver basis. It was that fear which led President Cleveland to call the special session of 1893, and to ask for the repeal of the law. I have never seen a stronger statement made than the statement of the President on that occasion. This is what he said:

> Twice in our recent history we have signally failed to raise by legislation the value of silver.

Please note that the usual argument of all people who are interested in this question is that the legislation will increase the value. I have no doubt that, to the degree to which the Government can make demand for silver there will be an increase in the price, though not in the value, because it will be partially fiat. President Cleveland said:

> Twice in our recent history we have signally failed to raise by legislation the value of silver. Under an act of Congress passed in 1878 the Government was required for more than 12 years to expend annually at least $24,000,000 in the purchase of silver bullion for coinage. The act of July 14, 1890, in a still bolder effort, increased the amount of silver the Government was compelled to purchase and forced it to become the buyer annually of 54,000,000 ounces, or practically the entire product of our mines. Under both laws silver rapidly and steadily declined in value.
>
> Every dollar of fixed and stable value has, through the agency of confident credit, an astonishing capacity of multiplying itself in financial work.

That is a statement which some of the advocates of the quantitative system of money will deny. Let me read it again:

> Every dollar of fixed and stable value has, through the agency of confident credit, an astonishing capacity of multiplying itself in financial work.

That means that if there is a hundred million dollars of business to be done, it is not necessary to have a hundred million dollars in circulation. There would have to be only a small fraction in circulation.

> Every unstable and fluctuating dollar fails as a basis of credit, and in its use begets gambling speculation and undermines the foundations of honest enterprise.
>
> * * * I cannot rid myself of the belief that there lurk in the proposition for the free coinage of silver, so strongly approved and so enthusiastically advocated by a multitude of my countrymen, a serious menace to our prosperity and an insidious temptation of our people to wander from the allegiance they owe to public and private integrity. * * *

President Cleveland made other penetrating comments in his message to Congress of August 8, 1893, when he asked that the silver-purchase provision of the law be repealed. He said:

> The people of the United States are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market of the world. Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized states, nor is it justified in permitting an exaggerated and unreasonable reliance on our material strength and ability to jeopardize the soundness of the people's money.

Mr. President, think of that statement, when President Cleveland said that people are entitled to a sound and stable currency. We have boasted that it mattered not what kind of money we have; that it does not make any difference whether it is the gold certificate or the gold coin; that it does not make any difference whether it is the silver dollar or the silver certificate; that it does not make any difference whether it is the national-bank note, the Federal Reserve bank note, or the Federal Reserve note; that it does not make any difference whether it is greenbacks, limited in amount today, as it has been for years to $346,000,000; it does not make any difference what it is, under the law of 1900 we aimed to make every dollar interchangeable, and the basis was the gold value. It did not make any difference whether any form of that money was in Ohio, New

York, California, Mexico, Patagonia, the islands of the sea, the Orient; it made no difference; it rang sound, 100 cents on the dollar, over every counter of the world.

Now what is it? I displayed a note here a moment ago, a rubber dollar, with no basis, resting on nothing, with no redeeming quality.

There was a consul here the other day who told me that our Foreign Service could not live because, while we talk about the dollar here purchasing so much, over in Europe the dollar is converted into the money of the country where our foreign servants are located, and instead of a dollar being worth in purchasing power what it is here, it is worth whatever the foreign government is willing to give for it in its currency. We were compelled—and it was right for us to do it—to give to the President the authority to make up the difference in the salaries of our Foreign Service between what the American dollar once bought and what it buys now. While it seems an anomalous thing for us to do, we did it, and properly so. We will be called upon to do it for our own citizens in our own country in due time. When the wage earners and the salaried men, representing over 70 percent of our people, undertake to buy goods which are higher priced, owing to the cheapening of the dollar, and find that living costs have advanced 30 percent and wages and salaries remain the same, they will realize the penalty that has been imposed upon our officials in the Foreign Service; they will see what they have suffered, and will ask that some relief be granted to them.

Mr. President, that is the danger of tampering with the basis of a monetary system; and when we start out to say that we are going to enact legislation in order to increase the volume of money on the theory that such legislation is going to make money more abundant for the people of the country, we are very badly mistaken, except where there will be further or increased use for the money. This will happen: In the degree that under this proposed legislation we issue new money, other money now in circulation will be retired, and there is no possibility of keeping it in circulation unless there is work to do. There is no work to do outside of business.

The President proceeds:

At times like the present—

That is 1893—

when the evils of unsound finance threaten us—

And that can be said today—

the speculator may anticipate a harvest gathered from the misfortunes of others, the capitalist may protect himself by hoarding or may even find profit in the fluctuations of values; but the wage earner—the first to be injured by a depreciated currency and the last to receive the benefits of its correction—is practically defenseless.

That is what I am talking about.

He relies for work upon the ventures of confident and contented capital. This failing him, his condition is without alleviation, for he can neither prey on the misfortune of others nor hoard his labor.

Mr. President, that was sound policy in 1893. That is just as sound today. And those words ought to go ringing down the corridors of time as a warning against these new nostrums based upon the unsound philosophy that all that is needed is to print money, or to devalue gold, or to increase the volume, without any regard to the one essential thing—the increase of business or the increase of the work of money.

Mr. President, this bill is, first, a declaration of national policy, to increase the use of silver in our monetary stocks with the ultimate object of maintaining 25 percent of the monetary value in silver and 75 percent in gold.

Second, for the purchase of silver at home or abroad, by the Secretary of the Treasury, to give effect to the declared national policy, at prices not to exceed the monetary value, $1.29 per fine ounce, but at not more than 50 cents per ounce for silver situated in the continental United States on May 1, 1934. Under the provisions of the proclamation of the President dated December 21, 1933, the Treasury Department is authorized to buy at least 24,000,000 ounces of silver newly mined in this country annually, at 64½ cents per fine ounce, pursuant to which authority approximately 6,600,000 ounces have been purchased to date, as reported to me.

Third, for the nationalization of silver, in a manner similar to the recent nationalization of gold, if and when such action is necessary in the judgment of the President, said silver to be coined into standard silver dollars or otherwise added to the monetary stocks and to be paid for in standard silver dollars or currency to an amount equal practically to the bullion value of the silver surrendered, the surplus coin value being retained by the United States, under the term of seigniorage.

Fourth, for the issuance of silver certificates, against any portion of the silver acquired, to be backed at face value by standard silver dollars and silver bullion at monetary value; said silver certificates to be full legal tender.

Fifth, for the control of imports and exports of silver by regulation and licensing and by the imposition of heavy penalties for violations.

Sixth, for a Federal tax, originally as the bill was printed, of 50 percent of the profit on transactions in silver, so as to avoid too much speculation.

Mr. President, commenting upon the bill, as its purpose has now been announced, the present value of gold in the United States, under the new valuation of $35 per fine ounce, is in round figures $7,800,000,000. This amount of gold will permit the issue of $2,600,000,000 monetary value of silver to establish the basis of 75 percent gold and 25 percent silver. Since the present stock of silver, that is, silver certificates, silver dollars, silver bullion, and subsidiary coin, amounts to $1,339,828,000—circulation statement March 31, 1934—it is possible, therefore, under the legislation proposed, to increase the stocks of silver by approximately $1,260,000,000.

It is this figure of $1,260,000,000 additional stocks of silver to which we must give consideration when judging the merits of the proposed legislation.

I know that there is a vast difference of opinion as to whether there is any inflation involved in this legislation. Some people claim there is not any. Others strongly argue that inflation is here.

The present standard silver dollar contains 412.5 grains of silver 0.9 fine; say, 371.25 grains of pure silver. There being 480 grains to the ounce, the amount of pure silver in a silver dollar is coined at the rate of $1.29 per fine ounce. At $1.29 per fine ounce for silver, which is the monetary-value price, the purchase of 976,744,190 ounces of silver would be required to make up the additional stocks of silver to a monetary value of $1,260,000,000.

At 50 cents per fine ounce for silver the total cost of 976,744,190 ounces of silver would be $488,372,095, resulting in a clear profit to the United States of the difference between $1,260,000,000 and the cost of $488,372,095, or $771,627,905.

That is the argument which is offered by the proponents of the bill as an additional inducement why the bill ought to be passed—because there is an actual profit to the Government which will be made exactly as we made a profit by the devaluation of gold. It is a profit that is flat.

At 65 cents per fine ounce the cost would be $634,883,723 and the profit $625,116,277.

At 75 cents per fine ounce the cost would be $732,558,142 and the profit $527,441,858.

Admitting all these facts, it seems to me there is no economic need for such legislation. In the first place, it would be charged that it is in the interest of the silver-producing States, and to that degree is class legislation. However, I do not regard that as a legitimate objection, if it could be shown that by benefiting those States we are not doing an injury to the public at large.

It is stated that if silver should reach a certain price the Government would have the difference in the value between that price and the price originally paid. I do not know how the Government could utilize that value, because there is not to be any sale unless the silver reaches the price of

$1.29, and that sale provision, of course, is put in there so as to prevent the Government's having to pay more than $1.29. If the price of silver reaches that point, the Government could then enter upon the sale of silver and defeat the effort to pile the silver of the world upon the United States; but the question is whether additional currency to the extent of $2,260,000,000, or any part thereof, could be absorbed by business at this time, and whether its issuance would not force out of circulation an equal volume of other currency now in circulation which is redeemable in character, such redeemable currency being principally Federal Reserve notes.

Federal Reserve notes are now outstanding to the extent of over $3,000,000,000, and the amount of currency which would be issued under this bill would almost certainly displace an equal amount of Federal Reserve notes. I think that conclusion is not to be controverted. It has been proved a thousand times, by a thousand experiences, and we never had a better proof of it than the experience we have right now in the United States with twice and a half the amount of money stock as against the money that is now in circulation.

Mr. President, I recognize the force of the argument of those who are espousing this bill on the basis of its giving a new market for silver. I do not agree with those who state that the new market which will raise the price of silver is going to be beneficial to the country at large. I do not believe that it is going to give any additional urge to our foreign trade. All the argument I have heard has been based, I think, upon a false premise. I have tried to take the time to give the figures and to indicate that the claim of those who say that the use of silver is going to enlarge our oriental trade is wholly without foundation.

Mr. President, I am not in favor of increasing, beyond what we already have, facility to add to the monetary stocks of the country. This bill will do it, but it will not be of any value to the country.

I am opposed to the element of uncertainty that is involved in the passage of this kind of legislation. I am not in favor of inflation. I am not saying that the element of inflation is here involved, but there is a possibility of it, and it may so result; it will depend entirely upon what the President may do.

I am not in favor of the contention that there should be given to silver an artificial price and thus enlarge the profit on it, as has been done in the case of gold. I think that is a very unsound and unsafe procedure. It is going further to tie up business, and the difficulty is that we cannot see any bright spot in the future if something is not done to increase the confidence of business so that business may revive.

I am afraid of so much power being put in the hands of any one man. I thought it very unwise to give to the President the power to devalue gold. We limited him to 50 percent, and then later we put a maximum limit on his power in that direction, but if that process is a correct one, then we can devalue again and then again and again. If that is the proper course, that is the easy way to make money.

Here is a proposal that has the same element in it; and there is also written into it the nationalization feature, which will permit the President to impound all the silver in the country. What I want to know, and what every Senator ought to know, with the impounding of all the gold and the impounding of all the silver, and taking both of them out of circulation, what is to be used after that? Is it a suggestion that we are going to have the world find some new currency, based upon the two metals, under the direction of our Government, which has the major portion of gold and silver? That possibility is in this measure. I do not know what may be in the minds of those who are to administer the proposal, but I have a right to know when I vote to give authority how far the authority is going to reach.

Mr. President, there is no finer authority on the subject anywhere in America than Dr. H. Parker Willis, the man who collaborated in the original creation of the Federal Reserve System. I assume that everyone will admit that in the discussion of such problems he is probably the highest ranking expert we have in America. Recently in the Bulletin of the National Association of Purchasing Agents, Dr. Willis discussed the silver problem under the heading Another Perplexing Problem Discussed—Silver. I should like all Senators to examine the statement of Dr. Willis, and I am, therefore, not going to read it, but I ask unanimous consent to have it inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement referred to is as follows:

[From the Bulletin of the National Association of Purchasing Agents, May 23, 1934]

ANOTHER PERPLEXING PROBLEM DISCUSSED—SILVER

By Dr. H. Parker Willis

Silver legislation is apparently once again on the schedule at Washington; at the moment of this writing dispatches indicate that there is certainly a distinct possibility, if not an actual probability, that Congress will act in the matter before going home. Current accounts assert that the measure will be largely "permissive" in character, carefully avoiding any compulsion upon the President to do any specific thing within any given period of time. Yet, if those who are close to the situation in the National Capital are correct in their understanding as to what is likely to be in the law if and when adopted, Congress is planning to lay down a general policy with respect to silver and our monetary system which if accepted and acted upon by the President would have important consequences.

It is likewise true that a great many misunderstandings exist on the subject among those in the business community who are well acquainted neither with the so-called "silver question" as such nor with the true inwardness of the monetary aspects of the problems involved. Apparently there are a good many who suppose, or at the least would like to have the rest of us believe that any significant action taken by the Federal Government in respect of silver would constitute, or result in, a species of inflation much more potent in its effect upon prices both in the stock market and the whole business structure than the type of inflation that has been proceeding unnoticed or unrecognized in our midst for years past. Yet it would be difficult indeed to adduce good evidence in support of any such view. Various other unfounded ideas about the probable effects of silver legislation of the sort now proposed are current. It would be a good thing if the business man would sit down with paper and pencil and figure some of these matters carefully out for himself.

PERMISSIVE AUTHORITY VS. MANDATORY POLICY

Apparently the bill now under advisement would authorize and direct the President to buy silver in the open market until such time as either the price of the metal rose to $1.29 per fine ounce—the price of silver as represented in the silver dollar—or until our metallic monetary reserve consisted of 25 percent silver and 75 percent gold in terms of value. Apparently, however, the President may begin such action at any time in the next decade that may suit him. There is also a good deal of discussion of what is known as "nationalization" of domestically owned silver. By this it is meant that the Government would take possession of all such silver, paying the owner in some one of the several forms of money, possibly silver certificates issued against the silver itself, at a price determined either by Congress or the President. Another feature of current discussion is the idea that the Government would coin all such silver into dollars with the present metal content of such dollars, or else issue silver certificates against it at the present rate of value of the metal for monetary purposes. It is more or less idle at this time to undertake to say whether all these provisions will be embodied in any legislation adopted at this session of Congress or not. What is clear is that the President is already empowered, under the so-called "Thomas amendment to the Agricultural Adjustment Act of 1933", to do any or all of these things at his discretion.

The real question at issue, then, is whether or not the President would accept the "policy" of Congress as expressed in legislation to this general effect as mandatory upon him within reasonable time limits. As to this, no one can give a definite answer except the President, even if he could. Perhaps it would be helpful, however, as an aid to clarity of thought about this whole much-bedeviled subject to assume that the President would act with dispatch in the event of the passage of some such law at this session, and then proceed to estimate the probable results particularly upon the monetary situation and through it upon the price structure.

FIGURE IT OUT

First the facts. They are rather simple. No one knows with any great degree of exactitude what the stocks of so-called "free silver" in this country really are. Silver advocates in Congress expressed the opinion some weeks ago that they did not exceed about 250,000,000 ounces. This estimate has been generally considered as good as any. Since that time the Government is known to have bought some 35,000,000 ounces. Suppose we give the inflationists the benefit of any doubt that may exist, and say that the domestic stocks of silver available for purchase by the Government at the present time are 225,000,000 ounces. Our produc-

tion of the metal in 1933 amounted to about 62,000,000 ounces. Suppose, for the sake of the discussion, it were to rise again under the stimulus of Government buying to 150,000,000 ounces annually, a figure which would be somewhat above the 1929 rate—a rather fantastic assumption, probably, since so much of the production comes from ores refined for other metals. Our net imports in 1933 were slightly less than 100,000,000 ounces, a strange phenomenon for this country. We are normally large exporters of the metal, and in 1929 exported around 100,000,000 ounces in excess of imports. Assume, further, however, that we continued to import silver during the next 12 months at such a rate that another 100,000,000 ounces arrived during that time. Suppose finally that consumption in the arts and industries continues at the 1933 level of some 25,000,000 ounces.

To the existing stocks of 225,000,000 ounces we should then have to add 150,000,000 ounces of domestic production, and 100,000,000 ounces of imports, and must then subtract 25,000,000 ounces to arrive at what one would suppose would be a liberal figure for the silver that would be available to the Treasury during the next 12 months. This gives a figure of 450,000,000 ounces. Now, should the Treasury issue silver certificates for the silver thus acquired at the rate of $1.29 per ounce, it would make possible the issuance of $580,000,000 in silver certificates. Currency in circulation at the present time amounts to somewhat more than $5,300,000,000. Of course, what would happen if silver certificates in the amount already mentioned were issued is that they would simply replace other forms of currency outstanding, leaving as a net effect merely another increase in the already fantastically large excess reserves of the banks. But, even if such substitution did not occur, the addition of another $580,000,000 to the total outstanding currency circulation would still leave the "money in circulation" far smaller than it was at this time last year.

Those who are counting upon "inflation" immediately upon the launching of a program of silver subsidy would thus do well to check over the facts a little more carefully.

ULTIMATE EFFECT DISCOUNTED

Now as to the ultimate future. The establishment of the metallic monetary reserves of the country upon a basis of 25 percent silver and 75 percent gold would, according to Treasury estimates based upon present monetary gold stocks, require the purchase by the Government of something more than 1,300,000,000 ounces of silver. The facts already presented make it clear enough that, regardless of what the policy of the Treasury may be, it would probably take it at least 2 or 3 years to acquire so much silver. Let us, however, concede that it could accomplish this change in our metallic monetary reserves in the course of the next 2 years, and would issue silver certificates at the rate of $1.29 per ounce for all silver purchased. This would mean an addition to the volume of outstanding silver certificates amounting to $1,677,000,000, during the course of the next 2 years. No one need doubt that, unless for some other reason there was a great increase in hoarding, these silver certificates too would merely replace Federal Reserve notes or other forms of currency now outstanding so that, at the end of the period, we should have no more money in circulation than we have now. Of course member bank reserves, which today stand at about $3,700,000,000 and are vastly larger than are being used, would be substantially increased, but experience has shown, clearly enough, that mere excess reserves do not alone produce what most people call "inflation"—that is, enlargement of bank portfolios and rising prices.

Where in all this is there any support for the popular idea that silver legislation of the type now being urged would at once cause a sharp rise in commodity prices?

Of course it need hardly be added that nothing that has been said in the course of this discussion is to be construed as an argument for silver legislation. Far from it. There are many and weighty arguments against such action on the part of Congress and none in favor of it. What has been done in the course of this presentation is merely to give chapter and verse to show that even the "inflation argument" that is currently brought forward in support of silver legislation of the type proposed is fallacious. The real argument or reason behind the effort to "do something for silver" is what an American public man, advocating shipping legislation a generation ago, called "subsidy—just plain subsidy."

Mr. FESS. Mr. President, Dr. Edwin Walter Kemmerer is probably the best authority on the question of silver in the Orient. He made some remarks on the silver plan which were printed some days ago under the heading Economist Says Scheme Will Waste Millions and Weaken Confidence. I ask unanimous consent to have that article inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

[From the New York Sun, May 24, 1934]

KEMMERER ASSAILS SILVER PLAN—ECONOMIST SAYS SCHEME WILL WASTE MILLIONS AND WEAKEN CONFIDENCE

The administration's latest program of doing something more for silver is one more step down the inflation path, weakening confidence in the dollar and wasting millions of dollars in the purchase of useless, dead silver at a time when other nations are selling, not buying, and in a depression when there is a large Government deficit, declared Prof. Edwin Walter Kemmerer, Walker professor of international finance at Princeton and noted monetary authority, in an interview with a Sun reporter here today. Professor Kemmerer was on his way to speak on sound money in Indianapolis.

The President, Dr. Kemmerer said, should stop temporizing with the silverites and cease making compromises which get nowhere, declaring that the steps so far taken for silver had already gone too far and that further steps would be dangerous. Professor Kemmerer, in analyzing the latest silver bill, discussed it from three angles. First, from the standpoint of international agreement on broadening the monetary base; second, whether we need a broadening of that base; and, third, if we did need a broadening of the base, would silver do it? To all these Professor Kemmerer said the answer was no.

Professor Kemmerer observed that there was little interest outside the United States and little interest outside the silver group in the United States broadening the monetary base. Certainly there was no chance of enlisting the interest of the leading nations in any far-reaching international agreement. There has been no bimetallic country in the world since 1873, he pointed out, and the only silver-standard countries are China, Hong Kong, and Ethiopia. China, he explained, is looking forward to the gold standard as soon as political and economic conditions in the country will permit.

LITTLE OUTSIDE INTEREST

Emphasizing his point that there was little interest in the world, outside the silver group in the United States, in broadening the metallic base, Professor Kemmerer said:

"It is significant, in connection with the President's message of May 22 recommending broadening our monetary base by inclusion of 25-percent silver that, in response to a questionnaire recently sent to all members of the American Economic Association, the leading association of American scientific economists, 85 percent replied 'no' to the question: 'Do you favor an increase in the silver base of our currency by additional purchases of silver?' and 95 percent replied 'no' to the second question: 'Do you favor an increase in the silver base of our currency by bimetallism?'

As to the second point, does the country need a broadening of the monetary base, Professor Kemmerer said: "My answer is distinctly, 'No.'" The United States, he declared, now has virtually the same stock of gold it had in the boom times and "even then we had more than we needed." Devaluation of the dollar had changed the ratio of gold to other kinds of money, every old dollar of gold having become $1.69 in new dollars. Referring to the March 31 circulation statement of the Treasury, Dr. Kemmerer pointed out that there was actually today 40 percent more monetary gold in the country than there was of all kinds of money in circulation. In addition to this, he declared that the banks were bulging with unused funds, that excess reserves were 40 times what they were in 1929; that the banks had plenty of paper eligible for discount at the Federal Reserve banks and that the Federal Reserve banks themselves had high unused reserves. In addition the Treasury has large amounts of idle money.

"The country is just glutted with money", said Professor Kemmerer, "but the great trouble is it's not moving. It is not moving because of lack of confidence on the part of the business public in Washington."

Dr. Kemmerer referred to the study of world gold hoarding compiled by the Bank for International Settlements and observed that there was no dearth of gold, but that hoarding during periods of depression temporarily decreased monetary supplies, the metal coming out of hoarding in periods of prosperity. Emphasizing the lack of any shortage, Dr. Kemmerer pointed out that monetary gold in central banks and governments at the end of 1921 was $8,023,000,000 and at the end of 1932 was $10,297,000,000. For the 19 years 1913–32, he said, this world stock of monetary gold increased 144 percent or an annual average of 4.8 percent compared with an annual average increase in physical volume of basic commodities, as estimated by Dr. Carl Snyder, New York Federal Reserve Bank statistician, of 3.15 percent. In 1932 the world's annual production of gold was the largest up to that time in history and the 1933 production slightly exceeded that of 1932. "Under normal conditions", said Dr. Kemmerer, "there will be no need of the world's stock of monetary gold increasing as rapidly as the world's production of basic commodities or its physical volume of business, because of continually increasing economies in the use of gold."

The third point, if one wanted to broaden the base, would silver do it? Dr. Kemmerer said, was answered by the mention of the fact that the chief purpose of redemption of a money in gold was international payments, and since silver was a means of payment in few countries it would not generally be acceptable. Nor would there be any incentive for anybody to redeem silver certificates at the rate of $1 in certificates for about 35 cents worth of silver. Redemption in silver bullion would be inconvenient and unpopular. A reserve that is not actually used for redemption purposes and which does not thereby serve to adjust the supply of money to the changing demands of trade is dead and useless. Such is our silver reserve today held against the silver certificates. Such was the large silver bullion reserve held against the Sherman Treasury notes of 1890, which were largely responsible for the economic crisis of 1893 and such will be the silver reserves now being built up at great expense to the Government. This silver would merely pile up in the Treasury, dead. Dr. Kemmerer said:





"It is a rare occurrence for the public to present silver certificates in any considerable quantities for redemption in silver dollars—the exchange is nearly always in the other direction—and the privilege of redeeming a dollar silver certificate in a silver dollar worth say 35 to 40 cents gold, has no influence whatever in maintaining the gold value of that certificate and will have no such influence unless we inflate our currency to such an extent as to bring the gold value of the certificate down to approximately the gold value of the silver in the silver dollar."

UNITED STATES SHOULD SELL SILVER

With millions of dollars of dead silver on hand, the United States is undertaking to buy more, and buying when other countries are selling. This country, Dr. Kemmerer said, should be selling silver, as India is doing, rather than buying it.

The President, concluded Dr. Kemmerer, today should stand where President Cleveland stood in 1893. "What President Cleveland said then is peculiarly applicable to Congress today. 'The people of the United States', said Cleveland, 'are entitled to a sound and stable currency and to money recognized as such on every exchange and in every market in the world. Their Government has no right to injure them by financial experiments opposed to the policy and practice of other civilized States, nor is it justified in permitting an exaggerated and unreasonable reliance on our material strength and ability to jeopardize the soundness of the people's money.'"

Mr. FESS. On May 24, the leading editorial in the New York Times entitled "This Silver Bill and Others" is a very readable article written by a man who evidently knows the subject. I should like to have that editorial inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The editorial referred to is as follows:)

[From the New York Times, Thursday, May 24, 1934]

THIS SILVER BILL AND OTHERS

Whatever is to be the result of the President's silver message and of the formulated "silver bill", it is already evident that the proposals actually please very few. Some members of the silver bloc recognize grudgingly that a concession has been made to them, but intimate that they have not got what they wanted. In business circles no enthusiasm has been shown for the President's plan, even as an inflation hypodermic. Cotton and wheat, the price of which has often risen temporarily at the idea of silver legislation, have made no response; silver itself has lost ground on the market.

Probably the community at large is merely bewildered. It certainly received little enlightenment from the Presidential message, which contained a good deal of unsupported assertion. Not the slightest evidence has appeared on any hand that the silver agitation, which in 1896 and 1878 stirred whole communities into intense political excitement, has reappeared. If one may judge by the cabled comments, the President's statement that at no time since 1878 have conditions been more favorable for international agreement on a mixed money standard causes only skepticism abroad.

In some respects the present episode has repeated similar past experience at Washington. It is a manifest attempt at political compromise, and in this strongly resembles the ill-fated Silver Purchase Act of the Harrison administration in 1890. That, too, was an era of political dissatisfaction and of rash political experiment; the White House then favored "doing something for silver" because it found that only thus could it insure passage of a higher tariff. It resembles the equally celebrated Silver Coinage Act of 1878 in that large-scale compulsory purchase of silver was on that occasion conceded with the purpose of heading off a congressional demand for outright free coinage of silver with a resultant unlimited increase in the currency.

Both of these older compromise silver acts worked badly. Both resulted eventually in business reaction, embarrassing outpour of gold from the United States. Both were abandoned afterward; none of the benefits promised to the American business situation were realized. As for the Government's own experience with those statutes, the Monetary Commission calculated in 1898 from the Treasury's statistics that the silver bought by the Government under the act of 1878 cost $308,279,000 and that purchases under the act of 1890 cost $155,931,000, which, with cost of transportation, footed up $465,274,000, whereas the market value of the silver thus acquired was $266,769,000 at the end of 1897, indicating loss on the unsuccessful operations of more than 42 percent.

It is doubtless true that loss or waste of public money, in amounts vastly beyond the modest calculations of the nineties, has no such effect nowadays on the public mind as it used to have. Nevertheless, what most impresses thoughtful citizens familiar with our financial history is the seeming lack of knowledge regarding what should be these well-known lessons of the past. Or is it perhaps that our public officials, if not the general public, have come to believe, as they did in 1929, that we are living now in a new era, in which old-time economic rule and precedent no longer apply?

Mr. FESS. Mr. President, one of our recognized authorities on the silver question as well as the monetary question generally is Dr. Neil Carothers, of Lehigh University. He has submitted certain observations on the silver issue. He is professor of economics and director of the college of business administration at Lehigh University. His article appears in the American Bankers' Association Journal for May of this year on the subject "Incredible Silver." It is a very readable article, and I should like to have it inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The article referred to is as follows:

[From American Bankers Association Journal, May 1934]

INCREDIBLE SILVER

(By Neil Carothers, professor of economics and director of the College of Business Administration, Lehigh University)

In all history there has never been anything like this so-called "silver issue." Consider one small detail only: The number of nations that use silver as basic money is a simple matter of known fact. It is reported in every almanac, in dozens of Government documents, in hundreds of books and articles. The Chinese are the only people who use silver, and the Chinese are about one-fifth of the world's population, and have about 2 percent of the world's trade.

What would you think if day after day the papers carried quotations from eminent men saying that buttermilk is the standard money of a third or a half of the world's population, and therefore that a rise in the price of buttermilk would revive the trade of the world? It happens that this absurdity would be a little nearer the truth than the same statement about silver. While neither buttermilk nor silver is used by any economically important part of the world, a rise in buttermilk prices would not affect international trade, but a drastic rise in silver prices would greatly injure China and to that small extent reduce world trade. When able and experienced currency experts are confused about silver, what chance is there for the masses of the people, who get their judgments on the issue from the Reverend Coughlin, Will Rogers, Raymond Moley, Senator Wheeler, Harry Elmer Barnes, and the chairman of the committee for the Nation?

Silver is not a currency issue; it is a political issue. It is not a monetary problem; it is a problem in propaganda. It is not a question of industry or trade; it is a question of the capacity of a democracy to govern itself. Books of a thousand pages have been written on the subject. To an audience of intelligent bankers the story can be told in a thousand words. It will be assumed that you already know that for a single nation bimetallism will not work; that no nation in the world has bimetallism; that the adoption of bimetallism at a ratio favorable to silver will immediately destroy the gold standard; and that international bimetallism is not now a possibility. And one word of warning. To understand the silver question it is necessary to understand the coinage history of this country. If you are not willing to learn this dull and dry page from your country's history, do not venture into this muddy field of sectionalism, propaganda, and political trickery. On the next page there is a brief outline of silver measures. If you do not know exactly what each of these measures did, keep off the radio and the printed page.

For a thousand years the world struggled with bimetallism. One at a time all the nations abandoned it as a failure—England, France, Germany, Russia, Japan, Argentina, Mexico, India, and all the rest, save China. In 1792 Jefferson and Hamilton established our coinage, with bimetallism at a ratio of 15 to 1, solely because at that time every other nation had the same system. It was a complete failure, so much so that in disgust President Jefferson suspended the coinage of the silver dollar in 1806, and its coinage was not again permitted for 30 years. From 1792 to 1834 this country depended almost entirely on bank notes and foreign coins.

In 1834 the ratio was changed to 16.002 to 1 and in 1837 to 15.988 to 1. This is the famous 16 to 1. At this ratio the silver in a dollar was worth, in the next 40 years, from $1.01 to $1.05, and silver could not be coined. The laws of 1834 and 1837 put this country completely on the gold standard. It has been on the gold standard ever since. Because of the gradual exhaustion of foreign coins and the negligible coinage of silver at our mints, the country was gradually starved of all small change. In 1853 Congress abolished bimetallism for all silver coins below the dollar and made them subsidiary, mere "tokens" like copper cents. Through a foolish oversight that later caused a national tragedy an incompetent Congress failed to take any action about the silver dollar, at the time a coinage curiosity, too clumsy to be made subsidiary. In 1869 two Treasury employees undertook a revision of all the scattered coinage laws. In the bill the absolutely unknown silver dollar was dropped from coinage. The bill was before Congress from 1869 to 1873. The dropping of the dollar was occasionally mentioned, but in all those years not one Member of Congress ever questioned it.

Thus we have three essential facts, that bimetallism never was in practical operation in this country, that from 1792 to 1934 our silver coinage has never been used as the Nation's basic money, and that the 16-to-1 ratio has never had any significance in American history. But when in an unguarded moment I turn on my radio on a Sunday afternoon I hear a roaring voice declaring that in 1873 English bankers sent $500,000 to Washington to

bribe Congress to steal from the common people their cherished silver dollars.

One of the unhappiest events in American history occurred in 1874. The price of silver went down. There had been wild speculation in Nevada silver shares, both in and out of Congress. When the world market ratio went above 16 to 1 the silver interests made a discovery. It was that if the law of 1873 had not dropped the silver dollar, a smelting company could take 90 or 95 cents' worth of silver bullion to the mint and have it coined into a dollar. In other words, if they could by political manipulation restore that 16-to-1 ratio, which had never been in effect and was now a dishonest ratio that would destroy the gold standard and American finance, an unearned profit for silver miners could be obtained, for a little while, at the expense of the Nation's solvency. They set about getting this profit through politics, and for 60 years they have never relaxed the effort.

They have never quite achieved bimetallism at 16 to 1. But they have been very near to it. Failing in this attempt, they have managed to bludgeon out of the Government, at intervals, direct subsidies for silver. In every case they have done this under cover of war, depression, or political crisis. In 1878 they got the Bland-Allison Act. This was a simple measure. It merely ordered the Government to buy $24,000,000 to $48,000,000 of silver bullion annually and coin it into dollars. The amounts just equaled the probable output of the American mines. The Treasury flatly refused to buy more than the minimum amount. But the subsidy encouraged production. So in 1890 the Sherman Act contained a provision which, simply expressed, forced the Government to double its purchases.

It is essential to understand the nature of these dollars that were coined from this bullion. They were full legal tender and were coined at the old weight which made their ratio to gold 16 to 1. But the value of silver was falling steadily, and the actual value of the silver dollar was anywhere from 40 to 70 cents. The coins were thus debased and dishonored pieces, forced upon the people by a venal statute. The people would not have them. The population of the West accepted them for "patriotic" reasons, and the southern negroes, at that time unable to read, preferred them to notes. But the bulk of them poured back into the Treasury, alarming the Government. So a clever scheme was devised, to issue a warehouse receipt for each dollar, bury the dollar in the vaults, and pass the certificate out to the people. In this way the Government could get rid of them. If you have a dollar bill in your purse, it is a silver certificate. It entitles you to ownership of a useless and debased coin that has been lying in the dust of the Treasury vaults for 40 or 50 years.

Passing the dollars over to the people did not save the Treasury. The certificates inflated the currency and drove out an equal amount of gold. The financial world became frightened. In the fall of 1893 India went off the silver standard. A wild panic ensued in New York, developing into the tragic depression of 1893 to 1897. The Treasury narrowly escaped insolvency. In humiliation Congress repealed the Sherman Act.

But the silver interests were not through. They reopened the fight for bimetallism. The nonsense about "the crime of '73", Coin Harvey, and the Bryan campaigns were some of the results. By a narrow margin sanity prevailed. In 1900 Congress pledged this country to the gold standard. The adventure in subsidizing silver gave the country a panic and left as a legacy a liability for redemption of over 500 million dead and buried dollars, worth less than 50 cents apiece. This liability, a menace to Treasury solvency, is constantly referred to by the silver bloc as the "auxiliary silver reserve."

In 1918 war conditions drove the price of silver to unprecedented heights. England badly needed silver and bought 270 millions of the dollars and melted them. At one stroke we got rid of one-half of this useless and dangerous mass of dead silver. But in the confusion of war measures the Pittman Act was jammed through. It forced the Government to buy from American silver miners enough bullion to replace every ounce sold to England and to pay $1 per ounce for it. In the ensuing years, when silver was selling everywhere in the world for 65 cents an ounce, our Treasury was buying the metal at $1 and piling the dollars back in the vaults. The actual cash gift to the silver interests, out of taxes, was about $70,000,000. The Government liability recreated was somewhere between $100,000,000 and $150,000,000.

No opportunity for further plunder presented itself until the present depression. President Hoover was hounded mercilessly by the silver bloc, but he resisted them valiantly. Their opportunity came in 1933. So far they have accomplished the following:

(1) A provision permitting the payment of the allied debts in silver.

(2) A provision in the Thomas Act authorizing the President to restore bimetallism at any ratio he thinks best.

(3) A joint agreement between the United States and four other nations to buy a total of 35,000,000 ounces annually.

(4) An order by the President to buy 24,000,000 ounces as our share of the 35,000,000 at a price of 64½ cents an ounce, 21 cents above the market price, the amount just covering the annual output of American mines.

(5) A provision in the gold devaluation law permitting devaluation of the silver dollar in proportion to gold. In simple terms this is equivalent to authorizing a value of $1.66⅔ to $2 for a silver dollar worth, at the present time, even in terms of the devalued gold dollar, about 35 cents.

There is now before Congress an indescribable medley of bills attempting to do something more for silver. One of them calls for bimetallism at 16 to 1, another for the purchase of one and one-half billion ounces. The others attempt to tie up a subsidy for silver with some such issue as the bonus or foreign trade. All except the suicidal 16 to 1 proposal call for the coinage of more debased silver dollars to be piled in the vaults, and the issue of more certificates, mere fiat money, to the extent of the difference between the money value and the bullion value of the silver dollar. It is a question how long the poor old gold standard, already juggled, mutilated, and suspended, can stand the strain.

This is the story of silver in America, a story without parallel anywhere else in history.

This writer has a solution of the silver problem. He recommends that the Government call a conference of the silver interests and offer complete surrender. Ask them what sum in cash they will take to withdraw from politics—and give it to them. Whatever they ask, the bargain will be cheap at the price.

Mr. FESS. Mr. President, in conclusion, let me say that the money question will always be with us. I do not have any hope that there will ever be any solution which will be permitted to be considered as final, but all the world has come to the conclusion that we ought to have a medium of exchange that has the least variableness in its price. In the past gold has served, and in the present gold serves better than anything else. Silver has a greater variableness in its production and also in its price currents. The fact that more countries of the world have confidence in gold than in silver would, it seems to me, certainly make gold preferable to silver, because it has a greater value and the smallest compass. If we could use both under the form of bimetallism, that would be a very welcome possibility, but we simply cannot do that unless other nations agree with us on a ratio. It would be fatal to undertake it alone. We need go no further than a mere attempt to inaugurate such a plan in order that we may know the accuracy of that statement.

It is not enough to say that we have all our gold impounded, and therefore have no basis, and therefore silver will not drive out gold. That is not enough. Whatever be the purpose of those in authority today, we must get upon a proper exchange value basis. We have attempted it by stabilizing the dollar at 59 cents for the time being. We do not know how long that may continue. But the step must be taken, and will be taken before we get out of this depression, to fix a definite value of the dollar upon a gold basis. We will be compelled to do that if we are to get out of the depression. It has not as yet been done.

We are operating today with a rubber dollar. When we go on the gold basis, then business in the world will know on what basis contracts can be made and with what money contractors will be paid. Whatever be the purpose of the administration for the moment, we will be compelled to stabilize on the gold basis because that is the basis which other countries of the world will use. When we do that, then we should not disturb it by legislation of this character.

For that reason, among others, I cannot support the bill.

THE CHACO

[Mr. LONG addressed the Senate in continuation of the speech begun by him yesterday. His speech entire is as follows:]

Thursday, June 7, 1934

Mr. LONG. Mr. President, a letter has been directed to me by the Bolivian Minister, and I suppose it was handed out to the newspapers before it was sent to me, in which he undertakes to assail some of the statements I made on the floor of the Senate last week.

In my statement to the Senate, I said that the Bolivian and Paraguayan Governments are now engaged in war as a result of the agitation for concessions granted by the Bolivian Government to the Standard Oil Co. of New Jersey. I said that the Standard Oil Co. of New Jersey had been granted a large number of concessions by the Bolivian Government on territory which was not owned by Bolivia, but which was owned by Paraguay, a territory which was adjudicated to Paraguay by the President of the United States when he acted as an arbiter between Argentina and Paraguay when the conflict in that country centered about the alliance of Brazil and Uruguay and Argentina against Paraguay.

Mr. President, I send to the desk, to form a part of my remarks, first, a list of the concessions which have been

granted by the Bolivian Government to the Standard Oil Co., comprising 2,418,131.76 acres, and I ask that I be allowed to have this article translated in the RECORD, the translation to be inserted at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. LONG. Mr. President, the territory to which I have just referred comes within the award I have mentioned.

I hold in my hand Moore's International Arbitration History, volume 2. On page 1943 there is contained the award made by Rutherford B. Hayes, and I read the award:

NOVEMBER 13, 1878.

Rutherford B. Hayes, President of the United States of America

To all to whom these presents may come, greeting:

Whereas, pursuant to the fourth article of the treaty of limits between the Argentine Republic and the Republic of Paraguay, of the 3d day of February eighteen hundred and seventy-sixth, it was stipulated that ownership in or right to the territory between the River Verde and the principal arm of the Pilcomayo River, including the city of Villa Occidental—

That was later changed to Villa Hayes, after this award—

should be submitted to the definite decision of an arbitration; and

Whereas by the fifth article of the same instrument, the two high contracting parties agree to select the President of the United States of America as umpire to decide as to the right to possess the said above-described territory; and

Whereas the high contracting parties have, within the stipulated time, presented their invitation to the proposed umpire—

Who was the President of the United States—

which was accepted by him, and have, also, duly presented their respective memoirs, and the documents, titles, maps, quotations, references, and all the antecedents which they judge favorable to their rights, as provided in the sixth and eighth articles of said treaty.

Now, therefore, be it know that I, Rutherford B. Hayes, President of the United States of America, having duly considered the said statements and the said exhibits, do hereby determine that the said Republic of Paraguay is legally and justly entitled to the said territory between the Pilcomayo and the Verde Rivers, and to the Villa Occidental, situated therein, and I, therefore, do hereby award to the said Republic of Paraguay the territory on the western bank of the river of that name between the Rio Verde and the main branch of the Pilcomayo, including Villa Occidental.

In testimony whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done, in triplicate, in the city of Washington, the twelfth day of November, in the year of our Lord, eighteen hundred and seventy-eight, and of the independence of the United States of America the one hundred and third.

R. B. HAYES.

By the President:
[SEAL]

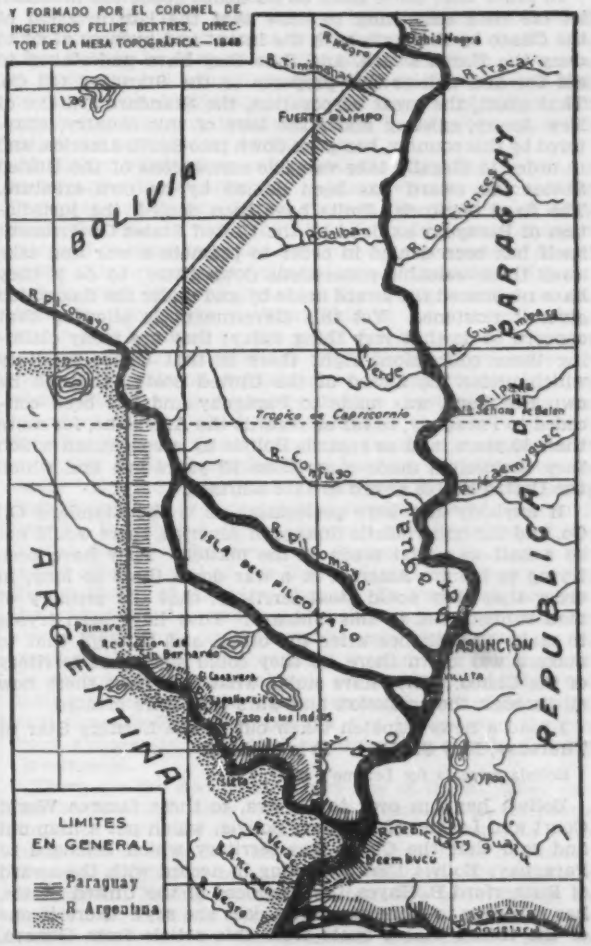
WM. M. EVARTS,
Secretary of State.

Mr. President, the limits of this Chaco territory were therein stipulated, insofar as concerned the southern border, extending northward into the Chaco territory. There was no claimant to the northern part of the Chaco. That part lying between the Pilcomayo River and the Verde River was the only part of the territory that was in contest.

In order to show that this is a most outrageous aggression, that the Standard Oil Co. and the Republic of Bolivia are in the most intense bad faith, that this is a fraud from top to bottom, I present to the Senate a map of this territory, the official map as prepared by the Republic of Bolivia in the year 1848. I want Senators to bear me witness to this, that the award made as the result of the war by Argentina, Brazil, and Uruguay as against Paraguay was made in 1878, and that, as showing why Bolivia was not a party to that war, Bolivia had long before conceded Paraguay's claims as shown by the map Bolivia had caused to be prepared in 1848, and had made its whole preparation and its whole set-up of territory on that basis. Bolivia conceded to Paraguay, as outlined by this map, not only all of the Chaco, now claimed by Paraguay, but it conceded to Paraguay that part of the Chaco lying south of the Pilcomayo River, which was by the Hayes award allowed to the Republic of Argentina, and here is that map.

EXHIBIT Z

MAPA COROGRÁFICO
DE LA
REPÚBLICA DE BOLIVIA
CON LA TOPOGRAFÍA DE LAS FRONTERAS LIMÍTROFES
MANDADO LEVANTAR POR EL EXCMO. SR. PRESIDENTE JOSÉ BALLIVIÁN
Y FORMADO POR EL CORONEL DE INGENIEROS FELIPE BERTRES, DIRECTOR DE LA MESA TOPOGRÁFICA.—1848



Mr. LONG. I read this translation copied from a document:

To avoid any doubts from arising in this respect, the Bolivian Government made an express statement in a valuable document.

The President of the Republic, Don José Ballivián, had at the time entrusted Col. Felipe Nertres, director of the Topographic Bureau, with the elaboration of a map that would show the limits of Bolivia with the neighboring countries, in accordance with the position of the Bolivian Government in these matters.

Bertrés performed the work and published it in 1843 under the title "Chorographical Map of the Republic of Bolivia, with the Topography of the Limiting Borders, ordered drawn by His Excellency the President, Señor Ballivián." In it the limits between Paraguay and Bolivia are shown by a pink, straight line that, leaving Bahia Negra, follows a southwesterly direction until it meets the Pilcomayo River, a little above parallel 23 degrees.

This map, to which reference is made only as a means of proving irrefutably the official criterion of Bolivia regarding the riparian zone of the Paraguay River, placed this zone, as may be graphically seen in the following outline, integrally within Paraguayan jurisdiction.

This map, drawn by and for the Bolivian Government, shows, according to its own contentions, that they are invading territory and trying to give the Standard Oil Co., of America, jurisdiction over this territory, which it is shown not only by the Bolivian map belonged to the Paraguayan

Government but which was, by the award of Rutherford B. Hayes, President of the United States, acting as the umpire, held within the territorial limits and bounds to the Paraguayan Government.

Nothing could be of greater evidence of the bad faith than the fact that the territory thus conceded and awarded has been invaded.

In order that there shall be no doubt about the mischief, let me read something to show that the late invasion of the Chaco by Bolivia is with the intent and purpose afoot to deny the Hayes award, and thus they have undertaken to act for and deliver this property to the Standard Oil Co. That giant, the great corporation, the Standard Oil Co. of New Jersey, existing under the laws of this country, chartered by this country, has gone down into South America, and in order to illegally take valuable concessions of the United States the award has been denied by its own creature. The fixed territorial limits have been denied, the jurisdiction of Paraguay as fixed by the United States Government itself has been denied in order to promote a war and take away those valuable concessions down there; to do it they have renounced the award made by and under the flag which gives it existence. Yet this Government is allowing that concern to do that very thing today; they are today claiming those concessions right there in that Chaco territory which under the award of the United States, through its own President, was made to Paraguay and has been conceded to Paraguay, so far as regards the Argentine, for more than 60 years, and as regards Bolivia by a concession which they themselves made more than 90 years ago and which the United States award of 1878 affirmed.

If anybody else were performing as is the Standard Oil Co. and the imperialistic finance of America, there would not be a half-way trial made of the matter. They have been trying to involve America in a war down there so long, in order that they could steal territory, that the memory of man runneth not to the contrary. They have been trying to make one alliance after the other, and through that to make a war down there, so they could steal that territory of the Chaco. They have stolen what they have there now all through the confusion and wars that were created.

I read a news dispatch taken out of the Evening Star of Thursday, May 31, 1934. It is entitled:

Bolivia appeals for League's aid.

Bolivia has run over to Geneva, to these famous World Court and League of Nations; Bolivia, which put a map out and said that the Chaco was territory which belonged to Paraguay; Bolivia that was living in accord with the award of Rutherford B. Hayes, the President of the United States, has run over to Geneva. What does she say? Here is one of the things that I quote from this article from Geneva, May 31, 1934:

After a survey of the history of the Chaco War and a brief allusion to it as "a war of oil", the Bolivian representative said the fundamental claim of Bolivia is the right to possess the so-called "Hayes zone"—

The right of Bolivia, he said, is to possess this very territory that Rutherford B. Hayes awarded to the Republic of Paraguay. So here is the Standard Oil Co., of the United States, sailing under the title of Bolivia, putting one of their emissaries on a boat and skyrocketing him over to Geneva to renounce the award of the United States of America and to use armed force in invading that territory and taking it away from Paraguay. Why? Because Paraguay has only one-third the number of people there are in Bolivia, and, in addition, Bolivia has the power of finances of the Standard Oil Co., of America. I continue to quote:

The Bolivian representative said the fundamental claim of Bolivia is the right to possess the so-called "Hayes zone"—the arbitral division of the Chaco by President Hayes, of the United States, in 1879.

"Arbitral division of the Chaco"? They say in plain words "We are trying to take away this particular part of this territory which was given by the award of the President of the United States to Paraguay, and it is our right to possess it", so they say. I complete the reading:

Costa Durels declared Bolivia was not able to recognize the justice of President Hayes' decision and, at all events—

Just notice that. "We are not able", says he, "to recognize the award made by the President of the United States." They are not able to recognize it because the United States has a Standard Oil Co. sailing the Stars and Stripes; it has at times called upon the marines to go to the Tropics and shoot the "spigs" whenever the time has been that it would do them any good. Our soldiers have been there time after time, without any declaration of war to justify it, to maintain their concessions. The great Stars and Stripes of the United States are at one time used to maintain these concessions over great oil fields of that country, but, in order to do it, they have to renounce the laws and the treaties and the awards of the United States of the territory. Such a fraud cries out. The blood of murder stains their hands.

So they have this envoy sailing over to Geneva in order to have Geneva give some motion to justify their acts. They wish to have any kind of a superficial atmosphere about their crime, even a claim that there was an involvement, a colloquy, or a controversy, because they could not contend for it, Mr. President, on the basis of their own calculations and admissions and the awards they have either made, invoked, or conceded.

Costa Durels declared Bolivia was not able to recognize the justice of President Hayes' decision and, at all events, Bolivia insisted upon some compensatory award in connection with the allocation of various sections of the Chaco to Paraguay and Bolivia since, he contended, Bolivia had the right to the whole Grand Chaco.

Now, can you beat that? Can you beat that? Can you beat that, that Bolivia comes in and says "We have the right to the whole Chaco." We who did not claim it, we who sat there and saw a war fought over it between Argentina and Paragrauy, we who drew our own map 30 years before they went to war, not only conceding the Chaco that we now claim, but conceding the Chaco that Argentina won, all to Paraguay, we who cannot now dispute it—had no reason to dispute. And they are suddenly enlivened—by what? Who is it that calls and causes Bolivia to renounce the award of the United States? Who is it? It is the United States' own Standard Oil Co. which has gone to Bolivia for the concessions and to finance their war against Paraguay in order that they can destroy their valiant people.

There are only 850,000 Paraguayans alive, Mr. President. When the war started in about the 1870's there were about 1,250,000 Paraguayans. They fought against Brazil and Uruguay and Argentina until so many of the Paraguayan people were exterminated that only 270,000 individuals in that country were alive. Shades of the Spartans at Thermopylae! When they wound up that war there were only 270,000 Paraguayans left out of 1,250,000 Paraguayans, including all men, women, children, and infants.

And so the Paraguayans started again to build up that little country, with only a quarter of a million people straggling and left to live out of the entire one and a quarter million they had to start with. They entered into a treaty based upon the award made by the President of the United States and started out as a peaceful country.

There is a religious colony known as the "Mennonites", formerly located in the United States. Some of them moved up to Canada. Some wanted to locate at a place where they would be guaranteed freedom from compulsory military service. So they made an arrangement with Paraguay and moved into the Chaco. They moved into the Chaco under the title of the Paraguayan Government, and they are in the Chaco today.

It never was claimed by Bolivia that they had no right there; it never was claimed by Bolivia that she had anything to say about what they did with that territory insofar as concerned the grant that was made there to the Mennonites, but today they are right in there, bombing and under-

taking to take the territory away from those people who went in there under that agreement.

I am going to send to the desk and ask to have printed at the conclusion of my remarks the entire article that appeared in the Washington Evening Star entitled "Bolivia appeals for League's aid."

The PRESIDING OFFICER. Without objection, the article will be printed as requested.

(The article appears at the conclusion of Mr. LONG's remarks.)

Mr. LONG. I have the further information, Mr. President, that when the Hayes award was accepted, by a decree of May 18, 1879, 6 months after the award had been rendered and broadcast to the four winds, Paraguay appointed a commission to take possession of Villa Occidental, within the award, and soon Argentina gave up the town to the great rejoicing of Paraguay. Bolivia once more remained silent. There was Bolivia, with her confines established by her own map, a copy of which I have exhibited here on the floor of the Senate, and which I exhibit now, making no pretensions whatever in connection with the matter, but, on the contrary, to all intents and purposes, being a party consenting in advance.

The further data that I wish to submit to the Senate show that there has never been any interest displayed by Bolivia in developing the Chaco. Railroads have been extended in there from centers of Paraguay; they have built up settlements, they have built forts, and have extended transportation lines and facilities. That has all been done in this part of Paraguay, the Chaco. That has been going on with intensifying development there for a number of years, none of which activities were interfered with by Bolivia, and all of which was in accord with the Hayes award, all of which was in accordance with Bolivia's own confines, as shown here by the map of Bolivia itself.

I have a document here published under the authority of the Pan American organization, which represents all the Latin-American countries in Washington, an article which was published at Santiago de Chile in 1933, the article being based upon this book. The article says:

[Translation]

There is another document, emanating no less than from the Bolivian Foreign Office in 1843, which proves how Bolivia did not possess then, nor aspired to have, the territory of the Chaco Boreal. It is the memoire of the foreign office, submitted on April 23, 1843, by the Foreign Minister, M. de la Cruz Méndez, where it says (pp. 6-7): "Just as great is the need of entering into arrangements of similar nature with the Republic of Paraguay, also a neighbor. The Government intends to make a valuable acquisition in benefit of the future progress of the national commerce and industry, obtaining from the Government of the Republic of Paraguay, as well as from that of the Argentine Confederation and that of His Majesty the Emperor of Brazil, the recognition of the free navigation on the rivers that, originating in Bolivian territory and running through those states, empty their waters into the Atlantic; of the Paraguay and Parana Rivers, through the Plata River; and of the Mamoré, Ucayali, and Beni Rivers, through the Marañon or Amazon River.

"The Government does not doubt that those states will gladly accede to so just a demand, persuaded of the great benefit that they themselves will derive from the use of the rivers of this part of America and of the rich territory which they traverse."

This is a memoire published by the Foreign Minister of the Republic of Bolivia.

Mr. FESS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Ohio?

Mr. LONG. I yield.

Mr. FESS. Will the Senator permit me to call his attention to a rule of the Senate that forbids a communication from a foreign government being presented here except through the State Department. That is one of the rules of our body.

Mr. LONG. This is not an official communication of a foreign government.

Mr. FESS. Then it is all right.

Mr. LONG. This is a statement issued by the Foreign Minister of Bolivia, which was a kind of unofficial sounding out of sentiment.

Mr. FESS. I thought it was a communication from a foreign government.

Mr. LONG. No; this is not such a communication. It has been published to a considerable extent. It was what might be called a semiofficial document, such as Japan issued the other day when she was announcing her doctrine.

Mr. FESS. I do not raise the point of order in view of the statement of the Senator.

Mr. LONG. It is none the less a semiofficial publication, and none the less it proves, beyond question of doubt, that after Bolivia in 1843 recognized this territory as belonging to Paraguay, following that, their foreign minister said that he was undertaking to negotiate for a right of ingress and egress over this very territory, which, by his own communication, he says belongs to Paraguay.

In other words, they were engaged, according to him, in undertaking to get an outlet to the navigable waters of the Paraguay and Parana Rivers through the territory of Paraguay, the title to which he himself, by his own statement, said had to come from the Paraguayan Government, as well as the title to egress over other rivers on toward the Atlantic had to come from the Brazilian Government and from the Argentine Government. That kind of communication was issued and heralded to the world for as long as 90 years, and still stood uncontested, until finally there were developed valuable oil deposits down in that territory, upon which discovery immediately Bolivia hastened there our Standard Oil Co., which had been able to make it possible for the Bolivian Government to be accommodated with enormous loans. Immediately it became "an American interest", it is a Standard Oil interest that is today stirring up that trouble and renouncing the award made of that territory by the United States through the President of the United States. The award of Rutherford B. Hayes was issued over the seal of the United States of America. The United States of America, through its President, accepted the appointment as umpire, and that appointment and the award made stood until it was brought into dispute as the result of the agitation fomented through the Standard Oil Co. undertaking to get valuable oil territory and other valuable concessions in the Chaco territory; they could not get such through Paraguay, because the Paraguayan Government, apparently, was not so corruptible as was the Bolivian Government.

There are the documents, every one of them. They cannot be disputed; they cannot be denied. The territorial limits are there set forth, awarded, and conceded to Paraguay. There is no way on earth for them to be questioned. There is nothing to be said except that, the United States Government having awarded the territory to Paraguay, the Bolivian Government recognized the award, as did the Argentine Government, the Brazilian Government, and the Uruguayan Government, which were also bound by that award. Bolivia has now repudiated that award, and fire and flame have burst upon the hemisphere of South America as the result of the criminal, murderous tactics of the Standard Oil Co. of the United States taking titles through Bolivia and thus making a scrap of paper out of the award made by the Government of the United States. That is all there is to it.

It is said that we will bar the sale of arms down there. There is only one way we will ever bar the Standard Oil Co. from having arms, and that is for the United States Government to seize this criminal, this culprit, this murderer, the Standard Oil Co. of which I am speaking; the throat of that outlaw we have christened should be seized while we say to them, "You domestic murderer, you foreign murderer, you international conspirator, you set of rapacious thieves and robbers, who have defied the award made under the flag of the United States and who claim existence under its laws, you thieves, you vandals on this continent, stay out of South America whenever the flag of the United States Government attests an award which must be flaunted to justify your aggression!

This Standard Oil Co. is financing the Chaco war, hoping to get two million four hundred and some odd thousand

acres of territory which they are exploiting down there today, striving for the right to make their way across that land which has been awarded by the United States to Paraguay and conceded by the other interested countries to Paraguay. And the United States is standing "blissfully neutral" while its favored thief, its favored murderer, goes to take advantage of that poor little race of people, of whom there are but 850,000 left, with tens of thousands in their graves. "Blissfully neutral" is this country that awarded that territory to that valiant little race of people, who are now opposed by the finances and resources of this leading giant of criminality, rapacity, and murder! It has not been satisfied with the murder it has done in America; and God knows it has done enough in the United States. It has done enough of that kind of acts in the United States not to go down and involve us in South America. Take the record of this outfit in Colorado. That is black enough. Take its record in Texas, and that is black enough. Take its record in Louisiana, and that is black enough. Take its record in Pennsylvania, and that is black enough.

Take the record it made when it tied up the railroads of the United States of America by forcing an agreement of the railroads not only to give it a rebate on oil of its own which was hauled, but a rebate out of the oil shipped over the railroads by its competitors. That was black enough. But to allow it to assert its sovereignty under the flag of the United States and to take American finances and American sanction and go into a foreign land in order that it may renounce the awards made under the sovereignty of the United States is entirely too black a record to permit it to make. It is beyond the understanding of all sensible reason that it should be allowed to do that kind of thing in that territory today.

It can make a reply, using one of the Bolivian ministers to write a letter to me telling me that I do not understand why they are doing this and that, but here are their declarations in which they say they are not paying any attention to the Hayes award and that they are taking the very territory Hayes gave to Paraguay. No one need be misled. The facts are too clear to admit of any misunderstanding. The question is whether the United States Government will stand for such a flaunt or whether it will do what it ought to do—call its own culprits back and require that they cease intermeddling in foreign affairs.

[From the Washington Evening Star, May 31, 1934]

BOLIVIA APPEALS FOR LEAGUE'S AID—TWO ARTICLES OF COVENANT ARE INVOKED TO END WAR IN CHACO

GENEVA, May 31.—Bolivia appealed to the League of Nations under two articles of the Covenant today to end its war with Paraguay in the Chaco.

This development came at the end of a League Council meeting after representatives of both nations had spoken to the assembled members.

First, Costa Durels, Bolivian delegate, invoked article 13, whereby disputing nations may ask arbitration.

He was answered by Caballero Bedoya, Paraguayan representative, who said: "We cannot allow arbitration to be a snare for the nation's good faith."

Then Costa Durels appealed for a settlement of the dispute under article 15, which authorizes the Council to make recommendations for the settlement of disputes without the vote of the disputants.

AUTHORIZES REPORT

The latter article is a step preceding the possible application of military measures against an aggressor nation. It authorizes the Council to publish a report of the dispute.

If the Council unanimously agrees on its recommendations, the members of the League undertake that they will not go to war with any party to the dispute which complies with the recommendation.

The Bolivian representative announced that his nation was forced to resort to article 15, declaring that Paraguay had failed utterly to bring any hopeful contribution to a plan of settlement.

He said that, on the contrary, the Paraguayan representative had destroyed all hope of regulating the dispute under processes of mediation.

Earlier in the session he insisted that the proposed international arms embargo would mean the "finish" of Bolivia. He charged that Paraguay has a munitions factory.

Durels proposed that the war no longer be treated under the mediation article of the Covenant, but be passed to the arbitral clause, which means that if his demand is granted the dispute will automatically go to the World Court of Permanent Justice for settlement.

INSISTS ON INQUIRY

Attacking the proposed munitions embargo against the warring nations, which the United States has already approved, Durels insisted an inquiry to determine the responsibility for the war should be held first.

Paraguay, he said, in addition to having a munitions factory, would always be able to obtain arms and ammunition by river shipments, whereas Bolivia, isolated from any port, would be unable to do so.

As the session opened Bolivian communications charging that Paraguay was preparing for chemical warfare and that Bolivian prisoners were being murdered were distributed.

After a survey of the history of the Chaco War and a brief allusion to it as "a war of oil", the Bolivian representative said the fundamental claim of Bolivia is the right to possess the so-called "Hayes Zone"—the arbitral division of the Chaco by President Hayes of the United States in 1879.

INSISTS ON COMPENSATORY AWARD

Costa Durels declared Bolivia was not able to recognize the justice of President Hayes' decision and, at all events, Bolivia insisted upon some compensatory award in connection with the allocation of various sections of the Chaco to Paraguay and Bolivia since, he contended, Bolivia had the right to the whole Gran Chaco.

Caballero Bedoya, the Paraguayan representative, replied mildly, denying that Paraguay possessed a munitions factory or resources for the manufacture of war material.

"Paraguay", he asserted, "seeks an immediate and final settlement of the conflict, but, as Edouard Herriot (Vice Premier of France) said, we cannot allow arbitration to be a snare for the nation's good faith."

He added that Paraguay was unable to accept a treaty of peace unless it is accompanied by serious guarantees of solid measures of security.

EXHIBIT A

STANDARD OIL CO. INTERESTS IN BOLIVIA

At the request of this Bureau the Standard Oil Co. of Bolivia has furnished the following report of its activities:

According to clause 16 of the contract between the Standard Oil Co. of Bolivia and the Supreme Government, signed July 27, 1922, the company was obligated to drill, within 7 years, beginning on the date the contract was signed, one well for every 50,000 hectares of the concession, i.e., 20 wells for the 1,000,000 hectares, to which the company hoped to reduce the area of its concessions.

Accordingly, the company did consolidate the area of its concessions, drilling, before July 27, 1929, the 20 wells shown in the following table:

Name of well	Department	Province	Result
Bermejo No. 1	Tarija	Arce	Dry.
Bermejo No. 2	do	do	Oil.
Bermejo No. 3	do	do	Abandoned.
Bermejo No. 4	do	do	Do.
Bermejo No. 5	do	do	
Bermejo No. 6	do	do	Oil.
San Telmo No. 1	do	do	Trace.
Sanandita No. 1	do	Gran Chaco	Oil.
Sanandita No. 2	do	do	Do.
Sanandita No. 3	do	do	Evidences.
Sanandita No. 5	do	do	Do.
Saipuriu No. 1	Santa Cruz	Cordillera	Trace.
Saipuriu No. 2	do	do	Do.
Cambeiti No. 1	do	do	Dry.
Cuariri No. 1	do	do	Do.
Talarenda No. 1	do	do	Oil.
Camiri No. 1	do	do	Do.
Camiri No. 2	do	do	Abandoned.
Camatindi No. 1	do	do	Oil.
Buena Vista No. 1	Chuquisaca	Azero	Water and gas.
Machareti No. 1	do	do	

Total, 21 wells.

Since July 1929 drilling has continued or been started on the following 9 wells:

Name of well	Department	Province	Result
Bermejo No. 7	Tarija	Arce	Drilling.
Bermejo No. 8	do	do	Do.
Bermejo No. 9	do	do	Do.
Sanandita No. 4	do	Gran Chaco	
Caigua No. 1	do	do	Do.
Camiu No. 3	Santa Cruz	Cordillera	Do.
Camridindi No. 2	do	do	Do.
Camridindi No. 3	do	do	Do.
Machereti No. 2	Chuquisaca	Azero	Do.

On June 30, 1930, the company concluded the steps for the conclusion, under the regimen of its contract, of all its concessions, under ownership, renouncing, to this effect, all of its property rights in favor of the State.

The total area of its parcels and concessions, governed by the contract of July 27, 1922, reaches 999,228 hectares, which, as will

be seen, does not exceed the million fixed by the contract, the details being as follows:

Concession	Chart (Ed. Bol.)	Area
		Hectares
Lot 1	353	40,614
Lot 1A	534	2,018
Lot 2	780	89,838
Lot 3	537	3,609
Lot 4	242	181
Lot 5	243	265
Lot 6	538	13,936
Lot 7	791	4,65
Lot 8	770	10,805
Lot 9	541	55,222
Lot 10	787	20,860
Lot 11	782	18,035
Lot 12	786	16,715
Lot 13	251	9,334
Lot 14	252	32,960
Lot 16	545	2,514
Lot 17	546	10,053
Lot 18	547	2,245
Lot 19	257	668
Lot 20	258	6,477
Lot 21	548	2,609
Lot 22	549	439
Lot 24	550	2,987
Lot 25	788	41,040
Lot 26	552	21,078
Lot 27	818	48,481
Lot 27A	554	11,563
Lot 28	657	30,825
Lot 29	509	28,375
Lot 30	577	7,899
Lot 31	558	13,172
Lot 34	559	5,691
Lot 35	560	12,360
Lot 36	561	7,087
Lot 37	761	5,631
Lagunillas	532	66,356
Bonaparte	530	67,662
Damasias 9	276	30,711
Pirapo	556	25,914
Casablanca	277	16,064
Pioneer	275	19,991
Progreso Boliviano	655	20,109
Canalajes	526	3,001
Parapeti	531	64,945
Tacuru	524	53,478
Avacucho	523	12,675
Matilde	789	5,632
Edelmira	817	4,602
Blanca Vilda	815	11,780
Pilgrim's Progress	525	308
San Jorge Tarija	774	2,231
San Jorge Chuquisaca	720	11,695
6 de Agosto	724	372
25 de Mayo	779	2,532
Auxiliadora	654	1,944
Vitiacua	652	32
Camperi	809	4,803
Total		[1] 999,228

[1] Total acres, 2,418,131.76.

ROADS

The company maintains constantly the main road from Yaculba to the north to its farthest operations. Besides, it has built first-class roads to all its settlements in Bermejo, Camatindi, Camiri, Machereti, Sanandita, etc.

Having located a new settlement in the Caigua Canyon, where drilling has been started on the first well, it was necessary to build an exceedingly difficult and costly road. The 9 kilometers of this road, from the main road that goes to Villa Montes, run through the chasm of Caigua and parallel to the same canyon.

There are 850 meters of tunnel, in all, to be built for its final conclusion.

TAXES

Oil taxes paid by Standard Oil Co. of Bolivia, during the year 1929, were as follows:

	Bolivianos
2½ cents per hectare, 1,000,000 hectares of its contract of June 27, 1932	25,000.00
On sundry concessions, owned	1,397.53
	26,397.53
During the year 1930:	
10 cents per hectare on 1,000,000 hectares, as per contract of July 27, 1932	100,000.00
On sundry concessions, owned, incorporated to the 1,000,000 hectares of July 30, 1930	1,944.43
	101,944.43

The Standard Oil must pay in 1931, 150,000 bolivianos as taxes on the 1,000,000 hectares, as per its contract.

PERSONNEL

The personnel employed in the offices of Standard Oil, including laborers (peons), drilling mechanics, etc., on the fields, ranges from 900 to 1,000.

INVESTMENTS

The investments of the company as on August 31, 1930, is as follows:

Investment in concessions	20,297,106.41
Investment in properties (finished wells)	13,688,349.53
Investment in equipment, camps, furniture, and tools	125,475.90
Material and drilling machinery	7,610,243.60
Investment in refinery	91,751.24
Unfinished construction	6,153,178.44
Roads	1,031,540.43
General development	4,955,490.84
Unsettled accounts	257,688.29
Total	54,210,834.68

Report of the General Bureau of Mines and Petroleum, 1930, La Paz, Bolivia. Antenea Printing Office, Crespi Hnos., Comercio Street 404. 1931. Pages, 48 et seq.

[At this point Mr. LONG yielded the floor for the day.]

Friday, June 8, 1934

Mr. LONG. Mr. President, I have been informed that the necessary authority has been granted for the printing of the map I presented yesterday, and, though I had intended to discuss the matter further today, in view of the desire to consider a motion in executive session, I will let the record stand as I have made it.

ADDITIONAL REPORTS OF A COMMITTEE

Mr. CONNALLY, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property (Rept. No. 1345); and

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio (Rept. No. 1346).

ADDITIONAL BILL INTRODUCED

Mr. JOHNSON introduced a bill (S. 3772) to amend an act entitled "An act for the relief of Arabella E. Bodkin", approved May 21, 1934, which was read twice by its title and referred to the Committee on Claims.

EXPENSES OF FORMULATING CLAIMS OF KIOWA, COMANCHE, AND APACHE INDIANS OF OKLAHOMA

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 74) to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes, which was, on page 1, line 3, to strike out "appropriated" and insert "expended."

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate concur in the House amendment.

The motion was agreed to.

TOLL BRIDGE ACROSS COLUMBIA RIVER, OREG.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 3502) authorizing the Oregon-Washington Bridge Commission to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg., which were to strike out all after the enacting clause and insert:

That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, Guy Boyington, judge of the county court of Clatsop County, Oreg., and his successors in office, J. C. Ten Brook, mayor of the city of Astoria, Oreg., and his successors in office, and L. D. Williams, chairman of the Board of County Commissioners of Pacific County, Wash., and his successors in office, all as trustees, are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Columbia River, at a point suitable to the interests of navigation, at Astoria, Clatsop County, Oreg., in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act; and said trustees shall own and hold said bridge in trust for Clatsop County, Oreg., Pacific County, Wash., and the city of Astoria, Oreg.; said trustees being

known as and functioning as the Oregon-Washington Bridge Board of Trustees, and serving without compensation. Said board of trustees is hereby granted the right to assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act.

SEC. 2. There is hereby conferred upon said board of trustees all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said board of trustees is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 25 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

Amend the title so as to read: "An act authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg."

Mr. McNARY. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

BRIDGE ACROSS COLUMBIA RIVER, WASH.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3615) authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington, which was, on page 1, line 6, after the article "a" to insert "free highway."

Mr. DILL. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

JOHN P. LEONARD—CONFERENCE REPORT

Mr. SHEPPARD submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 541) for the relief of John P. Leonard having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

WILLIAM G. BURRESS, DECEASED—CONFERENCE REPORT

Mr. SHEPPARD submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2439) for the relief of William G. Burress, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

PAUL JELNA—CONFERENCE REPORT

Mr. SHEPPARD submitted a report, which was ordered to lie on the table, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

REGULATION OF COMMUNICATIONS BY WIRE OR RADIO—CONFERENCE REPORT

Mr. DILL. I submit a conference report on Senate bill 3285, the communications bill, and ask that it lie on the table. I hope to call it up tomorrow.

(For conference report see House proceedings, p. 10969.)

FORT DOUGLAS MILITARY RESERVATION, UTAH

Mr. THOMAS of Utah. Mr. President, I ask unanimous consent for the immediate consideration of Calendar No. 1337, being the bill (S. 3618) to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah?

There being no objection, the Senate proceeded to consider the bill (S. 3618) to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah, which had been reported from the Committee on Military Affairs with an amendment, on page 3, to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That there is hereby granted to the University of Utah the following-described land, lying within the United States Fort Douglas Military Reservation and adjacent to the site of said university in the State of Utah, namely: Beginning at the United States Government stone monument at the northeast corner of the University of Utah campus; thence running south along the west boundary of the United States Fort Douglas Military Reservation 2,632 feet, more or less, to the north line of Salt Lake City Reservoir site; thence east along said north line of said reservoir site 715 feet; thence in a southeasterly direction 480 feet, more or less, along the boundary of said reservoir site to the southeast corner of said reservoir site; thence east 100 feet; thence north on a line 965 feet from and parallel to the west boundary of the United States Fort Douglas Military Reservation 3,144 feet, more or less, to a point which is 965 feet east and 50 feet north of the point of beginning; thence west 1,120 feet to the west boundary of the United States Fort Douglas Military Reservation; thence south 50 feet; thence east 155 feet to the point of beginning.

SEC. 2. That any and all right, title, or interest which the United States now has in and to the above-described land, be, and the same hereby are, released and granted to and vested in the State of Utah and the University of Utah, and this act shall be deemed a conveyance in fee simple of the said land: *Provided*, That the State of Utah or the University of Utah shall improve the said property and maintain the same for university purposes, and not otherwise, and that in case said land shall be abandoned by the State or the University of Utah for said purposes the said

land and all improvements thereon shall revert to the United States: *Provided further*, That the State of Utah or the University of Utah shall construct within 3 years and perpetually maintain a roadway along the eastern boundary of the above-described land hereby granted to the State of Utah and the University of Utah: *Provided further*, That the grant of said land shall in no manner carry with it any right or title in or to any portion of the waters of the Red Butte Canyon Creek: *And provided further*, That there is reserved to the United States the perpetual right to maintain, alter, rebuild, and enlarge the sewer which runs from the Fort Douglas Military Post across said tract of land, or to construct, and maintain a new sewer system across the same, should it be or become desirable to do so: *And provided further*, That there is reserved to Salt Lake City, a municipal corporation organized and existing under the laws of the State of Utah, a perpetual easement and right-of-way for the operation, maintenance, repair, and renewal of the conduit and pipe line as now constructed over and upon the Fort Douglas Military Reservation in said State, the same being connected with the water-supply system of the said city; and also for the construction, operation, maintenance, repair, and renewal of all valve houses which may be deemed necessary in connection with said pipe line: *And provided further*, That the University of Utah shall erect and maintain a suitable fence between the military reservation and the tract granted.

Mr. McNARY. Mr. President, will the Senator from Utah make a brief statement as to the purpose of the bill?

Mr. THOMAS of Utah. Mr. President, the bill provides for granting to the University of Utah a strip of land of about a thousand feet which is no longer of use to the military reservation. The bill has the approval of the War Department, the Secretary of War, the Bureau of the Budget, and also has the approval of the Committee on Military Affairs.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PUBLIC-PARK LANDS, SOUTH DAKOTA

Mr. NORBECK. Mr. President, from the Committee on Public Lands and Surveys I report back favorably without amendment the bill (S. 3741) to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes, and I ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas it has been the policy of the United States to set aside and maintain for public-park purposes areas of the public domain having striking and unusual scenic features and which are more valuable for park than commercial purposes; and

Whereas the State of South Dakota is the only State in the Union that has set aside and maintained as a public park an area which, in point of scenic beauty, unusual features, size, and development, compares favorably with the better class of national parks; and

Whereas said park contains 60,000 acres which are owned by the State of South Dakota, but which are exclusively devoted to the use and benefit of all the people of the United States without discrimination, but which are separated into two areas by intervening national-forest lands; and

Whereas the procurement of additional lands is necessary to consolidate and enlarge said park into an ideal park unit of approximately 100,000 acres, which the State of South Dakota agrees to maintain in perpetuity for public-park purposes; and

Whereas said State has expended $300,000 in the construction of highways through forest lands now attached to said park for game purposes without material contribution from the United States; and

Whereas division of administration and control is not conducive to a proper and ideal development of the area as a public playground and recreational region: Therefore

Be it enacted, etc., That upon the conditions hereinafter set out there be, and is hereby, granted and conveyed to the State of South Dakota for public-park purposes the publicly owned forest and other lands included in the following Presidential proclamations, with certain exceptions hereinafter referred to, aggregating approximately 40,600 acres, to wit:

(a) The proclamation of the President of October 9, 1920 (41 Stat. 1805), made in pursuance of the act of June 5, 1920 (41 Stat. 986), covering the following-described land:

In township 2 south, range 4 east, Black Hills meridian, all of those parts of sections 22 and 27 lying east of the right-of-way of the Chicago, Burlington & Quincy Railroad, north half section 35, sections 23, 24, 25, 26, and 36; in township 2 south, range 5 east, Black Hills meridian; south half sections 7, 8, 9, 10, 11, and 12, all of sections 13 to 33, inclusive; in township 2 south, range 6 east, Black Hills meridian; south half sections 7 and 20, southwest quarter section 21; west half sections 28 and 33; all of sections 18, 19, 29, 30, 31, and 32; in township 3 south, range 5 east, Black Hills meridian; sections 3, 4, 5, and 6.

(b) The proclamation of the President of January 8, 1925 (43 Stat. 1981), made in pursuance of the act of June 7, 1924 (43 Stat. 632), covering the following-described land:

East half section 13, township 2 south, range 4 east; south half sections 2, 3, 4, and 5, and the north half sections 8, 9, 10, 11, and 12, township 2 south, range 5 east; north half section 7, section 8, south half section 9, section 16, section 17, north half section 20, north half and southeast quarter section 21, west half section 27, east half section 28, east half section 33, section 34, and west half section 35, township 2 south, range 6 east; north half section 1, township 3 south, range 4 east; southeast quarter southeast quarter section 21 south half section 22, north half north half section 27, township 3 south, range 5 east; sections 1, 2, 11, 12, 13, 14, 23, 24, 25, and 26, township 5 south, range 5 east all of the Black Hills meridian, except the east half of southwest quarter, and the southeast quarter of section 26, and south half of section 25, township 5 south, range 5 east; north half of section 7, north half of section 8, south half of section 9, all of section 16, and north half of section 21 township 2 south, range 6 east, Black Hills meridian.

(c) The proclamation of the President of January 14, 1929 (45 Stat. 2985), made in pursuance of the act of June 7, 1925 (43 Stat. 632), covering the following-described land:

South half section 21, north half north half section 28, township 3 south, range 5 east, Black Hills meridian.

(d) All the above-described lands, when conveyed, are to be and become a part of the enlarged Custer State Park in the State of South Dakota. The grant and conveyance herein provided for shall be conditioned upon (1) the perpetual use of all the lands herein conveyed for park purposes by the State of South Dakota; (2) the said State maintaining in perpetuity for park purposes not less than 100,000 acres to be comprised of the present Custer State Park and the lands herein conveyed: *Provided*, That this grant shall not include any land which on the date of the approval of this act is covered by any existing bona fide right or claim under the laws of the United States, unless and until such right or claim is relinquished or extinguished.

(e) The State of South Dakota shall have the right to acquire by contest, relinquishment, or purchase any valid mining or other claim now existing therein.

SEC. 2. That existing contracts entered into by the United States Forest Service for the cutting of timber upon the lands described in section 1 shall remain in full force and effect and shall be carried out and administered by said Service under the direction of the Secretary of Agriculture.

Timbering as carried on by the United States Forestry Service, under existing regulations, may be continued by the Department of Agriculture within the areas above described after such lands are formally transferred to the State of South Dakota, but no contract for the cutting of timber shall be made which will permit the removal of timber after the expiration of 7 years from effective date of this act: *Provided*, That the scenic beauty along highways and trails shall be preserved, and no timber adjacent thereto shall be cut without the consent of the State of South Dakota.

SEC. 3. That such special-use permits as are in force at the time of the actual transfer of the above-described lands to the State of South Dakota covering cabin sites upon which substantial improvements have been made shall continue in force so long as such sites shall be used by the permittees then occupying the same for the purposes and in the manner specified in such permits, subject to such reasonable annual fees, rules, and regulations as the State of South Dakota may impose.

SEC. 4. The United States reserves all coal, oil, gas, or other minerals in the lands conveyed under this act with the right, in case any of the conveyed lands are found by the Secretary of the Interior to be more valuable for minerals therein than for park purposes, to provide by special legislation for the disposition and extraction of the coal, oil, gas, or other minerals therein: *Provided*, That in passing such legislation due regard shall be had for the rights of the State of South Dakota in the premises.

SEC. 5. In the event of the failure on the part of the State of South Dakota to maintain the above-described lands for public-park purposes the title to the lands granted by this act shall revert to the United States, and the Secretary of Agriculture and the Secretary of the Interior are hereby authorized to determine the facts and report to the President, who may then declare a forfeiture and reversion, whereupon such lands shall be restored to the public domain.

SEC. 6. That the State of South Dakota shall cut no timber in the Rushmore Reservation, within which the National Rushmore Memorial is located, but shall maintain the same in its natural state and in its present wilderness condition and protect it against forest fires. The Rushmore Reservation contains 1,420 acres and is described as follows:

In township 2 south, range 6 east, Black Hills meridian, the northwest quarter southeast quarter and north half southwest quarter section 8, the south half and the southwest quarter northwest quarter section 7, the northwest quarter and west half southwest quarter and northeast quarter southwest quarter and west half northeast quarter section 18, the west half northwest quarter and southwest quarter northeast quarter northwest quarter and northwest quarter southeast quarter northwest quarter section 19; in township 2 south, range 5 east, Black Hills meridian,

the east half southeast quarter and southeast quarter northeast quarter section 12, the northeast quarter and north half southeast quarter and southeast quarter southeast quarter section 13 and east half northeast quarter section 24.

SEC. 7. That the grant and conveyance of the lands described herein from the United States to the State of South Dakota shall become effective when the conditions herein are accepted by the State of South Dakota. The President shall then issue a proclamation declaring that the conditions precedent herein required have been complied with, whereupon said conveyance shall be and become complete, subject to the conditions provided in this act.

The preamble was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1358. An act to provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery at Fayetteville, Ark.;

S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes;

S. 3211. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 3540. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933;

S. 3640. An act granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.;

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H.R. 5334. An act to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226);

H.R. 6675. An act to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service;

H.R. 7082. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356);

H.R. 7098. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer;

H.R. 7317. An act to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party; and

H.R. 7711. An act to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The PRESIDING OFFICER laid before the Senate a message from the President of the United States submitting sundry nominations in the Army, which were referred to the Committee on Military Affairs.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on Commerce, reported favorably the nomination of Eugene Carlson, of Virginia, to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

He also, from the Committee on the Judiciary, reported favorably the following nominations:

William F. Burguson, of South Carolina, to be United States marshal, eastern district of South Carolina, to succeed Allen B. Kale, resigned.

Reuben Gosnell, of South Carolina, to be United States marshal, western district of South Carolina, to succeed Arthur N. Sifford, appointed by court.

Frank K. Myers, of South Carolina, to be United States district judge, eastern district of South Carolina, to succeed Ernest F. Cochran, deceased.

Mr. McCARRAN, from the Committee on the Judiciary, reported favorably the nomination of Joseph R. Jackson, of New York, to be Assistant Attorney General, Customs Division, to succeed Charles D. Lawrence, resigned.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Col. Percy Poe Bishop, Coast Artillery Corps, to be brigadier general in the Regular Army from October 2, 1934, vice Brig. Gen. Julian R. Lindsey, to be retired from active service September 30, 1934.

Mr. TYDINGS, from the Committee on Territories and Insular Affairs, reported favorably the nomination of Arthur A. Greene, of Hawaii, to be secretary of the Territory of Hawaii, vice Raymond C. Brown.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

THE CALENDAR

COMMISSIONER OF EDUCATION

The PRESIDING OFFICER. The calendar is in order.

The Chief Clerk read the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education.

Mr. ROBINSON of Arkansas. Mr. President, I understand the Senator from Iowa [Mr. MURPHY] desires to be present when the nomination is considered. Let it be passed over for the present.

The PRESIDING OFFICER. The nomination will be passed over.

THE JUDICIARY

The Chief Clerk read the nomination of Fred A. Isgrig to be United States attorney for the eastern district of Arkansas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Virgil Petty to be United States marshal for the eastern district of Arkansas.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask unanimous consent that nomination of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered. That concludes the calendar.

NOMINATION OF REXFORD G. TUGWELL—MOTION TO DISCHARGE

Mr. ROBINSON of Arkansas. Mr. President, I ask the Senate to proceed to the consideration of the motion to dis-

charge the Committee on Agriculture and Forestry from further consideration of the nomination of Rexford Guy Tugwell to be Under Secretary of Agriculture.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Arkansas.

Mr. SMITH. Mr. President, I think this question is of sufficient importance to make desirable as full an attendance as it is possible to have. I should like to have the roll called so that my colleagues on both sides of the aisle may be present when the matter is discussed. Therefore I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Kean	Robinson, Ark.
Ashurst	Couzens	King	Robinson, Ind.
Austin	Cutting	La Follette	Russell
Bachman	Davis	Lewis	Schall
Bailey	Dickinson	Logan	Sheppard
Bankhead	Dieterich	Lonergan	Shipstead
Barkley	Dill	Long	Smith
Black	Erickson	McCarran	Steiwer
Bone	Fess	McGill	Stephens
Borah	Fletcher	McKellar	Thomas, Okla.
Brown	Frazier	McNary	Thomas, Utah
Bulkley	George	Murphy	Thompson
Bulow	Gibson	Neely	Townsend
Byrd	Glass	Norbeck	Tydings
Byrnes	Goldsborough	Norris	Vandenberg
Capper	Gore	Nye	Wagner
Caraway	Hale	O'Mahoney	Walcott
Carey	Harrison	Overton	Walsh
Clark	Hatch	Patterson	Wheeler
Connally	Hatfield	Pittman	White
Coolidge	Hayden	Pope	
Copeland	Johnson	Reynolds	

Mr. LEWIS. I regret to announce that the Senator from California [Mr. McADOO] is detained from the Senate by illness.

I also desire to announce that the Senator from Wisconsin [Mr. DUFFY], the Senator from Florida [Mr. TRAMMELL], and the Senator from Indiana [Mr. VAN NUYS] are unavoidably detained.

The VICE PRESIDENT. Eighty-six Senators having answered to their names, a quorum is present.

Mr. SMITH. Mr. President, this matter has assumed such a phase that I think it my duty, as Chairman of the Committee on Agriculture and Forestry of the Senate, to review the facts and then let my colleagues decide whether or not this procedure is the proper one.

Some time in the late winter or early spring there was sent to me by the Secretary of Agriculture a joint resolution proposing the creation of the position of Under Secretary of Agriculture. It was accompanied by an explanation of why he wanted this additional official.

I will state here and now, so that it need not be repeated, that having been associated with that Department since I have been in the Senate—for 25 years—I did not think an Under Secretary was necessary. Of course, that was my own personal opinion, but I intended to submit the matter to my committee, as it was my duty to do. I not only did not think an Under Secretary was necessary but I did not like the idea of America aping certain procedures of Great Britain.

However, we had a vast accumulation of very important legislation. I called the committee together from time to time, as every member here will testify. The matter was not long delayed; but I had expressed myself unofficially to certain individuals who were interested, as I have already expressed myself here, to the effect that I did not think an Under Secretary was necessary, especially in view of the fact that the Secretary of Agriculture had informed me that the appropriation for that Department had been considerably decreased, and functions which theretofore had been discharged by it had been turned over to other departments. That statement confirmed my belief that an Under Secretary was not needed.

Before I had time to lay the proposal before my committee, however, unless I had precipitately done so, I found that it had been handed to another committee, I believe the Committee on Appropriations, and had been introduced as an amendment or a rider to a bill that was handled by this other, foreign committee, and that the bill had been passed and signed by the President before a single member of my committee, save one, knew a thing about the inclusion in the bill of this amendment.

Mr. President, the matter of creating the office of Under Secretary—who, according to the functions he was to discharge, was to be tantamount to another Secretary of Agriculure—was taken in charge and passed upon by another committee than the committee having jurisdiction of it, and passed the Senate at a time of which I was totally ignorant, and of which, to my astonishment, every member of my committee save one was ignorant, and the President signed it, and it became law. That, of course, was done with due respect to the Agricultural Committee. The most important function that could be granted to that committee was taken away from it, and the creation of this office was railroaded through by another committee, and it became law without those who are charged with that responsibility having an opportunity even to discuss it and advise this body as to whether it was wise to appoint an additional Secretary of Agriculture, with $2,500 per annum added to the salary of the man who since then has been nominated for the position.

I said nothing about that, except that I did state to some newspaper men that I proposed to introduce a joint resolution to repeal that part of the appropriation bill which was enacted without the knowledge or consent of the committee to which the subject matter rightfully and legally belonged.

That was number 1. I suspected then, and I was confirmed in my opinion later, that Mr. Tugwell would be the Under Secretary. His name was sent to the Senate. I was opposed to him then, and I am opposed to him now, and I proposed to use every effort that was legitimately within my power to keep him from being Under Secretary.

It is my duty here and now to say that I know nothing of Mr. Tugwell personally. I have met him only casually once or twice. I have no personal feeling toward him as a man. I do insist, however, that the Under Secretary and the Assistant Secretary and the others who are to discharge the administrative and executive functions of the Agricultural Department should be men of the soil, who understand the problems that confront the farmer, and which nobody except a practical farmer can understand.

Every man within the sound of my voice knows that a man who has been trained technically may be put where the machinery which has revolutionized our whole economic system is fabricated, and he may be so acquainted with the mechanism that he can step from the schoolroom into the actual shop and manipulate the machinery. Why? Because it is man-made, man-controlled, and man-managed.

I desire to state here that so far as Professor Tugwell's academic acquirements are concerned I congratulate him on his attainments. I am the last man to inveigh against academic training. I think it is essential.

Mr. LONG. Mr. President——

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from South Carolina yield to the Senator from Louisiana?

Mr. SMITH. I do.

Mr. LONG. Before the Senator discusses Mr. Tugwell, I should like to ask him to state what has been done in the committee and what effort has been made to have the committee pass on the matter.

Mr. SMITH. I am coming to that. Just give me a little time. I shall discuss that. I desired first to clear myself of having any personal feeling toward Mr. Tugwell. Why should I have any such feeling? He has certain theories which he has voiced in his writings and in his books. I have no objection to Mr. Tugwell's entertaining them to his heart's content, and publishing them where he pleases, and holding on to them with the tenacity of a fanatic; but I do object to his trying them on those I represent.

I shall discuss, before I am through, the radical and irreconcilable difference between natural production and artificial production; but the name of Mr. Tugwell came before our committee. Of course, I was opposed to his

confirmation. The fact is, I am opposed to the creation of the office of Under Secretary of Agriculture. We met more than a dozen times after the nomination was sent in, and not a member of the committee moved to take it up for confirmation.

Let me state that the Senator from Montana [Mr. WHEELER] one morning suggested—merely suggested—that we consider Mr. Tugwell. I objected to the suggestion. It had more or less the appearance of a joke, the Senator from Montana seeming to take great pleasure in seeing the zeal with which I opposed even the suggestion.

Subsequent to that the Senator from Alabama [Mr. BANKHEAD] mentioned one morning the fact that perhaps we had better consider it. He did not make a motion. I think that was out of respect to the chairman and his feelings, but he did not make the motion, and I was delighted that he did not do so. Opposed to the nomination as I was, I would have been a stupid ass if I had encouraged members of my committee to do what I was trying to keep from being done. I have no apology to make. But had any member of my committee moved to take up the nomination I would have acceded. No such motion was made either in the committee or out of the committee.

I have not quite told all that happened. One day my good friend, the Senator from Nebraska [Mr. NORRIS], out of the kindness of his heart and out of the abundance of his experience, related to me how he had passed through Gethsemane, but had held his temper and held his equanimity. Well, I was delighted to have that expression from my colleague, of whom I am very fond, but his experience, and the manner in which he met it, was GEORGE NORRIS'; my experience, and the manner in which I met it was E. D. SMITH'S, and I have met things in the way I have thought right, and I shall continue to follow that course.

Mr. McGILL. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. McGILL. The Senator has stated what certain members of the committee have had to say in the committee room. I do not know whether what I have said was uttered in committee meeting or not; I think, however, it was. I do recall very definitely having stated to the chairman of the committee, and to some other members of the committee, that it was my view that Professor Tugwell should be brought before the committee and given a hearing, that the members of the commitee who had questions to ask should be allowed to propound them to him, and that he should be permitted to make any explanation which he had to make concerning any objections which might be interposed. I think I made that statement in the committee meetings.

I feel, however, in justice to the chairman of the committee, that it should now be stated that insofar as I know—and I believe I attended each and every one of the committee meetings—no motion was ever made by any member of the Committee on Agriculture and Forestry to bring the nomination of Professor Tugwell up for action by that committee.

Mr. SMITH. I thank the Senator. I think I have done Mr. Tugwell a favor in not calling him in and having him questioned. That may be necessary, and I am perfectly willing, at any time when the members of my committee seriously ask me, to have this man brought before my committee and have him interrogated. I have not tried to keep the committee from considering the matter, except telling them that I was against it.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. NORRIS. In that connection, I should like to ask the Senator whether he ever laid the nomination before the committee?

Mr. SMITH. No; I did not, because I was against the nomination. I would have been a fool to do it, and I did not do it. [Laughter.]

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. The Senator has been requested a great number of times to call the committee together for the purpose of considering the nomination. Is not that true?

Mr. SMITH. Mr. President, the leader on our side says that he called my attention to that several times. With all the sincerity and honesty of my soul, I do not recall either him or any member of my committee asking me to do that thing.

Mr. ROBINSON of Arkansas. Mr. President, within the last week——

Mr. SMITH. Oh, I am coming to that.

Mr. ROBINSON of Arkansas. Within the last week I have asked the Senator from South Carolina repeatedly to convene the committee and give the committee an opportunity to pass on this nomination.

Mr. SMITH. Very well, Mr. President.

Mr. ROBINSON of Arkansas. Prior to that time, from day to day, and frequently, I made the same request. Nothing whatever was done about it.

Mr. SMITH. Mr. President, I state here and now that the first intimation—and I swear to this statement if it be necessary, before my colleagues, to show how deeply I feel—the first intimation I had that this was a matter of serious interest was when the leader, the Senator from Arkansas [Mr. ROBINSON], called me over the telephone and asked me what we were doing with Mr. Tugwell. That caught me; it rather knocked me off my feet, for the reason that I am generally able to give a pretty straight answer, but I wondered in my mind what was happening. I did not know. I am not in the counsel of the gods enough to know what is going on, except to discharge my duty. He said to me then that he had mentioned it to me several times. I have no recollection that he did; perhaps he did. I know that he mentioned to me several times the agricultural amendments, and I discharged my duty about them to the fullest of my ability, feeling toward them pretty much as I felt toward Mr. Tugwell, but they were matters relating to the law, and the other was a matter relating to a person.

The Senator from Arkansas said to me over the telephone, "Now, if you do not do this, I am going to move to discharge the committee." I said, "Move to discharge the committee." That move has been made, in the face of the fact that the committee is charged with the responsibility, and not the leader. I did not mean to shut off the committee if they really, seriously, wanted this matter considered. We had not adjourned; the committee was still there in its integrity, ready at any time, under its chairman, to discuss this matter if any members of the committee had come and said to me, "Now, call the committee together, and give us a chance to vote. We want to vote."

Mr. LONG and Mr. McGILL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield; and if so, to whom?

Mr. SMITH. I yield first to the Senator from Louisiana, since he rose first.

Mr. LONG. I wish to ask the Senator from South Carolina a question, and I should like to have the attention of the Senator from Arkansas.

It seems to me that the committee has been a little careless in its own councils about moving to take up the nomination. There are about 15 or 20 members of the committee, and it looks to me as though we should not get into a snarl and make Mr. Tugwell an innocent victim of something for which he is not responsible. It seems to me that if a majority of the committee desired to consider Mr. Tugwell's nomination, the chairman ought to be willing—and I am sure he is—to call the committee together and give the matter early consideration, and let us have a report on it. Otherwise, it seems as if we will get Mr. Tugwell, whether we are for or against him, into a rather unfortunate snarl.

I should like to make this suggestion. Apparently a majority of the committee desire to consider the Tugwell nomination. Perhaps they have been afraid to tell the chairman, or, rather, for some reason did not want to.

Mr. SMITH. Mr. President, I hope there is no member of my committee afraid to approach me and talk to me about any question. I was pretty touchy about this matter.

Mr. LONG. I mean that in the sense that they are more or less embarrassed, though not fearing that the chairman would be aggressive toward them; but I was going to suggest that apparently there is a majority of the Committee on Agriculture and Forestry who wish to consider the Tugwell case, and the chairman seems willing to consider it. There is no reason why the Committee on Agriculture and Forestry should be so nice among themselves. This is their duty; this is their responsibility. Let them now make it known to the chairman that they want a meeting and let the meeting be held. If they want to interrogate Mr. Tugwell, let them interrogate him. That ought to be a matter of hours only.

Mr. SMITH. Mr. President, if the Senator will excuse me, let us cross that bridge when we get to it. What I am endeavoring to impress on my colleagues is that I have not had a real request from my committee to hold a meeting and pass on this nomination. Had members of the committee come to me in all seriousness and said, "We have discussed this matter, and it is of such importance that we want you to call the committee together", I would have been the last man to deny them that right. The truth of the matter is that I do not think they were any more enthusiastic to have the nomination considered than I was.

Mr. McGILL. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Kansas?

Mr. SMITH. I yield.

Mr. McGILL. I should like to inquire of the Senator from South Carolina if one or more members of the Committee on Agriculture and Forestry request a meeting of that committee to consider the nomination of Mr. Tugwell, whether the Senator from South Carolina is ready to call a meeting of the committee for that purpose?

Mr. SMITH. Mr. President, I am not going to commit myself to anything until the Senate decides whether or not, upon the evidence which I have given of the manner in which my committee has been treated, both in the instance of creating the under secretaryship and then calling the nomination up under such conditions as it is now called up, such action should have been taken. Let us cross that bridge first. The Senate has heard me say and the committee knows that had any Senator at any time asked me seriously to consider this nomination and told me they wanted to vote on it, action would have been taken. Senators who know me and who have been associated with me, know that it would have been taken. But when it comes to a question of coercion like this—no; I will not answer that until we cross this bridge. Let us cross this bridge first.

Mr. McGILL. Mr. President, will the Senator further yield?

Mr. SMITH. I yield.

Mr. McGILL. I am in hearty accord with what the Senator has had to say relative to the manner in which the measure which created this office was passed. I fail to understand why a measure creating an Under Secretary of Agriculture was not referred to the Committee on Agriculture and Forestry; why it was referred to some other committee, and I should be glad to be enlightened on the subject of why it was done.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. I yield.

Mr. ROBINSON of Arkansas. The provision authorizing the creation of the Under Secretary of Agriculture was reported in the agricultural appropriation bill. It was sponsored by members of the Committee on Agriculture and Forestry who served on the subcommittee. The bill was in charge of the Senator from Georgia [Mr. RUSSELL], who handled it with notable ability and promptness. There is nothing in that proceeding which should provoke resentment or even criticism on the part of Senators. It is pursuant to a practice which has prevailed for a long period in the Senate of the United States.

With respect to the statement of the Senator from South Carolina that no formal motion was made to take up this nomination in the committee, I wish to point out, with the indulgence of the Senator from South Carolina, that it is not, in my judgment, within the province of the chairman of a committee to suppress freedom of action on the part of the membership of his committee.

Mr. SMITH. Right there I challenge the implication in that statement.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. SMITH. Mr. President, this is my time.

Mr. ROBINSON of Arkansas. Yes, of course; the Senator can decline to yield.

Mr. SMITH. The Senator does not decline to yield, but I do not want the Senator from Arkansas to give the impression that I denied my committee the privilege of voting on that nomination.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. SMITH. I did not suppress freedom of action.

Mr. ROBINSON of Arkansas. Will the Senator yield?

Mr. SMITH. I yield.

Mr. ROBINSON of Arkansas. During the last 3 weeks at least five members of the Committee on Agriculture and Forestry approached me and asked me to make an effort to get that nomination out of the committee. I will not quote at this time the statements which were made as a reason for that very extraordinary action.

I was about to say a moment ago that under the uniform precedents which prevail in the committees of the Senate, the chairman lays before the committee nominations which are submitted to the committee, and that gives the committee an opportunity for action.

The Senator's statement shows that he started out to do everything he could to prevent the confirmation of Dr. Tugwell. All I am asking is that the Senate be given the right which it ought to have had some time ago, to vote on Dr. Tugwell's nomination. If the committee shall be discharged we will have that opportunity. I am not willing, under the state of the record, that this nomination shall go to the committee now and that hearings shall be had until the end of the session soon to close, and Dr. Tugwell denied the right to a vote by the Senate. If the committee——

Mr. SMITH. Mr. President——

Mr. ROBINSON of Arkansas. If the committee should take prompt action it would be all right.

Mr. SMITH. The Senator can make his speech in his own time.

Mr. ROBINSON of Arkansas. Yes; and I thank the Senator for yielding. Perhaps I should not have trespassed on his time.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. In just 1 minute. The statement just made is all right, but I have laid the facts before the committee. The committee need not have denied itself the privilege of voting, had they come to me, as they went to the Senator from Arkansas. They did not come. I challenge any of them to say they did. They are all here.

Mr. BANKHEAD. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield? If so, to whom?

Mr. SMITH. I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, without participating in any of the excitement or vehemence on either side of this question, as Chairman of the Appropriations Committee of the Senate I think perhaps I ought to say that the Appropriations Committee did not wittingly or at all usurp any of the functions of the Committee on Agriculture and Forestry. As a matter of fact, the Senate itself is responsible for the action taken, because only the Senate took the action. The effort to create this office was made on the floor of the

Senate by means of an amendment to the agriculture appropriation bill, and the Senate itself voted to establish the position of Under Secretary at a given salary, as I recall. The Senator from Georgia, who was chairman of the subcommittee of the Committee on Appropriations dealing with the agricultural bill, offered the amendment on the floor of the Senate, and the Senate itself was responsible for the action and not the Appropriations Committee.

Mr. SMITH. Mr. President, I am glad to have the situation cleared up; but the fact remains that the proposal did not go to the Committee on Agriculture and Forestry, and none of the members of my committee knew anything about it.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. WHEELER. As everyone knows, I have the highest regard for the Senator from South Carolina, but the Senator will recall that I asked him to bring up Dr. Tugwell's nomination in the committee, and I hope the Senate will not get the impression that I was not serious when I asked the Senator to bring up the name of Dr. Tugwell. Candidly, I brought it up in the committee and asked that we have a meeting, and that we take up the name of Dr. Tugwell at that particular meeting. I have felt constantly that Dr. Tugwell was entitled to have a vote of the committee as to whether or not his nomination should be reported back favorably, and I so stated in the committee, and asked that the nomination be taken up and reported.

Mr. SMITH. We will discuss that also later. Members of the committee are here. It was never brought up in anything more or less than a joking manner.

Mr. CLARK. Mr. President, will the Senator from South Carolina yield to me for the purpose of asking a question of the Senator from Montana?

Mr. SMITH. I yield for that purpose.

Mr. CLARK. I should like to ask the Senator from Montana [Mr. WHEELER] if it had been desired that the nomination of Tugwell be taken up in a meeting of the Committee on Agriculture, what was to prevent the Committee on Agriculture, if it was in favor of reporting out the nomination, taking up the subject and reporting out the nomination? What was to prevent it if the committee wanted to do so?

Mr. WHEELER. There was not anything to prevent any member of the committee from moving to take up the nomination of Dr. Tugwell. But I do not want the Senate to get the impression that members did not ask the chairman to take up the nomination. In deference to the Senator from South Carolina, whom we all respect, we did not move to take it up, but I asked him, and I know of one other member who asked him to take it up.

Mr. SMITH. Mr. President, I want the Senator to be fair. It was in a vague and indefinite way that the remark was made. I call on other members of the committee who may be here to confirm that it was more or less in the way of "Are we going to?" "Will we do it?" There was no request made that we take up this nomination. There are other members of the committee here who can confirm the statement. The only three who mentioned it at all were the three I have named.

I want to repeat that I was opposed to the creation of the office of Under Secretary. I was opposed to the name that was sent in, which at the proper time I will discuss at length. I would have taken it up at any time that a Senator had said, "I think the time has come and I move that we proceed to the consideration of this nomination."

I desire to make a further statement in this connection. There were coming in to me from practically three-quarters of the States of the Union letters of protest against this nomination, and I had an idea that when I did call the committee together, having heard from all these people—and there are doubtless Members of the Senate who have heard from the people also—that I was going to lay the matter before the committee and say, "In the light of these protests what are you going to do?" The farmers were entitled to be heard from, and they were being heard from. If necessary I could bring here by the hundreds and thousands letters and telegrams demanding that one of their own people, one who understands the vexed problem of agriculture, should be in this position. I am not now going into that phase of the matter.

Mr. WHEELER. I have not anything further to say except that the Senator infers that other members of the committee who are present who would determine the facts as to whether I seriously brought up the name of Dr. Tugwell. I have no interest in Dr. Tugwell, but I will say frankly the Secretary of Agriculture spoke to me about it and I said to him that I would bring up the matter in the committee. I brought it up in the committee. I appreciated the fact that the chairman was bitter against it, but I asked that it be taken up. Other members, if I recall correctly, also suggested that they felt the name should be taken up in the committee. I specifically remember the Senator from Alabama [Mr. BANKHEAD] mentioning it, and I think some others mentioned it.

Mr. SMITH. That was later.

Mr. WHEELER. Oh, no. It may be the Senator from South Carolina felt that I took it up in a facetious manner, but I can assure him that was not the case. I have always felt, and said, not only in the committee, but said to him privately, that the nomination ought to be taken up and disposed of.

Mr. SMITH. I admit, and I believe members of my committee will bear me out, that I really thought the Senator was speaking facetiously to see me blow up. [Laughter.] I so thought, and that is the truth. I thought he brought it up to see if he could not start something, and he did. [Laughter.]

Mr. WHEELER. Of course, I knew the Senator would blow up.

Mr. SMITH. Yes, and he did; but the Senator from Montana never made a motion, and no other member of the committee ever made a motion to take up the matter.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH. I yield.

Mr. CLARK. I simply want to say it seems to me that a Member of the Senate or of any other legislative body makes a poor mouth when he comes in and says that he tried to take up a matter, but the chairman would not permit it, when there had been a meeting at which the Senator had the right to make the motion, but at which he did not make the motion. It seems to me to be a very late time for a member of the committee to come in and say that the chairman would not let him take it up.

Mr. WHEELER. Let me say to the Senator from Missouri that I am not going to stand on the floor of the Senate and let the Senator from Missouri get away with anything of that kind.

The PRESIDING OFFICER. Several Senators are on their feet. To whom does the Senator from South Carolina yield?

Mr. WHEELER. The Senator from Missouri cannot put me in that attitude.

Mr. SMITH. I yield to the Senator from Missouri.

Mr. CLARK. I simply desire to state that if, as a Member of the Committee, I desired to bring up a matter and did not make a motion to bring it up, I certainly would not later come to the floor of the Senate and claim that the chairman had prevented my having an opportunity to have the matter considered.

The PRESIDING OFFICER. Five Senators are on their feet. To whom does the Senator from South Carolina yield?

Mr. WHEELER. Mr. President——

Mr. NORRIS. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. NORRIS. I object to Senators interrupting and making speeches while the Senator from South Carolina has the floor.

The PRESIDING OFFICER. The point of order is well taken.

Mr. SMITH. Mr. President, I would have objected to that myself, but I was too modest. [Laughter.]

Mr. WHEELER. I am not complaining that the Senator gave me no opportunity to take up the nomination. I am simply answering the statement to say that I did take it up. I am not complaining because he did not take it up. If I had wanted to take it up I know I could have done it, and I had the intestinal stamina to have done it whether it was the Senator from Missouri or the Senator from South Carolina.

Mr. CLARK. The Senator may have that stamina, but he did not do it.

Mr. WHEELER. I did not want to do it.

Mr. CLARK. That is a complete answer.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. The Senator from South Carolina is recognized. He still has the floor.

Mr. SMITH. Senators have heard all the facts. Members of my committee are here. This is one of the few times in all the history of the Senate when a committee in charge of a nomination has been called upon to relinquish its handling of the matter and bring it to the floor of the Senate. My committee is composed of the peers of any man on this floor. They are charged with a duty which they are men enough to discharge at any time. There is not a man here who will rise and say that I have not treated every member of that committee, insofar as my treatment of him be paramount, with anything but the utmost respect.

The committee still exists and the chairman is still on the job. [Laughter.] At any time—not right now, no; but at any time after this boiling water subsides, after it gets cool, so far as I am concerned Senators may proceed by a simple request in the matter; but not one of them ever came to me with such a request.

Mr. President, I am here to say it is a serious matter even for the leader of our side of the Chamber to say, "Unless your committee acts I shall move to discharge it." If he had asked me to call the committee together and let him come before it, I should have been delighted to do that. If the committee or any number of the committee, yes, if any one member of the committee, had come and said, "I want to vote on this matter. I want you to call the committee together and let us vote on it", I would have called the committee together for that purpose.

I frankly admit that I did not think this under secretaryship ought to be created.

Mr. RUSSELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. SMITH. I yield.

Mr. RUSSELL. If the Senator from South Carolina will permit, in order that there may not be any misunderstanding in regard to the amendment to which the Senator has referred, I should like to say that I offered the amendment on the floor of the Senate under instructions from the Committee on Appropriations. It was not done surreptitiously, nor was there anything mysterious about it. It was done in the utmost good faith and in open session the amendment was read by the clerk and adopted by the Senate.

I certainly would be the last person here to infringe on the prerogatives of the Senator from South Carolina or his committee. I knew nothing about the pending bill to create an Under Secretary. Not being a member of the Committee on Agriculture and Forestry I had no opportunity to know. The Senator from South Carolina is a member of the Subcommittee on Appropriations, however, and he did have ample opportunity to know the amendment would be offered.

Mr. SMITH. The Senator from South Carolina was never notified that they were going to meet or what they were going to consider when they did meet.

Mr. RUSSELL. I do not have knowledge as to that, but to enable the subcommittee to have the benefit of the Senator's long experience on the Committee on Agriculture and Forestry, I specifically requested the clerk of the Committee on Appropriations to notify the Senator, and was advised by the clerk that he not only sent the regular written notice to the Senator from South Carolina, but in addition he telephoned his office and advised him of the fact that the committee was meeting. He did not state that he talked to the Senator personally on the telephone, but that he had notified the Senator's office.

Mr. SMITH. That this specific proposal was coming up?

Mr. RUSSELL. Oh, no; but that the subcommittee of which the Senator was a member would be meeting to hear matters relating to agricultural appropriations.

In addition to that, the hearings before the subcommittee, before which the Secretary of Agriculture appeared as a witness, were printed. The fact was widely heralded in the press of the land that the Secretary of Agriculture had appeared and requested provision for an Undersecretary of Agriculture, and the amendment was read on the floor by the clerk after committee action. By reference to the CONGRESSIONAL RECORD of the day on which the amendment was read and adopted I find that the Senator from South Carolina [Mr. SMITH] was the last Senator who had made a statement upon the floor of the Senate before the amendment was read. He occupied the floor immediately prior to the time the amendment was read and adopted, and was the last Senator to address the Senate before its adoption.

I am not greatly concerned about the discharge of the committee or the confirmation of Mr. Tugwell, but I do wish to assure the Senator from South Carolina and all the Members of the Senate that there was nothing mysterious or sinister or in deviation from regular parliamentary procedure in the adoption of this amendment. If it offended the Senator from South Carolina, I deeply regret it, for I hold him in high esteem, and would not willingly offend him; but the amendment was offered in good faith, after consideration by the subcommittee of which the Senator from South Carolina was a member, and after consideration by the entire Committee on Appropriations, of which the Senator from South Carolina is a member when considerating the agricultural appropriation bill.

Mr. SMITH. I exonerate the Senator from Georgia, because he is a new man here, and does not understand all these things. [Laughter.] He will later on. How the amendment got into the bill I do not know. Under the miserable budget arrangement we have of having our committees all divided up until we do not know which is which, it is impossible for a man to keep up with all the divisions and subdivisions. I exonerate the Senator from Georgia, however, from any sinister motive. If I had been here when the amendment was offered and adopted, or if I had been advised that the thing was to be done, I certainly should have taken cognizance of it. Not a member of my committee, save one, knew anything about it. Neither did any of the press, so far as I know, because I had told them that I did not know what would become of the under secretaryship; and the first I knew about favorable action on the matter was after the bill was passed and the President had signed it. Then some of the press representatives said, "Well, what about this?" I replied, "Why, this is the first I have heard of it"; and I added, "I believe I will introduce a joint resolution repealing it."

Mr. CLARK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Missouri?

Mr. SMITH. I do.

Mr. CLARK. The Senator from South Carolina has been here for some quarter of a century. Has it been the Senators' observation that it has been the practice of the Senate for the Appropriations Committee to report out an amendment obviously subject to a point of order, being new legislation on an appropriation bill, without giving notice to the chairman of the committee having jurisdiction of the subject?

Mr. SMITH. No.

Mr. NORRIS and Mr. GLASS addressed the Chair.

The PRESIDING OFFICER. Does the Senator from South Carolina yield, and, if so, to whom?

Mr. SMITH. I yield first to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I desire to preface my question with the same remark with which the Senator from Missouri prefaced his question. The Senator from South Carolina has been here for 25 years. During that time, does he recall an instance in the Agricultural Committee or any other committee where, when a nomination came to the Senate and was referred to the committee, the chairman of the committee did not lay the nomination before the committee?

Mr. SMITH. I have not charged my mind with it, but the Senator has such a case now.

Mr. NORRIS. Yes; this is the first.

Mr. SMITH. The Senator has such a case now. I was opposed to the nomination, and did not lay it before the committee. They discussed it. They had every right and privilege in the world to deal with it if they were so enthusiastic about it. I should not have stood in the way.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Virginia?

Mr. SMITH. I yield.

Mr. GLASS. I am chiefly interested in this discussion to acquit the Appropriations Committee of any irregularity.

I will say to the Senator from Missouri that the Appropriations Committee did not report this amendment. The amendment was offered on the floor of the Senate. I may say, however, that the likelihood, if not the certainty, is that the Appropriations Committee would have reported it had it not been subject to a point of order which would have involved a recommittal of the entire bill to the Appropriations Committee; but, as a matter of fact, there has been nothing irregular about the procedure. No under secretaryships of any department in Washington have been created except in this way. I have the facts before me.

The office of Under Secretary of the Treasury was created on an appropriation bill.

The office of Under Secretary of State was created on an appropriation bill.

Now the office of Under Secretary of Agriculture has been created on an appropriation bill.

There was nothing irregular in the procedure in respect to the Appropriations Committee and certainly no intention on the part of any member of the Appropriations Committee to be disrespectful to the Chairman of the Agricultural Committee.

Mr. CLARK. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from South Carolina further yield to the Senator from Missouri?

Mr. SMITH. I do.

Mr. CLARK. I have no desire on earth to impugn the motives of the Appropriations Committee. I based my statement on the statement of the Senator from Georgia [Mr. RUSSELL] that he offered this amendment himself on the floor of the Senate, as chairman of the subcommittee, by direction of the subcommittee and by direction of the Appropriations Committee, which amounts to making it a committee amendment.

Mr. GLASS. The Senator from Georgia was chairman of the subcommittee, and he was authorized by the committee to offer the amendment. He was not directed by the committee to do so. He was given leave by the committee to offer the amendment on the floor, with the understanding, of course, that no member of the committee who assented to that procedure would raise the point of order.

Mr. CLARK. The Senator, of course, is familiar, as I am, with the fact that when a committee authorizes a member in charge of a bill—whether he be a Member of the House or a Member of the Senate—to offer an amendment, it becomes in fact a committee amendment.

I desire to say before I sit down, in reference to what the Senator from Virginia said about the creation of the office of Under Secretary, that I well remember, as the Senator from Virginia does, when the proposition to create the Under Secretaryship of State, which was the first, was defeated by the unanimous vote of the Democrats in the House of Representatives, including the Senator from Virginia, with the addition of a number of very independent Republicans, so-called "insurgents" at that time, in the House.

The Senator says that every one of those under secretaryships has been created by a rider on an appropriation bill. I think that is true; and I think it would have been a fine thing if the point of order had been made against every one of them. I do not think the practice which has been followed of creating super under-Cabinet jobs by riders on appropriation bills which are subject to points of order should be taken as a precedent for such action as this.

Mr. GLASS. I agree with the Senator from Missouri. It never should have been done in that way, and I am not implying that I particularly care to vote for it. The fact is, I did not give the matter much consideration, and I do not know that I did vote for it, or was present when it was voted on, and I do not know that I am in favor of it now.

Mr. CLARK. I should like the Senator from Virginia to know that I am not undertaking to reflect on his committee.

Mr. GLASS. Oh, I know that.

Mr. SMITH. Mr. President, I have made my statement of facts. I am now going to leave with my colleagues the decision as to whether or not, in the light of all the facts my committee should be discharged from the further consideration of this nomination, which would be tantamount to saying that the members of the committee either have not the courage or have not the enthusiasm to come to their chairman and ask for a call of the committee. I say they have not done so.

I have stated the case. So far as I am individually concerned, every Senator here knows my position. I do not change it now. I had the feeling then which I have stated. I have it now. I believe that the farmers of the country are entitled to have this office filled by one who knows the problems of the farm.

There is not a man who, with the best academic training in the world, can ever make a success in agriculture without bitter experience. Academic training helps him to think logically, to think clearly, and equips him the better to meet and solve these problems; but the changing seasons of every year, and of every month of every year, make it impossible for any man to know the problems of the field who has not been closely identified with those problems.

In considering the scientific application of machinery, we must reflect that it is man-made, and a man can be trained to run it, but in the field, where the forces of nature shift and change, as they have done in the West, overwhelming it with a horrible disaster, we must have men familiar with nature's work. It has upset the calculation of every man in the West. The rain in my section is upsetting the calculation of everyone there. The man at the head must, by experience, know how to meet these changing conditions, and the problem is not the problem of the schoolroom; it is not the problem of the blowpipe and test tube and retort; it is the problem of the bitter, everyday experience in the field.

Thank God, we have men in this country who, despite the fact that they are still farmers, are capable of solving more perfectly these vexing problems than any academic experimenter.

Mr. President, I feel so profoundly and so deeply on this subject that I think it is an insult to the agriculturalists and the farmers of this country to put at the head of their affairs a man who has had no experience in their industry.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

Mr. SMITH. I yield.

Mr. BARKLEY. I have been working in a subcommittee, and I have not been able to hear the Senator's argument. How long has this name been before the committee?

Mr. SMITH. I do not know; I think about 2 months.

Mr. BARKLEY. What is the objection to the committee letting the Senate vote on it?

Mr. SMITH. Letting the Senate vote on it?

Mr. BARKLEY. Yes; voting on the nomination?

Mr. SMITH. I think the respect of the committee is involved in this situation.

Mr. BARKLEY. Has it been the purpose of the committee to deny the Senate an opportunity to vote on the nomination?

Mr. SMITH. The committee has not expressed its purpose, and I have given the committee every opportunity to express it. I have expressed mine.

Mr. BARKLEY. I appreciate that. [Laughter.] The question is whether a committee can hold a nomination, or whether it ought to hold a nomination, until Congress adjourns.

Mr. SMITH. The Senator was not here to hear the argument.

Mr. BARKLEY. No; I could not be here.

Mr. SMITH. I exonerated the committee. It has not made any request, except incidentally, pro or con.

Mr. BARKLEY. Other committees have had before them nominations upon which they have made adverse reports.

Mr. SMITH. I know that, and this committee could at any time have requested a vote, and have gotten it. They did not do so. I was not stupid enough to say, "Please come on and let us report out something to which I am opposed." [Laughter.]

Mr. BARKLEY. What I am seeking is information to guide me with reference to my vote on the motion to discharge the committee.

Mr. SMITH. Whenever my committee seriously says, "Let us vote on this question", I will call them together and say, "Vote on it." They have not done that. But I do not want the vote taken immediately after this debate, because there is a sort of an odor attaching to it that I do not like.

Mr. BARKLEY. I am not concerned with odors, but I am concerned about what it is the duty of the Members of the Senate to do with respect to a motion to discharge a committee which has had before it a nomination for 2 months without taking any action on it.

Mr. SMITH. The committee could have acted if it had wanted to.

Mr. BARKLEY. Of course it could have; but why did it not, one way or the other?

Mr. SMITH. I do not know. Ask the members of the committee; do not ask me.

Mr. BARKLEY. I am not taking a poll of the committee. The Senator is the chairman of the committee, and I am trying in good faith to find out whether it is the deliberate purpose of the committee to prevent the Senate from voting on this nomination.

Mr. SMITH. I do not know what its deliberate purpose was. The members never expressed themselves to me, and we had half a dozen or a dozen meetings after the nomination was sent in. It was only incidentally referred to two or three times.

I repeat, had my committee, or any member thereof, said to me, "Now, let us take up this nomination; we want a vote on it, or I am going to move to call the committee together" and that he represented the four or five who said they went to the leader—if they had come to me and said that, I would have said, "I am awfully sorry, but I will call the committee together." They know I would have done that. There is not a member of my committee who does not know I would have done that. But they did not ask me, and I was tickled to death that they did not. [Laughter.]

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SMITH. I yield.

Mr. CLARK. Pursuing the argument of the Senator from Kentucky, does the Senator from South Carolina know of any reason why, if the Committee on Agriculture should be discharged from the further consideration of this nomination, which has been before the committee for some time, the Committee on Finance should not be discharged from the further consideration of the bonus bill, which has been in the Committee on Finance for an equal time?

Mr. SMITH. I do not.

Mr. CLARK. That is a committee of which the Senator from Kentucky is a member.

Mr. BARKLEY. Mr. President, there is no reason why the Committee on Finance should not have been discharged from the consideration of the bonus bill if any Senator had risen in his place and moved that the committee be discharged, and the Senate given an opportunity to vote on it. We have reported that bill out of the committee, but adversely, and it is before the Senate for a vote. I have been a member of another committee which reported nominations adversely, but the Senate was given an opportunity to vote. I do not know of any reason why we should not have an opportunity to vote on this nomination, whether to confirm it or reject it. That is the point I am making, and apparently the only way to get a vote is to discharge the committee——

Mr. SMITH. Mr. President, I think I have the floor.

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. SMITH. I do not intend that the Senator from Kentucky or anyone else shall becloud this issue. This matter has been in the hands of the committee.

Mr. LOGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the junior Senator from Kentucky?

Mr. SMITH. I do not yield.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. SMITH. I do not intend that this matter shall be beclouded. The first time I knew that there was any serious pressure was when the leader called me up and said, "Report it out or we will move to discharge the committee." That was the first time I realized that somewhere, from some source, there was a serious pressure to have this done. I conferred then with members of my committee, and I told them I did not like to yield on anything like that. But the members of the committee could even then have asked that the committee be called together, and they did not do it.

I yield now to the Senator from Kentucky.

Mr. LOGAN. As I understand the statement of the Senator from South Carolina, this nomination has never been before the committee, technically speaking. It was referred to the chairman of the committee, who boldly says that he did not place it before the committee; so I doubt whether any member of the committee ever had a right to take it up. The members might have called for it to be placed before the committee, but it has been in the hands of the chairman alone, as I understand his statement, all this time.

Mr. SMITH. No; it has been right there on the desk. Every member of the committee knew it was there.

Mr. LOGAN. Was it ever reported to the committee formally?

Mr. SMITH. Yes; it was reported by my secretary.

Mr. LOGAN. Placed before them?

Mr. SMITH. It was there; oh, yes. Do not get off on technicalities. [Laughter.] The committee understood it was there.

Mr. CLARK. Mr. President, will the Senator from South Carolina yield?

Mr. SMITH. I yield.

Mr. CLARK. The Senator from Kentucky is entirely erroneous in his construction. When a nomination is sent in, is it not required that the chairman of the committee place it before the committee. Any member of the committee can call it up at any time he pleases.

Mr. BARKLEY. Mr. President, will the Senator yield further?

Mr. SMITH. Not now. I want to get through with this mess.

I have laid the facts before the Senate. I and my committee are indicted for dereliction of duty. I conceived it to be my duty, representing the people of this country, to fight this nomination; but I also have recognized that it was my duty, if the committee asked for an opportunity, to give them a chance to vote. They have not asked for that.

Now comes this motion, that the committee be discharged, without them stating their position.

Mr. President, at the proper time I may have more to say, but now I am yielding the floor.

Mr. BYRD. Mr. President, I think I can claim to have been the most silent Member of this body. I have spoken and consumed exactly 3 minutes of the time of the Senate since the day I was sworn in. I had hoped that this distinction, or perhaps lack of distinction, could have continued throughout this present session.

It was my purpose, Mr. President, to vote for the confirmation of Dr. Tugwell. In fact, I had communicated this intention to him, and as an honorable man I rise today on the floor of the Senate to state to the Members of the Senate the reasons why I will cast the vote I am about to cast in the light of developments which have occurred since I made that committal.

I believe that the President of the United States should have wide latitude in the selection of his official family. I believe that the Senate of the United States should confirm the nominations of the President unless there is some grave reason to the contrary.

As Governor of the State of Virginia it was my privilege to inaugurate amendments to the constitution which gave to the Governor of that State the power to appoint his official family subject to the confirmation of the senate. I believe in that principle.

Mr. President, I personally think that a farmer should be appointed as Under Secretary of Agriculture, because he will act, in many instances, for the Secretary himself. I believe that a man should be appointed who has gone through the trials and tribulations that every farmer must go through who has seen his crops destroyed by the elements, who has had his hands discolored by working in the soil. But, Mr. President, I am willing to yield my opinion on that to the President of the United State. I am not voting as I will vote because Dr. Tugwell is a professor and because perhaps he has never planted a blade of grass. I am voting as I will vote because of my belief, as I will endeavor to show the Senate, that he has not the proper conceptions of the principles of our Government.

Mr. President, on June 1 there appeared an interview in one of the Washington papers in which, discussing certain amendments to the Agricultural Adjustment Act, Dr. Tugwell is quoted verbatim as follows:

> These amendments are necessary to * * * permit us to continue what we have already been doing. If we should get a set-back in court we would have to stop doing certain things under present circumstances.

Mr. President, this is no more than a bold confession of the Secretary of Agriculture that Dr. Tugwell and others in the Agriculture Department have deliberately usurped the power of the Congress of the United States and now are coming before this body and asking us to validate the illegal acts that have already been performed by them.

On the same day, Mr. President, I wrote this letter to Dr. Tugwell. That is June 1, one week ago today. The letter is as follows:

> You are reported in the press this morning as saying that the pending amendments to the Agricultural Adjustment Act are necessary to authorize the Department of Agriculture to continue what they are already doing. I would appreciate if you would advise me if the quotation on page 29 of the Washington Herald of today is correct.

And to this day, although that letter was written one week ago, Dr. Tugwell has not done me the courtesy to reply. This morning I got in communication with his office and again requested that he make a reply to this letter.

Mr. President, I am not concerned so much in this nomination about the political theses which were written by Dr. Tugwell in the years before he became a responsible official of this Government. I am not somewhat concerned about it because I know that he has a brilliant and fertile mind, because I know that he likes to write, and perhaps many of the things that he then said he himself would not sustain today. And I further know that the sobering influence of responsibility that is placed upon the shoulders of a public official will often change his mind.

But I am concerned, Mr. President, as to his attitude with respect to the fundamental principles of our Government, as shown by his official acts since he became a paid employee of this Government.

I do not profess to be a student of the Constitution of the United States. I am a business man and not a lawyer, but as a layman my conception of the foundation stone upon which this great representative democracy of ours rests, this democracy bequeathed to us as a precious heritage by the blood and labor of those great men who gave us the form of government we now enjoy—my conception is that the foundation stone is that this Government is divided into three branches, each independent of the other—the executive, the judicial, and the legislative—and whenever the executive branch attempts to usurp the authority of the legislative branch, and whenever the judicial branch—and pray God that will never occur—accepts dictation or coercion from either the executive or the legislative branch, then I say the end of this representative government would have begun.

Dr. Tugwell was one of those who came before the people of this country—also the Secretary of Agriculture—and said that certain pending amendments to the Agricultural Adjustment Act were merely clarifying when, as a matter of fact, and as I will show when the debate comes on these amendments, these amendments enormously increase the power of the Secretary of Agriculture and, if adopted in their present form, will make him the absolute czar and dictator of the farmers of this country. Yet Dr. Tugwell and the Secretary of Agriculture told the Congress of the United States and told the people of this country that these amendments were merely clarifying and did not increase their present authority.

Just for a moment I will ask the indulgence of the Senate to speak briefly on the effects of these amendments, because this question that I am discussing involves the good faith of Dr. Tugwell and the Secretary of Agriculture in saying to the people of this land that they are asking for clarifying amendments, when in fact these amendments confer great additional authority upon the Secretary of Agriculture.

I think, Members of the Senate, that we, the legislative branch of this Government, should insist upon absolute frankness and candor from the departmental heads of our Government, because in the great mass of legislation that comes before us it is impossible for us to carefully analyze the effects of the different bills that are prepared by the departments of our Government; and we should insist that they take us into their confidence; and when that confidence is abused, as it has been in this instance, then we should rebuke those who are guilty of such deceit.

Mr. President, one of these "clarifying" amendments, as claimed by the Secretary of Agriculture and Dr. Tugwell, gives to the Secretary of Agriculture the absolute authority over every blade of wheat, over every chicken and over every turkey on any farm that receives a benefit payment from the United States Government; even though the benefit payment may be only $50, yet the Secretary of Agriculture can go on that farm, if it is a thousand acres, and tell that farmer exactly what he should raise, down to the chickens and the turkeys and the cows that he may have. Yet they say to us that that is a "clarifying" amendment.

Another amendment provides and gives the power to the Secretary of Agriculture to license a producer—something that has never before been contemplated in any legislation that has been presented to this body—and gives the right to the Secretary of Agriculture to deny a license to a man who processes or distributes the product that he raises on his farm, and processing means preparation for market.

Therefore, if one should pack a bushel of strawberries and ship that bushel of strawberries in interstate commerce, the

Secretary of Agriculture would have the right to either give or deny a license.

Members of the Senate, the Secretary of Agriculture says that he does not intend to use this great authority. I submit that whenever authority is given to a department of this Government, that sooner or later it is used. And we, the people's representatives, should only vote to give authority to a department of the Government on the assumption that the authority will be used to the fullest extent.

It further provides that upon the vote of two-thirds of the farmers producing a particular crop, a quota system may be established as to how much each farmer may produce of that product.

Then an entirely new section was included providing, in defiance of the fourth amendment to the Constitution, that the private papers of farmers shall be made available to officials of the Department of Agriculture.

Another new amendment instructs the District Courts of the United States to invoke the power of injunction—the greatest power that any government can have—when the Secretary of Agriculture so decreed it, in order that a farmer may not ship his products in interstate commerce, and that right would be taken away from him by the United States District Court.

Speaking again of the Constitution—and I again say I do not profess to be a student of it—in the United States of America, which after all is merely a confederation of States, the original conception was that there would be free commerce and free intercourse between the States of the Union, and that the power over interstate commerce would only be invoked by the Federal and parent Government when one shipped to another State something that would be injurious. But in this instance we find the power asked by the Secretary of Agriculture to invoke the interstate-commerce power with reference to articles which are not only not injurious but are articles of food which are absolutely essential to our existence.

Mr. President, I am not going to consider further at this time the amendments proposed to the Agricultural Adjustment Act. I hope the Democratic leadership of the Senate will bring the amendments before the body, so we may have a full and frank discussion before the session adjourns, and I shall then ask the privilege of saying more than I have said at this time.

Mr. President, I am going to vote against the discharge of the committee, but I shall vote against it on different grounds than those suggested by my distinguished colleague, the Senator from South Carolina. I shall vote against the discharge of the committee because I want the chairman to call a meeting of the Committee on Agriculture and Forestry, then to call Dr. Tugwell before the committee, and to permit me to ask him why he has not answered the letter I have sent him, and to require him to answer other interrogatories which will be submitted to him by other Members of the Senate. That is the only way we can get a direct expression from Dr. Tugwell under his sworn oath. I want it to be with the understanding, I hope, that the chairman of the committee will call Dr. Tugwell before the committee and permit those questions to be asked, and then report the matter to the Senate.

Mr. President, I do not approve of smothering this nomination in the committee. Of course, I understand the position taken by the distinguished Senator from South Carolina. He is opposed to the nomination, yet no other member of the committee who favored the nomination made a motion to report it out, and certainly it was not incumbent upon him to make such a motion. As a Member of the Senate I want the matter to be thoroughly discussed. I want it brought before the Senate and then to let us vote in the light of the information which we will have when these questions are asked of Dr. Tugwell.

I do not understand why the distinguished leader on this side of the Chamber is opposed to having the nomination discussed and having open hearings with respect to it.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Arkansas?

Mr. BYRD. Certainly.

Mr. ROBINSON of Arkansas. I do not know how the Senator from Virginia justifies that declaration. I have been trying for a long time to get consideration of the nomination. It would have pleased me had the Chairman of the Committee on Agriculture and Forestry given opportunity for hearings on the nomination. But it was perfectly apparent to me that the chairman had made up his mind in his opposition to Tugwell that no hearings were to be had. The only way to get action was to make the motion I have made.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from South Carolina?

Mr. BYRD. I yield.

Mr. SMITH. At any time any member of my committee, during the time this nomination was before my committee, had moved that we take it up and have a hearing, I should have been delighted to have done it. I may state, in order that we can expedite matters, that I should be delighted to call the committee together and have one day at least when Senators may interrogate him. I should be willing to sit there all day for that purpose. That is a fair proposition.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. ROBINSON of Arkansas. I inquire of the Senator from South Carolina whether he will agree that the nomination may be reported by his committee after such hearings as the committee may desire to have tomorrow?

Mr. SMITH. I will agree that my committee may meet and take such action as it sees fit. I have never coerced any member of the committee. I have never denied any member any freedom of action. The committee may take such action as it sees fit, provided it is understood we will call Dr. Tugwell before the committee and give Members of the Senate the right to interrogate him to determine whether he is fit to discharge the duty of the office or not. Then the committee can immediately take a vote, and whatever action the committee may take I, as chairman, will report it to the Senate.

Mr. NORRIS. Mr. President, who has the floor?

The PRESIDING OFFICER. The present occupant of the Chair will hold that if a Senator shall yield more than twice he loses the floor. He may yield for a question and for nothing else.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Illinois?

Mr. BYRD. I yield if I do not lose the floor.

Mr. LEWIS. I am interested in the address of the Senator from Virginia and his discussion of certain alleged documents called "amendments." I take the word "amendments" to refer to amendments of legislation or to legislation. The construction of the able Senator from Virginia as to the meaning of amendments becomes exceedingly interesting to one who represents a great agricultural section such as I and my honorable colleague do. I ask the Senator from Virginia, whence came the amendments, if they are amendments to legislation in this body carrying such implications as the honorable Senator from Virginia suggests. May I ask for information, whence come the amendments, by whom offered, and from where?

Mr. BYRD. Mr. President, the amendments to the Agricultural Adjustment Act were prepared by the Department of Agriculture and were introduced in the form of a bill by the Senator from South Carolina by request, and the bill is now pending on the calendar of the Senate.

Mr. LEWIS. I thank the Senator for the information he accords me.

Mr. BYRD. Mr. President, I may conclude my remarks by saying that all I want is information as to Dr. Tugwell's attitude toward what I conceive to be the fundamental principles of our Government.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Oklahoma?

Mr. BYRD. I yield.

Mr. GORE. I rise to ask a question. Is the Senator a member of the Committee on Agriculture and Forestry?

Mr. BYRD. No; I am not.

Mr. GORE. I have in my hand an alleged address of Dr. Tugwell in which he is reported as saying, in effect, that the Constitution and statutes of the United States as they now exist will have to be dispensed with; in which he is reported as saying that business as it is now conducted will be required to disappear; in which he says in effect that the States will have to be abandoned as effective instruments of government before planned economy can be installed, and that the developments of a hundred years must be undone. He says that "All three of these wholesale changes are required by even a limited acceptance of the planning idea."

I intended to ask the Senator from Virginia whether it is his purpose, as a member of the Committee on Agriculture and Forestry, to interrogate Dr. Tugwell on those points. I should not care to do him an injustice. The report of the speech I have seems to be authentic. If the Senator from Virginia will permit, I will ask the Senator from South Carolina [Mr. SMITH] if that comes within the scope of his intended investigation.

Mr. SMITH. Yes, Mr. President.

The PRESIDING OFFICER. Does the Senator from Virginia yield for that purpose?

Mr. BYRD. I do.

Mr. GORE. I was asking whether it was the purpose of the Senator or the members of the committee to interrogate Dr. Tugwell in regard to these reported statements, because I do not wish to vote in the dark. I do not wish to subject him to any misrepresentations; but I do wish to know whether Dr. Tugwell, if confirmed, could take the oath required of him to support and defend the Constitution of the United States; and in taking the oath could do so in the language of the oath itself, "without any mental reservation or purpose of evasion."

Mr. BLACK. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BLACK. I think it is rather serious for the Senator to make a statement of that kind without placing in the RECORD the speech to which he refers.

Mr. GORE. I shall be glad to do so. I agree with the Senator that the speech should be allowed to speak for itself, and I favor an investigation because I feel that Dr. Tugwell should be allowed to speak for himself.

Mr. BLACK. If that is a speech that was made by Mr. Tugwell, I think it should be placed in the RECORD, and a statement as to where it comes from. I have read Mr. Tugwell's books; I have read his speeches. I have never read any speech or any book which indicated any such thing as the Senator says.

Mr. GORE. Mr. President, at this point I ask unanimous consent to insert in the RECORD the speech to which I have referred, delivered before the American Economic Association in this city in December 1931, before Dr. Tugwell had been stabilized by responsibility.

Mr. BLACK. I have read that speech, and I do not interpret it as the Senator does.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma?

Mr. CONNALLY. I assume that it will appear at the end of the address of the Senator from Virginia, not in the middle of it.

The PRESIDING OFFICER. Yes. Is there objection to inserting in the RECORD the purported speech referred to by the Senator from Oklahoma? The Chair hears no objection. The speech will appear at the end of the remarks of the Senator from Virginia.

Mr. BYRD. Mr. President, I rose for the purpose of making clear my position in withdrawing a committal that I had made to support the nomination of Dr. Tugwell. I desire to say here that I do not wish to do him the slightest injustice. If he can prove to my satisfaction that he believes in the oath I took when I became a Member of this body—namely, to sustain the Constitution of the United States—and if he will deny the statement which I have inquired about, namely, that he has usurped the authority of Congress, and taken upon the Department of Agriculture to do things not permitted by Congress, and is now coming before this body asking us to validate illegal acts of his Department—if he can convince me of that, I will rise on this floor and make an apology to him, and vote for his confirmation. If he cannot convince me of that, Mr. President, I intend to vote against him and oppose him with all the vigor I can, because I think he wants to destroy those things which I would die to preserve.

(The following is the speech referred to by Mr. GORE and ordered to be printed in the RECORD at the end of Mr. BYRD's remarks:)

THE PRINCIPLE OF PLANNING AND THE INSTITUTION OF LAISSEZ FAIRE

By Rexford Guy Tugwell, Columbia University

There can be no secure peace in the world so long as its peoples are divided among absolute sovereignties. The divergencies of purpose among them will always cause irritations which sometimes must fail to stop short of the ultimate compromise of war. Sovereign nationalities function in a wider field than industries do; there is, for all that, a useful analogy between them. For industry is also organized in independent units which possess many of the attributes of nations. They have a purpose which they pursue with zeal and foresight; they may pursue it in all essentials, and provided they can reach agreement quietly among themselves, with no governance save of their own making. These purposes being exclusive and single minded, and being carried out at the expense of competitors, frequently involve recourse to ultimate measures. These begin in the subtle fashions of diplomacy but often end in appeals to force.[1] All this is of the essence of laissez faire.

War in industry is just as ruinous as war among nations, and equally strenuous measures are taken to prevent it. The difficulty in the one case is precisely the difficulty in the other; so long as nations and industries are organized for conflict, wars will follow, and no elaboration of machinery for compromise will be altogether successful. There are vast, well-meaning endeavors being made in both fields which must necessarily be wasted. The disasters of recent years have caused us to ask again how the ancient paradox of business—conflict to produce order—can be resolved; the interest of the liberals among us in the institutions of the new Russia of the Soviets, spreading gradually among puzzled business men, has created wide popular interest in planning as a possible refuge from persistent insecurity; by many people it is now regarded as a kind of economic Geneva where all sorts of compromises may be had and where peace and prosperity may be insured.[2]

It is my belief that practically all of this represents an unconsidered adherence to a slogan, or perhaps a withdrawal from the hard lessons of depression years, and that it remains unrelated to a vast background of revision and reorganization among our institutions which would condition its functioning. Most of those who say so easily that this is our way out do not, I am convinced, understand that fundamental changes of attitude, new disciplines, revised legal structures, unaccustomed limitations on activity, are all necessary if we are to plan. This amounts, in fact, to the abandonment, finally, of laissez faire. It amounts, practically, to the abolition of business.

This is what planning calls for. In spite of its drastic requirements, it may be wanted by many people; most of us are not, however, entitled to the contemporary familiarity with which we toss about loaded phrases whose content is altogether unexplored. It is one thing to advocate a social change which is understood and wanted; it is quite another to consent to a movement whose implications are unexplored. These implications may change early consent to later and bitter opposition. This seems nearly certain to happen; the respectful assent which is commanded by the general proposals of the present is not to be

[1] We have a word in the United States which we apply somewhat indiscriminately to certain money-getting activities. We call them "rackets." The term implies quick, easy, or questionable profits, something unethical by ordinary standards; perhaps not always outside the law, but not very far within it. The racketeer has come to mean one who makes money questionably and unfairly by appeals to violence to enforce his will. It is, however, not infrequently difficult to discriminate between what is a "racket" and what is simply "business." There is a wide shadowed area in which what is legal and what is governed by violence are not at all clear. And, in fact, the processes of the law are sometimes forms of pressure difficult to dissociate from violence, particularly when official corruption is involved. There is some business which is clearly not of the racket sort and some which clearly is. But all too often the origin and aims of more respectable businesses are illuminated by appeals to pressures, to the corruption of officials, even to violence.

[2] J. H. Rogers' comment on the price system and the Russian alternative in America Weighs Her Gold, 174 ff.

counted on when action is required on more particular policies. For these will show quite clearly what sacrifices are required. Those who talk most about this sort of change are not contemplating sacrifice; they are expecting gains. But it would certainly be one of the characteristics of any planned economy that the few who fare so well as things are now would be required to give up nearly all the exclusive perquisites they have come to consider theirs of right, and that these should be in some sense socialized. In a romantic, risky, adventurous economy the business of managing industry can be treated as a game; the spoils can be thought of as belonging to the victor, as spoils have always belonged to victors. But a mature and rational economy which considered its purposes and sought reasonable ways to attain them would certainly not present many of the characteristics of the present—its violent contrasts of well-being, its irrational allotments of individual liberty, its unconsidered exploitation of human and natural resources. It is better that these things be recognized early rather than late.[3]

National planning can be thought of—in a technical rather than a political sense—merely as a normal extension and development of the kind of planning which is a familiar feature of contemporary business. It is not as a technical problem that the idea gives us pause; it is that the implications for other institutions, which we may suddenly see too late, are likely to cause us finally to hesitate and to turn aside from the severe logic of events. We have many illustrations of the extension of central-office control over numerous units of the same industry, and even over various units of different industries which contribute to one product, such as motors, tires, telephones, or radios.[4] Even here technology has outrun institutional change. As Mr. Person puts it: "In the face of an integrating technology the Government has attempted to preserve primitive forms of competition." And, although so inevitable a movement could not be stopped, it could be hampered and distorted. We might have had some such form of organization as the German cartel system if we had not set out so determinedly, 40 years and more ago, to enforce competition.[5] Instead, we have curious contrasts in procedure and strange monstrosities of form which can be understood only by reference to uneven and intermittent official displeasures. Our industrial structures are reminiscent of weeds grown in the dark, and even those new coordinative features, which have grown in the somewhat brighter twilight of mere suspicion, present strange and unnatural features to be understood only by admission that the functions they profess to be organized for are less important than those which are hidden and unprofessed.

Still, there are a few industries which are wholly integrated or nearly so; and there are many others where integration has gone much further than anyone is prepared to admit. The difficulty with such illegal or extralegal development is that it teaches conspiratorial management; its leaders come to view the Government and the public as fair objects of exploitation, since their own natural functions are so unjustly repressed. This is important for our purpose, because it has led business to represent itself as in some ways much more innocent and immature than it is; and at the same time has prevented the growth, in full light, of technical means of control. Trade associations—to illustrate—are permitted a certain liberty in "business activities"; but "observe that while those things which they may do tend to promote uniformity in details of productive technology and commercial practices, it is those things which they are not permitted to do which are essential to stabilization of an industry"[6]—essential, also, it might be said, to developing such a scheme of "practice" as belongs properly to successful permanent control. We have, at once, illuminating public examples of successful planning, and a hidden development, on a vast scale, of technics which ought to be brought into the open. But we have enough evidence to make it clear that no technical difficulty bars the way to national planning. What deficiencies follow from its hitherto partly underground growth will quickly enough be remedied under different auspices.

The real barriers are all of another sort. Compared with them, the difficulties of coordination within industry are as nothing. In spite of our elaborate efforts of suppression there are highly integrated industrial organizations of vast size; if repressive efforts should cease, such working groups would spread quickly enough everywhere. The question is whether, up to this point, anything much more would have been gained. Perhaps some further economies would result both from more efficient management and from suppression of competitive wastes. But the essential problems would not have been solved. The paradoxes which face us would remain as unsolved as they were when Carlyle or Ruskin denounced the world which contained them or when Marx or George offered their hypotheses of cause and cure. All the essential conflicts would survive.[7]

It is impossible to pursue a discussion of planning beyond the most elementary considerations without raising the question of motive. Most economists, even today, believe that Adam Smith laid his finger on a profound truth when he said that not benevolent feelings but rather self-interest actuated the butchers and bakers of this world; most of them believe, furthermore, that this self-interestedness requires an economy in which profit is the reward for characteristic virtue and lack of it the penalty of sin. This belief must appear, from even an amateurish contact with modern psychology, to be so obviously an instance of wishful borrowing as to give its persistence something of a stubborn and determined air.[8] For persons with the usual intellectual contacts of our time to go on harboring these views, there has to be some violent rationalization. Surely they must be aware of the growing average size of our industrial organizations; and from this it is a simple conclusion that fewer persons all the time are profit-receivers in any direct sense. Surely they must be aware of the growing separation of ownership and control;[9] and from this it seems a fairly simple inference that since profits go only to owners, control is effectively separated from its assumed motive. As a matter of fact, how many railway men, steel workers, or even central-office employees have any stake in company earnings? We know that there are almost none, and that this is true from workman to superintendent in most industries. Yet in defiance of such well-known and obviously relevant facts we go on treating motives quite as though our knowledge of men and of industry had been derived from a few eighteenth-century books rather than from any contemporary knowledge of the world and of men. The truth is that if industry could not run without this incentive it would have stopped running long ago.

It is even arguable that profits, instead of furnishing an indispensible actuating principle, tend to inject into industry many of those elements of uncertainty which we as economists unanimously deplore. For, being at the disposal of directorates largely divorced from productive operations, they are set aside as surplus reserves. These are intended as dividend insurance, though the intention may not result in accomplishment. But at the same time they clearly produce insecurity everywhere else.[10] They are optimistically used for creating overcapacity in every profitable line; they are injected into money-market operations in such ways

[3] Mr. Ford Hinrichs has called attention to the mutually exclusive nature of some of the objectives simultaneously entertained by many of our business leaders who praise the idea of planning (the Atlantic Monthly, July 1931).

[4] Cf. Mr. Willard Thorp's familiar census monograph, The Integration of Industrial Operation (1924). Also his contribution to recent economic changes, The Changing Structure of Industry (1929). There are numerous relevant passages in the monograph prepared for the World Social Economic Congress by Mr. H. S. Person and published as document 1 of section 11 (1931).

[5] It is possible that not the cartel but the integrated, single-ownership enterprise might more readily develop in America. Mr. Domeratzky has shown the difficulties which attend the cartel organization; he appears to feel, after much consideration, that the cartel is rather a temporary device between small enterprise and industrial monopoly, not particularly well suited to other purposes than the limitation of production and the allocation of markets. Mr. Domeratzky develops these ideas in Cartels and the Business Crisis, in Foreign Affairs for October 1931, p. 34 ff., as well as in earlier writings.

[6] H. S. Person, Scientific Management as a Philosophy and the Technique of Progressive Industrial Stabilization, World Social and Economic Congress, 1931, doc. 1, sec. 11, p. 42.

[7] Only if we actually reach this point shall we discover lessons in contemporary Russian practice. But many observers are recording carefully the experience there which may later on be of assistance to us. Cf. for instance, my Experimental Control in Russian Industry, The Political Science Quarterly, June 1928. Also Hinrichs and Brown, The Planned Economy of Soviet Russia, The Political Science Quarterly, September 1931.

[8] There have been some strenuous attacks on the economists' naïve view of human nature. Cf. Carleton H. Parker, Economic Motives, American Economic Review, sup. 1, 1918, p. 212, later published in The Casual Laborer and other Essays, 1920, Paul H. Douglas, The Reality of Non-Commercial Incentives in Economic Life, published in The Trend of Economics, 1924; A. J. Snow, Psychology in Economic Theory, Journal of Political Economy, Aug. 1924; An Approach to the Psychology of Motives, American Economic Review, sup. 1, 1925, and the first chapter of his book, Psychology in Business Relations; R. G. Tugwell, Human Nature and Economic Theory, Journal of Political Economy, XXX, 317, and Human Nature and Social Economy, Journal of Philosophy, XXVII, 418; Charles Horton Cooley, Human Nature and the Social Order.

[9] How serious and extensive this separation has come to be is just being revealed. Mr. W. Z. Ripley has referred to the problem. But the most extensive exposé is that of Mr. Gardiner Means in The Separation of Ownership and Control in American Industry, the Quarterly Journal of Economics, XLVI, 68–100, November 1931. Mr. Means is of the opinion that separation has gone so far that identification of ownership and management is no longer a tenable working concept. One of his most interesting exhibits is that of the Pennsylvania Railroad Co. "Not a single director or officer held as much as 0.1 of 1 percent of the total stock. The combined holdings of all the directors could not have amounted to more than 0.7 of 1 percent and were presumably very much less." Where is the profit incentive to enterprise here? There is none, obviously, which is directly connected with the railroad. There may be speculative profits from being a director, but that is another matter and is scarcely concerne with management, even remotely.

[10] Profits which are insured can hardly be useful as motives. Businesses by setting up these accounts seek to make certain that this reward will be paid whether or not the activity for which it is paid is carried out. This is only one more instance of the many to be discovered in actual business practice which contradict the claims made for profits as universally necessary motives.

as to contribute to inflation; they are used, most absurdly of all, as investments in the securities of other industries.[11]

If profits are really the actuating motive in modern enterprise, why is it that so great a proportion of them go to those who have no share in the control of operations, and why is it that industry continues to run even when those who run it have no major stake in its gains? But most important of all, if profits are so important to our system, why do we allow them to be used in such ways as not only to destroy the source of future earnings but to create unemployment and hardship among millions of people whose only contact with them in any form has been through reading about them in newspapers?

It is clear that this institution does not, in any real sense, actuate our productive equipment. Furthermore its malign influence is reasonably obvious. Why is it, then, that we protect and argue for it with a violence and persistence out of all proportion to the gains we may expect? Because, it seems to me, we are not genuinely interested in security, order, or rationality. Profits, in the sense in which we use the term, belong to a speculative age, one in which huge gambles are taken, and in which the rewards for success may be outstanding.[12] When we speak of them as motives, we do not mean that the hope of making 4 percent induces us to undertake an operation; we mean that we hope for some fabulous story-book success. These vast gambling operations are closer to the spirit of American business even yet, with all the hard lessons we have had, than are the contrasting ideas which have to do with constructive restraint and social control. In fact, our business men have only a rudimentary conception of industry as a social function, as carrying a heavy responsibility of provisions. Industry is thought of rather as a field for adventure, in which the creation of goods is a minor matter. Who among our millions of Wall Street amateurs hopes merely for dividends on his investment? Or who thinks of the securities he buys and sells as having anything to do with an economic function?

The truth is that profits persuade us to speculate; they induce us to allocate funds where we believe the future price situation will be favorable; they therefore have a considerable effect on the distribution of capital among various enterprises—an effect which seems clearly enough inefficient so that other methods might easily be better; but they have little effect in actually inducing or in supporting productive enterprises. All this appears merely from examination of the evidence available to us as economists; if we look into the evidence from the field of psychology, one of the first things we discover is that this main supporting generalization—that the only effective motive for enterprise is money-getting—appears in the psychologists' works as a standard humorous reference to the psychological ideas of laymen.[13]

It would be untrue to maintain that profits do not supply one kind of motive for economic activity. Business, as we know it, is perhaps chiefly interested in them. This is to emphasize, however, the speculative rather than the disciplined aspects of production. To say that this is one of the institutions which will have to be abandoned if planning is to become socially effective is to make a sharp distinction among the effects to be expected from dependence upon alternative motives. There is no doubt that the hope of great gains induces enterprise of a sort; and if these are disestablished, a certain kind of enterprise will disappear. The question is whether we can well afford to dispense with it. It seems credible that we can. Industries now mature can be seen to operate without it; and new ones might be created and might grow from sheer workmanlike proclivities and without the hope of speculative gains.

As we look back at our present system from some time in the future it will be much clearer to us what kind of activities actually we induced by this incentive. At present it is possible to suspect that the decay of the gain-getting motive as an inducement to productive enterprise may have been accompanied by its transfer to essentially antisocial activities. Corporation officers pay too little attention to their duties and too much to the ticker tape; inside rings exploit the businesses under their control; market cornering and supply limitation become favorite methods of gain-getting. All these and a thousand other activities have far less to do with the productivity of our system than is implied in our easy explanation that gains are the reward for initiative and enterprise and are necessary to call them out. A large share of the initiative and enterprise thus called out might better, perhaps, have been left uncalled, since it obstructs rather than facilitates; we count it good, however, since we reason backward also. Profits are necessary to call out enterprise, we say, but we then say enterprise called out by profits is necessary, which is not true at all. Nor are they always used advantageously.

Most of us ought not to have been quite so free in our predictions that the institutions of Soviet Russia would break down from a failure of motive. Yet some of us have gone on saying that even in the face of evidence. Not more than a month ago a past president of this association assured me again, as he had done before, that here was the source of weakness which must finally ruin all the Russian plans. There are numerous difficulties there, plenty of chances for failure; but the failure of noncommercial motives cannot honestly be said, at this late date, to be one of them. Nor is this a source of necessary alarm—any more than the technical difficulties need be—concerning any planned economy we may devise. It ought rather to be a source of wonder that a society could operate at all when profits are allowed to be earned and disposed of as we do it. The hope of making them induces dangerous adventures, more speculative than productive, and the uses to which they are put are a constant menace to general security. These conclusions only become clearer as time goes on, yet no movement to limit them or to control their uses has made headway among us.[14] If there had been a more wide-spread suspicion of this sort over some period of time, there would be more reason to expect success for proposals looking toward a profitless regime. The universal confidence in profits, still unshaken in the western world, is quite likely to hinder measurably the advance of planning.

A central group of experts charged with the duty of planning the country's economic life, but existing as a suggestive or consultative body only, without power, has been advocated by numerous persons and organizations.[15] It is quite impossible to visualize

[11] Surely the word "absurd" is not too strong. For a business to use its earnings to secure future earnings, not by increasing its own productivity, but by seeking to get dividends from other businesses, is to reduce profit making to something less social, even, then entrepreneur business. Why should the allocation of our capital resources be at the disposal of enterprises which use them as a form of insurance for their own future profits, and, as a means to this, allocate capital to other enterprises? It would be difficult to devise a mechanism less relevant to the social purpose of capital.

[12] Cf. the discussion of this matter in Mr. John Dewey's Human Nature and Conduct.

[13] In Charles Horton Cooley's Sociological Theory and Social Research there is an old essay of his on "Personal Competition" which contains some trenchant remarks about motive. In it he shows how our standards of success have been warped and the need there is for social approval of different activities than command it now. A final paragraph sums up the matter: "It will be apparent, I think, that the view regarding the nature of success here maintained is decidedly a hopeful one so far as concerns the possibility of progress, and wholly opposed to the pessimistic attitude based on the supposed 'selfishness' of human nature and the inevitable predominance of the economic motive. The motive that really predominates, now as in the past, is essentially social and moral; it is the desire to be something in the minds of others, to gain respect, honor, social power of some sort. This being the case, human endeavor is above all things plastic, controlled by the spirit of the age. The standard of success, and with it the whole character and tendency of competition, is a social or moral phenomenon accessible to human endeavor."

[14] This broad statement would need to be modified in the case of some quasi-public businesses. The Transportation Act dealt with the problem of railroad profits. In certain other ways we sometimes limit the uses of surplus reserves. The part played by these in the call-money market during 1928 and 1929 is now well known. In October of 1929 loans for others reached a peak of nearly four billion dollars. These loans, of course, were induced by high call-money rates and were unaffected in any direct or effective sense by Federal Reserve discount policies. It was thus the profits of the previous prosperity period which were used to support security inflation. When this crashed so disastrously, profits were made insecure for some time to come. Evidently this is a bad way to use profits even from the point of view of profit makers. This was recognized by the New York Clearing House Association in 1931. An amendment to the constitution now prohibits member banks from placing brokers' loans for account of nonbanking interests. Other associations may follow. Perhaps the New York association was led to take this action by the withdrawal rather than the injection of these funds into the speculative markets. For these loans for others were reduced from nearly 4 billion dollars in 1929 to 162 million dollars in 1931, thus contributing to disastrous deflation instead of helping to ease down immoderate inflation. Whatever the motive, however, the action of the clearing house association is a recognition that the use of undistributed profit-funds must be controlled. Any system of planning would have not only to hedge them about with restrictions, but to direct their uses, if, by that time, it had not been made impossible for them to be accumulated.

[15] For instance by Mr. Gerard Swope, of the General Electric Co., also by the committee on continuity of business and employment of the Chamber of Commerce of the United States. Mr. Sumner H. Slichter discusses the problem in his Modern Economic Society but is under no illusions whatever as to the likely results. He does not think it worth while even to consider the possibility of institutional changes which would implement the findings of such a body; and it is perhaps true that even a moderate maintenance of prosperity would prevent such a development. There may come another time, of course, such as occurred in 1914–18 when all institutions are melted in disaster so that they may be refashioned after quite unfamiliar designs. The theoretical temper of our time would certainly favor central planning as the heart of any newly devised scheme of control. The Swope plan evidently originated in the concern of a sensitive executive for the employees of his company. It is interesting that this typical business document should have arisen out of a particular problem and have proceeded to the consideration of general relationships only reluctantly and partially. Mr. Swope understood that if his employees were to have even a measure of his own security and confidence in the future there must be a stability which its most enthusiastic defender would not claim

a genuine Gosplan without power; but, of course, this is not to be a Gosplan. It might lay out suggested courses; it might even timidly advise, but certainly its advice would seldom, if ever, be taken. It would be as unnatural for American businesses, which live by adventures in competition, to abdicate their privileges voluntarily, as it is to expect rival militarists to maintain peace, and for the same reasons. If an institution of this sort could not be used as a mask for competitive purposes or as a weapon to be used against more scrupulous rivals, as the Federal Trade Commission has sometimes been, it would quickly gather about itself a formidable body of enemies armed with tried theoretical objection as well as real power. The chief concern of militarists must always be to maintain the conditions of war; and the chief concern of essentially speculative businesses must always be to maintain the conditions of conflict necessary to their existence. The deadliest and most subtle enemy of speculative profit-making which could be devised would be an implemented scheme for planning production. For such a scheme would quiet conflict and inject into economic affairs an order and regularity which no large speculation could survive. Every depression period wearies us with insecurity; the majority of us seem all to be whipped at once; and what we long for temporarily is safety rather than adventure. Planning seems at first to offer this safety and so gains a good deal of unconsidered support. But when it is discovered that planning for production means planning for consumption too; that something more is involved than simple limitation to amounts which can be sold at any price producers temporarily happen to find best for themselves; that profits must be limited and their uses controlled; that what really is implied is something not unlike an integrated group of enterprises run for its consumers rather than for its owners—when all this gradually appears, there is likely to be a great changing of sides.

Strange as it may seem—directly antithetical to the interests of business and unlikely to be allowed freedom of speech, to say nothing of action—it seems altogether likely that we shall set up, and soon, such a consultative body.[16] When the Chamber of Commerce of the United States is brought to consent, realization cannot be far off.[17] It seems to me quite possible to argue that, in spite of its innocuous nature, the day on which it comes into existence will be a dangerous one for business, just as the founding day of the League of Nations was a dangerous one for nationalism. There may be a long and lingering death, but it must be regarded as inevitable. Any new economic council will be hampered on every side; it will be pressed for favors and undermined by political jobbery. It will not dare call its soul its own, nor speak its mind in any emergency. But it will be a clear recognition, one that can never be undone, that order and reason are superior to adventurous competition. It will demonstrate these day by day and year by year in the personnel of a civil service devoted to disinterested thinking rather than romantic hopes of individual gain. Let it be as poor a thing as it may, still it will be a constant reminder that once business was sick to death and that it will be again; that once the expert is applied for, his advice must be taken or refuted. Even if it does so little, and that so badly, as hardly to exist at all, it will still have had a different purpose: the achieving of order. And not improbably it will have been demonstrably wiser than the powers which will be creating the events surrounding it.[18]

These will, however, be the only ways in which the qualities of a planning body will be able to show themselves. It will be unable to act, and therefore unable to eliminate uncertainties; uncertainties make prediction impossible; and planning is a process of predicting and making it come true, not merely a matter of advising voluntary groups. Mr. Slichter is quite justified in pointing out that no scheme we are likely to adopt would be able to do its work effectively. He asks, for instance: "Could it prevent depressions? Could it prevent the great overdevelopment of industries? If a council had been in existence as early as 1920, could it have checked the great overdevelopment of the textile industry, the shoe industry, the coal industry, the petroleum industry, the automobile industry, and others? Could it have solved the farm problem? Could it have prevented the depression of 1930, or substantially reduced the severity of the depression? Could it have prevented our foreign trade from being injured by a general upward revision of the tariff in 1920?"[19] And he is certain that the answer to all these questions is "no."

The answer has to be "no" because the necessary conditions of planning are not established by any "purely advisory National Economic Council." An advisory council might guess, but it could not plan; and the difference between guessing and planning is the difference between laissez faire and social control. Under the institutions of laissez faire the sole uses of such a body will be to lead us slowly, by precept and demonstration, toward a less uncertain future. It seems improbable that this will be other than a very reluctant and grudging change.[20]

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for it now, in the whole structure of industry. No one business, Mr. Swope saw, could achieve it alone. There must be common action throughout entire industries. Beyond this, he made only the suggestion of supervision by a public body. The chamber of commerce committee report on continuity of business and employment recommended certain long-time measures as likely to assure relief from recurrent depression. The central problem was formulated as "The establishing of a better balance between production and consumption." It is seen that this must mean the restraint of certain liberties: "A freedom of action which might have been justified in the relatively simple life of the last century cannot be tolerated today, because the unwise action of one individual may adversely affect the lives of thousands. We have left the period of extreme individualism and we are living in a period in which national economy must be recognized as the controlling factor." This might be thought to be the prelude to suggestions for rigorous control. But what follows is only a suggestion for a national economic council with advisory duties. Furthermore this is not to be a governmental body but one responsible to the chamber of commerce.

[16] Mr. L. L. Lorwin distinguishes four possible types of these bodies which he calls: (1) The absolute socialist type, (2) the partial state-socialist type, (3) the voluntary-business type, and (4) the social-progressive type. I have not thought it necessary to follow this distinction very closely, though it is helpful as a guide to the present large output of plans, because it seems to me quite clear, for reasons I develop, that they all come to the same thing—or will not work. There is really very little choice in the long run; our industrial technique is very fully developed and it is of a certain sort and not otherwise. Any plan must contain and complete it or it will fail. We might once have had the choices suggested by such a classification. We no longer have them.

[17] Committee on the Continuity of Business and Employment, Rept. No. 12. Most industrial leaders, with a few notable exceptions, favored the La Follette bill in its Senate hearings. This would, of course, set up a fairly harmless advisory body. But, in contrast to the chamber of commerce recommendations, it would be an organ of government.

[18] Hearings on the La Follette bill to establish such a national council have shown something, in spite of the reticence of business leaders, concerning attitudes. They are willing, just now, to try anything, but are not hopeful of results. Mr. Sloan, for instance, asked whether he would endorse the idea of a council, answered that, in his opinion, "We wouldn't get very far. There is too much individuality in business. I don't think we have reached the point where individual manufacturers will give up something for others." And he went on to say that the economic council idea, would in its final form result from evolution and experience. Mr. Wiggin, on the same day, Oct. 30, 1931, as reported in the New York Times, answered Senator La Follette's question, "You think, then, that the capacity of human suffering is rather unlimited?" by saying, "I think so." He was asked whether he thought a council could have had any effect in checking the excessive expansion of 1929 and replied, "I don't think so." "Then," said Senator La Follette, "I take it you believe that there is nothing which can be done which will be effective in saving us from these great fluctuations in business activity which we have been experiencing?" Mr. Wiggin answered. "I do not think so. A man only lives so many years, and his experience only lasts with him so many years. New generations succeed and they will make the same blunders. * * * Human nature is human nature. Lives go on so long as business activity goes on and we are bound to have conditions of crisis once in so often. You may learn from each one how to avoid that particular difficulty the next time, but you are always going to have, once in so many years, difficulties in business, times that are prosperous and times that are not prosperous. There is no commission or any brain in the world that can prevent it. I believe that Mr. Wiggin was right and extraordinarily honest. No commission, no brain could prevent crisis in business; which is why business is slowly being condemned, and new schemes are being considered for taking over its function.

[19] Sumner H. Slichter, Modern Economic Society, p. 876.

[20] For many years I was puzzled to know why so much opposition to any extension of Government functions existed. It was only gradually and with patient inquiry that I satisfied myself. The reason was that business kept any government corrupt that touched it anywhere. This seemed to be a part of the business system, no more considered wrong by business men than ordinary buying and selling. And wise observers who had seen it going on always and everywhere had concluded that it was of the nature of government to be corrupt and inefficient and that no really important matters, such as economic functions, ought ever to be trusted to it. A longer time still was required to reach the conclusion that all these wise men were wrong about causes. And because they were wrong about this their whole thinking was askew. The trouble lay in the nature of business, and so long as business was left unchanged as to motive and method it would continue to corrupt every government it touched. But it could not be reasoned that, because business had paralyzed governmental organs, governments were inherently bad and ought never to be trusted. Revise business; arrange things so that man's capacity to corrupt the public services is seriously limited or removed, and then, only then, we shall have a chance to see whether the public interest, as over against private interests, could command effective and honest service. From what I know of human nature I believe that the world awaits a great outpouring of energy as soon as we shall have removed the dead hand of competitive enterprise that stifles public impulses and finds use only for the less effective and less beneficial impulses of men. When industry is government and government is indus-

In another place I have pointed out the analogy between the serialization of machines within a factory and the development of a continuity of process throughout industry. The one instance is that of machine linked to machine until the series is finally complete; the other instance is that of process linked to process until a strong web of dependence and contract is completely woven. The analogy can be pursued further. One of the features of recent industrial history, which found us altogether unprepared, was the astonishing capacity for production which seemed suddenly to show itself everywhere in the twenties. Its sudden unexpected appearance has led to absurd and ludicrous subterfuges; even economists have not been entirely innocent of these. I had supposed that one of the stock illustrations of economic fallacy, one which could always be depended on, would continue to be the one which illustrated the futility of making work. Numerous varieties of this old common-sense error have suddenly become respectable in recent months. We have all been asked to assent to the necessity for the stretch-out, for reducing hours of work in the day and even days in the week; we have even heard arguments against efficiency and mechanization; and whole cities and States have gone frankly into efforts for making work. Most economists have either kept silent or have contented themselves with mumbling something about long and short runs.

This confusion is the natural result of our lateness in bringing the science of economics even to the observational stage. If we have been watching, describing, analyzing industry as we should, we must have known that the greatest economic event of the nineteenth century occurred when Frederick W. Taylor first held a stop watch on the movements of a group of shovelers in the plant of the Midvale Steel Co. And we must have understood, when Shop Management was published in 1903, that, perhaps a generation later, the world could be overwhelmed with goods. Taylor had already done his greatest work by then, and notice of it had been sufficiently public if there had been economic ears to hear. Instead of that, writing and teaching went on undisturbed, the subject matter becoming more and more traditional. Perhaps most ironical of all, in view of the coming surplus, was all the emphasis on laws of diminishing returns and the limited number of seats at nature's table. The forces which were to make the future went unnoticed.

The world is paying now for this dogmatic dream of the economists. And we seem not to have discovered even yet the sources of these floods of goods; we have no idea how they can be regularized and made available to consumers; we have no notions, beyond the foolish and despairing ones which we ourselves reject in ordinary times, what our policies ought to be in days of disaster. We have talked freely about the failure of business men and statesmen; it is time we accepted our share of the responsibility.

If we had had eyes to see the implications of Taylor's work we should have known that the vast expansion of production which must follow would clog all the old channels of trade, swamp the mechanisms of an artificially limited commerce, and end in a period of violent reconstruction. Some of the sufferings of the present might possibly have been avoided. We failed to understand because our eyes were blind to the technology which was revolutionizing the materials of our science. It is important that this should not continue to occur; it will not if we agree that economics is an observational, even if not yet an experimental, science, and if we hereafter agree to search out the consequences of technological change.

When Taylor reduced human working motions to defined elements, they were then of the sort that machines could perform; when machines took over these simplified tasks, one by one, there came a time in every process when the speed and rhythm of the whole was still dictated by a few, or even one, unmechanized task which men must still perform. Human failure periodically disrupted such a plant, there was blocking and choking, confusion and disorder, until a period of slackening and slowing started things going again. But when this last gap between machines had been closed, the whole process could be thought of in new and revolutionary ways. Nothing but product and costs counted any more; men as workers no longer dictated; and there was an end to confusion, and to periodic disruption. The revolution of our industry still lingers in this stage; not all our processes have discovered this final efficiency. But it will not linger there for long. The clearing away of the present debris and the years of expansion to come will surely witness the emergence of this new technology, matured and pervasive. Shall we be unready for the floods of still cheaper goods?

The changed attitudes and rhythms which follow the completion of machine series within the factory are quite like those which may take place in another area. Industry after industry may follow the half-dozen now fairly rationalized; each may use in its own plants the new technology of work-elimination; each may solve its own problems of control and coordination. But it will all end again in just such a disaster as we are struggling through now unless we take the final step of linking each to each. Unless we learn that the structure and rhythm of laissez faire are inconsistent and anachronistic concomitants of such technology as soon will infuse the industrial process, confusion and disorder will prevail whenever the wilful pursuit of business privileges, as we still know them, chokes the smooth interchanging flow logically belonging to the system of industry, but never yet achieved by human management.

It is necessary to realize quite finally that everything will be changed if the linking of industry can finally be brought to completion in a plan. It was a reluctant and half blind step which led one executive after another to complete the serialization of his machines. And even then he was sometimes astonished at the results. This new undertaking is vaster; it requires a new and complicated technology which is not yet wholly invented; and it follows not from one executive's decision, but from a thousand preliminary consents, abdications, and acceptances of responsibility. Yet to enter upon it would be to take but a single short step from where we are; the most momentous and final, but still a short one. We have traveled a long road to this threshold we now consider crossing.

The setting up of even an emasculated and ineffective central coordinating body in Washington will form a focus about which recognition may gradually gather. It will be an action as significant as the first observations of Taylor; and it can lead eventually to the completion and crowning of that genius' work. The major subject matter of economics during the next few years might well be a particularizing of the implications of this. For we have a century and more of development to undo. The institutions of laissez faire have become so much a part of the fabric of modern life that the untangling and removing of their tissues will be almost like dispensing with civilization itself. We shall all of us be made unhappy in one way or another; for things we love as well as things that are only privileges will have to go. The protective vine makes the ruined wall seem beautiful; we dislike abandoning it for something different. But we shall have to see, no doubt, a wholesale sacrifice of such things, like it as little as we may.

The first series of changes will have to do with statutes, with constitutions, and with government. The intention of eighteenth and nineteenth century law was to install and protect the principle of conflict; this, if we begin to plan, we shall be changing once for all, and it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement. We shall also have to give up a distinction of great consequence, and very dear to many a legalistic heart, but economically quite absurd, between private and public or quasipublic employments. There is no private business, if we mean by that one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest. Furthermore, we shall have to progress sufficiently far in elementary realism to recognize that only the Federal area, and often not even that, is large enough to be coextensive with modern industry; and that consequently the States are wholly ineffective instruments for control. All three of these wholesale changes are required by even a limited acceptance of the planning idea.

Planning is by definition the opposite of conflict; its meaning is alined to coordination, to rationality, to publicly defined and expertly approached aims; but not to private money-making ventures; and not to the guidance of a hidden hand.[21] It is equally true that planning in any social sense cannot leave out of its calculations any industry or group of industries and still remain planning. To do so would be to expose the scheme to the very uncertainty which is sought to be eliminated and to concentrate its advantages in the hands of the noncooperators. It would be easy for any free industry to erect an empire if all or even many of the others were restricted. It will be required, furthermore, in any successful attempt to plan, that the agency which imposes its disinterested will on industry, must equal, in the area of its jurisdiction, the spread of the industry. Planning will necessarily become a function of the Federal Government; either that or the planning agency will supersede that government, which is why, of course, such a scheme will eventually be assimilated to the State, rather than possess some of its powers without its responsibilities.[22]

The next series of changes will have to do with industry itself. It has already been suggested that business will logically be required to disappear. This is not an overstatement for the sake of emphasis; it is literally meant. The essence of business is its free venture for profits in an unregulated economy. Planning implies guidance of capital uses; this would limit entrance into or expansion of operations. Planning also implies adjustment of production to consumption; and there is no way of accomplishing this except through a control of prices and of profit margins. It would never be sufficient to plan production for an estimated demand if that demand were likely to fail for lack of purchasing

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try the dual conflict deepest in our modern institutions will be abated.

This is one of the basic reasons why the prospect of a planned economy is so congenial to every other hope and belief I have. I can see in it the eventual possibility of a rewarded honesty for every man which so few have now. And this can come only from a removal of the activities of goods-making and goods-selling from the list of those activities which are treated as games and rackets with few rules, no ethics, no limitation of instruments to be used, and rewards only for results which in the nature of things must involve social harm.

[21] "The laissez faire of the nineteenth century was based upon a metaphysics of providential guidance. The planning of the twentieth century rests its case on a philosophical faith in the power of man to promote orderly economic and social change."—L. L. Lorwin.

[22] I mean, of course, that only government, in the widest sense, can protect and foster the arts, education, and other similar interests which compete with industry and would do so more formally under any planned division of the national income.

power.[33] The insurance of adequate buying capacity would be a first and most essential task of any plan which was expected to work. To take away from business its freedom of venture and of expansion, and to limit the profits it may acquire, is to destroy it as business and to make of it something else. That something else has no name; we can only wonder what it may be like and whether all the fearsome predictions concerning it will come true. The traditional incentives, hope of moneymaking, and fear of money loss, will be weakened; and a kind of civil-service loyalty and fervor will need to grow gradually into acceptance. New industries will not just happen as the automobile industry did; they will have to be foreseen, to be argued for, to seem probably desirable features of the whole economy before they can be entered upon.

This sweeping statement of the logic of planning is simply an attempt to foresee what our economic institutions will be like if we adopt the planning principle. We shall not, we never do, proceed to the changes here suggested all at once. Little by little, however, we may be driven the whole length of this road; once the first step is taken, which we seem about to take, that road will begin to suggest itself as the way to a civilized industry. For it will become more and more clear, as thinking and discussion centers on industrial and economic rather than business problems, that not very much is to be gained until the last step has been taken. What seems to be indicated now is years of gradual modification, accompanied by agonies and recriminations, without much visible gain; then, suddenly, as it was with the serialization of machines, the last link will almost imperceptibly find its place and suddenly we shall discover that we have a new world, as, some years ago, we suddenly discovered that we had unconsciously created a new industry.

These struggles and changes may seem to the future historian who looks backward like the purposive journey of a seedling toward the light. The seedling could not see or feel that light; it merely obeyed its nature. If only society had a greater and more widely diffused power to comprehend and pursue the purposes of its nature, we should save ourselves the great waste of energy which goes into opposing and regretting change. The difficulty with this is that society is not an organism; that it has no discoverable nature to obey; that there are no natural requirements for its development. We are not going anywhere; we are merely on the way. For this lack of the purpose, which nature kindly supplies to her lower organisms, society must substitute plans born of intellectual effort, and imposed by awkward democratic devices. This is a hard condition for human nature. We have no great gift for shaping our behavior in accordance with large arms, and no great gift either for tolerating the necessary disciplines. It has been by a series of seeming miracles that we have acquired the technique of control and the industrial basis for economic planning. The still further, perhaps greater, miracle of discipline is needed.

It is perhaps no accident that planning has recently become a center of discussion in economic affairs in substitution for laissez faire. Changes in contemporary philosophy have prepared the way. Chance has substituted itself for the anthropomorphic interpretation of history as a causal sequence. Even the evolutionary principle has the defect, in social history, of making the present seem to have been what we were struggling for. Of course, we were not trying to attain any of the institutions we have. They resulted from the chance conjunction of changes. Only the backward look, determined by the view from some contemporary hillock, gives history a meaning. We have, nevertheless, as we are just now dimly beginning to see, the possibility, in a world of discontinuous development and chance combination, of producing a new history guided quite consciously toward foreseen ends.

There is something hostile to mankind in the cold notion of a world which progresses toward unseen ends, regardless of human desires. So long as it was possible we tried to delude ourselves, on one way or another, that purpose existed and that it had a definite reference to mankind. All that comfort is torn away now; and we remain poor, inconsequent creatures exposed to chance developments which are neither kind nor unkind with reference to ourselves, but simply impersonal. It is perhaps characteristic of human nature that we should reject such a view until it became intellectually impossible to cherish our delusions further; and that we should then turn to the only alternative. If there is no order and sequence in events, if the world is indifferent to man, we still remain men. It is perhaps the most magnificent of all human gestures to accept inconsequence and to set out determinedly to bring order out of chaos. I do not regard it as settled that the world is ready, yet, for creating its future according to a determined purpose.[34] But we are at the point where discussion of this possible mastering of future history is beginning to assume practical aspects; and there is undoubtedly some need for haste if change is to come peaceably. It is my view that the prospective discussion ought to be carried out with a clear view of its philosophical implications and of its institutional requirements. If we accept the principle of planning we must accept its implied destruction of the structure of a laissez faire industry.

It is, in other words, a logical impossibility to have a planned economy and to have businesses operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required. It is strange, in a way, that we should have come so long a journey to the very threshold of this new economic order with so little change as is yet visible either in our institutions or our intentions. The reason must be that in this, as in so many instances, only the last steps become conscious. We are incorrigibly averse to any estimate of the logic of our acts; and we are also, somewhat paradoxically, fonder of our systems of theory than might be expected, reluctant to expose them to the tests of reality. Consequently we begin with small unnoticed changes and end by not being able to resist vast and spectacular ones—at which time our systems of theory tumble unwept into the grave along with the outworn techniques they accompanied. When this kind of thing follows a relatively unimpeded course there is rapid industrial change such as once happened in England; when politicians, theorists, and vested interests resist too strenuously, there is a revolution on the French model. How rapidly the pressures rise to explosive proportions depends both upon the visibility of a better future and upon the hardships of the present.

There is no denying that the contemporary situation in the United States has explosive possibilities. The future is becoming visible in Russia; the present is bitterly in contrast; politicians, theorists, and vested interests seem to conspire ideally for the provocation to violence of a long-patient people. No one can pretend to know how the release of this pressure is likely to come. Perhaps our statesmen will give way or be more or less gently removed from duty; perhaps our constitutions and statutes will be revised; perhaps our vested interests will submit to control without too violent resistance. It is difficult to believe that any of these will happen; it seems just as incredible that we may have a revolution. Yet the new kind of economic machinery we have in prospect cannot function in our present economy. The contemporary situation is one in which all the choices are hard; yet one of them has to be made.

[33] The chief instruments which have been able to develop, under laissez faire, toward order and regularity, have been those "trade associations" referred to before. They serve as illustrations both of the possibilities and the limits our system offers. For, as Mr. Soule has pointed out, they lead to contraction and limitation but offer nothing in the way of enlarged ways of living. If we were to pursue the logic of this development, we should have industries organized; we should have control established over production and price. So far the results would doubtless be good. But we should also have production limited to the amounts which would regularly be absorbed by consumers at prices dictated neither by a constant ratio to costs nor social need for the goods, but only by the industry's conception of its own best interests. This will never be good enough in any social sense to command permanent assent. Besides, the profit fund will always, after a period of expansion, find itself embodied in overbuilt enterprises whose goods cannot be sold. In spite of these obvious difficulties this is doubtless the direction of our development. Mr. F. M. Feiker, of the Bureau of Foreign and Domestic Commerce, speaking on November 30 before an organization of brokers, referred to the well-known fact that his Bureau was already cooperating with 142 associations to assist them in planning. He even implied that his Department might soon suggest a plan for industry as a whole. To one whose mind is free of laissez faire dogma the peroration of this address must seem to furnish a curious nonsequitur to its general implications. For, after referring to the many approaches to planning in individual industries, and saying something indefinite about a general plan, he finished in this way: "This program must conform to the fundamental American principle of individual initiative and individual achievement for individual reward. It cannot be imposed by fiat or decree. It must in the end rest upon the intelligence and ingenuity of the American business man. Economic planning by ukase is not for us." Having achieved the feat of getting the word "individual" into one sentence in three places, and having eliminated experts in favor of business men, he thus was able to point to a highly expert and carefully socialized effort of the Government as after all quite harmless and ineffective.

[34] Cf. the final chapter in Mr. John Dewey's Philosophy and Civilization, especially the passage on p. 329, in which he attributes our backwardness in social knowledge to our failure to use our already acquired skills in the interest of a shared abundant and secure life..

Mr. AUSTIN subsequently said: Mr. President, I ask unanimous consent to have inserted in the RECORD, at the end of the very able speech of the Senator from Virginia [Mr. BYRD], an article by Mark Sullivan, a very shrewd observer, entitled "Action on Elevation of Tugwell Watched as Indicative of Trend."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of June 6, 1934]

ACTION ON ELEVATION OF TUGWELL WATCHED AS INDICATIVE OF TREND—MARK SULLIVAN HOLDS APPROVAL OF "COLLECTIVIST" AS UNDER SECRETARY OF AGRICULTURE WOULD BE DEPARTURE IN AMERICAN POLITICAL PHILOSOPHY

By Mark Sullivan

WASHINGTON, June 6.—We shall have within a few days one of those signs on the surface which mark the course of the tide beneath, the tide in this case being the process of fundamental change through which America is being carried.

The steps which comprise this process can be recognized as a rule only by the comparatively few who understand the technique by which such changes are brought about. To an equal degree the outward evidences of the process, its successive stages, the concrete developments which mark its progress, are recognizable only by relatively few (until, of course, the change in social structure is complete).

AGRICULTURAL OFFICE WATCHED

One of these developments, one of the outward signs, is apparently just ahead of us. In the Department of Agriculture is a vacant post, Under Secretary, second to the Secretary. To this post President Roosevelt has promoted Prof. Rexford G. Tugwell, now Assistant Secretary. The appointment is before the Senate Committee on Agriculture for recommendation and in due course will come before the Senate for approval.

Both the committee and the Senate are controlled by one of the two great parties which are historic in America, which have provided America with its political principles and mechanisms for more than 70 years. If the appointment of Professor Tugwell is approved, it will then be possible to name that event and that date as a milestone. It will be the date on which one of the two great historic parties in America approved the appointment to a high office of an appointee representing a social and political philosophy wholly new to America.

Professor Tugwell's philosophy is collectivism. Designation of Mr. Tugwell as a collectivist is made by persons whose judgment in this field can hardly be disputed. One such judge is Mr. Walter Lippmann. Mr. Lippmann, I think it fair to say, is prevailingly sympathetic to the new deal; he was an advocate of Mr. Roosevelt's election. Also, Mr. Lippmann has exact understanding of the terminology of the various experiments in social structure and government now being carried on in Europe and in the United States. Neither intellectually nor temperamentally, nor by such sympathy as he may have for the new deal, would Mr. Lippman be likely to misjudge the category in which Professor Tugwell belongs.

LIPPMANN ON TUGWELL

Mr. Lippmann is listing and describing the political beliefs and social philosophies of various men and groups within the administration. Of Professor Tugwell he says:

"Then there is a group, among whom Professor Tugwell is the most conspicuous, who may, I suppose, fairly be called collectivist."

Mr. Lippmann's judgment that Professor Tugwell is a collectivist is shared by everyone I know who is equally competent to classify men in this field.

Professor Tugwell as Under Secretary of Agriculture will have no more power than he has in his present post as Assistant Secretary. His promotion, as such standing alone, will not materially accelerate the progress toward collectivism now under way. Professor Tugwell's leverage for action lies not in the rank of his official position but in his subtle and powerful mind. It lies also in the closeness of his association with President Roosevelt. "* * * In the public and congressional mind", wrote Mr. Arthur Krock in the New York Times, May 29, "he (President Roosevelt) and the professor are considered social and mental intimates."

It is not the promotion of Professor Tugwell that is important. The significance will lie in the fact—assuming it happens—that one of America's two great historic parties, acting through its representatives in the Senate, knowing Professor Tugwell to be a collectivist, confirmed his appointment to a high public office in which he would have opportunity to push forward his doctrines.

DIRT-FARMER OPPOSITION DECRIED

This aspect of whether the Senate confirms Professor Tugwell is so historically important that all other aspects are trivial and temporary. One who is opposing confirmation, Senator ELLISON D. SMITH, of South Carolina, Chairman of the Committee on Agriculture, puts his opposition on the ground that the professor is not a dirt farmer. That reason for opposition is demagogic and unworthy. Professor Tugwell's duties are mainly in the field of land policy, marketing, fixing quotas of production and sale, the processing tax, and the like. For such duties, having handled a hoe is no necessary experience.

It is true Professor Tugwell has not the experience that would equip him for his job, which would be training in business. Mr. Tugwell's experience has been wholly that of a teacher and writer. The real reason for Professor Tugwell's holding his present position and for his promotion is his relation to the new deal, especially the more radical part of it.

One who knows the new deal well and believes in it strongly, Mr. Ernest K. Lindley, sympathetic author of The Roosevelt Revolution, says: "Rexford G. Tugwell is the philosopher, the sociologist, and the prophet of the Roosevelt revolution, as well as one of its boldest practitioners; he has provided the movement with much of its rationale."

Another author, anonymous but with much inside information, who calls himself "Unofficial Observer" and wrote The New Dealers, says, "When you reach Tugwell, you come very close to the heart of the new deal."

These judgments about Professor Tugwell are borne out by newspaper observers. One of these, Mr. Frank Kent, of the Democratic Baltimore Sun, writing facetiously but with complete accuracy, says: "Dr. Tugwell is an irremovable part of the new deal * * *. He is the prime planner * * * with the most far-sighted schemes * * *."

There can be no doubt that approval of Professor Tugwell by one of America's two great political parties will be a historic departure.

Mr. NORRIS obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Nebraska yield to me for a moment?

Mr. NORRIS. I yield.

Mr. ROBINSON of Arkansas. With respect to the statement made by the Senator from Virginia [Mr. BYRD] that Mr. Tugwell, for the Department of Agriculture, conceded that the Department had exceeded its authority and placed an unwarranted interpretation upon the existing statute, I merely wish to say at this time that it is my information that in the administration of the act some doubts have arisen as to its true interpretation, as to the extent of the powers already conferred, and that the proposal for amendments, or at least for some of the amendments, was for the purpose of making clear the extent of the authority and the interpretation of the act. I do not understand that the Secretary of Agriculture, or the Acting Secretary, or anyone else in the Department, has made the declaration or expressed the opinion that its action has been in violation of the Constitution.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Just a moment. As might have been expected, questions have arisen as to the meaning of the act, and the Department officials are in doubt as to whether or not their interpretation of it is correct. The intention is to make clear the true meaning of the act.

I thank the Senator from Nebraska.

Mr. NORRIS. Mr. President, the Senator from Virginia [Mr. BYRD] is very anxious to have Dr. Tugwell answer his letter, which is now a week old, and desires to have the motion to discharge the committee defeated, so that Dr. Tugwell may be called before the committee and required to answer the letter.

I should like to suggest that in connection with any measure dealing with an agricultural product the committee can send for Dr. Tugwell, and then the Senator from Virginia probably can get an answer to his letter. It will not be necessary to defeat this motion in order to obtain an answer to his letter, which is now a week old.

Mr. BYRD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Virginia?

Mr. NORRIS. I yield.

Mr. BYRD. I should like to ask the Senator from Nebraska whether he thinks it should be necessary to call an official of the Government before a committee in order to obtain an answer to a courteous letter sent to him by a Senator of the United States?

Mr. NORRIS. No; I do not think so. If I could get an answer within a week to every letter I write, however, or if the thousands of men and women who write to me should receive answers within a week, they would be doing exceedingly well. If they should wait a month and then receive answers they would do well in many cases. I take it that in due time Dr. Tugwell will answer the letter.

If I had received a letter of that kind, I probably should not have answered it, because I would have realized that there were thousands of other and more important letters that I should have to answer, and they would take up all my time. [Laughter.]

But, Mr. President, I desire to call the attention of the Senate to the fact that, as I see the matter, and as I believe Senators will see it if they look at it carefully, the question of answering the letter of the Senator from Virginia has not anything to do with the motion which is pending before the Senate. As I see it, the confirmation of the nomination of Dr. Tugwell has not anything to do with the motion that is pending.

I should like to pause here to inquire of the Chair when it was that Dr. Tugwell's nomination was sent to the Senate.

Mr. ROBINSON of Arkansas. Mr. President, I can supply that information, if the Senator will yield.

The PRESIDING OFFICER. Will the Senator from Nebraska do so?

Mr. NORRIS. I yield.

Mr. ROBINSON of Arkansas. The record shows that the nomination was received on the 24th day of April 1934.

The PRESIDING OFFICER. The Chair is informed at the desk that the Senator from Arkansas is correct.

Mr. NORRIS. Very well.

On the 24th day of April Dr. Tugwell was nominated for the office of Under Secretary. I believe if I had to vote now, without any further information, I should vote against the amendment which provided for the office of Under Secretary. That matter has been debated here a great deal. I do not agree that the amendment was properly adopted. It ought to have been acted upon by the Agricultural Committee. I agree with the chairman of the committee in that respect. I find today, however—this is the first time I knew about it—that the Under Secretaries of other departments were provided for in the same way; so I have reached the conclusion that there has been no intention to show any disrespect to the Committee on Agriculture and Forestry, or to its chairman, by the method in which the amendment creating the office was agreed to, although I do not believe that was the proper way to agree to it, and without further information on the subject I am opposed to the establishment of the office.

I should like to say, however, that like the letter of the Senator from Virginia, as I see it, that has not anything to do with the question now before the Senate.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. NORRIS. I yield to the Senator.

Mr. CLARK. Of course, the statement of the Senator from Nebraska that the other under secretaryships have been created in the same way simply amounts to saying that there has been done by indirection in the creation of these other under secretaryships what could not be done directly.

Mr. NORRIS. I do not know whether it could have been done by direct action or not. At least, I conceive and believe it was not the right way to do it.

Mr. CLARK. I agree with the Senator entirely in that respect.

Mr. NORRIS. That should not control my vote, or the vote of any other Senator, on the motion pending before the Senate.

The Senator from South Carolina evidently was much aggrieved about the matter. I would not say—without the information, at least, which came today—that he was not justified in his feeling. Up to this day I had felt that way about the motion. I myself did not know that the creation of this position had been agreed to by the Senate. The motion was offered, and the result was had when I was not in the Senate. But that is water over the mill, and it has not anything to do with whether the committee should or should not take some action upon the nomination of Mr. Tugwell. The nomination was sent to the committee on the 24th day of April, and to this moment it has never been laid before the committee by the chairman.

The chairman says that any member of the committee could have made a motion at any time. I do not know whether any member could have done that or not. I have been laboring under the impression that the members could not do that.

Let me appeal to Senators, with their knowledge of the practice of the Senate and of the House in committees, and especially on nominations. I may be mistaken; I am speaking only from memory, but in all my service here I have never yet, either as chairman of a committee or as a member of a committee, known of a single, solitary instance where a nomination has been referred to a committee when the chairman of the committee did not lay the nomination before the committee.

Is not that the practice? I have been chairman of three committees in this body—two of them very important committees, and one of them a committee which has probably more nominations referred to it than any other committee in this body. I refer to the Committee on the Judiciary. For a good many years I was chairman of that committee, and I think that if we counted them up we would find that during the time when I was chairman there were probably thousands of nominations referred to that committee. It never occurred to me that it was not the duty of the chairman to lay the nominations before the committee, without regard to what the chairman thought about them, whether he was in favor of them or opposed to them. Has not that been the experience of every other Member of this body?

I asked the Chairman of the Committee on Agriculture and Forestry a question an hour or so ago, as to whether he knew of an instance where that practice had not been followed, and I would be pleased to have any Senator now rise and interrupt me and tell me of a single instance where that has not been done. No one responds. I take it that no one can recall to mind a case where that has not been done. That is what is always done. That is the way we do business here.

Mr. SMITH. Mr. President, may I call the Senator's attention to the fact that the committees are more or less families, and man after man, as the Senator knows, has asked to have certain bills taken up, and asked to have certain nominations taken up. It is just as common as the meetings of the committees.

Mr. NORRIS. It is common as to bills, but not as to nominations.

Mr. SMITH. I beg the Senator's pardon.

Mr. NORRIS. I call the attention of Senators to the fact that the Judiciary Committee, for instance, while I presided as chairman, had before it nominations of judges for appointment to the Supreme Court of the United States, and nominations of judges for appointment to other courts, in some cases nominations which I opposed in the committee and on the floor of the Senate, and the record will show that some of the nominations were defeated. Never once was it necessary for a member of the committee to move that the committee consider a nomination.

With all that procedure, all that practice, running back for years, as a precedent, what would have happened if some member of the Committee on Agriculture had moved that we take up the nomination of Dr. Tugwell? The chairman of the committee said a while ago he thought the Senator from Montana made the request only in order to see him "blow up." Does any Senator suppose anybody would have blown up if we had made that motion? Was there ever a committee meeting called when the call showed that we were going to consider the nomination of Dr. Tugwell? Not one, so far as I have seen. Never once was such a notice sent out.

Would it have been proper, if there had been a committee call for a special purpose, to take up some other subject when the committee met? Suppose a Senator had received a notice which said, "We are to consider Senate bill so and so", and when he got there, he had asked the committee to take up some other bill; would that have been in order? I wish to call attention to the fact that there is serious doubt about that. Some Senators think it would have been, others think it would not have been.

If Senators will examine the record of the House of Representatives, they will find that that question was raised several years ago, and it aroused the country to quite an extent. It involved a very important bill, where a committee was called in special session by the chairman, after sending out notices to the effect that the committee was called to consider certain legislation.

When the committee met, some member of the committee moved to take up another bill which was not on the card notifying the members of the meeting, a bill for the consideration of which the committee had not been called together. The committee, by a majority vote, took up the bill in accordance with the motion. I have forgotten now what the outcome was in the House of Representatives, but there were at least two members of that committee who received the notice and did not attend the meeting of the committee.

They were opposed to the bill which was reported by the committee at that meeting, and if they had been there, the report would have been defeated. That was the record they made up, that a meeting had been called to consider one bill, and that the committee considered some other bill.

In the constitutions of most of the States it is provided that the Governor of the State may have authority to call special meetings of the legislature, and the constitution usually provides that when the legislature meets it shall consider only such legislation as the Governor included in his proclamation.

Mr. SMITH. Mr. President, will the Senator yield?

Mr. NORRIS. I yield.

Mr. SMITH. The Senator is a very valuable member of the committee of which I have the honor to be chairman. He knows, from his experience, that we sometimes call a meeting for a special purpose, and sometimes we do not, but he does not pretend to say that when we meet we do not consider other matters and other bills in addition to that for which we were called together, does he?

Mr. NORRIS. No; never in any sense since the Senator has been chairman of the committee.

Mr. SMITH. There never has been such a case, since I have been chairman.

Mr. NORRIS. I do not know what the chairman would have ruled if someone had said, "I object to that bill coming up because it is not included in the call." I do not know what would have happened.

Mr. SMITH. I have been a member of the committee on Agriculture and Forestry practically ever since I have been in the Senate. I never have heard the question discussed as to whether it was legal or illegal to depart from the specifications in the call.

Mr. NORRIS. We have had no call in this instance. I am tired of hearing Senators say, "If members of the committee wanted this nomination taken up, why did they not move to take it up?" It was not our duty to do so. Perhaps it was not the duty of the chairman to take it up. Perhaps it is within the province of the chairman to hold it indefinitely. That is what we are going to vote on. That is the question now before the Senate. If the pending motion shall be voted down, it will be practically a decision by the Senate that the chairman of the committee can put a nomination in his pocket, and carry it indefinitely, and never call the committee together to act on it, or ever lay it before the committee.

The Committee on Agriculture and Forestry does not hold regular sessions.

Mr. SMITH. Mr. President, the Senator has no right to make that statement.

Mr. NORRIS. All right; if that statement is wrong, the Senator can correct it.

Mr. SMITH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. NORRIS. I yield for a question.

The PRESIDING OFFICER. The Senator yields for a question.

Mr. SMITH. Mr. President, I do not think I can put what I desire to say in the form of a question. I rise to a question of personal privilege.

Mr. NORRIS. The Senator cannot take me off the floor in that way.

Mr. SMITH. I do not wish to take the Senator off the floor. I desire to suggest——

Mr. NORRIS. I yield if the Senator desires to ask me a question; and if the Chair and the Senate will permit, I will yield if the question does not exceed 15 minutes in length. I have no objection even to the Senator making a speech in my time if he desires to do so.

Mr. SMITH. I will take the floor in my own time and reply to the Senator who is rarely on the floor.

Mr. NORRIS. The Senator says I am rarely on the floor. That is an unkind remark to make. That, of course, ought to settle the vote on this motion.

Mr. SMITH. The Senator said he would yield to a question if it was not more than 15 minutes long.

Mr. NORRIS. If the Senator will permit me, I said I would answer the question. I am not objecting to the question. I realize, however, that if we go on as we are now, it will mean that other Senators will ask that I yield, and we shall have a dozen speeches in my time, and I do not want to have that done.

Mr. President, there are two kinds of meetings: regular meetings and special meetings. There have not been any regular meetings of the Committee on Agriculture and Forestry, as I understand, since the nomination of Dr. Tugwell has come to that Committee.

Mr. SMITH. There have been a dozen.

Mr. NORRIS. That may have been, but I did not know anything about them.

Mr. SMITH. The Senator is rarely there.

Mr. NORRIS. Will the Senator tell me now when the regular meetings of the Committee on Agriculture and Forestry are held?

Mr. SMITH. We have no regular meetings. Will the Senator let me say something within 15 minutes?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. NORRIS. I do not have any objection, if the Chair will permit the Senator to do it. Do not ask me about it. Let the Senator address the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. NORRIS. I yield.

Mr. SMITH. We have had about a dozen meetings. I think the Senator has been at about one or two of them.

Mr. NORRIS. Mr. President, that is an unkind remark.

Mr. SMITH. Well, I ask the Senator not to be unkind to me.

Mr. NORRIS. That is an unkind remark, and it is not borne out by the facts.

I have not gone any further than the Senator from South Carolina, but I will take that up later, if necessary. If it is important to know who is present at the meetings, I will say that the meetings at which the most important hearings have been held during this session were held in the absence of the chairman himself.

Mr. SMITH. Because they involved questions in which other Senators were interested and I was not.

Mr. NORRIS. That may be. I do not dispute that at all. I sat there for days and days. I acted as chairman. I saw the Senator from Alabama [Mr. BANKHEAD] sit there and act as chairman in the absence of the regular chairman. He took the chair at the chairman's request. I do not criticize the chairman for his absence. He probably was doing more important things than we were doing who were there; but it ill becomes him to talk about absences. I asked the question, and I have received the answer. There have not been any regular meetings of the committee.

Mr. SMITH. We do not have them.

Mr. NORRIS. And there never has been a notice sent out that I have ever seen that advised us of a single meeting at which we were to take up the nomination of Dr. Tugwell—not one.

Mr. SMITH. I have already said so.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield, and if so to whom?

Mr. NORRIS. No; Mr. President, I do not yield to anyone right now.

If we had regular meetings, such, for instance, as the Judiciary Committee has every Monday, I concede that at one of those regular meetings it would be in order for any member to move to take up anything which was before the committee; but if the Chairman of the Judiciary Committee were to call a meeting to take up the nomination of Mr. A, we will say, for Chief Justice of the United States, and should send out notices of a special meeting for that purpose, and when the special meeting convened if I should move to take

up a Senate bill, and there should be objection to it, I think the chairman would have to sustain the objection, because members of the committee who had been notified of the special meeting would have a right to believe when they received the notice that nothing would be taken up except that which was included in the notice.

Mr. CLARK. Mr. President, on that point will the Senator yield?

Mr. NORRIS. Yes; I yield.

Mr. CLARK. The Senator, of course, is perfectly familiar with the fact that as a matter of good practice, if a meeting were called for one purpose and a motion were made to take up any other business before the committee, it certainly would be in order to postpone the matter sought to be taken up to a time certain, and at a meeting called for that purpose. Does the Senator know of any motion ever being made in the Committee on Agriculture and Forestry, in all the meetings which the Senator has detailed since April 24, to take up the Tugwell nomination?

Mr. NORRIS. No; there was not any such motion made. I desire to say that I am opposed now to going to the Senator from South Carolina and saying to him, "Call a meeting for the purpose of considering the Tugwell nomination." I should have been afraid to do it before today for fear of seeing someone blow up at that request. He might have said, "That is my business. I am chairman of the committee. I do not need any advice of the committee to tell me what my duty is. I know what it is." I confess that it would have been embarrassing to make that kind of a request of the chairman, although, so far as I know, we are, and always have been, on the best of terms.

Mr. CLARK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska further yield to the Senator from Missouri?

Mr. NORRIS. I yield.

Mr. CLARK. I had no thought of suggesting that the Senator from Nebraska or any other member of the committee go to the chairman and request him to call a meeting; but every member of that committee had an undoubted right to bring up any matter pending before the committee.

Mr. NORRIS. I deny that. I deny that that is a certainty, at least. It may be true; but I am of the opinion—the Senate can judge for itself—that when a committee meeting is called for a special purpose, it is very questionable whether the committee has the right, if anyone objects, to take up another matter. Of course, if no objection is made, one can do anything, as we can do here in the Senate, by unanimous consent, when there are only two Senators present. If the point should be made, however, at a special meeting, I believe it would be the duty of the chairman to sustain it.

Mr. CLARK. Mr. President, may I ask the Senator one further question?

Mr. NORRIS. I yield.

Mr. CLARK. Does the Senator hold that if a committee meeting is called for the purpose of considering one measure which may be before the committee, it is not in order for any member of the committee on any occasion to move to make any measure or nomination a special order of business at a following meeting?

Mr. NORRIS. That might be true, because for that meeting there would be another notice sent out, which would suggest what was to be taken up. That is a different proposition.

Mr. CLARK. So the parliamentary right of any member of the Agricultural Committee who was in favor of Dr. Tugwell's confirmation was never exercised, and no attempt has been made to exercise it.

Mr. NORRIS. If the whole committee has been wrong, everyone has neglected his duty. That is all the more reason why the motion of the Senator from Arkansas should be agreed to and the committee discharged. That committee has had this nomination since the 24th day of April. Senators may blame the condition on the members of the committee if they desire to do so.

They may lay the blame wherever they please. The members of the committee have done nothing. It is admitted they have done nothing. They never have taken it up officially. It seems to me the only remedy on earth the Senate has, if it wants action, is to adopt the motion.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. I yield.

Mr. BLACK. I wish to ask the Senator a question. We have heard a great deal about the rights of the committee. There are many Senators who are not members of the committee. I think probably they might have some right to vote on this question, whether the motion was made in the committee or not. Would it be an insult to the committee, since they do not want to vote, if we should vote to discharge the committee and let us exercise our privilege and our right?

Mr. NORRIS. I do not think so; not at all.

Mr. BARKLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I yield.

Mr. BARKLEY. Unfortunately I have been compelled to be absent during most of the debate on this matter. I should like to inquire whether the nomination has in any way ever been brought before the Committee on Agriculture and Forestry.

Mr. NORRIS. It is my understanding that it has not been.

Mr. BARKLEY. Has it ever been mentioned?

Mr. NORRIS. Oh, yes; it has been mentioned.

Mr. BARKLEY. Was any subcommittee ever appointed to consider it?

Mr. NORRIS. The nomination has never been laid before the committee.

Mr. BARKLEY. Ordinarily, in committees where nominations are pending, if there is opposition to the nominee or to a report, a subcommittee is appointed to look into the matter. Was any subcommittee appointed in this case?

Mr. NORRIS. Oh, no; it has never been considered in that way.

Mr. BARKLEY. I may be entirely wrong in my conception of the functions of a committee, but it has always been my understanding that a committee is the servant of the Senate and not the master of the Senate. Am I right about that?

Mr. NORRIS. I think so. That is my idea.

Mr. BARKLEY. If that be true, does not the Senate owe itself a duty to give itself an opportunity to pass upon a nomination which a committee will not report to it?

Mr. NORRIS. I have tried to say that. I do not think the adoption of the motion of the Senator from Arkansas is an insult to the committee. I do not look at it that way. The committee has had the nomination since the 24th day of April. If the Senate wants to take it away from the committee, it certainly has the right to do it. Even if the committee was busy every day with other business, or if it had had hearings on it and found it impossible to reach a conclusion, the Senate would have that right. I think the Senate has a perfect right to take back the nomination at any time. I would not feel offended if it did so. I am going to vote for the motion. I am a member of the committee. I do not feel that the chairman of the committee would have any right to feel offended.

Mr. GLASS and Mr. ROBINSON of Arkansas addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Virginia, who rose first.

Mr. GLASS. I merely want to suggest that there are 75 Members of the Senate who are not members of the Committee on Agriculture and Forestry. Some of us—I know I am one—would like to know what are the objections to Dr. Tugwell, if there be any.

Mr. NORRIS. Let me answer that question before the Senator proceeds further. I said in the beginning that I think the qualifications of Dr. Tugwell have no bearing upon the pending motion. If the motion is adopted, the nomination of Dr. Tugwell will be placed on the calendar. The adoption of the motion would not confirm Dr. Tugwell.

Mr. GLASS. Yes; but the Senator knows perfectly well that the Senate in open executive session cannot get information that may be desirable as to the qualifications of Dr. Tugwell. I agree that the committee should have acted before now, because it was a matter of common notoriety that Dr. Tugwell has been nominated for the position, and that there were objections of different nature as to his qualifications for the position. The committee should have had hearings and reported to the Senate. There are those of us who are not members of the Committee on Agriculture and Forestry who happen not to be well informed with reference to the objections to Dr. Tugwell. Some of us are not quite informed as to his qualifications at all, and yet we are supposed to vote upon a question about which I, at least, know nothing, and I venture to say other Senators do not know about it.

Mr. NORRIS. That may be true, and the alternative to that is to do nothing, to adjourn and go home and let the nomination of Dr. Tugwell go by the board.

Mr. GLASS. No; that is not the alternative. It has been suggested by the distinguished Senator from Kentucky that the committee is the servant of the Senate and the Senate is master of the committee. If that be so, if the Senate is master of the committee, why may we not direct the committee to hold a meeting, have hearings, and report the nomination back by a given date?

Mr. NORRIS. I presume that could be done.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. I yield.

Mr. ROBINSON of Arkansas. I should like to know whether or not it would meet the approval of the Senator from Nebraska and other Senators if the motion were referred to the Committee on Agriculture and Forestry with instructions that the nomination be reported to the Senate on Monday. Would that meet the approval of the Senator from Virginia?

Mr. BYRD. If the Senator will make it Tuesday, that would be quite agreeable to me.

Mr. ROBINSON of Arkansas. Very well; Tuesday noon.

Mr. President, I ask unanimous consent, with the permission of the Senator from Nebraska——

Mr. NORRIS. Will the Senator wait a moment before he submits his request?

Mr. ROBINSON of Arkansas. Certainly.

Mr. NORRIS. I want to say in conclusion, and then the Senator from Arkansas may submit the request, that I have no interest in the nomination. I have no interest any more than any other Senator in what action the Senate may take. I am willing that the Senate take any action it sees fit. I believe if the Senator from Arkansas had not made the motion we would have ended the session without any action. It seems to me only fair to the committee, to the Senate, to the President, and to Dr. Tugwell that we should vote on the nomination one way or the other. That is the only interest I have in it.

I yield now to the Senator from Arkansas to enable him to submit his unanimous-consent request.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that the pending motion be referred to the Committee on Agriculture and Forestry with instructions to report on the nomination of Rexford G. Tugwell not later than 12 o'clock noon, Tuesday next.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas?

Mr. DILL. I object.

Mr. ROBINSON of Arkansas. I hope the Senator will not do that.

Mr. DILL. I object. I shall not consent to anything with reference to Dr. Tugwell.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBINSON of Arkansas. Mr. President, it is perfectly apparent that unless some arrangement of this kind be entered into we shall get nowhere with the matter. In view of the objection, I move that my motion to discharge the committee be referred to the Committee on Agriculture and Forestry with instructions to report on the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture, not later than 12 o'clock noon Tuesday next.

Mr. CLARK. The motion is that the committee report on the nomination?

Mr. ROBINSON of Arkansas. Yes; that is my request.

Mr. BYRD. The committee may report it either favorably or unfavorably, of course.

Mr. ROBINSON of Arkansas. Of course, we could not instruct the committee to report either favorably or adversely. The object of the motion, of course, is to get the nomination before the Senate. I ask that my motion be submitted to the Senate.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. Yes; I yield.

Mr. McGILL. The Senator does not include in his motion anything with reference to a meeting of the committee. I presume the committee will meet tomorrow. I think we should meet tomorrow.

Mr. ROBINSON of Arkansas. If the instructions shall prevail, the committee will meet at its pleasure, and it will be obligated to report by noon on Tuesday.

Mr. SMITH. Mr. President, as chairman of the committee, if I am instructed to do so by the Senate—and I presume the members of my committee will vote "yea"—I will call the committee in session on Monday morning at 10 o'clock, and, if they desire, we will stay in session all day Monday and all Tuesday morning up until the time of voting and have a report here at 12 o'clock on Tuesday.

The PRESIDING OFFICER. The question is on the motion of the Senator from Arkansas.

The motion was agreed to.

Mr. ROBINSON of Arkansas. Mr. President, I desire the attention of the Senator from Virginia [Mr. BYRD]. During the course of his remarks he made a statement in criticism of Dr. Tugwell to the effect that he, the Senator from Virginia, had addressed to Dr. Tugwell about a week ago a letter to which he had not received an answer. Since that statement was made I have been informed that Dr. Tugwell has answered the letter, and that his reply to the letter of the Senator from Virginia is in the mail.

Mr. President, I now move that the Senate return to the consideration of legislative business.

The motion was agreed to; and the Senate resumed legislative session.

PROTECTION OF DEPOSITORS—ARTICLE BY FRANK B. CAHN

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an article appearing in the Baltimore Evening Sun of February 3, 1933, by Frank B. Cahn, entitled "On Protecting Depositors."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON PROTECTING DEPOSITORS

By Frank B. Cahn

In discussing the enactment of a new State banking law, some of the underlying principles which must be the foundation of any such legislation should be considered. The following are axiomatic: (1) The protection of the depositor is paramount to any and all other considerations; (2) no person, partnership, or corporation has the unconditional inherent right to engage in the business of receiving banking deposits; (3) all persons, partnerships, and corporations, engaged in such banking; are quasi-public institutions charged with a public trust; (4) capital invested in depositary banking is entitled to a reasonable return, consonant with the trust character of the business of accepting deposits. Having in mind these cardinal principles, any proposed banking legislation should consider the safeguards to the public which are outlined below.

As there is no inherent right to engage in depositary banking for private profit, all persons (using "person" in the broad sense of individuals, partnerships, and corporations) who are privileged

to receive deposits either as checking or as thrift accounts should be required to make public statements, at frequent intervals, of their financial condition. While many of the private depositary banking firms are soundly managed, and enjoy the confidence of the public, acquired through years of honorable and fair dealing, nevertheless there has been many failures among small firms who have set themselves up as private bankers. The number of these insolvencies could have been lessened by a statutory requirement of periodic examination and frequent public reports of financial condition.

No matter how profitable a banking institution may be, the depositor in no way participates, save in the case of mutual-savings banks. The incentive of profit to the stockholders and proprietors of banks is the usual cause of engaging in unjustified expansion and hazardous undertakings. It is the underlying reason for the direct conflict between the interest of the depositor and the bank.

Some attempt has been made to restrain dangerous activities of banking institutions by the statutory liability of stockholders, imposing an additional liability for a sum equivalent to the par value of the stock which they hold. In street parlance, this is generally known as the "double liability." This double liability, which is in the nature of a guaranty fund for the protection of depositors, has proved ineffective for three reasons. First, it can be and is evaded. Second, it is often uncollectible. Third, the capital of the institution bears no direct relation to the volume of deposits.

Evasion of double liability is effected by carrying bank stocks permanently in the names of dummies, or by making transfer to financially irresponsible persons prior to the time that statutory liability attaches. As a matter of experience, double liability has afforded little or no protection to bank depositors. Statistics show that rarely more than 30 percent of this supposed guaranty fund is ever collected. Recent unpleasant banking experiences in Maryland have emphasized this situation.

Another method of evading the double liability is through the practice of forming holding companies. A holding company may be formed to hold the entire stock of a bank, distributing its own shares in lieu of the bank's shares. Such a holding company has little or no assets, aside from the shares of the specific bank, in its portfolio. A judgment secured against the holding company, in event of insolvency of the bank, is worthless, and the entire double liability to which depositors look as a source of protection, has no effective value.

Full protection to depositors is not secured when a bank has a relatively small capitalization and a large surplus; in other words, a bank having $500,000 capital assets may have the par value of its stock represented by $100,000, and have the remaining $400,000 in its surplus and undivided profit account. In such a case the depositors have the protection of but $100,000 double liability.

To permit a bank, irrespective of the amount of its capital assets, to receive an unlimited volume of deposits is to deprive the depositor of reasonable protection. It is suggested that a depositary bank should be prohibited from accepting a volume of deposits in excess of some fixed ratio to its net current assets. (The term "net current assets" excludes real-estate holdings, furniture and fixtures, and other assets of a similar type, which are not readily realizable.) A practical illustration of the desirability of some established ratio is evidenced by the fact that in some instances deposits in Maryland have been in the ratio of approximately 50 to 1. Notwithstanding the normal soundness of the assets of such a corporation, a shrinkage of 2½ percent in its investments would wipe out the entire current capital—the cushion supposed to protect depositors. No matter how ably such an institution may be managed, its survival is only a matter of luck.

In such a situation where a large volume of deposits is maintained, with a small current capital, the interest of the bank comes into direct conflict with that of the depositor. It is self-evident that the smaller the capital and the larger the volume of deposits, the greater will be the leverage for profit for the bank, and conversely, the depositor's protection is proportionately decreased. A study of many metropolitan banks which are deemed to be sound reveals that the volume of deposits ranges from a minimum of 3½ times to a maximum of 10 times net current assets.

This conflict between the interest of the depositor and that of the bank is further illustrated by the modern practice of depositary banks of setting up affiliated investment corporations. These corporations are used for market operations in stocks and bonds. Through the medium of affiliates there is a possibility, as happened in the years 1928–29, of large profits to the bank in which the depositor has no participation; yet if the capital of the bank is jeopardized by such operations, the protection of the depositor is forfeited.

In connection with thrift or savings deposits particularly, the State should feel the utmost solicitude. Excellent protection and safety have attended thrift- and savings-bank deposits with mutual savings banks. While it may not be desirable to limit savings and thrift deposits to mutual savings banks, other institutions receiving such deposits should be required to segregate the assets representing such deposits, from the general assets of the institution. Such assets should be earmarked as "trust funds" for the benefit of savings depositors, and investments of moneys so deposited should be restricted. Massachusetts, New York, and other States have placed such statutory restrictions upon the investment of savings funds.

It is admittedly much easier to point out the defects of a banking system than to suggest legal, adequate, and appropriate remedies which would protect the depositor, and not impose unnecessary hardship upon the banking institutions. One of the difficulties arises out of the problems involved in the dual banking system of State and National banks in force in this country. The Supreme Court of the United States, in the case of Easton against Iowa, decided that no State law could constitutionally regulate the operations of a national bank. Consequently, if the restrictions imposed through a State law are more burdensome than those imposed by national legislation, State institutions would probably apply for national charters.

There are also many forceful arguments against the desirability of attempting to regulate public-service institutions by means of detailed legislation. This has been recognized in the establishment of the public service commission which regulates public utilities, such as electric, gas, and telephone companies. Banks are also quasi-public institutions; therefore it seems reasonable to apply this precedent to the regulation of banks. Such a commission should have authority to establish ratios of current net assets to deposits; to promulgate regulations governing the segregation of thrift and savings accounts from general commercial deposits; to restrict or prohibit loaning of funds to directors or officials of institutions; to authorize the establishment of new banks for public convenience and necessity; to supervise clearing houses; to maintain an auditing department; and generally to regulate the conduct of the business in the interest of the public.

Delegating such authority to a commission would be better than crystallizing by detailed legislation the views of the moment. It would provide flexibility in times of emergency which would not otherwise be secured.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 33 minutes p.m.) the Senate took a recess until tomorrow, Saturday, June 9, 1934, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate June 8 (legislative day of June 6), 1934

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY

TO CAVALRY

First Lt. John Lyman Hitchings, Air Corps, with rank from September 16, 1929.

PROMOTIONS IN THE REGULAR ARMY

TO BE COLONELS

Lt. Col. William Alexander McCain, Quartermaster Corps, from June 1, 1934.

Lt. Col. John Knowles Herr, Cavalry, from June 1, 1934.

TO BE LIEUTENANT COLONELS

Maj. Isaac Edwin Titus, Chemical Warfare Service, from June 1, 1934.

Maj. Arnold Norman Krogstad, Air Corps, from June 1, 1934.

Maj. Eley Parker Denson, Infantry, from June 1, 1934.

TO BE MAJORS

Capt. Alan Lockhart Campbell, Field Artillery, from June 1, 1934.

Capt. Edwin Wolsey Grimmer, Infantry, from June 1, 1934.

Capt. Donald Langley Dutton, Coast Artillery Corps, from June 1, 1934.

Capt. Frederick Harold Leroy Ryder, Cavalry, from June 1, 1934.

Capt. Lloyd Davidson Brown, Infantry, from June 1, 1934.

Capt. George Jackson Downing, Field Artillery, from June 1, 1934.

Capt. Wallace William Crawford, Field Artillery, from June 1, 1934.

TO BE CAPTAINS

First Lt. William Lewis Boyd, Air Corps, from June 1, 1934.

First Lt. Leon Edgar Sharon, Air Corps, from June 1, 1934.

First Lt. Clarence Redmond Farmer, Infantry, from June 1, 1934.

First Lt. Ivan Lewis Proctor, Air Corps, from June 1, 1934.

First Lt. Delmar Hall Dunton, Air Corps, from June 1, 1934.

First Lt. Orvil Arson Anderson, Air Corps, from June 1, 1934.

First Lt. Emile Tisdale Kennedy, Air Corps, from June 1, 1934.

First Lt. Robert Benjamin Hood, Field Artillery, from June 1, 1934.

First Lt. James Joseph Harris, Quartermaster Corps, from June 1, 1934.

First Lt. Charles Franklin Fletter, Quartermaster Corps, from June 1, 1934.

First Lt. Roy Milton Thoroughman, Infantry, from June 1, 1934.

TO BE FIRST LIEUTENANTS

Second Lt. Robert Albert Howard, Jr., Infantry, from June 1, 1934.

Second Lt. Thomas Joseph Counihan, Field Artillery, from June 1, 1934.

Second Lt. Ephraim Hester McLemore, Field Artillery, from June 1, 1934.

Second Lt. James Easton Holley, Field Artillery, from June 1, 1934.

Second Lt. Frederick G. Stritzinger, 4th, Field Artillery, from June 1, 1934.

Second Lt. Robert Falligant Travis, Air Corps, from June 1, 1934.

Second Lt. John Dabney Billingsley, Ordnance Department, from June 1, 1934.

Second Lt. Thomas Joseph Cody, Signal Corps, from June 1, 1934.

Second Lt. Robert George Butler, Jr., Coast Artillery Corps, from June 1, 1934.

Second Lt. Carl Herman Sturies, Signal Corps, from June 1, 1934.

Second Lt. Joseph Anthony Michela, Cavalry, from June 6, 1934.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 8 (legislative day of June 6), 1934

UNITED STATES ATTORNEY

Fred A. Isgrig to be United States attorney for the eastern district of Arkansas.

UNITED STATES MARSHAL

Virgil Pettie to be United States marshal for the eastern district of Arkansas.

POSTMASTERS

ALABAMA

Madge S. Jefferies, Citronelle.
Kate B. Patterson, Falkville.
Ella L. Rentz, Gilbertown.
Alba Freeland, Grand Bay.
J. Thomas Martin, Jacksonville.
Emma E. Yarbrough, Monroeville.
Herman Grimes, Pine Apple.
Lorenzo D. McCrary, Prattville.
Alice Armstrong, Stevenson.
Joe H. Kerr, Wedowee.
William H. McDonough, Whistler.

ARKANSAS

Cecil H. Justus, Tyronza.

CALIFORNIA

Roy W. Scott, Baldwin Park.
Alice E. Schieck, Eldridge.
William M. Erwin, Hanford.
Magdalena Seawell, Healdsburg.

COLORADO

Harry J. Bender, Edgewater.

GEORGIA

Walter R. Cannon, Clayton.

HAWAII

Ernest Rapozo, Kapaa.

IDAHO

Rose J. Hamacher, Spirit Lake.

INDIANA

Thomas S. Stephenson, Leavenworth.
Paul E. Byrum, Milltown.

KENTUCKY

Thomas A. Spalding, Bardstown.
George A. Buckner, Blue Diamond.
Willis Conley, Garrett.

NEBRASKA

Charles J. Carrig, Columbus.
Lorraine M. Corey, Homer.
Marie Weekes, Norfolk.
Vera J. King, Primrose.
Frank R. Hall, St. Edward.
John J. Burns, Scotia.
Josh B. Keene, Sumner.
John D. Juilfs, Talmage.

NEW JERSEY

Jacob Garrison, Cape May Court House.
Nelson Pickel, Clinton.
Philip L. Fellinger, East Orange.
William D. Hayes, Millburn.

TENNESSEE

William I. Easley, Bruceton.
James W. Stout, Decaturville.
Thomas G. Hughes, Jackson.
Robert L. Oakes, New Tazewell.
Loraine Adkins, Wartburg.

VIRGINIA

Isaac P. Weston, Jonesville.
Joseph Schmidt, Yorktown.

WEST VIRGINIA

Jennings B. Campbell, Albright.
Wilson P. Barlow, Buckhannon.
Clarence L. Perkins, Gassaway.
John B. Puryear, Jr., Holden.
John W. McNabb, Paw Paw.
William C. Bishop, Scarbro.
Bess M. Gwinn, Thurmond.
John A. Bursee, West Liberty.

WISCONSIN

Julia L. Quigley, Arena.
Raymond Dufeck, Denmark.
Archie A. Veness, Exeland.
Melvin I. Dunn, Fall River.
Fern Dagnon, Ferryville.
Ethel E. Welch, Gleason.
Birnam M. Walker, Hancock.
Earl L. Persons, Lake Nebagamon.
Walter E. Smith, Lodi.
Cleveland N. Akey, Port Edwards.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 8, 1934

(Legislative day of Monday, June 4, 1934)

The recess having expired, at 11 o'clock a.m. the House was called to order by the Speaker.

PRE-TRAINED LEGISLATORS IN CONGRESS

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to append thereto an article from a magazine known as "State Government." It is of some importance. It gives the names of a number of Members of Congress who had previous service in State legislatures and analyzes them. It is not very long and would be informative to the House and to the country at large.

Mr. RICH. Mr. Speaker, I reserve the right to object. It is really a tabulation of the Membership of the House, showing their former status as State legislators.

Mr. O'CONNOR. Exactly.

The SPEAKER. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Speaker, State Government, a magazine published by the American Legislators' Association, comprising 500 State legislators, contained in its May num-



ber a very interesting article showing the number of Members in the present Senate and House of Representatives who had previous experience in their State legislatures. A similar situation existed in the Seventy-second Congress. It points out that 34 percent of the present Senators and 26 percent of the Representatives saw service in their State legislature, or stated otherwise, 35 Senators and 149 Representatives received such preliminary training with an average service of 4.4 years in their State bodies.

It is also interesting to note that of those 184 Members of the present Congress, every State is represented except Wyoming, and that of the 184 ex-State legislators, 128 are Democrats, 52 Republicans, and 4 Farmer-Laborites. It might be said in passing that the majority party is more particular in picking trained apprentices. The article mentioned is as follows:

ONE HUNDRED AND EIGHTY-FOUR OF US IN CONGRESS

(Possibly Congress has its troubles. But possibly it would have even more of them without its pretrained legislators)

[Data by John Brown Mason, Colorado Woman's College]

The never-ending marvel of representative government has no more fascinating feature than the variety of men whom the people select to represent them:

Rich man, poor man, beggar man, thief.

Doctor, lawyer, merchant, and representative of every other conceivable occupation.

The electorate chooses an equally surprising combination of men for its State legislators and for its Congressmen. But an impressive number of those elected to Congress have been through the State mill.

State Government considers this a good sign. In fact, only the fear of encountering a serious-minded reader prevents us from suggesting an amendment to the United States Constitution providing that no one shall be eligible for Congress until he has served in the legislature of his own State. The candidate would then know more about government, and his constituents would know more about him.

Apparently a large slice of the 40,000,000 American voters share these sentiments to some extent; at any rate, when they have a chance to elect to either branch of Congress a man who has been schooled as a State legislator, they very frequently—perhaps they usually—do elect him. Not always is there a State legislator's name on the ballot, but the electorate has nevertheless succeeded in filling more than a third of the seats in the north wing of the Nation's Capitol, and also more than a third of those in the south wing, with ex-State legislators.

The presence of such a large proportion of these gentlemen is not merely a peculiarity of the Seventy-third Congress. State Government's faithful readers—Heaven bless them—will recall that a similar situation was revealed by the study of the Seventy-second Congress made in the fall of 1932 and published in the January 1933 issue of the magazine.

The list which follows was compiled for State Government by John Brown Mason, professor of history at the Colorado Woman's College and member of the staff of the City College of the University of Denver. It shows that 34 percent of the Nation's present Senators, 36 percent of its Representatives have learned the ropes "back home." Since this is the educational number of this magazine, we ought to say that these Members of Congress have had vocational training, and that they have received an excellent form of "adult education for Congressmen."

When the roll is called in the Nation's Capitol today, it includes the names of 35 United States Senators and 149 United States Representatives who recall the eras when they shouted "here" in the humbler halls in St. Paul, Frankfort, Nashville, Oklahoma City, Columbus, Trenton, Little Rock, Salem, and the rest. The average length of time which they served in State legislatures was, Senator, 3.2 years; Representatives, 5.6 years. In the two houses of Congress combined, the count of the ex-State legislators shows 184 Members, 35 percent of all the Members, 4.4 years' average service in the home capitol.

The 7,500 State legislators of today who constitute the American Legislators' Association, salute these 149 United States Representatives and these 35 United States Senators—our fellows of yesterday who have gone on to greater responsibilities and to abuse upon a larger scale.

UP THE LADDER

Alabama (5 out of 11): Senator John Hollis Bankhead, Democrat; Hon. John McDuffie, Democrat; Hon. Henry Bascom Steagall, Democrat; Hon. William B. Bankhead, Democrat.

Arizona (1 out of 3): Senator Henry Fountain Ashurst, Democrat.

Arkansas (5 out of 9): Senator Joseph Taylor Robinson, Democrat; Hon. William J. Driver, Democrat; Hon. Claude A. Fuller, Democrat; Hon. D. D. Glover, Democrat; Hon. Tilman Bacon Parks, Democrat.

California (2 out of 22): Hon. Charles J. Colden, Democrat; Hon. Richard J. Welch, Republican.

Colorado (2 out of 6): Hon. Edward Thomas Taylor, Democrat; Hon. John Andrew Martin, Democrat.

Connecticut (5 out of 7): Senator Frederic Collin Walcott, Republican; Hon. Charles Montague Bakewell, Republican; Hon. Herman Paul Koppiemann, Democrat; Hon. William Lincoln Higgins, Republican; Hon. Edward Wheeler Goss, Republican.

Delaware (1 out of 3): Senator John G. Townsend, Jr., Republican.

Florida (4 out of 6): Senator Duncan U. Fletcher, Democrat; Senator Park Trammell, Democrat; Hon. Robert Alexis Green, Democrat; Hon. Millard F. Caldwell, Democrat.

Georgia (8 out of 12): Senator Walter Franklin George, Democrat; Senator Richard Brevard Russel, Jr, Democrat; Hon. Edward Eugene Cox, Democrat; Hon. Emmett Marshall Owen, Democrat; Hon. Robert Ramspeck, Democrat; Hon. Carl Vinson, Democrat; Hon. Malcolm Connor Tarver, Democrat; Hon. John Stephens Wood, Democrat.

Idaho (1 out of 4): Hon. Thomas C. Coffin, Democrat.

Illinois (8 out of 27): Senator James Hamilton Lewis, Democrat; Senator William H. Dieterich, Democrat; Hon. Thomas J. O'Brien, Democrat; Hon. Frank R. Reid, Republican; Hon. Frank Gillespie, Democrat; Hon. Kent Ellsworth Keller, Democrat; Hon. J. Leroy Adair, Democrat; Hon. Martin Adlai Brennan, Democrat.

Indiana (3 out of 14): Senator Arthur R. Robinson, Republican; Senator Frederick Van Nuys, Democrat; Hon. William Henry Larrabee, Democrat.

Iowa (5 out of 11): Hon. Lloyd Thurston, Republican; Hon. Cassius C. Dowell, Republican; Hon. Otha D. Wearin, Democrat; Hon. Fred C. Gilchrist, Republican; Hon. Guy Mark Gillette, Democrat.

Kansas (5 out of 9): Hon William Purnell Lambertson, Republican; Hon. Harold McGugin, Republican; Hon. Kathryn O'Loughlin McCarthy, Democrat; Hon. Clifford R. Hope, Republican; Hon. Randolph Carpenter, Democrat.

Kentucky (3 out of 11): Hon. John Young Brown, Democrat; Hon. Brent Spence, Democrat; Hon. Glover H. Cary, Democrat.

Louisiana (4 out of 10): Hon. Joachim Octave Fernandez, Democrat; Hon. Paul Herbert Maloney, Democrat; Hon. Numa Francois Montet, Democrat; Hon. Riley Joseph Wilson, Democrat.

Maine (1 out of 5): Senator Frederick Hale, Republican.

Maryland (5 out of 8): Senator Millard E. Tydings, Democrat; Hon. Vincent L. Palmisano, Democrat; Hon. Stephen Warfield Gambrill, Democrat; Hon. Ambrose Jerome Kennedy, Democrat; Hon. David John Lewis, Democrat.

Massachusetts (9 out of 17): Senator David Ignatius Walsh, Democrat; Hon. Allen Towner Treadway, Republican; Hon. Robert Luce, Republican; Hon. George Holden Tinkham, Republican; Hon. John J. Douglass, Democrat; Hon. John W. McCormack, Democrat; Hon. Joseph William Martin, Jr., Republican; Hon. Charles L. Gifford, Republican; Hon. William Joseph Granfield, Democrat.

Michigan (3 out of 19): Hon. George G. Sadowski, Democrat; Hon. Carl E. Mapes, Republican; Hon. W. Frank James, Republican.

Minnesota (5 out of 11): Senator Henrik Shipstead, Farmer-Labor; Hon. Magnus Johnson, Farmer-Labor; Hon. Henry Arens, Farmer-Labor; Hon. Ernest Lundeen, Farmer-Labor; Hon. Theodore Christianson, Republican.

Mississippi (1 out of 9): Hon. William Madison Whittington, Democrat.

Missouri (2 out of 15): Hon. Frank Hood Lee, Democrat; Hon. Clement Cabell Dickinson, Democrat.

Montana (2 out of 4): Senator Burton Kendall Wheeler, Democrat; Hon. Joseph P. Monaghan, Democrat.

Nebraska (2 out of 7): Hon. John Henry Morehead, Democrat; Hon. Edgar Howard, Democrat.

Nevada (1 out of 3): Senator Patrick A. (Pat) McCarran, Democrat.

New Hampshire (3 out of 4): Senator Henry Wilder Keyes, Republican; Hon. William Nathaniel Rogers, Democrat; Hon. Charles William Tobey, Republican.

New Jersey (7 out of 16): Hon. Charles A. Wolverton, Republican; Hon. Isaac Bacharach, Republican; Hon. D. Lane Powers, Republican; Hon. Randolph Perkins, Republican; Hon. Frederick R. Lehlbach, Republican; Hon. Oscar L. Auf der Heide, Democrat; Hon. Mary Teresa Norton, Democrat.

New Mexico: Hon. Dennis Chavez, Democrat.

New York (20 out of 45): Senator Robert F. Wagner, Democrat; Hon. Elmer E. Studley, Democrat; Hon. William Frank Brunner, Democrat; Hon. George W. Lindsay, Democrat; Hon. Thomas H. Cullen, Democrat; Hon. Loring M. Black, Jr., Democrat; Hon. Samuel Dickstein, Democrat; Hon. Christopher D. Sullivan, Democrat; Hon. John J. Boylan, Democrat; Hon. John J. O'Connor, Democrat; Hon. Martin J. Kennedy, Democrat; Hon. Joseph A. Gavagan, Democrat; Hon. Frank Oliver, Democrat; Hon. Philip Arnold Goodwin, Republican; Hon. Frank Crowther, Republican; Hon. James L. Whitley, Republican; Hon. James W. Wadsworth, Republican; Hon. James M. Mead, Democrat; Hon. Anthony J. Griffin, Democrat; Hon. Hamilton Fish, Jr., Republican.

North Carolina (6 out of 13): Hon. Lindsay Carter Warren, Democrat; Hon. Franklin Wills Hancock, Democrat; Hon. J. Bayard Clark, Democrat; Hon. J. Walter Lambeth, Democrat; Hon. Robert L. Doughton, Democrat; Hon. Zebulon Weaver, Democrat.

North Dakota (1 out of 4): Hon. James Herbert Sinclair, Republican.

Ohio (10 out of 24): Hon. Leroy Tate Marshall, Republican; Hon. Brooks Fletcher, Democrat; Hon. Chester C. Bolton, Republican; Hon. Robert Thompson Secrest, Democrat; Hon. Thomas A. Jenkins, Republican; Hon. Dow W. Harter, Democrat; Hon. John

G. Cooper, Republican; Hon. Martin L. Sweeney, Democrat; Hon. Robert Crosser, Democrat; Hon. Warren Joseph Duffey, Democrat; Hon. Stephen M. Young, Democrat.

Oklahoma (6 out of 10): Senator Elmer Thomas, Democrat; Senator Thomas Pryor Gore, Democrat; Hon. Wesley Ernest Disney, Democrat; Hon. Wilburn Cartwright, Democrat; Hon. Jed Johnson, Democrat; Hon. James V. McClintic, Democrat.

Oregon (3 out of 5): Senator Frederick Steiwer, Republican; Hon. James W. Mott, Republican; Hon. Walter Marcus Pierce, Democrat.

Pennsylvania (4 out of 36): Hon. Harry C. Ransley, Republican; Hon. Benjamin K. Focht, Republican; Hon. Clyde Kelly, Republican; Hon. Matthew A. Dunn, Democrat.

Rhode Island (2 out of 4): Senator Jesse Houghton Metcalf, Republican; Hon. Francis B. Condon, Democrat.

South Carolina (3 out of 8): Senator Ellison DuRant Smith, Democrat; Hon. Thomas Sanders McMillan, Democrat; Hon. Hampton Pitts Fulmer, Democrat.

South Dakota (3 out of 4): Senator Peter Norbeck, Republican; Senator William John Bulow, Democrat; Hon. Fred H. Hidlebrandt, Democrat.

Tennessee (2 out of 11): Hon. Joseph W. Byrns, Democrat; Hon. Clarence W. Turner, Democrat.

Texas (9 out of 20): Senator Tom Connally, Democrat; Hon. George B. Terrell, Democrat; Hon. Wright Patman, Democrat; Hon. Morgan G. Sanders, Democrat; Hon. Sam Rayburn, Democrat; Hon. Oliver Harlan Cross, Democrat; Hon. William Doddridge McFarlane, Democrat; Hon. Milton H. West, Democrat; Hon. Robert Ewing Thomason, Democrat.

Utah (1 out of 4): Senator William H. King, Democrat.

Vermont (1 out of 3): Hon. Ernest Willard Gibson, Republican.

Virginia (2 out of 11): Senator Harry Flood Byrd, Democrat; Hon. Patrick Henry Drewry, Democrat.

Washington (2 out of 8): Senator Clarence C. Dill, Democrat; Senator Homer Truett Bone, Democrat.

West Virginia (3 out of 8): Senator Henry D. Hatfield, Republican; Senator Matthew M. Neely, Democrat; Hon. Joe L. Smith, Democrat.

Wisconsin (3 out of 12): Hon. Gardner R. Withrow, Republican; Hon. James A. Frear, Republican; Hon. Hubert Haskell Peavey, Republican.

Wyoming (none out of 3).

Democrats, 128.

Republicans, 52.

Farmer-Laborites, 4.

WAR MINERALS RELIEF CLAIMS

Mr. VINSON of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, I call the attention of the House to the fact that the Committee on Rules has granted a rule for the consideration of the bill H.R. 7984. In a few days the Committee on Rules will submit that rule to the House for consideration. H.R. 7984 is a bill for what is known as "relief of the war mineral claims." I have made a complete analysis of the bill and ask unanimous consent to insert in the RECORD at this point a complete history of the bill, which I respectfully request all members to read, so that they will be thoroughly conversant with the legislation when it is presented to the House.

I ask unanimous consent to extend my remarks in that respect.

The SPEAKER. Is there objection?

There was no objection.

Mr. VINSON of Georgia. Mr. Speaker, in explanation of this bill—H.R. 7984—I wish to show, first of all, that it is not intended to provide for the payment of "interest" on any claim or claims or on any amount of money due from the Government to these citizens.

While it is true that the Supreme Court of the United States has in the case of the Seaboard Airline Railroad and other cases coming before the Court under sections 1, 2, 3, and 4 of act of March 2, 1919 (40 Stat. 1272), ruled that "just compensation" must include interest to the date of payment by the Government, the war minerals relief claims filed under section 5 of the same act seek to recover only "losses suffered by reason of moneys expended and obligations incurred in compliance with demand of the Government to supply the urgent needs of the Nation in the prosecution of the war." It will therefore be seen that while this bill necessarily refers to the losses covered thereby as "interest", the intention of the bill in no way relates to or authorizes the payment by the Government of interest on the amount of the claim or such part thereof as has been disallowed by the Secretary, but simply authorizes the Secretary to include in his adjustments and payments the losses sustained by reason of interest paid and due to be paid on capital borrowed, as a necessary obligation incurred within the statutory period, to enable the producer to comply with Government demand to supply the needs of the Nation in the prosecution of the war.

The intention of the Congress, as expressed in the several war minerals relief statutes, is plain and unambiguous. They repeatedly use the words "just compensation", "net losses", "justice and equity", and similar expressions which show the intention of the Congress has been to do justice and equity and deal fairly with its patriotic citizens who in time of great stress and emergency responded to the call of the Government and expended their time and their money and their properties to supply the minerals urgently needed for the manufacture of munitions, arms, and armaments absolutely necessary before the Government could take any action whatever in cooperation with its allies and do its part in the prosecution of the war.

Awards under the war minerals relief statutes have been sometimes referred to as "gratuitous." The use of such a word in connection with the payment by the Government of its just obligations to these citizens which have repeatedly been found by both the Congress and the courts to be due them is abhorrent to any fair-minded man familier with the situation and with the urgent necessities for these minerals which confronted the Government in its time of emergency. Appeal to its citizens by many agencies of the Government, shortly after it entered the World War, resulted in prompt and patriotic response and in abundant supply of these four needed minerals for which before the war the Government was practically entirely dependent upon importations, which importations by reason of the shortage of ships had been entirely cut off. Not only did the Government receive the full benefit of these emergency operations of its citizens in time of stress and peril, but these properties which were theretofore in undeveloped or partially developed state, were opened and developed into enterprises of commercial importance; in fact, no claim can be allowed or paid to cover any losses sustained unless the "expenditures made or the obligations incurred were in good faith upon properties proved to be of commercial importance. No losses due to speculative investments are reimbursable. No losses of profits, either actual or potential, are reimbursable. In other words, the provisions of the war minerals relief statutes are clearly worded to provide for the payment only of losses suffered by reason of moneys expended and obligations incurred in compliance with the demand of the Government to supply the needs of the Nation in the prosecution of the war. On the other hand, the statutes are equally emphatic in providing that net losses so suffered shall be paid in such amount as claimants are in justice and equity entitled to receive.

After most elaborate engineering investigations and reports, the War Department had its statisticians in the Department of the Interior for more than a year tabulating and compiling the data obtained by these investigations of these new mineral-producing properties, which had been developed at their own expense by its patriotic citizens. These data have been filed away in the War Department, available for immediate use in case of another emergency. In case of necessity, these properties can again be brought into almost immediate production for the benefit of the Government. How then, in any sense of the word, can repayment by the Government of the losses sustained by these citizens, in opening and operating these properties for the benefit of the Government, be considered as gratuitous? If they are not gratuitous, then just compensation is due from the Government. If they are gratuitous, then under repeated court decisions and acts of Congress, these relief statutes must be construed liberally in favor of the claimants.

I now propose to show you that notwithstanding the intention of the Congress, as expressed in no less than five acts passed for the liquidation of these claims, and in spite of no less than five decisions of the Supreme Court of the

United States on questions of law involved, that gross injustices have been done to these claimants. They have been dragged before committees of Congress, in hearings, which in almost every case have resulted in reports from the committees censuring officials and subordinates of the Department of the Interior for their failure to interpret and administer the acts as Congress had intended, but the courts also have censured and criticized the practices of solicitors of the Department of the Interior and solicitors of the Department of Justice for their unethical efforts to defeat the claimants in court and to deny them what Congress intended that they should have.

Shortly after the United States entered the war, the Secretary of the Interior, the War Industries Board, the Shipping Board, the Emergency Fleet Corporation, and other agencies of the Government actively engaged in the prosecution of the war, being informed by the Geological Survey and the Bureau of Mines and the geological surveys of many States of the occurrence and location of mineral deposits of pyrites, manganese, chrome, and tungsten, requested and demanded owners and others interested to open and develop these properties to supply the needs of the Nation. Upon being informed in reply that such mine enterprises were hazardous and probably could not endure after normal conditions had been restored, by reason of probable resumption of importations, the Secretary of the Interior promised to sponsor legislation for the protection of these enterprises during the war and for sufficient length of time after the war by purchase of their output and in other ways sufficient to amortize these investments then being demanded by the Government. Upon these assurances, many citizens responded whole-heartedly and proceeded with their own properties or with their own funds or with funds borrowed on their own credit, in some instances from financial institutions actually found by the Secretary of the Interior to make the necessary loans. In some cases, as, for instance, in the case of the Chestatee Pyrites & Chemical Corporation, of Atlanta, Ga., not only did he request enlarged production from this extensive property but upon being informed by its owners that they could not finance an enlarged operation, he appealed to financial interests, the Ashcraft, Wilkinson Co., of Atlanta, Ga., to use their influence with the Chestatee Pyrites & Chemical Corporation to enlarge their operation; and furthermore, he requested them to finance them, and subsequently, after such financing was done, the authorized representative of the Secretary approved the loans made, stating the enterprise was financed on a fine, clean basis and also Government agents completely directed and fully approved the expenditure of the moneys borrowed.

In fact, therefore, the Government was, and is, to all intents and purposes, a party to this loan, and therefore morally, if not legally, liable for both principal and interest. In this particular case the principal of the loan expended and lost has recently, under decisions of the Supreme Court of the United States, been paid as a loss reimbursable within the meaning of the statutes, but the interest paid and accrued remaining unpaid has been allowed and paid only to the date of March 2, 1919, in wanton disregard of the facts that the loan did not mature until many years thereafter. The absurdity of such a construction or interpretation of the war minerals relief statutes must be apparent to everyone.

Complying with his promise, the then Secretary of the Interior, the late Franklin K. Lane, caused to be introduced in the Sixty-fifth Congress H.R. 11259, entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of those ores, metals, and minerals which have formerly been largely imported or of which there is or may be an adequate supply." Section 1 of this act names many minerals and metallic substances which it was then thought were necessary in the prosecution of the war. Among these were pyrites, necessary for the production of sulphuric acid for munitions; manganese, chrome, and tungsten, necessary for the hardening and toughening of steel for arms, armaments, and the like. These minerals were thereinafter referred to as "necessaries."

Section 2 authorized the President—or his representative—to purchase such necessaries or to contract for the same or to take over or to direct the production or the purchase of same, to provide or improve transportation facilities, and generally to cooperate with producers to the end that production might be hastened and enlarged.

Section 3 provided that just compensation should be paid, and that if the compensation so allowed be unsatisfactory to the person, firm, or corporation entitled thereto, that they should be paid 75 percent of the amount so determined and should be entitled to sue the United States to recover such further sum as added to 75 percent would make up such amount as would be just compensation.

Section 4 provided for penalties against any who failed or refused or neglected to comply with any order or requisition, and so forth.

Section 5 appropriated the sum of $500,000 for administration expenses.

Section 6 appropriated the sum of $50,000,000 as a revolving fund to carry out the purposes of the act.

Section 7 particularly authorized the President or his representative to exercise every power or authority necessary for the purposes of the act.

The other sections, 8 to 12, inclusive, simply stated and strengthened the purposes of the act and need not here be further referred to.

This act passed the House of Representatives promptly, but was delayed in the Senate by reason of the press of other war emergency legislation and by reason of what is now apparent, that patriotic citizens did not wait for the passage of the act for their protection, but accepted, in good faith, the assurances given them against loss, and proceeded whole-heartedly and were actually producing the needed minerals long before this act came up for Senate consideration.

The act finally passed the Senate and was approved October 5, 1918, only about 1 month before the armistice, at which time it was beginning to be apparent that the war would shortly be ended. Under the authority conferred upon the President, he appointed the Secretary of the Interior to administer the act, whereupon the Secretary of the Interior at or about the date of the armistice, upon his own initiative and upon the advice of the Attorney General, decided that he would not administer the act, that he would not purchase minerals nor do any of the other things that the act authorized and directed him to do for the protection of the producers, as he had promised, giving as his reason that the war was over and that the Government no longer had need for these minerals and that if he should proceed to administer the act, at least the whole $50,000,000 appropriation would be wasted and a loss to the Government.

Whereupon a convention of producers from more than 35 States was called and held in the city of Washington, at which appeared many Congressmen and Senators and representatives of the Government from the Department of the Interior, the War Industries Board, and others, and assurances were given, particularly by the Secretary of the Interior, that if producers did not proceed against the Government, as they were authorized to do under the terms of that act, that legislation would be sponsored to permit him, out of the $50,000,000 appropriation carried by that act, to pay to the producers the net losses they had suffered by reason of their whole-hearted compliance with the requests and demands of the Government agencies during the war.

Accordingly, therefore, a bill was introduced in the Senate and was subsequently enacted into law as section 5 of the act approved March 2, 1919, entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes." The provisions of this section have already been referred to, and it is not, therefore, necessary to refer here to them again, except to reemphasize the wording therein, which emphatically and repeatedly provided that net losses should be reimbursed This act set aside $8,500,000 of the $50,000,000 original appropriation for the payment of net losses, and the bal-

ance, to wit, $41,500,000 was by subsequent deficiency bill covered back into Treasury surplus. It will thus be seen that the action of the Secretary of the Interior acquiesced in or accepted by these mineral producers resulted in an immediate saving to the Government of $41,500,000. It is here pertinent to remark and to emphasize the fact that if the Department of the Interior had, in accordance with the provision of this section 5, proceeded promptly to adjust and liquidate and pay the claims, and had paid to claimants the amounts paid within the last 2 years under decisions of the Supreme Court of the United States, which show that these amounts should have been paid in 1919, the $8,500,000 set aside from the original appropriation would have been sufficient to include all awards, and the administration of the war minerals relief acts would have long since been concluded without the continuing accruals of interest against those claimants who borrowed money in order to enable them to comply with the demand of the Government during the war.

In the original administration of the act the Department of the Interior ruled out many items of loss by reason of their erroneous interpretation of the law. Among these were interest paid and due to be paid on borrowed capital and moneys expended for the purchase or lease of properties.

These denials and these errors in interpretation of the law being brought to the attention of Congress, during the year 1920 in exhaustive hearings, at which appeared not only claimants but officials and subordinates of the Department of the Interior, the committee reported an amendment which finally passed both House and Senate and was approved November 23, 1921. The report accompanying this bill said, among other things—

> The committee is of the opinion that the commission, appointed by the Secretary of the Interior, erred in its interpretation of the legislative intent, its interpretation and application of the provisions of the act, and the application of the provisions of the law to the facts * * *.

And, further—

> The language of the act is clear, and if interpreted as the courts have repeatedly held such statutes should be interpreted, the committee is of the opinion that the purpose of Congress can be fully carried out and a just and equitable settlement can be had of every legitimate claim.

Proceeding under this amendment, the Department of the Interior reopened claims and made some additional small awards, but, adhering to previous rulings on questions of law, still denied items of loss due to interest paid on borrowed capital and property purchased.

Being denied these losses, the case of the Chestatee Pyrites & Chemical Corporation was carried into court on the subject of interest on borrowed capital, and the case of Logan Rieves on the subject of purchase or lease of property. In 1924 the Supreme Court of the District of Columbia and the court of appeals decided both questions in favor of the claimants. The Government appealed to the Supreme Court of the United States, and that Court decided that the lower courts had erred in taking jurisdiction; that the decision of the Secretary of the Interior on questions of law was conclusive and final, no matter how erroneous it might be.

After the decision of the court of appeals in favor of the claimant, Congress again acted and after being informed by the Secretary of the Interior that, if interest on borrowed capital and purchase price of property was to be refunded in accordance with the decision of these courts that additional funds would be necessary. Whereupon Congress passed the amendment approved June 7, 1924, as follows:

> That to enable the Secretary of the Interior to lawfully pay adjudicated claims arising under the provisions of the so-called "war minerals relief acts" * * * the limitation in said act on the aggregate amount to be disbursed thereunder in the payment of said claims is hereby repealed.

Thus restoring the original appropriation to such extent as necessary for the payment of awards as provided for by the previous acts.

The attention of Congressmen and Senators being again called to the outrageous, unjust, and inexcusable way claimants had been treated in the prosecution of their claims, the tremendous expense and unnecessary trouble and anxiety they had been put to in the prosecution of their claims, the Senate of the United States, on May 28, 1928, passed Senate Resolution 263, requesting the Secretary—

> To transmit to the Senate copies of all rulings, regulations, and promulgations which had been followed in the administration of said statute, together with all opinions as to the law which have been rendered by commissions or commissioners, solicitors of the Department of the Interior or their assistants, and Attorneys General of the United States or their solicitors or assistants.

This resolution being complied with by the Secretary of the Interior by letter dated November 14, 1928, all such rules and regulations and decisions were transmitted and were printed as Senate Document No. 224, Seventieth Congress, second session, being nearly 150 pages. Fortunately, therefore, all these rules and regulations, and so forth, are of permanent record before the Congress. Decisions against claimants on questions both of law and of fact are absurd and ridiculous in the extreme, and anyone sufficiently interested to read them cannot fail to see what rank injustice has been done to these patriotic citizens and what unnecessary expense and trouble and anxiety they have been put to in the prosecution of their claims.

It is here again pertinent to point out that almost every one of these adverse decisions on questions of law have, within the last 2 or 3 years, been affirmatively decided by the Supreme Court of the United States against the Secretary of the Interior in favor of claimants. It is therefore easy to understand on the subject of interest paid and accrued on borrowed capital, as covered by the pending bill, H.R. 7984, how it has grown to such amount that it is estimated and is shown in the bill that approximately $1,250,000 will now be required to pay these additional losses suffered solely by reason of erroneous, arbitrary, technical, unreasonable decisions against the claimants in the early administration of the Relief Act.

Without going further into detail in this mass of evidence, branding those who had been intrusted to do justice and equity to these claimants with unwarranted niggardly decisions against claimants, one or two instances may be cited as illustrations. On page 57 the question of interest on borrowed capital being submitted to Assistant Solicitor, Mr. Black, after giving citations as to court decisions and acts of Congress as to interest on borrowed capital, he stated:

> I believe, therefore, that as a strict legal proposition, claims for interest under the war minerals relief acts actually paid by claimants at legal rates of interest to obtain funds for operating properties are properly repayable under said acts.

The Commission declined to accept this interpretation and denied such losses. Thereafter Mr. Black, in connection with another case, again rendered this opinion, but acquiesced with the Commission that since interest had theretofore been denied as a matter of convenient administration, denials of such items should continue.

Pages 58 to 67 of this document, bearing on the Chestatee Co.'s case, are particularly illuminating as to the rank injustices that had been done this and other claimants. On these pages are spread the findings of the Secretary of the Interior on the subject of interest on borrowed capital. On page 62:

> In this particular case * * * the then Secretary of the Interior personally requested one of the claimants to operate the properties on a big scale, which claimant at first declined to do unless the Government should underwrite the venture. This, of course, was impossible; and, after some delay, the Secretary, through his personal agent, requested Ashcraft and Wilkinson to use their influence to induce claimant to enlarge his operation, and further he asked them to assist in financing him. Ashcraft and Wilkinson did so use their influence, and with success; and did finance claimant, for which financing claimant is obligated for a large amount.

Again, on page 64, the Secretary states:

> The amount of money required to meet the Government's demands was so great as to make the securing of it by ordinary means almost impossible. The activities of the Government to induce Ashcraft and Wilkinson to finance claimant so that war needs might be met quickly and in large measure were personal, direct, and effective. The fact that Secretary Lane, who, himself, had a part not only in the stimulation of claimant but through

suggestion in the financing, recognized that Ashcraft and Wilkinson had performed a service to the Government is evidence of that service.

Again, on page 67, it is stated:

In reviewing this claim I have been struck by the magnitude of the expenditures and the possibilities of output. The very bigness of it had tended to lead examiners unconsciously to fail to give claimant full justice. * * * The records show that the Secretary of the Interior, realizing, no doubt, that this property presented opportunities for the biggest production of pyrites in the entire country, used every means in his power to persuade the claimant to develop it. * * * It is true that he could not and did not guarantee claimant against loss, but his full influence, short of underwriting the project, was exerted. Always, too, there was a realization that claimant, in responding to Government request, will suffer great financial loss notwithstanding the generous provisions of the War Minerals Relief Act.

It is a conspicuous fact that a large part of the loss suffered by the Chestatee Corporation over and above the payments made to it and referred to here, consists of interest paid by the corporation on the large amount of capital supplied the corporation by the Ashcraft, Wilkinson Co., in compliance with the request to them from the Secretary of the Interior.

Throughout this Senate Document No. 224, above referred to, appear many other rulings and decisions equally as unjust and unfair to other claimants on other items.

Congressmen and Senators, feeling thoroughly outraged at the actions of the Department of the Interior, as revealed in this Senate document, again introduced a bill and held extensive hearings during January 26 and 27 and February 2, 5, and 8, and again on March 7 and 14, 1928, and again early in 1929. At these hearings appeared not only claimants but also the Assistant Secretary of the Interior, the Solicitor of the Department of the Interior, and the War Minerals Commissioner. All of these gentlemen stated that the Department of the Interior would approve a bill referring questions of law to the courts, particularly as to the disputed questions of interest on borrowed capital and purchase price of property. They stated that with these questions settled in two or three cases the Department could and would then proceed to a prompt settlement of all cases in accordance with the controlling decisions in these cases. These hearings and the report of the committee resulted in the passage of the act approved February 13, 1929, which act conferred jurisdiction on the same courts which had affirmatively decided these questions in favor of the claimants in 1924.

After the passage of this act the Secretary of the Interior again insisted that the Chestatee Corporation case above cited should again be carried to the courts as a test case, and furthermore demanded that the several items of law involved in this case be separated into two distinct court actions; one on the subject of losses due to interest paid on borrowed capital and the other as to five other questions of law of lesser importance. By stipulation it was agreed that these minor questions involved in the second case were to be held in the court in abeyance, pending decisions in the other cases, which decisions should be controlling. Almost 2 years later, after the other cases had been decided, this agreement was repudiated and the Chestatee Corporation was required to carry this case to the courts also at great expense and loss of time. It was subsequently won in the Supreme Court and all of the Chestatee Corporation's contentions on questions of law were affirmed by the Supreme Court of the United States.

In this case the Secretary of the Interior filed as exhibits to his answer certain previous findings as to these items which have hereinabove been quoted from Senate Document 224, Seventieth Congress, second session. In the trial court the assistant solicitor, Mr. Wallace, attempted to show that these exhibits were not part of the record, notwithstanding the fact that they had been filed as exhibits to the Government answer. They were at the moment in the hands of the court, Mr. Justice O'Donaghue. Upon insistance of Mr. Wallace that these exhibits should not be recognized, the court abruptly suggested to counsel for the Chestatee Corporation that Mr. Wallace might be cited to the District Bar Association for unethical practice. Counsel for the Chestatee Corporation declined with thanks to the court, saying that his interest was only to see that justice and equity was done his client. Whereupon the decree of the court was amended to include specifically the exhibits under discussion.

The Court of Appeals affirmed the lower court, and, being carried by the Government to the Supreme Court, that Court affirmed the lower courts, and in the course of its opinion by Mr. Justice McReynolds, said:

Counsel for respondent correctly states the issue presented to the trial court * * * are the losses suffered for expenditure for the items involved here within the provisions of the act of October 5, 1918, amended and supplemented by the act of March 2, 1919 * * * and with the issue as stated, the only showing required is that a claim for such losses was made and that such claim was disallowed because of the belief of the petitioner that the law did not permit such allowances.

And further the Court said, criticizing the answer filed by the Government—

The exhibits show what was really done and the reasons therefor. Conflicting general statements in the answer must yield, and it seems proper to add that if these answers of the Government had been more carefully prepared with purposes to disclose to the Court all relevant facts and circumstances, unnecessary difficulties would have been avoided. * * * The exhibits were correctly treated as parts of the amended answer. * * * The petition here for certiorari does not mention the conflicting views in respect to the exhibits or deal with them as parts of the record. It failed adequately to advise us concerning the real situation. But to avoid possible misunderstanding it has seemed best to retain jurisdiction rather than to dismiss the writ because improvidently granted.

From the above affirmative decision of the Supreme Court, in favor of the Chestatee Corporation, it will be seen that not only has the Congress, through reports of committees, adversely criticized officials and subordinates of the Department of the Interior in the administration of the War Minerals Relief Acts, but the Supreme Court of the United States has also severely criticized solicitors of the Department of the Interior and of the Department of Justice for unfair, ambiguous, and irregularly drawn answers.

The Chestatee Corporation case on the subject of interest, which had been previously affirmatively decided by the Supreme Court of the District of Columbia might fairly have been, by stipulation, carried through these two courts by a simple, prompt affirmation of their previous decisions, but the solicitors of the Department of the Interior, refusing this fair course of procedure, demanded this case again be carried through all the courts, which was done; and nearly 2 years later, to wit, on December 7, 1931, the Supreme Court of the United States affirmed the lower courts and decided the question of "interest on borrowed capital" to be a loss reimbursable within the meaning of the act of March 2, 1919, as amended. In the course of this opinion, the Court, by Mr. Justice Butler, said:

The amount of interest that at the time of the passage of the Relief Act of March 2, 1919, had been paid or incurred by relator for money borrowed and lost in producing and preparing to produce pyrites upon the specified conditions is to be taken into the account in determining its net loss. * * * It constitutes a part of relators' expenditures and cost of the undertaking and so is within the terms of the section as amended. * * * It must be shown clearly that such interest was paid or the obligation incurred by relator at the instance of one of the specified governmental agencies.

Here then is an interpretation by the Supreme Court of the United States that interest paid and due to be paid on borrowed capital by reason of the obligation incurred within the statutory period is a loss reimbursable within the meaning of the act of March 2, 1919. There does not appear in this opinion nor anywhere in any of the war minerals relief acts any indication that Congress intended to limit as to time or amount obligations legitimately incurred by claimants in order to enable them to comply with the request or demand of the Government to produce these minerals.

The mandate of the Supreme Court of the United States going down to the supreme court of the district, that court issued writ of mandamus directing the Secretary of the Interior to include in his adjustment and payment of losses interest paid and obligated to be paid on borrowed capital without any indication whatever that any time limit was

intended as to maturity dates of interest obligations. Whereupon the Secretary of the Interior on or about December 31, 1931, sent out a questionnaire, one question of which required a statement by claimant as to the amount of interest which had been paid in cash on borrowed capital and the amount of interest which had accrued to the date of questionnaire at that time remaining unpaid. The Chestatee Corporation promptly furnished sworn answers to all questions and questionnaires, exhibiting the notes and renewals thereof, given from time to time, showing checks and other evidences of interest paid and accrued. Finally, on March 14, 1932, without any intimation that any cut-off date as to interest had ever been contemplated, an award of interest was tendered, computed only to the date of the passage of the relief act March 2, 1919, which was finally tendered by the Secretary "without prejudice to further recovery of interest after said date" and accepted by the Chestatee Corporation as interest payment to March 2, 1919, without prejudice to further recovery.

The Secretary of the Interior refusing to include in this payment any interest which had accrued after the date of March 2, 1919, notwithstanding the fact he had determined such amount to be in accordance with the claim as presented by the Chestatee Corporation. The Chestatee Corporation was again required to carry the question as to cut-off date through the courts. The lower courts as theretofore decided the question in favor of the Chestatee Corporation. The court of appeals saying, in the course of its opinion by Mr. Justice Van Orsdel, the following:

It further appears as a matter of fact that the principal sum claimed by the relator had been borrowed and lost and had not been paid on March 2, 1919, and was not then due. Petitioner was obligated to pay the principal sum and this loss has been conceded by the Secretary to be a loss within the act. It is contended that the corporation was equally obligated on that date to pay the interest. Principal and interest together * * * constituted in the aggregate relator's loss and what it had contracted to pay. * * * An examination of the statute fails, in our opinion, to disclose any intention on the part of Congress to limit the recovery of interest paid or incurred on obligations allowable under the provisions of the 1919 act. This court in the *Work case* (54 App., supra), construing the language of the 1919 act, held that interest paid or obligated to be paid constituted an element of the expenses incurred and allowable under the act. This holding was approved by this court in the later case of *United States* v. *Wilbur*, supra. * * * The amount of the principal sum being established * * * the interest payable thereon can be ascertained at the same time and readily computed at the time of final payment. * * * In the present case, the principal sum was borrowed and lost and had not been paid on March 2, 1919, and was not then due. Relator, however, was under obligation to pay this principal sum, which is conceded to be a loss within the act, and he was likewise under obligation to pay the interest incurred in the creation of this obligation. In other words, relator was as much obligated on that date to pay the interest as it was to pay the principal. The aggregate of two items, at time of payment by the Government, constitute the net loss. If relator could not make claim for the interest because it was not payable at that time, then, by analogous reasoning, relator could not be compensated for the principal debt which was not due and payable at that time. The justice and equity in the one case is equal and parallel to that in the other.

This case being carried by the Government to the Supreme Court of the United States, that Court, in its opinion by Mr. Justice Brandeis, handed down May 29, 1933, construing and interpreting the act of March 2, 1919, and amendments thereto, said, among other things:

The method of determining the net losses during a particular period or a particular adventure is well settled.

It must be perfectly plain that these war minerals operations were particularly hazardous "adventures", started in compliance with demand of the Government to supply its urgent needs and terminated when these needs were over and there was no more market for the output of these adventures.

Accepted accounting methods for the determination of profits or losses of a particular adventure must include consideration of all elements in connection with the said adventure; that is to say, all assets and all liabilities, including those liabilities or obligations which may not have matured until after all operations ceased. The loss sustained or suffered in such adventure cannot be limited only to payments and accruals up to the time of the termination of the adventure but must include all "obligations incurred", including loans and interest thereon, in connection with or as a result of the adventure, to the date of payment. On the other hand, the Supreme Court in this opinion affirming the decision of the Secretary in his interpretation of the act, as to cut-off date for interest March 2, 1919, said that the language of the act of March 2, 1919, wherein the use of the words "losses suffered by reason of 'obligations incurred'", meant losses suffered by reason of "obligations accrued" only to the date of the passage of the act.

No word has ever been uttered either by Congress or the Secretary of the Interior or the Department of Justice or any of the courts against the "justice and equity" of including interest paid on borrowed capital as a loss within the meaning of the statutes, but the interpretation of the Supreme Court of these statutes as to a cut-off date necessitates a further act of Congress to more clearly state its intention when it passed the act of March 2, 1919, and the several amendments.

Let me impress this one fact upon you that the act of 1918 provided to pay claimants "just compensation", and the Supreme Court of the United States, in the opinion of Mr. Justice McReynolds, has stated the act of 1918 to be the governing statute.

The amendment of 1919 provided that "net losses" should be paid, being in effect an interpretation of the Congress as the measure of "just compensation" provided by the previous act.

Until, therefore, all "net losses", including those suffered by reason of "obligations incurred" have been paid, neither the "just compensation" provided for in the act of 1918, nor the "net losses" provided for by the amendment of 1919, have been paid or discharged by the Government.

There is no cut-off date for "net losses." Congress itself in the amendment of 1919 fixed its own cut-off date as the date of the armistice, wherein it said that only expenditures made and obligations incurred theretofore might be included in the adjustment of losses, but this did not intend to limit any reasonable date of any obligation incurred in this all-embracing phrase.

To do equity and justice to these claimants who responded patriotically to the call of the Government in that time of great emergency, it is necessary for this bill to be enacted.

NUMBER OF ARMED CRIMINALS IN COUNTRY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, the following statement was prepared at my request by the Honorable William Stanley, the assistant to the Attorney General of the United States, and is self-explanatory:

Congressman STEPHEN M. YOUNG, from Ohio, while discussing the crime bills on the floor of the House on May 5, criticized and questioned a recent statement by the Attorney General that "armed criminals in this country outnumber the Army, Navy, and the Marine Corps in a ratio of 2 to 1." The Congressman stated "any of us should repudiate the assertion that there are anything like 200,000 gangsters and thugs and gunmen rampant in this country." (CONGRESSIONAL RECORD, vol. 78, p. 8138.)

It will be noted that the Attorney General referred to armed "criminals", while the Congressman referred to armed "gansters, etc." A criminal is a person who has committed a serious crime. A gangster, in the common acceptance of that term, is a member of a gang of criminals. There are criminals who are not gangsters.

The statement actually made by the Attorney General was based upon the following facts:

Crime reports from the police departments of 1,264 cities in the United States, having a total population of approximately 50,000,000, show that during 1933 the number of murders, robberies, aggravated assaults, and burglaries totaled 266,898. While in some instances one person may have committed more than one crime, that fact is counterbalanced by the participation in many instances of two or more individuals in the joint commission of a single offense. Again, it is very likely true that some of the persons committing crimes were unarmed, but this factor is balanced by the number of armed individuals committing other offenses, such as kidnaping, larceny, etc.

The foregoing statistics cover a population of slightly less than 50,000,000. Doubling the above-mentioned number of criminals

gives a figure for the entire country of 533,796. This estimate represents a total population slightly under 100,000,000, whereas the population of the country is approximately 126,000,000. This factor more than overcomes the consideration that the crime rate for urban centers is higher than for rural areas.

The total personnel of the Army, Navy, and Marine Corps is approximately 240,000. It is obvious, therefore, that the Attorney General's statement, startling as it may seem, is not only accurate but conservative, based upon actual crime reports compiled by the Division of Investigation of the Department of Justice.

UTILITIES INVESTIGATION BY FEDERAL TRADE COMMISSION

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, I have asked for this time for the purpose of referring to some remarks which were made by the gentleman from Pennsylvania [Mr. McFADDEN], the other day, criticizing the Federal Trade Commission in its utility investigations, and in which he took occasion to criticize the President of the United States on account of a certain letter which he did not present to the House. Insofar as the investigation of utilities is concerned, the Federal Trade Commission has had this investigation in progress since 1928, and it has been under the direct charge of the Commission's chief counsel, judge Robert E. Healy. His principal assistant in the investigations is Col. W. T. Chantland, associate counsel. Judge Healy is a Republican, a former justice of the Supreme Court of Vermont, and was appointed chief counsel of the Commission in 1928 during the administration of President Coolidge. Colonel Chantland is also a Republican from the State of Iowa. He was with the Commission prior to the World War, served in that war, was later an attorney in the Department of Justice, and was reappointed to the Federal Trade Commission in 1927. With respect to Mr. McFADDEN's information that Joe Baker came to the Commission "as a trusted man of the administration", supposedly to suppress or censor news, I think the House is familiar with the facts concerning Mr. Baker's appointment to the Commission's staff. I personally know that Mr. Baker joined the Commission's staff on January 15 last, and that he was elected by unanimous vote of the Commission on the recommendation of Commissioner Ewin L. Davis, who was for 14 years an able and respected Member of the House of Representatives, and who knew Mr. Baker throughout that service, which acquaintanceship caused him to make the recommendation for Mr. Baker's appointment. The President had nothing in the world—and I have some personal knowledge of that fact—to do with it except to issue an Executive order approving the appointment as was necessary to be done because of the Economy Act.

Mr. McFADDEN conveyed the impression in his remarks that in the case of the Cities Service Co., the Commission had furnished representatives of that company with copies of the reports made of that company. The same practice was employed in the case of the Cities Service Co. as in all other utility companies under investigation; that is, they are furnished with a copy of the report of the examiner who made the investigation, in order that they may know what is to be placed in the record and may have opportunity to call attention to any errors or make any objections if they feel that the examiner's report is unjust or incorrect. This has been the practice throughout the inquiry, for the reason that this is an investigation and not a persecution or prosecution.

Mr. Speaker, I feel it is proper to make this statement in view of the remarks of the gentleman from Pennsylvania the other day, and in justice to the Federal Trade Commission. I am sure that all the Members of the House, most of them, at least, know the members of that Commission, and they know that that Commission has been doing everything that it can to bring the facts to light with reference to the utility companies throughout the United States. I wish to read a letter which I have received from the Honorable Garland F. Ferguson, Jr., Chairman of the Commission, making a statement as to just what the Commission has done and which is in a measure a reply to the remarks of the gentleman from Pennsylvania, and a copy of a letter from President Roosevelt addressed to the Federal Trade Commission.

FEDERAL TRADE COMMISSION,
Washington, June 4, 1934.

Hon. JOSEPH W. BYRNS,
Washington, D.C.

DEAR CONGRESSMAN BYRNS: In reply to your request for a statement in regard to certain charges and insinuations made by Representative LOUIS T. McFADDEN in the House on May 29 with respect to the utility investigation being conducted by the Federal Trade Commission, I wish to advise that the charge that the President or the administration or this Commission had made any effort to curtail or suppress a full investigation and disclosure with respect to Henry L. Doherty, the Cities Service group, the Associated Gas & Electric Co. group, or any other company, is not only untrue but the very opposite of the actual facts, as will be clearly seen from the following statement of facts:

The first misstatement we desire to correct is that "we find the administration interfering in the manner in which this report of the Federal Trade Commission on H. L. Doherty's companies is to be made." This is without the slightest foundation. There has not been the slightest interference on the part of the administration. It is true that some months ago the Commission elected Mr. Joe L. Baker as director of public relations and editorial service, and that Mr. Shirley D. Mayers, who had previously served in a limited manner in this regard, was made an assistant to Mr. Baker, and is now serving in that capacity. Mr. Baker was not suggested for the position by the administration or anybody else outside of the Commission; he was elected by the Commission upon its own initiative and upon the suggestion of a member of the Commission, Mr. Baker being selected solely because of his excellent qualifications. This Commission does not now and has never maintained a "department of propaganda." It is true that Mr. Baker gave out mimeographed copies of the summary of volume I of a report on the Cities Service Co. This summary was not written by Mr. Baker but by Mr. A. E. Lundvall, an expert Commission accountant, and was made a part of volume I. There was nothing new or unusual in the mimeographing of this report and furnishing of it to the public and the press. Such has been the practice for a long time past in connection with reports made a part of the record in the utilities investigation, as well as in connection with other important reports and action by the Commission. Volume I of Mr. Lundvall's report on the Cities Service Co. consists of 660 typewritten pages, and the purpose of the Commission in having a summary of this and similar reports prepared is to give the public and the press in concise form the principal facts covered by the report. Mr. McFADDEN charges an effort to suppress the disclosures with respect to the Doherty companies and at the same time complains at the publicity given to same. It is true that a representative of the Cities Service Co. issued a number of statements to the press, but that was done as the evidence was being presented at the public hearings, and is a matter entirely beyond the Commission's control.

Mr. McFADDEN states that the President and the Administration "are attempting through their edicts to cover up and protect Henry L. Doherty and his companies who are now under investigation by the Federal Trade Commission." In support of this charge he cites a memorandum signed by the Secretary of the Commission which by order of the Commission directs the chief counsel and the chief economist "to instruct their staffs that in connection with the completion of the report on utilities, as planned in accordance with the President's letter of April 26, 1934, they are not to initiate any new investigations either into utility finances or propaganda phases of the inquiry." Mr. McFADDEN states it would be intersting to read the letter of the President of April 26, 1934, "which (Mr. McFADDEN says) resulted in the order to the Commission to stop its investigation or its further inquiry * * * into the operations of Henry L. Doherty and his public-utility operations or of the Associated Gas & Electric Co. in regard to their negotiations, and all other investigations of public utilities under the Walsh resolution." It is true that the Secretary at the Commission's direction issued the instructions quoted by Mr. McFADDEN. It is also true that the President wrote the Commission a letter April 26, 1934, on the subject of this investigation. It is not true that the President or the administration is attempting to cover up or protect Henry L. Doherty or his companies, or the Associated Gas & Electric Co., or any other utility company. There is not the slightest foundation in fact for any such charge.

The pertinent facts are as follows: The utilities investigation was inaugurated in February 1928, and the Commission had committed itself to the Bureau of the Budget and the Appropriations Committee of the House to complete this investigation and present its final report with recommendations to the Senate not later than July 1, 1934. Embraced in the paragraph carrying an appropriation for the Federal Trade Commission in the Independent Offices Appropriation Act for the fiscal year ending June 30, 1934, was the language, "of which $230,000 shall be available for the completion of the public-utilities investigation undertaken pursuant to Senate Resolution 83, Seventieth Congress." Prior to the beginning of 1934, the Commission's examiners had made and presented for the public record a comprehensive study and report of the Associated Gas & Electric Co. and a great many of its subsidiaries. This was followed in 1934 by still further reports and by the production of a report on propaganda items such as the letters from State Senator Thayer of New York. Field examinations had been completed on two additional Associated Gas & Electric Cos. viz., Associated General Electric Corpora-

tion and General Gas & Electric Co. In addition, examinations had been made of books and records of a number of other companies. On some of these, reports were in the process of writing. This was the situation as to Cities Service Co. It became apparent that many of these reports could not be completed and made a part of the public record if our final report covering the entire investigation was to be presented by July 1, 1934. Mr. Lundvall, who had made a study of the Cities Service Co., and Mr. Nodder, who made the study of the Associated companies, were taken from that work and assigned to the writing of the final report. It was apparent that an important amount of time and money which had been spent in getting the information on these companies would be wasted if the investigation was closed by July 1. Many of the Commission's staff were in some distress from overwork, and Mr. Lundvall especially was in very poor health. In this situation the Commission applied to the President for relief and asked him to extend the time for completing the work to not later than January 1, 1935. The President consented to this and wrote the letter of April 26, 1934. A copy of it is attached hereto. It is apparent that instead of ending the investigation the President was prolonging it. Without this relief which he afforded us it is doubtful if the Commission could have made a public disclosure of much of the material which is in its possession.

Upon receipt of the President's letter, members of the staff were taken off the writing of the final report and instructed to complete the reports on individual companies. This is being done. The Commission is bending every effort to closing the public record on this investigation. We hope that this can be done this summer so as to leave the Commission sufficient time to carefully prepare a comprehensive final report with adequate recommendations.

The President's cooperation has allowed us to present a comprehensive report on the Cities Service Co. Volume I of this report was made a part of the public record May 22, 1934. Mr. Lundvall has been continually under oral examination by our chief counsel ever since demonstrating the report. The hearings were resumed today pursuant to subpenas issued several days ago. When this series of hearings is concluded Mr. Lundvall will complete volume II of his report, and in addition there will be made a part of the record a number of other reports on Cities Service Power & Light Co., Kansas City Gas Co., etc.

The Commission's order of May 14, 1934, which Mr. McFADDEN quoted for the RECORD, was designed to bring the investigation to a close pursuant to a commitment made by the Commission to the Director of the Budget and the Appropriations Committee of the House. The order applied only to the initiation of new investigations and had no reference to Cities Service Co. or the Associated Gas & Electric Co. as the study of those companies was initiated long before May 14 and was not new.

The Commission will be glad to make available to anyone copies of the reports with testimony that are a part of the public record and call attention especially to Mr. Lundvall's report on the Cities Service Co. and the testimony which he has given explaining it.

Furthermore, Mr. McFADDEN has in writing complimented officials of the Commission on the work in its investigation, and in a letter from the chief counsel to Mr. McFADDEN under date of May 7, 1934, a full explanation was given as to why Mr. Lundvall's report on Cities Service Co. had been delayed. In a letter of May 29, 1934, the chief counsel sent Mr. McFADDEN a mimeographed copy of the summary of the Lundvall report and said that if Mr. McFADDEN desired to see the report in its entirety a copy could be loaned to him. He had been previously loaned copies of other reports on Cities Service Cos. and companies in other groups.

The Commission very much regrets that by securing the President's approval of a short and very necessary extension of the investigation he should have been exposed to so unjust an accusation.

Copy of the President's letter authorizing the investigation to be continued until January 1, 1935, is attached hereto.

By direction of the Commission.

Yours sincerely,

GARLAND S. FERGUSON, Jr.,
Chairman.

THE WHITE HOUSE,
Washington, April 26, 1934.

FEDERAL TRADE COMMISSION,
Washington, D.C.

GENTLEMEN: I am informed that you have in preparation reports on various electric and gas utilities, operating or holding companies which you have not yet had an opportunity to put into the record in the investigation which you are conducting under Senate Resolution 83, Seventieth Congress, first session, and that you are conducting studies or investigations of still other companies in which reports cannot be written until the completion of such studies. I consider it important that this work which is under way be completed and made a part of the public record in your utilities investigation.

Accordingly, pursuant to the authority vested in me by section 6 (d) of an act approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", I direct you to complete this work which is under way and to make these reports a part of said public record. I think it is of the greatest importance that your final report to Congress with your recommendations be submitted not later than January 1, 1935.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. COCHRAN of Missouri. The gentleman from Pennsylvania made the statement that the Federal Trade Commission was opposing this investigation, and also inferred that the President was in sympathy with the action taken. While the gentleman from Pennsylvania was speaking I went to the telephone and talked to an official of the Commission, and I desired to answer the gentleman from Pennsylvania that day, but did not get the opportunity. The Federal Trade Commission, on its own motion, went to the President and told him if they were required to make their report on the 1st of July they could not complete a pending important field investigation, whereupon the President told them, "Complete your pending field investigation; go to the bottom of those you have already started; do not stop, but complete them and make your report on January 1, 1935." The President insisted upon a complete report. He did not try to prevent the Commission from getting necessary information.

Mr. BYRNS. The gentleman is entirely correct, and the letter from Mr. Ferguson sets forth that fact very clearly. I feel that in justice to the Chairman and every member of the Federal Trade Commission and to the President of the United States, the statement made by the gentleman from Missouri [Mr. COCHRAN] and myself should be placed in this RECORD, because it is a complete refutation of the charges and implications made by the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. WOODRUM. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. WOODRUM. I want to concur in what the gentleman has said. The Federal Trade Commission has come before our subcommittee on appropriations for a number of years for money to be used in the utilities investigation. A great deal of money has been spent, but I have an idea that the average Member of Congress does not appreciate the vast volume of very useful information that has been compiled and made available in the utility investigation. Some of it, perhaps, will not be useful, but for the first time it has been a thorough and careful study and survey, and the Commission has worked conscientiously and intelligently. Judge Healy, whose name the gentleman mentioned, in my judgment, is one of the ablest men in the Federal service in the legal department.

Mr. BYRNS. I thank the gentleman for that statement. I am sure we all recognize there is no Member of the House who is more familiar with what is being done by the Federal Trade Commission with reference to this investigation than the gentleman from Virginia [Mr. WOODRUM]. [Applause.]

PROCEEDINGS OF THE HOUSE

The SPEAKER. The Chair desires to state that the ruling made by the Chair recently with reference to the release of remarks of Members on the floor is creating considerable inconvenience in the press gallery, and especially for the afternoon papers. The opinion expressed by the Chair is exactly in accord with all the precedents, and the Chair thinks it ought to stand; that every Member ought to control, absolutely, his remarks on this floor until he is ready to release them or until they appear in the CONGRESSIONAL RECORD. But in order to accommodate the press and at the same time protect the Members of the House, the Chair modifies the ruling in this particular: Hereafter the reporters of debates will be authorized to give to the press the remarks of Members, unless the Members notify the reporters that their remarks are to be held until they have an opportunity to revise them, or until they appear in the CONGRESSIONAL RECORD.

This gives the Member absolute control of his remarks, which he ought to have, of course, and relieves the situation so that the afternoon papers will not be inconvenienced, as they are now.

CALL OF THE HOUSE

Mr. TRUAX. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. There is evidently no quorum present.

Mr. BYRNS. I move a call of the House, Mr. Speaker.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 181]

Abernethy	Cole	Harter	Oliver, Ala.
Andrew, Mass.	Collins, Miss.	Healey	Parks
Andrews, N.Y.	Colmer	Higgins	Peavey
Auf der Heide	Connery	Huddleston	Perkins
Bacon	Cooper, Ohio	Hughes	Peterson
Bailey	Corning	James	Pettengill
Beck	Crosser, Ohio	Jeffers	Plumley
Beiter	Crump	Jenkins, Ohio	Rayburn
Berlin	De Priest	Kee	Reid, Ill.
Black	DeRouen	Kennedy, Md.	Rogers, N.H.
Boehne	Dies	Kniffin	Sadowski
Boland	Dingell	Kurtz	Seger
Bolton	Doughton	Kvale	Shoemaker
Brennan	Doutrich	Lea, Calif.	Simpson
Brooks	Duffey	Lee, Mo.	Sirovich
Browning	Dunn	Lehlbach	Smith, Wash.
Buchanan	Ellenbogen	Lesinski	Smith, W.Va.
Buck	Fernandez	Ludlow	Snell
Buckbee	Fish	McCormack	Sullivan
Bulwinkle	Fitzgibbons	McDuffie	Sweeney
Burke, Calif.	Foss	McGugin	Taylor, Colo.
Cady	Frey	Maloney, La.	Thurston
Cannon, Wis.	Gambrill	Marland	Vinson, Ga.
Carley, N.Y.	Gasque	Merritt	Wadsworth
Cary	Gifford	Miller	Waldron
Celler	Goss	Milligan	West, Ohio
Chapman	Granfield	Monaghan, Mont.	White
Chase	Green	Muldowney	Wigglesworth
Church	Greenway	Norton	Withrow
Cochran, Pa.	Griffin	O'Brien	Wood, Ga.
Coffin	Guyer	O'Connell	Wood, Mo.

The SPEAKER. Three hundred and six Members have answered to their names. A quorum is present.

On motion by Mr. CULLEN, further proceedings under the call were dispensed with.

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to make a brief announcement.

The SPEAKER. Is there objection?

There was no objection.

Mr. BYRNS. Mr. Speaker, the following conferees on the communications bill are now in conference and unable to be present: The gentleman from Texas, Mr. RAYBURN; the gentleman from Alabama, Mr. HUDDLESTON; the gentleman from California, Mr. LEA; the gentleman from Michigan, Mr. MAPES; and the gentleman from New Jersey, Mr. WOLVERTON.

In addition to that, the following committee, as has been stated several times, is now investigating the War Department; and I have been requested to state that they are now in session with a number of witnesses before them: The gentleman from New Hampshire, Mr. ROGERS; the gentleman from Vermont, Mr. PLUMLEY; the gentleman from Ohio, Mr. HARTER; the gentleman from Michigan, Mr. JAMES; and the gentleman from Connecticut, Mr. GOSS.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 4, 1934:

H.R. 9061. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1935, and for other purposes.

On June 5, 1934:

H.R. 1158. An act for the relief of Annie I. Hissey;

H.R. 1933. An act for the relief of Philip F. Hambsch;

H.R. 1943. An act for the relief of A. H. Powell;

H.R. 2322. An act for the relief of C. K. Morris;

H.R. 2433. An act for the relief of Anna H. Jones;

H.R. 3056. An act for the relief of James B. Conner;

H.R. 3300. An act for the relief of George B. Beaver;

H.R. 3302. An act for the relief of John Merrill;

H.R. 5477. An act to fix the rates of postage on certain periodicals exceeding 8 ounces in weight;

H.R. 7289. An act for the relief of H. A. Soderberg;

H.R. 7343. An act to remove inequities in the law governing eligibility for promotion to the position of chief clerk in the Railway Mail Service; and

H.R. 8938. An act to amend the act of Congress approved June 7, 1924, commonly called the "San Carlos Act", and acts supplementary thereto.

On June 6, 1934:

H.R. 1977. An act for the relief of R. A. Hunsinger;

H.R. 2054. An act for the relief of John S. Cathcart;

H.R. 2438. An act for the relief of Ruby F. Voiles;

H.R. 4690. An act for the relief of Eula K. Lee;

H.R. 6179. An act to amend an act entitled "An act to provide for the leasing of coal lands in the Territory of Alaska, and for other purposes";

H.R. 7353. An act granting the consent of Congress to any two or more States to enter into agreements or compacts for cooperative effort and mutual assistance in the prevention of crime, and for other purposes;

H.R. 8494. An act to authorize the Secretary of the Interior to modify the terms of existing contracts for the sale of timber on the Quinault Indian Reservation when it is in the interest of the Indians so to do;

H.R. 9323. An act to provide for the regulation of securities exchanges and of over-the-counter markets operating in interstate and foreign commerce and through the mails, to prevent inequitable and unfair practices on such exchanges and markets, and for other purposes; and

H.R. 9370. An act to authorize an appropriation of money to facilitate the apprehension of certain persons charged with crime.

On June 7, 1934:

H.R. 5884. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto; and

H.J.Res. 352. Joint resolution to provide funds to enable the Secretary of Agriculture to cooperate with States in control of chinch bugs.

MINNESOTA FIRE CLAIMS

Mr. COX. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER. Is there objection?

Mr. McFADDEN. Reserving the right to object, and I do not intend to object, but I want to ask unanimous consent that I may be permitted to address the House for 5 minutes immediately following the gentleman from Georgia.

The SPEAKER. The Chair can put only one request at a time. Is there objection to the request of the gentleman from Georgia [Mr. Cox]?

There was no objection.

The SPEAKER. The gentleman from Pennsylvania [Mr. McFADDEN] asks unanimous consent to address the House for 5 minutes following the address of the gentleman from Georgia. Is there objection?

There was no objection.

Mr. COX. Mr. Speaker, I want to give the Membership of this House a warning and put them upon their guard. I am satisfied there is operating here in the city of Washington at this time a crooked lobby in the interest of the adoption of the Minnesota fire claims. [Applause.] It is the boldest attempt, Mr. Speaker, to overreach the Membership of a great legislative body that I can conceive of being made, and if this bill is adopted it will develop into a political scandal.

Mr. BLANTON. Will the gentleman yield?

Mr. COX. No.

UTILITIES INVESTIGATION—FEDERAL TRADE COMMISSION

Mr. McFADDEN. Mr. Speaker, I was absent at the opening of the session this morning, but I have been informed that the gentleman from Tennessee, the majority leader; the gentleman from Missouri [Mr. COCHRAN], the assistant leader; and the gentleman from Virginia [Mr. WOODRUM], chairman of one of the subcommittees of the Committee on Appropriations, took the floor and made references to statements that I had made on the floor of the House previously.

Not being present, I do not know in detail what was said, but I am informed that an attempt was made to show that what I had said in regard to the investigation under Senate Resolution 83 by the Federal Trade Commission was not so.

I call the attention of the House to the statement which was sent to the majority leader by the Federal Trade Commission, and I quote their language. It is dated June 4, 1934. It refers to a statement which I had previously made on the floor when I had occasion to have printed in the RECORD a statement by the secretary of the Federal Trade Commission which had the effect of delaying the report on the investigation of Henry L. Doherty and his companies.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. No; I cannot yield. [Continuing reading:]

The first misstatement that we desire to correct is that we find the administration interfering in the manner in which this report of the Federal Trade Commission of the Henry L. Doherty companies is to be made. This is without foundation.

I now call the attention of the House to a letter to which I referred in my last remarks and, when I have finished, let you decide whether I told the truth or not. The letter is dated April 26, 1934, signed by Franklin D. Roosevelt, to the Federal Trade Commission, the effect of which was to delay the report on the investigation of Henry L. Doherty from July 1 of this year until January 1, 1935.

Mr. BYRNS. Mr. Speaker, will the gentleman read that letter?

Mr. McFADDEN. I shall be very glad to read it. I may say that this letter was written after certain members of the Federal Trade Commission had put this matter up to the President, and may I say in addition to that, that when I made my remarks on the floor of this House on February 16 last in regard to Henry L. Doherty and what he was doing in the way of defrauding the American investing public, I told the truth, and I was quoting from this investigation of Mr. Lunvall, part I of which has been completed; and may I add before I read this letter that the Lunvall report or investigation of the H. L. Doherty Cities Service outfit was completed last December and ask why the summary of this particular report was thus delayed?

As long ago as the 1st of February the Cities Service Co., Mr. Doherty's company, was furnished by the Federal Trade Commission with a copy of Mr. Lunvall's report. I am not referring only to section 1 of the report which is now being given out by a questionnaire or question-and-answer arrangement before the Federal Trade Commission. Part II of this report I am referring to also. These two parts of the report disclose so much of what Henry L. Doherty and the Cities Service Co. have done in the way of defrauding the American public that Henry L. Doherty's attorneys have brought to bear all the pressure they could ever since my speech of February 16. Of course, they do not want this damaging evidence disclosed to their investors, the New York Curb Exchange, and the public in general. In fact, those attorneys were here; they came arunning; the next day they were here in Washington; they were down at the Federal Trade Commission; they were at the Treasury; they were at various places to see to it that this matter was not given out. There game was to hush it up. Mr. Speaker, part II of this report should be given out at once. It should be given out before Congress adjourns; but it is such a damaging statement in regard to what Henry L. Doherty already has been doing that, of course, they do not want it out. I can well understand how the President would abhor such publicity in regard to Mr. Doherty just when Mr. Doherty was presenting the President with a million dollars for his pet project. And so I say that the net result of this letter from the President is to delay for a period of 6 months the filing of part II of the Lunvall report, or until January 1, 1935. When, as a matter of fact, all that remains to be done is for Mr. Lunvall to dictate the summary, which is used for the convenience of the members of the Commission. However, Mr. Lunvall was taken off the work of completing this report and was assigned to other work. It would take him only 10 days or 2 weeks to summarize the report.

I would especially call to your attention the significant fact that the Lunvall report discloses the fact that Mr. Doherty's people refused to give very material facts to Mr. Lunvall for the Federal Trade Commission; and since my disclosures on the floor of this House from time to time, beginning last February 16, some of this information has been furnished to the Commission and plenty of attempts made by Doherty's experts and lawyers to explain away plenty of other very damaging evidence; and now they are to have 6 months more before part II of this report is made available, and the public will have 6 months more to forget. Time is a valuable thing for the Doherty interests just now. Whether or not this letter of the President and this order of the Secretary of the Federal Trade Commission were issued for the purpose of aiding the Doherty interests, they did have this effect.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. Now, of course, I do not know what pressure Mr. Doherty's clever lobbyists, of whom Arthur F. Mullen, of Nebraska and Washington, is one—Mr. Mullen sat in with Doherty's other attorneys with investigators the first of the year when Doherty's affairs were being discussed—or his other attorneys, who are the cleverest, brought to bear or what they were able to do while they were here, but they made an investigation through the various departments of the Federal Trade Commission to ascertain how I came into possession of this information. They used every bit of pressure they could, even going so far as to recommend the dismissal of some of the men engaged on this report—a favorite practice of interests like the Doherty, who use political influence upon the Government's men, who are attempting to render honest service to their Government whom they are sworn to serve.

The letter from the President is as follows:

THE WHITE HOUSE,
Washington, April 26, 1934.

GENTLEMEN: I am informed that you have in preparation reports on various electric and gas utilities operating or holding companies which you have not yet had an opportunity to put into the record in the investigation which you are conducting under Senate Resolution 83, Seventieth Congress, first session, and that you are conducting studies or investigations of still other companies in which reports cannot be written until the completion of such studies. I consider it important that this work which is under way be completed and made a part of the public record in your utilities' investigation.

Of course it should be done; there is no question about that. The point of this thing is the fact that this letter has caused the delay of a report that should be made before this Congress adjourns. I know whereof I speak, for I have looked the matter up. I know that this report could be made, but something has delayed it for 6 months.

Accordingly, pursuant to the authority vested in me by section 6 (d) of an act approved September 26, 1914, entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", I direct you to complete this work which is under way and to make these reports a part of said public record. I think it is of the greatest importance that your final report to Congress with your recommendations be submitted not later than January 1, 1935.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

FEDERAL TRADE COMMISSION,
Washington, D.C.

The effect of that letter was to delay the report on Henry L. Doherty's companies until after the fall elections. An order issued by the Commission as a result of this letter stopped the investigation into political campaign contributions. It stopped other investigations in regard to all the public utilities until this report was made. Why should

this have been done in view of the 6 months' extension of time granted?—I ask you. There is no denying this act. This order was as follows:

The Commission today directed that the chief counsel and the chief economist instruct their staff that in connection with the completion of the report on utilities as planned in accordance with the President's letter of April 26, 1934, they are not to initiate any new investigations either into utility finances or propaganda phases of the inquiry.

I want to say to the responsible leadership of this House that I undertook the investigation of this matter and a report to the House on the basis of doing my duty as a Member of Congress. I asked this House, I asked the leadership to investigate Henry L. Doherty's affairs. The Rules Committee have had that resolution before them. Have they acted? No. Why have they not acted? Do they not dare to act; or is political pressure being brought to bear to stop it? These matters should be gone into, for through them not only has the Government been defrauded but also people in every one of your congressional districts have been defrauded. You cannot afford to protect this man in what he has been doing. You have chased all over the country and all over the world to get Samuel Insull. Let me say to you here that part II of the Federal Trade Commission's investigation of what Henry L. Doherty has done will cause the disclosures with regard to Insull to pale into insignificance. Under all the circumstances based upon the disclosures of the Lunvall report to the Federal Trade Commission the President should act.

Now, as regards these publicity men to whom the gentleman referred, may I say that this gentleman, Joe L. Baker, who was put in there, was put in charge on the recommendation of Mr. James J. Farley. The letter of the Federal Trade Commission admits that this change was made and they put in a publicity man to serve the Commission very much in the same manner as Mr. Herbert L. Pettey was put in the Federal Radio Commission as a liaison officer by Mr. Farley. He now has offices in the new Post Office Building right beside the Postmaster General, thus to keep him well informed on all radio activity. Just in the same manner Mr. Farley will be kept advised by Mr. Baker of all activities of the Federal Trade Commission and will see to it that no information goes out to the public that might be detrimental to any of their friends.

It is a political arrangement.

I call your attention now to what part I of the report shows with reference to what I stated about Mr. Doherty. The following appears on page 69 of the Report on Examination of Accounts and Records of Cities Service Co., volume I, by A. E. Lunvall.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include therein this statement, showing the write-up of the Doherty companies which indicates $210,950,000 worth of fictitious write-ups.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. The following appears on page 69 of the Report on Examination of Accounts and Records of Cities Service Co., volume I, by A. E. Lunvall:

The specific instances in which the plant and investment accounts of subsidiary companies were written up in value because of mergers and consolidations or intercompany transfers are subsequently explained but are summarized here for the purpose of identification:

Cities Service Power & Light Co. and subsidiaries	$104,597,756
Gas Service Co. and subsidiaries	12,279,335
Arkansas Natural Gas Corporation	8,167,691
Empire Gas & Fuel Co. (Delaware)	78,895,162
Cities Service Oil Co. (Ohio)	598,808
Cities Service Tank Line Co	2,736,641
Crew-Levick Co	1,075,137
Cities Fuel & Power Co	1,581,475
Southern Ontario Gas Co	1,026,022
Total	210,958,027

Note: As previously explained, a substantial portion of this write-up was eliminated by Cities Service Co. from its published financial reports at Dec. 31, 1930.

The above note has recently been added to this report—evidently a part of Cities Service attorneys' attempt to camouflage my previous statement on the floor of this House wherein I informed you of the write-up in value of the H. L. Doherty companies, which write-up values are still carried upon the books of the companies.

It has not been my purpose to criticize unduly the Federal Trade Commission or its very able and efficient general counsel, Mr. Robert E. Healy. I can appreciate the pressure that these men are under in reporting to the Congress the details of mismanagement and corruption which they have uncovered in their investigations of the public-utility set-ups. Nor have I had any intention to reflect in any manner whatsoever upon A. E. Lunvall, the very capable investigator, assigned by the Federal Trade Commission to the H. L. Doherty affiliated companies set-ups investigation. Mr. Lunvall has made a most unusual report setting forth in detail the most unusual and crooked manipulation of the affairs of H. L. Doherty, H. L. Doherty & Co., Inc., the Cities Service Co., and of all their subsidiaries and affiliates, and his activities on this report should in no manner be interfered with. What I am objecting to and am pointing out to you is the attempt on the part of H. L. Doherty and his attorneys and his contact men and his lobbyists of the type of Arthur F. Mullen (late campaign floor-manager at the Democratic National Convention at Chicago, which nominated Franklin D. Roosevelt) and men of this type for whom Doherty or his companies have done favors or are paying them for their services in the money or securities or inside information or by campaign contributions, or birthday-party projects, to influence in any manner possible this Federal Trade Commission report, and then finding the activities of these men resulting in a postponement of the filing of part II of the report of the investigation of the Cities Service Co. and its subsidiaries and affiliates, including the manipulations of Henry L. Doherty and Henry L. Doherty & Co., Inc., which would have disclosed in detail these improper practices that I have been referring to on the floor of this House in my previous statements and in this my fourth speech on this subject.

In my attempt to correct this situation, I introduced a resolution for an investigation of this matter, but this resolution has been pigeonholed by the Rules Committee. I have begged the Speaker, the majority floor leader, and the Chairman of the Rules Committee to give me a hearing on this resolution and it has been refused. It is apparent, I submit, from the very action of the majority leader, who today has spoken and condemned my activities in this respect, that this administration is united in its efforts to protect Henry L. Doherty.

Proof of every statement that I have made is in the A. E. Lunvall report of his investigation under Senate Resolution 83 and embodied in his reports to the Federal Trade Commission. And when anybody, whether it be the leader of the majority of this House, the President of the United States, or the members of the Federal Trade Commission, attempts to dispute or discredit what I have said and am now saying, he is attempting to discredit the facts which are set forth in the Lunvall report to the Federal Trade Commission. This complete report should now be in the hands of the Attorney General of the United States for immediate action.

UTILITIES INVESTIGATION BY FEDERAL TRADE COMMISSION

Mr. BYRNS. Mr. Speaker, I ask unanimous consent to proceed for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Speaker, it is rather difficult for me to understand the cause of complaint of the gentleman from Pennsylvania [Mr. McFADDEN]. He has indulged in a number of insinuations and has made certain implications based upon no fact which he gave either the other day or at the present time.

Mr. McFADDEN. Will the gentleman yield?

Mr. BYRNS. No; I only have 3 minutes.

Mr. McFADDEN. The gentleman is stating that I presented no facts. I have presented facts.

Mr. BYRNS. The whole truth is that the President had absolutely nothing to do with holding up the report of the Federal Trade Commission. The Federal Trade Commission with their counsel, whose names I gave a few minutes ago, asked the President in the interest of a complete report to permit them to delay that report for 6 months. This was for the reasons set forth in the letter of Mr. Ferguson.

I have the time only to repeat that it was impossible for them to consider the entire and voluminous evidence that had been presented and prepare a comprehensive report by July 1. They asked the President to issue an Executive order providing for this extension, and the President, of course, acting upon the unanimous request of the Federal Trade Commission, which is a bipartisan body of able, conscientious men, with its own chief counsel and associate counsel, whose names I mentioned a while ago, gave his consent to the report being delayed for 6 months. Why? Because if he had not done that, the Commission told him it would be impossible for them to make a comprehensive report, which the gentleman from Pennsylvania [Mr. McFADDEN], without the knowledge that they have and without the information that they have, says he could easily do within 10 days.

Mr. McFADDEN. Will the gentleman yield?

Mr. BYRNS. I cannot yield.

There is nothing more that I wish to say. I ask every Member of this House to read the letter of Chairman Ferguson, which will appear in the RECORD tomorrow morning, and which is a complete statement and a refutation, I repeat, of the insinuations, the implications, and the charges made by the gentleman from Pennsylvania, and we in this Congress and the preceding Congress know the gentleman's habit along that line. [Applause.]

[Here the gavel fell.]

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The Chair laid before the House the following message from the President of the United States, which was read and referred to the Committee of the Whole House on the state of the Union:

To the Congress of the United States:

You are completing a work begun in March 1933, which will be regarded for a long time as a splendid justification of the vitality of representative government. I greet you and express once more my appreciation of the cooperation which has proved so effective.

Only a small number of the items of our program remain to be enacted and I am confident that you will pass on them before adjournment. Many other pending measures are sound in conception, but must, for lack of time or of adequate information, be deferred to the session of the next Congress. In the meantime, we can well seek to adjust many of these measures into certain larger plans of governmental policy for the future of the Nation.

You and I, as the responsible directors of these policies and actions, may, with good reason, look to the future with confidence, just as we may look to the past 15 months with reasonable satisfaction.

On the side of relief we have extended material aid to millions of our fellow citizens.

On the side of recovery we have helped to lift agriculture and industry from a condition of utter prostration.

But, in addition to these immediate tasks of relief and recovery, we have properly, necessarily, and with overwhelming approval determined to safeguard these tasks by rebuilding many of the structures of our economic life and of reorganizing it in order to prevent a recurrence of collapse.

It is childish to speak of recovery first and reconstruction afterward. In the very nature of the processes of recovery we must avoid the destructive influences of the past. We have shown the world that democracy has within it the elements necessary to its own salvation.

Less hopeful countries, where the ways of democracy are very new, may revert to the autocracy of yesterday. The American people can be trusted to decide wisely upon the measures taken by the Government to eliminate the abuses of the past and to proceed in the direction of the greater good for the greater number.

Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

Among our objectives I place the security of the men, women, and children of the Nation first.

This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

In a simple and primitive civilization homes were to be had for the building. The bounties of nature in a new land provided crude but adequate food and shelter. When land failed our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we have.

So also security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

With the full cooperation of the Congress we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. The task thus begun must be pursued for many years to come. There is ample private money for sound housing projects; and the Congress, in a measure now before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

In regard to the second factor, economic circumstances and the forces of nature themselves dictate the need of constant thought as to the means by which a wise Government may help the necessary readjustment of the population. We cannot fail to act when hundreds of thousands of families live where there is no reasonable prospect of a living in the years to come. This is especially a national problem. Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now found.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

There are many illustrations of the necessity for such planning. Some sections of the Northwest and Southwest which formerly existed as grazing land, were spread over with a fair crop of grass. On this land the water table lay a dozen or 20 feet below the surface, and newly arrived settlers put this land under the plow. Wheat was grown by dry-farming methods. But in many of these places today the water table under the land has dropped to 50 or 60 feet

below the surface and the topsoil in dry seasons is blown away like driven snow. Falling rain, in the absence of grass roots, filters through the soil, runs off the surface, or is quickly reabsorbed into the atmosphere. Many million acres of such land must be restored to grass or trees if we are to prevent a new and man-made Sahara.

At the other extreme, there are regions originally arid, which have been generously irrigated by human engineering. But in some of these places the hungry soil has not only absorbed the water necessary to produce magnificent crops, but so much more water that the water table has now risen to the point of saturation, thereby threatening the future crops upon which many families depend.

Human knowledge is great enough today to give us assurance of success in carrying through the abandonment of many millions of acres for agricultural use and the replacing of these acres with others on which at least a living can be earned.

The rate of speed that we can usefully employ in this attack on impossible social and economic conditions must be determined by businesslike procedure. It would be absurd to undertake too many projects at once or to do a patch of work here and another there without finishing the whole of an individual project. Obviously, the Government cannot undertake national projects in every one of the 435 congressional districts, nor even in every one of the 48 States. The magnificent conception of national realism and national needs that this Congress has built up has not only set an example of large vision for all time but has almost consigned to oblivion our ancient habit of pork-barrel legislation; to that we cannot and must not revert. When the next Congress convenes I hope to be able to present to it a carefully considered national plan, covering the development and the human use of our natural resources of land and water over a long period of years.

In considering the cost of such a program it must be clear to all of us that for many years to come we shall be engaged in the task of rehabilitating many hundreds of thousands of our American families. In so doing we shall be decreasing future costs for the direct relief of destitution. I hope that it will be possible for the Government to adopt as a clear policy, to be carried out over a long period, the appropriation of a large, definite, annual sum so that work may proceed year after year not under the urge of temporary expediency, but in pursuance of the well-considered rounded objective.

The third factor relates to security against the hazards and vicissitudes of life. Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established among other things "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

This is not an untried experiment. Lessons of experience are available from States, from industries, and from many nations of the civilized world. The various types of social insurance are interrelated, and I think it is difficult to attempt to solve them piecemeal. Hence, I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. I believe there should be a maximum of cooperation between States and the Federal Government. I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all, I am convinced that social insurance should be national in scope, although the several States should meet at least a large portion of the cost of management, leaving to the Federal Government the responsibility of investing, maintaining, and safeguarding the funds constituting the necessary insurance reserves.

I have commenced to make, with the greatest of care, the necessary actuarial and other studies necessary for the formulation of plans for the consideration of the Seventy-fourth Congress.

These three great objectives—the security of the home, the security of livelihood, and the security of social insurance—are, it seems to me, a minimum of the promise that we can offer to the American people. They constitute a right which belongs to every individual and every family willing to work. They are the essential fulfillment of measures already taken toward relief, recovery, and reconstruction.

This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Ample scope is left for the exercise of private initiative. In fact, in the process of recovery, I am greatly hoping that repeated promises that private investment and private initiative to relieve the Government in the immediate future of much of the burden it has assumed will be fulfilled. We have not imposed undue restrictions upon business. We have not opposed the incentive of reasonable and legitimate private profit. We have sought rather to enable certain aspects of business to regain the confidence of the public. We have sought to put forward the rule of fair play in finance and industry.

It is true that there are a few among us who would still go back. These few offer no substitute for the gains already made, nor any hope for making future gains for human happiness. They loudly assert that individual liberty is being restricted by Government, but when they are asked what individual liberties they have lost, they are put to it to answer.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way of progress. Neither you nor I will rest content until we have done our utmost to move farther on that road.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 8, 1934.*

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that there be printed in the RECORD immediately following the message a brief statement by the distinguished Speaker of the House commenting on the message.

Mr. BRITTEN. Commenting on this statement?

Mr. BYRNS. Yes.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, is that customary?

Mr. BYRNS. I do not know whether it is customary or not, but I think it is entirely proper to be done.

Mr. BLANTON. This is a new deal.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The statement is as follows:

THE PRESIDENT'S SOCIAL-INSURANCE MESSAGE OF JUNE 8, 1934

(Comments by Hon. HENRY T. RAINEY, Speaker of the House of Representatives)

The President's message embodies a magnificent conception. The vitality of a representative government depends upon its efficiency in taking care of its own nationals. They must be assured the essentials of life—food, clothing, shelter. Other nations have attempted with considerable success to provide for their nationals in these particulars. Some of our great corporations have apparently solved these propositions. This is an absolutely new era upon which we are entering, and the success of the Government and its perpetuity depends upon taking away from its nationals the element of fear. They must be assured that they will be safe during periods of sickness and unemployment, and they must be assured that they will be taken care of when old age comes. The President's message embodies a Nation-wide study of all these propositions. It fits in with the recovery program. It will tend to quiet unrest.

We are mechanized as no other nation in the world has ever been mechanized. It is claimed that one-fourth of our workers can produce for all of our people the essentials of life and living. In France and Germany it is said that 50 percent of their workers can be employed in producing the essentials of life. In Italy, not so highly mechanized, 65 percent of their workers can be employed in providing for all people food, clothing, and shelter. Machines work for us to a greater extent than in any other

country in the world, and we must meet this situation without destroying machines. The study the President proposes this summer is important, indeed.

We hope to put through the President's housing program; and this, of course, is at the very base of all recovery. People of a country must first of all be properly housed, and upon a proper housing must be built a structure which removes fear, so prevalent now. There must be a way of taking care of men and women and children when they are sick and unable to provide for themselves, and it must be done in a way which does not mean charity. They are entitled to more than charity, and they must be taken care of in old age and during periods of unemployment. We owe these things to our nationals. The study which the President proposes to make this summer is most important, and it must lead to legislation in the next Congress which will meet these conditions.

THE IMPORTANCE OF THE SUBSISTENCE-HOMESTEAD PROGRAM

Mr. RANDOLPH. Mr. Speaker, this splendid and timely message from the President of the United States impresses itself more deeply on me this afternoon because of the visit that I made yesterday to my own State, where I talked with the men and women on two Federal homestead projects. They have been down for the count of 9, but are now being given a chance under this program to rehabilitate and build themselves anew. I do not desire to take up the time of the House, but I feel so keenly on this subject that I ask unanimous consent to extend my remarks in the RECORD on the subject of the subsistence-homestead development in the United States.

The SPEAKER pro tempore (Mr. BYRNS). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, in years to come when the results of the Roosevelt administration are weighed, the historian will divide its manifold recovery efforts into two classifications. One of these will be steps of a short-term nature. This classification will include the many numerous efforts aimed to meet quickly situations which constituted emergencies and which lay on the threshold of the Roosevelt administration when it assumed office in those black days of March 1933. The bank holiday, the farm-price emergency, unemployment, and many another situations within too recent memory to necessitate remention and elaboration, required action, and action was forthcoming immediately from the champion of the new deal.

BUILDING FOR THE FUTURE

But more than an emergency of a temporary nature needed to be met. Direction was needed not only for a day or a month but in building for the future. Again President Roosevelt stood ready. He did not come forth with a dogmatic arrangement, with the cry of "It must be done this way or not at all", but he proposed that the Nation should proceed with an open mind toward a permanent solution of many of our ills. In the case of agriculture and industry many forward steps have been taken. Through tests and demonstrations we are working our way toward adjustments which will be of permanent benefit.

Today I want to speak of one of these efforts which in 20 years will be looked upon as one of the most significant contributions of this administration to permanent long-term recovery. I speak of subsistence homesteads. This program comes in for its share of misunderstanding, for partisan abuse, but it should not. Examined closely and particularly in light of the history of our Nation and of the complex social and economic problems of today, this program stands out as a beacon of hope, as the ray of promise, for the solution of many of our most serious problems.

PROGRESS HAS BEEN MADE

Subsistence homesteads are not new. Part-time farming came before commercial farming. It has been the way of life of millions. But subsistence homesteads in their modern application recognize the progress made in recent generations and propose adaption of a way of life to modern social and economic circumstances.

Let us go back to the days when there were Thirteen Colonies. The life of the colonists was primarily rural. They lived on the products of their own fields and orchards and pastures. Let us then reduce the picture of the Colonies to a smaller segment, that of certain regions in New England. With the expansion in cotton and woolen milling, industry looked about for factory sites. They found them often in rural districts where rushing streams and waterfalls provided the necessary power. Labor was needed and small farmers, attracted by cash wages, came to work in the mills from the surrounding community.

But back in those days we had no national policies tending toward shorter working hours. Instead the worker spent 12 and often 14 or more hours at the spindles and the looms. Naturally, during the working season he was able to do little more than work at the mill. For a time many of the mills operated in the wintertime and in the summer closed down while the workers went back to their farms, which continued to provide food, fuel, shelter, and even some clothing for the family.

SECURITY WAS LOST

But distances were greater then, for transportation had not advanced. Roads were few in number and far from the excellence of modern highways. Consequently the mills worked longer seasons and, finally, the year round, and with the long hours of work and the poor transportation facilities the worker found it necessary to live nearer his place of employment.

Abandonment of the small farms began. Slums grew about the mills. Gone was the security and independence he had previously enjoyed. All in all, it is doubtful whether a great many of the workers achieved any advance at all in the standard of living from their full-time employment. Certainly a great deal was lost.

Today we are faced by a great problem of unemployment. The diligence of the administration in seeking a solution of this problem has been rewarded in part. But great and fundamental changes may be necessary in order to reduce that unemployment to a point where it can be said that it is no longer the greatest individual problem of the Nation.

The technological advances from the World War on to 1929 were tremendous, and, although little realized, have continued right up to the present day. It has been said that the full utilization of technological advances in industry will prevent some millions of people from ever again finding full-time employment in our mills, our factories, our warehouses, our mines. An unemployed man is a poor consumer and this unemployment problem in terms of reduced consumptive capacity alone is a menace to the fabric of our national economy.

NEED TO BECOME SELF-SUPPORTING

When we consider the permanent threat which this problem makes to our future, it assumes even greater and more dangerous proportions. The cost alone of supporting several millions of people on relief rolls is measured in figures that stagger the imagination. The demoralization consequent upon the public support of a large part of the population presents grave social dangers.

There is only way in which we can hope to escape the experience which so many countries of Europe have suffered, namely, the growth of a large class of unemployed permanently upon the Government, and that is to adopt whatever means seems best to help these people become self-supporting, and to prevent others from being forced upon public relief when seasonal fluctuations in industry occur. This is what the subsistence homestead program, if properly expanded, can accomplish.

To meet the present unemployment emergency in this manner it will be necessary to carry forward the plans for helping unemployed persons to acquire plots of land where they may cultivate food for their own use. This work is now going on, but an equally important long-term program must also be undertaken.

There is no more tragic picture than that of the hosts of unemployed city workers walking the streets, utterly without any means of self-support when the pay envelop ceases to be handed out. Pavements of stone offer no opportunity even to the man who has the greatest desire to produce food for himself and his hungry family.

DECENTRALIZATION IS DESIRED

Fluctuations in industrial activity are bound to occur, and we must make certain that in the future we will not be faced with a situation such as that which, in 1929 and the following years, contributed so much to the distress of the working population. In place of a people crowded into unhealthy tenements in the cities, their children growing up amongst conditions which breed crime, disease, and a loss of self-reliance, we should like to see our working people living on small homesteads near their places of employment on the edge of the city, rather than in the midst of its crowded streets. The creation of such decentralized communities is the ultimate purpose stated in the act which this Congress passed, making possible the subsistence homestead program.

This development will not only make for healthier and more sanitary living conditions but will also enable working-class families to regain an independence and security which have long been lost. We may always expect changes in industrial activity and a fluctuating figure of employment; but through the establishment of subsistence homesteads, where workers may be able to produce much of their own food and maintain shelter for themselves and their families, the desperate story which the experience of our unemployed population has recently told need not be repeated.

When, at the request of the President, this Congress a year ago showed the wisdom of setting aside $25,000,000 for aiding in the establishment of subsistence homesteads, it was setting aside a small sum compared with the expenditures approved for many other purposes, but it was giving recognition to the belief of many that better utilization of the soil held promise of being one of the really important answers to the problem of unemployment.

"Back to the land" has been the cry of a great many. The possibilities of a back-to-the-land movement have been overstated by enthusiasts, even as enthusiasts have overstated the possibilities of a specialized industry in which every wage earner would find his proper place.

NO ADVANTAGES ARE DENIED

It was realized by the persons entrusted with carrying out this work that no movement could be successful if it depended upon the American people's voluntary return to a less satisfactory way of living. No one today wants or needs to give up the benefits which modern civilization and the progress of a hundred years have brought us. Consequently, the subsistence homestead plan was worked out not to bring back the primitive conditions of self-sufficient life as our ancestors knew it but rather to recover the security and independence which they knew without giving up the advantages which industry, science, and social development have made possible.

The subsistence homesteads, therefore, are planned not to give their occupants a full living but merely to afford the opportunity of growing a food supply at home. This food supply, raised on 1 to 5 acres of land, will not only make workers less dependent upon the pay envelope but will also enable them to take care of their families when industrial activity slackens. Furthermore, these subsistence homesteads are not, for the most part, being located in remote country districts, but as close as possible to towns and cities, where employment on a part-time or seasonal basis will be available and where homesteaders may enjoy the social life and business opportunities of such communities.

But even within this framework there were many ideas as to how the plan could best be carried out. The fact that there were a great many conflicting views was promptly recognized by one of the most careful students of this problem, Mr. M. L. Wilson, who was selected by President Roosevelt as Director of the Division of Subsistence Homesteads. Knowing full well that $25,000,000 could not possibly finance a wholesale movement of persons to subsistence homesteads, he has planned each subsistence-homestead project—and there are some 36 planned to date—to make certain that, in addition to serving as the means of helping persons to obtain low-cost homes on small tracts of rich land, this network of projects should be of the greatest possible value as tests and demonstrations.

A TRAGIC PROBLEM

The number of permanently unemployed persons in the bituminous coal mining districts is difficult to estimate, but the most conservative estimates that upward of 200,000 miners will never again be employed in mines. They present a tragic problem of stranded workers. Numerous efforts have been made to meet that problem but the first that has really offered substantial hope is the subsistence homesteads program. In my own district in West Virginia the subsistence homestead movement has struck up new hope that this problem can be met. Had a way of life such as the subsistence homestead provides been developed earlier there is no doubt but that much of the present distress would have been entirely avoided.

In addition to its significance from a long-range recovery viewpoint, the subsistence hbmestead program is also a substantial contributor to short-term recovery. By this I mean that it succeeds in providing employment on a considerable scale in proportion to the sums actually expended.

There are many who believe that housing offers today the outstanding possibility of stimulating recovery. Most of the expenditures involved in housing create employment. There is the employment of masons, carpenters, plumbers, and others in connection with the actual erection of houses. These in turn handle materials, the cost of which is represented in large part by labor outlays. From one viewpoint the establishment of subsistence homesteads is a housing program, for by far the largest percentage of the expenditures made are for the houses erected on the homesteads.

CANNOT SELL SERVICES

Sixty million Americans or more are said to be living in tenements and shanties unfit for human habitation under modern standards. The average income of all Americans was $276 per person last year. Against this, I am reliably informed, there stood a fixed charge of $77 for interest on long-term debts, leaving an income available for spending of $199. The 60,000,000 of our people with the lowest income had an average income available for spending of less than $150 per person. The reason for these average low incomes goes back to the fact that people are unable to find an opportunity to sell their services. They have idle time on their hands. They are not consumers to a large degree for the reason that they do not have the funds with which to buy. Their supply of food is very limited.

Now, take the other side of the picture. We have acres of good lands which are not fully utilized. Put the land in combination with a man who has the time and the willingness to work and he can provide himself with a considerable portion of his own income. Intensive use of small acreages of good land has many possibilities in the way of improving the amount and the variety of food available for idle people.

But subsistence homesteading is concerned with more than the housing of people, important as that may be; it is also more than the supplying of food which people cannot afford to buy, important as that is. Beyond these factors, the subsistence homestead program is concerned with the social readjustments of peoples left economically stranded or forced to live on small incomes because of the many factors over which man so far has been unable to achieve control.

Consider, for example, the isolated, submarginal farmer, living on poor land far from church, school, and other community facilities. Give him an opportunity to get onto better and richer land so located that his children will have the opportunity of going to school, that he and his wife will have the opportunity for normal interrelationships with other peoples. With that opportunity the way is opened for social advancement—a social advancement the significance of which can best be understood by a first-hand study of the homes and lives of thousands of Americans today living in areas blighted by the exhaustion of natural resources or by economic circumstances beyond their control. It is a human problem after all, and it is in terms of human problems that this Nation and its administrators and its political parties must come more and more to think.

SUFFICIENT TIME IS GIVEN

The part of the Government in the establishment of these homesteaders is to finance the purchase of land and construction of buildings, as well as to provide adequate assistance to the occupants in the most efficient utilization of their homesteads. Families will pay from two to three thousand dollars for their homes, making small monthly payments, at a low rate of interest, extending over approximately 20 years.

Projects for city workers are already being established at Rochester, N.Y.; Wilmington, Del.; Youngstown, Ohio; Austin, Minn.; Houston, Tex.; Los Angeles, Calif.; Longview, Wash.; and at many other points. The subsistence homestead program extends from coast to coast and from the Great Lakes to the Gulf of Mexico.

In order to effect an adequate redistribution of population from overcrowded cities, it is also necessary to take some steps to enable the people now living in poor rural districts to attain a happier and more rewarding life, because distress in rural regions is an important factor in the concentration of these helpless persons on city relief rolls.

The subsistence homestead program, therefore, includes a few projects which will demonstrate how farmers living in worn-out and eroded lands of the old Cotton Belt or the cut-over regions of the Great Lakes States may be helped to relocate on better soil and support themselves both by diversified subsistence agriculture and some industrial work.

State programs for the rural regions have been undertaken in Georgia and Wisconsin, and the Penderlea project in North Carolina embodies a similar purpose.

This demonstration program is, after all, rather small when contrasted with the tremendous demand for subsistence homesteads which is evident throughout the country. The Division of Subsistence Homesteads has received applications for project loans totaling more than four and one-half billion dollars, and, in addition, countless individual requests.

LOW-INCOME WORKERS TO BE AIDED

Many thousands of American families have on their own resources established themselves on small garden homesteads near many of our larger cities. Too often, however, such movements have been confined to persons of higher incomes. There is a need and demand for added thousands of low-income workers to be aided in leaving the congested city tenements.

Perhaps this evident enthusiasm for subsistence homesteads is due to the fact that they foster the idea of an independent, home-owning and self-supporting life which is so strongly imbedded in our American tradition.

I am firmly convinced that this program should be enlarged and extended, that it is making an outstanding contribution to recovery, both from the long- and short-term viewpoints, that its significance in decades to come will be more fully realized and appreciated than today. It addresses itself to the human problem representing the wreckage left over from more thoughtless days of the past. It recognizes in a practical way the possibilities of people doing more for themselves.

Proposals for more than four and one-half billion dollars in subsistence homestead projects have been submitted which I believe demonstrates the enthusiasm for this great work. But the subsistence homestead program has not been designed with the idea of promoting Government sponsorship primarily. The demonstrations so far planned and in the early stages of execution have been developed in every case with the idea of demonstrating their repeatability through private financing. They are aimed, first, to suggest possibilities of this way of life, with its greater opportunity for self-reliance and self-sufficiency to the individual.

Secondly, they are aimed to demonstrate the possibilities of this type of development by private capital; by the industrialist, who is contemplating setting up a new industry or decentralizing an established industry, who reckons the welfare of his workers as part of his responsibility and interest.

Next, these demonstrations are intended to show the possibilities to local and State housing authorities which are steadily being established.

PLANNING FOR THE FUTURE

Let us not overlook the significance of this practical demonstration of the administration, that it is looking beyond its nose and recognizing its responsibility to the future decades to come as well as the immediate months and years. Expansion of this type of work has great potentialities for contributing to recovery, and I believe that it deserves the earnest attention of every Member.

Mr. ELLENBOGEN. Mr. Speaker, I want the RECORD to show that when there was a call of the House this morning I was engaged in a conference with Mr. Fahey, chairman of the Home Owners' Loan Corporation, and therefore could not answer present.

The SPEAKER pro tempore. Without objection, the statement will be printed in the RECORD.

THE CONSENT CALENDAR

The SPEAKER pro tempore. The Clerk will call the Consent Calendar, beginning with the bills passed over yesterday without prejudice, Calendar No. 325.

Mr. WOLCOTT. Mr. Speaker, just before we recessed last night I propounded a parliamentary inquiry, which I notice is not in the RECORD. The inquiry was as follows:

If we recess tonight will we start on the Consent Calendar tomorrow where we left off today?

The Chair answered in the affirmative. It is my understanding, in accordance with that answer, that we start, I believe, with Calendar No. 382.

The SPEAKER pro tempore. The Chair will call the attention of the gentleman to the request submitted by the gentleman from Ohio [Mr. JENKINS], as follows:

Mr. Speaker, I ask unanimous consent that these Indian bills beginning at Calendar Nos. 325 to 345, be passed over and taken up tomorrow on the call of the Consent Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Ohio that the Indian bills, beginning at 325 to 345, be passed over until tomorrow?

There was no objection.

Mr. WOLCOTT. That was my understanding, but it was also my understanding, in view of the fact that the Consent Calendar was continued over until today, we would finish the Consent Calendar and then return to these bills and one or two others that were also passed over. However, it is immaterial.

The SPEAKER pro tempore. I think it is immaterial which bills are called first.

Mr. O'MALLEY. Mr. Speaker, may I say to the gentleman from Michigan that I understood that the unanimous-consent agreement which we obtained yesterday was that we would go back to the Indian bills on the Consent Calendar.

Mr. WOLCOTT. As the Chair says, it is immaterial and we have no objection.

The SPEAKER pro tempore. The Clerk will call the first of the bills, Calendar No. 325.

WHITE SWAN SCHOOL DISTRICT, YAKIMA COUNTY, WASH.

The Clerk called the bill (H.R. 7361) to provide funds for cooperation with White Swan School District No. 88, Yakima County, Wash., for extension of public-school buildings to be available for Indian children of the Yakima Reservation.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, and I may say I shall object to the consideration not only of this bill but all the other Indian school bills on the calendar, and I base my objection on the fact that the Director of the Budget states that these bills are not within the financial program of the President. That is to be found in the report, and I called the Director of the Budget's office this morning and was so advised. For this reason I am constrained to object to the consideration of Calendar No. 325.

Mr. HOWARD. Will the gentleman be kind enough to hold his objection until I ask an informed member of my





Committee on Indian Affairs to explain this situation to the House?

I should like to have the gentleman from Montana [Mr. AYERS] explain to our colleagues here the situation with reference to these 12 or 13 bills, and I hope the gentleman will give him an opportunity to explain them.

Mr. ELTSE of California. Before yielding, I wish to add to my objections the fact that several of these bills, when they were first drawn, were drawn, as shown by the amendments, to have the moneys paid out of P.W.A. funds, and I think this was the particular thing that was called to the attention of the Budget Director, and the reason of his resistance or opposition to the bill and his statement that they are not within the financial program of the President. Moreover, I think such bills as these are against the principle of the National Recovery Act, and if we begin this sort of work of providing funds for public schools or for the extension of school buildings for particular districts, there is no reason why the same principle could not be invoked by every school district in the United States which, at the present time, has outstanding warrants for the payment of teachers' salaries and is in default on its bonds.

Mr. HOWARD. Will not the gentleman be kind enough to permit a member of our committee who is conversant with this matter to present it to the House? I would like to have the gentleman from Montana [Mr. AYERS] speak for our committee.

Mr. AYERS of Montana. Mr. Speaker, after the argument yesterday on these Indian school bills, and after they were passed over until today, I have taken the matter of each one of them up with the Commissioner of Indian Affairs, and at my request his Bureau has furnished me with figures showing that if these bills are passed it will save the Indian Bureau budget by at least $620,000 per year. I am authorized by the Commissioner to use these figures in argument in support of these bills.

Now, if the gentleman from California [Mr. ELTSE] will bear with me, and if I may proceed for a few moments without interruption, I feel sure that upon the information furnished by the Bureau of Indian Affairs, I can convince the gentleman and the House not only in the justice of the bills but that they will actually relieve the budget condition rather than draw upon it.

In the 21 schools involved in these 13 bills, approximately 8,000 children—to be exact, 7,928—are involved. Of this number, 40 percent are Indian. This means over 3,100 Indian children.

If these children are not schooled in the public schools of the State, as they are now being schooled and as proposed by these bills, then, by reason of the condition of the overcrowded condition of the buildings, these Indian children must be schooled in some other manner. The only other way it can be done is by reestablishing Indian boarding schools at a much greater expense.

As I told you yesterday, it has been the policy of the Indian Department for some time past to abandon the Indian boarding schools and to send Indian children to the State public schools, which are supported by taxes upon lands bearing only an average of 30 percent of the area within the respective school districts. In other words, and to make it perfectly plain, an average of 40 percent of the school attendance is Indian and the Indian lands which are nontaxable within the school districts average 70 percent. You see the Indian lands bear no part of the burden for the support of these schools, 40 percent of which schools are used for Indian children.

The Indians are wards of the Government. The white man has taken generously of their lands and they are now confined to reservations and allotments. Surely, the least we can do for them as a government is to educate their children. We must do that. It should not be the burden of the local school district—indeed, they cannot bear such a burden, because the districts with the increasing attendance in these schools must have additional room and equipment, and in most instances the district is now bonded to the constitutional limit. These districts have been cooperating with the Indian Department and made no complaint until absolutely forced to do so for lack of room.

Now, one of two things must be done, either present school buildings must be extended or the Government must go back to the boarding-school system. Bear in mind, as I go along, that the Government does not now have any capital investment in any of these State schools. It has so far enjoyed the benefit without such investment.

The figures furnished me by the Indian Department disclose that in the schools involved a saving of $620,000 per year will be made by pursuing the present plan and sending Indian children to the State school. This saving is occasioned by reason of the fact that it costs the Government $300 per year to send an Indian child to a boarding school, and under the plan of these bills it will cost the Government only $100, making a saving of $200 on each child. This, multiplied by the 3,100 Indian children involved, makes an annual saving of $620,000. Taking these departmental figures as a basis, you will find that the Government will have back its $701,000, proposed by these bills, in about 14 months. In other words, the saving will pay for the investment in 14 months and the Government will have a permanent and continuous interest in all of these schools.

If the opposition to these bills prevails, and boarding schools have to be reestablished for these 3,100 Indian children, the Department estimates that a capital investment in building and equipment will amount to $1,200 per capita, or a total of $3,720,000. The proposed capital investment, according to these bills, is $701,000, as against the $3,720,000 if the old program is reestablished. And you will understand that this vast capital investment, under the old program, does not include the $300 per year per capita for maintaining Indian children in the boarding schools. This maintenance item alone under the boarding-school program amounts to $992,000 annually. Therefore there is an actual saving under this proposed program for per capita maintenance only of $291,000 annually. And, bear in mind, that pyramids annually, and also bear in mind that there will be the upkeep and building maintenance of the boarding schools.

In considering the thought of returning to the old program, if anyone is present who is so unprogressive, let him realize the seriousness of the proposition from a financial standpoint. In most instances, under the present educational program, the boarding schools, which have been abandoned, were carried on in old and dilapidated buildings, many of which, because of their unsanitary or fire-hazard condition, have been condemned, and most of them have gone to salvage. Therefore the capital investment of $3,720,000 which I have just mentioned will be necessary for building and equipment. In addition to that, the Government will be forced to pay the $300 per capita pupil maintenance each year, whereas under the proposed plan this pupil maintenance will be only $100 per capita per year.

Can anyone dispute these figures or dispute the wisdom of passing this legislation?

The Department of the Interior, over the signature of Secretary Ickes, has approved of this program and of each of these bills; the Indian Department has approved of them and urges their passage; the only stumbling block is the Bureau of the Budget. I contend that the Interior Department and the Indian Bureau know more about this matter than the Bureau of the Budget; and I contend that the Indian Affairs Committee, which has given these bills some 2 months' consideration, and the special committee, which has held hearings upon them and gave them careful consideration, are all more competent to pass upon this subject than is the Bureau of the Budget.

These bills are authorization bills and gives the Indian Department a foundation upon which they may work to further their meritorious program.

This program is sound in theory, it is beneficial to the Indian, and it is in absolute harmony with good business judgment, for it is a vast saving to the Government. Ten of these bills have already passed the Senate. It is the purpose

of our committee and sponsors and supporters of this legislation to give the Interior Department and the Bureau of Indian Affairs the benefit of this legislation in order that they may work out their meritorious educational plan. [Applause.]

Mr. TABER. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. TABER. It has seemed to me that these bills were bad, and for this reason: We are now paying, as I understand, for the tuition of the Indian children a very large sum every year—$600,000, I understand.

Mr. ELTSE of California. Something like that.

Mr. TABER. If these people desire local school buildings, they can get the money from the P.W.A. and from the bill we passed the other day, which carries a tremendous sum of money. They do not require any legislation; the local authorities can do it. Why we should go ahead and have the Government contribute money for that purpose I cannot understand. The statement made yesterday I cannot understand—that there were schools where the Interior Department was taking care of these children and the buildings were abandoned. If that is true, why cannot they use these buildings instead of building new ones?

Mr. HOWARD. I will answer the gentleman: Some of these school buildings have already been distributed; have been deeded to the States to be used for other institutional purposes. We cannot get them back now.

Mr. TABER. If they have deeded away their school buildings, are we going to build some more in the same place? It looks like they were playing horse with Congress.

Mr. HOWARD. They are not to be built in the same place.

The SPEAKER. Is there objection?

Mr. TABER, Mr. ELTSE of California, Mr. MILLARD, and Mr. SWICK objected.

SCHOOL BUILDING AT BROCKTON, MONT.

The Clerk called the next bill on the Consent Calendar, H.R. 7146, to provide funds for cooperation with the school board at Brockton, Mont., in the extension of the public-school building at that place, to be available to Indian children of the Fort Peck Indian Reservation.

The SPEAKER. Is there objection?

Mr. MILLARD, Mr. TABER, Mr. ELTSE of California, and Mr. SWICK objected.

EXTENSION OF PUBLIC-SCHOOL BUILDING AT MARYSVILLE, WASH.

The Clerk called the next bill on the Consent Calendar, H.R. 7412, to provide funds for cooperation with Marysville School District No. 325, Snohomish County, Wash., for extension of public-school buildings, to be available for Indian children.

The SPEAKER. Is there objection?

Mr. TABER, Mr. MILLARD, Mr. ELTSE of California, and Mr. SWICK objected.

IMPROVEMENT OF PUBLIC BUILDING, FORT PECK INDIAN RESERVATION, MONT.

The Clerk called the next bill on the Consent Calendar, H.R. 6469, for expenditure of funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public building, to be available to Indian children of the Fort Peck Indian Reservation, Mont.

The SPEAKER. Is there objection?

Mr. TABER, Mr. MILLARD, Mr. ELTSE of California and Mr. SWICK objected.

SCHOOL DISTRICT NO. 27, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H.R. 8342, to provide funds for cooperation with school district no. 27, Big Horn County, Mont., for extension of public-school buildings, to be available to Indian children.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. ELTSE of California, Mr. MILLARD, and Mr. TABER objected.

PUBLIC-SCHOOL BOARD, POPLAR, MONT.

The Clerk called the next bill (H.R. 5946) for expenditure of funds for cooperation with the public-school board at Poplar, Mont., in the construction or improvement of public building, to be available to Indian children of the Fort Peck Indian Reservation, Mont.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. TABER, Mr. SWICK, and Mr. ELTSE of California objected.

SCHOOL BOARD AT QUEETS, WASH.

The Clerk called the next bill, H.R. 4864, to provide funds for cooperation with the school board at Queets, Wash., in the construction of a public-school building to be available to Indian children of the village of Queets, Jefferson County, Wash.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. TABER, Mr. ELTSE of California, and Mr. SWICK objected.

Mr. O'MALLEY. Mr. Speaker, I ask unanimous consent to proceed out of order for 2 minutes.

The SPEAKER pro tempore. Is there objection?

Mr. ELTSE of California. Mr. Speaker, I object.

HIGH SCHOOL AT FRAZER, MONT.

The Clerk called the bill (H.R. 5747) to authorize appropriations for the completion of a public high school at Frazer, Mont.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. ELTSE of California, Mr. SWICK, and Mr. TABER objected.

Mr. ROGERS of Oklahoma. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. ROGERS of Oklahoma. I would like to know if the four gentlemen who continue to object are the Four Horsemen, since they persist in this horseplay?

The SPEAKER pro tempore. That is not a parliamentary inquiry.

SCHOOL DISTRICT NO. 17–H, BIG HORN COUNTY, MONT.

The Clerk called the next bill, H.R. 8346, to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. SWICK, Mr. TABER, and Mr. ELTSE of California objected.

PUBLIC-SCHOOL BOARD AT COVELO, CALIF.

The Clerk called the next bill, H.R. 8906, to provide funds for cooperation with the public-school board at Covelo, Calif., in the construction of public-school buildings to be available to Indian children of the Round Valley Reservation, Calif.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. ELTSE of California, Mr. TABER, and Mr. MILLARD objected.

SCHOOL BUILDING, FORT BERTHOLD INDIAN RESERVATION

The Clerk called the next bill, H.R. 85, to extend Federal aid to certain school districts in the State of North Dakota upon condition that the public-school buildings benefited shall be available to Indian children of Fort Berthold Indian Reservation.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD, Mr. SWICK, Mr. ELTSE of California, and Mr. TABER objected.

WINNEBAGO INDIANS, THURSTON COUNTY, NEBR.

The Clerk called the next bill, H.R. 7255, for the relief of the Winnebago Indians residing in School District No. 17, Thurston County, State of Nebraska.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. MILLARD, Mr. TABER, and Mr. ELTSE of California objected.

OMAHA INDIANS, THURSTON COUNTY, NEBR.

The Clerk called the bill (H.R. 7256) for the relief of the Omaha Indians residing in School District No. 16, Thurston County, State of Nebraska.

The SPEAKER pro tempore. Is there objection?

Mr. SWICK, Mr. TABER, Mr. MILLARD, and Mr. ELTSE of California objected.

Mr. O'MALLEY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. O'MALLEY. Who is recognized for these objections—the official objectors or the Four Horsemen?

The SPEAKER pro tempore. Any Member has a right to object.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to proceed out of order for a minute and a half.

The SPEAKER pro tempore. Is there objection?

Mr. MILLARD. Mr. Speaker, I object.

PIONEER NATIONAL MONUMENT, KY.

Mr. CHAPMAN. Mr. Speaker, I ask unanimous consent to return to S. 3443, to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent to return to Calendar No. 380.

Mr. CHAPMAN. Mr. Speaker, this is the Bicentennial of the Anniversary of the Birth of Daniel Boone.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The Clerk read as follows:

Whereas no provision has been made to preserve some of the great shrines of pioneer history that played their part in the drama of the American Revolution, both in resistance to the efforts of the British and their Indian allies to wipe out the American colonists west of the Alleghenies and thus close in on the colonists along the Atlantic seaboard and in waging a counteroffensive that resulted in the conquest and acquisition of the old Northwest; and

Whereas four of these shrines in Kentucky represent in continuity a counterpart of the American Revolution east of the Alleghenies, to wit: (1) Boonesborough, where the first fort "In the West" was erected, the first highway to "the West, the Wilderness Road", terminated, the first colonization was effected, and the first legislature met; (2) Boones Station, whence Daniel Boone, as lieutenant colonel of the Fayette County Militia, rushed troops to the assistance of various other besieged stations as well as joined in the retaliatory campaigns under Gen. George Rogers Clark into the old Northwest, and where he buried his son and nephew, who fell at the Battle of Blue Licks; (3) Bryans Station, where the women of the fort sallied forth under the rifles of some 600 Indians to procure water for the besieged pioneers on August 18, 1782, contributing in large measure to the successful defense of the fort; and (4) Blue Licks Battlefield, scene of the accredited "Last battle of the revolution", August 19, 1782, which aroused all of the western colonists to unitedly launch a devastating campaign into the Ohio country, under the leadership of Gen. George Rogers Clark, that effectually stopped further invasion of Kentucky by the British and Indians and was the forerunner of the final conquest of the entire Northwest Territory for the United States: Therefore

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized and directed to accept donated lands, without cost to the United States, of an area appropriate for the proper commemoration of the valor and sacrifices of the pioneers at the sites of Fort Boonesborough, Boones Station, Bryans Station, and Blue Licks Battlefield in the State of Kentucky, comprising noncontiguous tracts to be united by a memorial highway, all in its entirety to be dedicated to the pioneers of the "the West", and established and set apart as the Pioneer National Monument for the preservation of the historical structures and remains thereon and for the benefit and enjoyment of the people.

SEC. 2. That the President of the United States is hereby authorized to designate a Commission, that shall serve without salary, to recommend the areas to be preserved for inclusion in the Pioneer National Monument.

SEC. 3. That the said Commission shall be authorized to use the franking privilege of the United States mails for the purpose of carrying on correspondence relating to, and in furtherance of, said work.

Mr. CHAPMAN. I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. CHAPMAN: Page 2, line 3, strike out all after the enacting clause and insert in lieu thereof the following:

"That when title to the sites of Fort Boonesborough, Boones Station, Bryans Station, and Blue Licks Battlefield, in the State of Kentucky, comprising noncontiguous tracts to be united by a memorial highway, together with such historical structures and remains thereon as may be designated by the Secretary of the Interior as necessary or desirable for national-monument purposes, and for the proper commemoration of the valor and sacrifices of the pioneers of 'the West', shall have been vested in the United States, said areas and improvements shall be designated and set apart by proclamation of the President for preservation of a national monument for the benefit and inspiration of the people, and shall be called the 'Pioneer National Monument.'

"SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land, and/or buildings, structures, and other property within the boundaries of said national monument as determined and fixed hereunder, and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire, on behalf of the United States, out of any donated funds, by purchase at prices deemed by him reasonable or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national monument as may be necessary for the completion thereof.

"SEC. 3. That the administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled 'An act to establish a National Park Service, and for other purposes', as amended."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The preamble was stricken from the bill.

BRIDGE ACROSS AGATE PASS, KITSAP COUNTY, WASH.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 372, H.R. 9723, to revive and reenact the act entitled "An act authorizing the Bainbridge Island Chamber of Commerce, a corporation, its successors and assigns, to construct, maintain, and operate a bridge across Agate Pass connecting Bainbridge Island with the mainland in Kitsap County, State of Washington", and to substitute therefor S. 3604.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington?

Mr. MARTIN of Massachusetts. Mr. Speaker, I must object to returning to any bills that have been acted upon. I think we ought to get along with this calendar. I object.

Mr. ZIONCHECK. Will the gentleman reserve his objection?

Mr. MARTIN of Massachusetts. Well, it will only be losing time.

Mr. ZIONCHECK. We just returned to a bill.

Mr. MARTIN of Massachusetts. I was temporarily out of the Chamber, or I would have objected to returning to that bill. I object to the gentleman's request, Mr. Speaker.

AGRICULTURAL EMERGENCY RELIEF ACT

The Clerk called the next bill, S. 2674, to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933.

Mr. TRUAX. Reserving the right to object, is the sponsor of this bill on the floor?

Mr. ELTSE of California. It is a Senate bill.

Mr. TRUAX. I understand that, but I should like to know something about the bill. I have not had an opportunity to read the bill.

Mr. WOLCOTT. Will the gentleman yield? I was interested in this bill because of the situation which arose in Michigan, and I am sure must have arisen in other States. This bill, as I understand it, simply provides that a miller or processor does not have to pay the processing tax on flour and other commodities which are subject to a processing tax which he delivers to municipalities for welfare purposes. Heretofore he has been compelled to pay the tax and then make application for relief. This gives him the privilege of making a report by filing a receipt, or something of that nature, so that he will get credit for the tax, instead of having to pay it and then file a claim for the return of it.

Mr. TRUAX. Has this bill been considered by the Committee on Agriculture?

Mr. WOLCOTT. Yes. It was reported out by the gentleman from Maine [Mr. UTTERBACH], and I assume it was considered by that committee.

Mr. FULMER. Will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. FULMER. A similar bill introduced in the House has been considered by the Committee on Agriculture and re-

ported. The committee believes it to be a very fair bill, because when these parties have to pay the processing tax they have to wait a certain time to get the money returned; whereas under this bill they will not have to wait for the return of the processing tax.

Mr. WOLCOTT. Is my understanding correct?

Mr. FULMER. It is absolutely correct.

Mr. WOLCOTT. I merely reserved the right to object to bring that point out.

Mr. TRUAX. Mr. Speaker, I wonder if the gentleman would be willing to accept an amendment providing that on September 1 the processing tax on hogs be discontinued.

Mr. WOLCOTT. I have no objection; however, I think the committee should speak for it on that.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That subsection (c) of section 15 of the act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933, is amended to read as follows:

"Any person, including any State or Federal organization or institution, delivering any product to any organization for charitable distribution, or use, including any State or Federal welfare organization, for its own use, whether the product is delivered as merchandise, or as a container for merchandise, or otherwise, shall, if such product or the commodity from which processed is under this title subject to tax, be entitled to a refund of the amount of any tax due and paid under this title with respect to such product so delivered, or to a credit against any tax due and payable under this title of the amount of tax which would be refundable under this section with respect to such product so delivered: *Provided, however*, That no tax shall be refunded or credited under this section, unless the person claiming the refund or credit establishes, in accordance with regulations prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury (1) that he has not included the tax in the price of the product so delivered or collected the amount of the tax from the said organization, or (2) that he has repaid, or has agreed in writing to repay, the amount of the tax to the said organization. No refund shall be allowed under this section unless claim therefor is filed within 6 months after delivery of the products to the organization for charitable distribution, or use. The word 'State' as used in this section shall include a State and any political subdivision thereof."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOUNT ROOSEVELT

The Clerk called the next resolution, House Joint Resolution 349, designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, has the gentleman any objection to renaming Boulder Dam with its original name, "Hoover Dam", the name having been changed during the administration to Boulder Dam?

Mr. MITCHELL. Mr. Speaker, that has nothing to do with the present bill.

Mr. BLANTON. Does the gentleman from California think he could find a second to his motion if he were to look all over the United States?

Mr. ELTSE of California. Yes.

Mr. BLANTON. I doubt it.

Mr. ELTSE of California. I certainly could—20,000,000 of them.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. WOLCOTT. I may say to the gentleman from Tennessee that I thought the action in changing the name "Hoover Dam" to "Boulder Dam" was so small that it was beneath the dignity of any Member of this House to notice; so nothing has been said about it.

I want the RECORD to show, however, that those same gentlemen who would have objected to that action on the part of the Secretary of the Interior are not objecting to this bill. The reason we are not objecting is because we do not want to so belittle ourselves as to put ourselves in the same category with the Secretary of the Interior who belittled the office he holds in taking off the name of a former President of the United States from that great project for purely political purposes.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. TAYLOR of Tennessee. Mr. Speaker, this mountain is in my congressional district. As I understand it this name is not confined to the present President but includes the elder Roosevelt as well.

Mr. MITCHELL. Well, this mountain is to be known as Mount Roosevelt.

Mr. TAYLOR of Tennessee. As a matter of fact the object of this measure is to do honor to the Roosevelt name.

Mr. MITCHELL. It is to be known as Mount Roosevelt, in honor of Franklin D. Roosevelt. I might say, Mr. Speaker, that this mountain is within the Tennessee Valley development and is a short distance from the Norris Dam. It is desired by the people and by civic bodies of public-spirited citizens in that section where the T.V.A. development is taking place that the name Roosevelt should be given to this mountain, a part of Waldens Ridge and within the Tennessee Valley development.

Mr. Speaker, no appropriation or expense to the Government is contemplated. This is simply an effort on the part of the citizens of Tennessee to do honor to the name of Roosevelt, the name of our great President.

Mr. TAYLOR of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MITCHELL. I yield.

Mr. TAYLOR of Tennessee. While I think the gentleman might have found a mountain over in his own congressional district to be dignified in this way, still I am proud of the fact that a mountain in my district is to receive this distinction.

Mr. MITCHELL. Mr. Speaker, it is a consummation devoutly to be wished that as a result of the designation of this mountain as "Mount Roosevelt" that the great President may have no opposition in the great State of Tennessee in the future, and especially in my colleague's congressional district, the Second of Tennessee, where so much is being done for all the people by this Democratic President and great leader.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas Hon. Franklin D. Roosevelt, President of the United States, has instituted a mighty national recovery program, included in which are many useful and needed projects in Tennessee; and

Whereas he visioned the tremendous possibilities of Muscle Shoals, the Tennessee Valley, and instituted or set up the Tennessee Valley Authority; and

Whereas through his able guidance and sterling leadership this Nation has been relieved of a most tense financial situation, changing the course of this Government from one of distress and destruction to one of peace and prosperity; and

Whereas the people of Tennessee are anxious to perpetuate the name "Roosevelt" as a symbol of thanks and appreciation for his efforts and accomplishments: Therefore be it

Resolved, etc., That from and after the passage of this resolution a certain mountain lying and being in Roane County, Tenn., on the east line or range of the Cumberland Mountains and on Waldens Ridge 3 miles southwest of Rockwood, Roane County, Tenn., and about 1.7 miles northeast of the Roane-Cumberland County line, and being the northeast terminus of United States Highway No. 70 at the Roane-Cumberland County line and being shown on the "Kingston, Tenn." sheet of reconnaissance map of Tennessee prepared by the Geological Survey as having an elevation of more than 2,000 feet, and being without a name, be, and the same is hereby, designated as "Mount Roosevelt."

SEC. 2. That all records, surveys, maps, and public documents of the United States in which such mountain is mentioned or referred to shall refer to same under the name of "Mount Roosevelt."

The SPEAKER pro tempore. Without objection, the preamble will be stricken from the joint resolution.

There was no objection.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE POLICY OF ISSUING TAX-FREE BONDS IS NOT ONLY UNETHICAL AND UNSOUND BUT IT IS BREEDING EVER-INCREASING DISCONTENT, BECAUSE IT UNEQUALLY DISTRIBUTES THE BURDENS AND BENEFITS OF GOVERNMENT

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LOZIER. Mr. Speaker, I have frequently discussed the question of tax-exempt securities, contending that the policy was unsound, unethical, and productive of grave social injustice. I have insisted that by issuing tax-exempt securities we were unequally and unfairly distributing the burden of taxation, because men possessing great fortunes which they have invested in tax-free bonds do not bear their just proportion of the tax burden of the Nation, State, and city.

On the other hand those who contribute so largely to the social, civic, industrial, commercial, and economic life of a community, State, and Nation, and who assume the risks incident to industrial life and commercial ventures, not only pay their just proportion of the expenses of government, but the part of such expense that should have been contributed by a few citizens who escape taxation by changing their investments into tax-exempt securities.

The multiplication of fabulous fortunes in the hands of the idle classes seriously impairs legitimate business enterprise and threatens our economic life and national well-being. This is especially true if those colossal fortunes escape taxation and are not required to contribute their just proportion of the cost of maintaining our institutions. These great fortunes are protected by State and Nation, and there is no sound reason by their share of the cost of government should be saddled on the shoulders of those whose capital is not invested in tax-free bonds.

Following the World War, when our revenue laws were in process of revision, many beneficiaries of war-time profiteering argued that if the excess-profits tax were eliminated and surtaxes radically reduced, swollen fortunes and incomes would not seek refuge in tax-exempt securities. When Congress repealed the excess-profits tax and radically reduced surtaxes there was no visible reduction in the demand for tax-exempt bonds. In fact, the funds released by the repeal of the excess-profits tax and by the reduction of the high-bracket surtaxes were promptly invested in tax-exempt securities, and each year a much larger proportion of our surplus capital has found refuge from taxation in securities of this character.

It is questionable if the repeal of the excess-profits tax and the reduction of surtaxes have diverted much capital into industrial and commercial investment channels. On the contrary, this particular species of tax reduction has made available an ever-increasing supply of capital for investment in tax-free bonds. As a rule, tax-exempt securities are owned by those who have accumulated colossal fortunes, not in the ordinary industrial enterprises and commercial ventures which are helpful to mankind, but by war-time profiteering, monopolistic manipulation of markets, or other methods of unethical character. Will it be contended that our Government is powerless to reach, for the purpose of taxation, vast fortunes that are snugly hidden away in tax-free securities?

The rapid increase in the cost of government, local, State and national, is a matter of grave concern to all thoughtful students of present-day problems, in view of which it would be extremely unwise to limit either Federal or State sources of revenue. No class of property should be beyond a fair and reasonable exercise of the taxing power. In peace times, as well as in times of national peril, the right and power to tax every class of property, tangible or intangible, must be indisputable in order that taxation may be equalized, equitably readjusted, and ultimately reduced.

The power to reach every class of property, tangible and intangible, and subject it to the taxing power, is an essential element of sovereignty, and the just and moderate exercise of power is imperative if our national ideals are to be maintained. In order to establish a just and scientific tax system no securities or other properties should be placed outside of the zone of taxation, and by granting immunity from taxation to any form of investment we disregard the traditions and violate the principles that permeate, underlie, and vitalize our free institutions.

It is contended that to discontinue the issue of tax-exempt bonds will increase the interest rates on securities hereafter issued by States, counties, and other political subdivisions. This specious argument appeals to those who have not the time, inclination, or ability to analyze the proposition and discover its fallacy. In the last analysis the discontinuance of the issue of tax-exempt securities will not materially affect the interest rate on bonds issued by the Federal Government or States and their local subdivisions. On reflection everyone familiar with financial affairs knows that there is always a large amount of funds belonging to schools, colleges, universities, insurance companies, trust estates, and other institutions available for investment in the bonds of the United States, States, counties, and their subdivisions, even at a rate considerably below the interest on prime industrial or other high-class securities.

Repudiation of public debt is practically unheard of in America. Tax-secured bonds are safe and of the highest class. The interest and sinking funds for their ultimate payment are provided by taxation on tangible and intangible property, the assessed value of which is several times the bonded indebtedness. There is practically no element of risk, and bonds of this character, even if not free from taxation, will always be in demand, although the interest rate is considerably below the interest on prime commercial paper or securities. The procedure for the creation of indebtedness of this character is so simple and well established that the legality of bonds issued by the national, State, and local government is seldom questioned. It is the established policy of our courts to hold these issues valid unless the plain provisions of the Constitution and statutes have been recklessly ignored. Bond issues by States, counties, and their political subdivisions are rarely held invalid by our courts. The amount of these bond issues and the purposes for which they may be issued are matters of general knowledge and definitely established by our constitutions and statutes. These reasons have more to do with the price at which these bonds are sold than the tax-exempt feature, and there is always an ample supply of capital seeking this, the highest and most desirable type of security, to absorb bond issues by the United States, States, counties, municipalities, road districts, drainage districts, and other political subdivisions. Bear in mind that these securities would be absorbed at an interest rate considerably below the rate earned on choice industrial, transportation, and commercial issues.

There will always be a large class of investors who prefer public securities, even at a lower rate, to industrial securities bearing higher rates, but subject to fluctuation on account of varying economic conditions. This exemption privilege is not adequately reflected in the price at which these bonds are marketed or in the effective interest rates, because so many bonds of this character have been issued and are now outstanding that the market is saturated, and a very considerable proportion of these securities must be sold to persons whose incomes are comparatively small and to whom the exemption is of but little or no value.

This justifies the conclusion that the exemption privilege does not materially reduce the interest rate, and State and local governments are not in fact saving much, if any, interest by reason of the tax-exemption privilege, while, on the other hand, men of great wealth whose fortunes are invested in these securities are wholly or partially immune from normal and surtaxes on their income from these investments.

Treasury officials agree that the United States Government could have issued and sold several issues of bonds at practically the same rate if they had not included the tax-exemption feature. Prior to the adoption of the progressive income-tax system the slight advantage enjoyed by bonds of States and municipalities was largely because they were the obligations of responsible Commonwealths or their

political subdivisions, because they were bottomed on the taxing power and payable out of public revenues, because their legality was undoubted and their flotation had been sanctioned by well-understood, constitutional, and statutory provisions, and, finally, because the faith and credit of responsible governmental agencies were behind such securities.

In answer to the argument that tax-exempt bonds promote public improvements and enable local communities to secure lower rates of interest on their obligations, I assert that what States or their local subdivisions save in interest they lose in taxes. The conclusion is inescapable that if we exempt one class of property or one form of investment from taxation we automatically and inevitably increase the taxes on all the other classes of property and forms of investment. It is idle to contend that we are getting something for nothing when we issue tax-free bonds. The apparent benefit in the form of a lower interest rate is lost in the higher scale of taxes that must be laid on other property to compensate for the revenue losses resulting from the issue of a great mass of tax-free securities.

If it be conceded that the tax-exempt feature does enable States and their local subdivisions to borrow money at a lower interest rate, it necessarily follows that the burden withheld from securities of this character must be placed elsewhere. If one community or class is given partial immunity from taxation, it means that the taxes remitted to that class or community must be laid on and collected from other communities or classes. Moreover, the policy of issuing tax-exempt securities automatically raises the rate of interest on all other forms of investment and takes the burden off those best able to bear it and who, in equity and good conscience, should carry it, and places it on the wage earner, the farmer, and the ordinary business man. It relieves of taxation the capitalist who buys these bonds, but a burden he would otherwise bear is transferred to the mass of common people.

If a great city borrows money for a public purpose, the people of that city get practically all the benefit, if any, from the transaction. The people outside that community and removed therefrom derive no special or peculiar advantage from the transaction, and yet by exempting the securities which represent the transaction from taxation the proportion of taxes borne by the general public is largely augmented.

Moreover, this policy of issuing tax-free bonds is not only breeding ever-increasing discontent, but to recoup the losses incident to their issue we not only increase the tax rate on other property but we are constantly under the necessity of devising new forms of taxation, many of which are obviously unscientific and extremely vexatious, and some are opposed to the spirit, if not the letter, of our organic law. A continuation of this unethical policy will perpetuate and fasten on our people a discriminatory, uneconomic, unscientific, illogical, and in many respects un-American tax system.

If only a few States or municipalities issued tax-free bonds, these securities, because of their exemption from taxation, would doubtless command a much lower rate of interest than taxable securities; but the practice of issuing tax-exempt securities is being so extensively followed by States and their local subdivisions that the former advantage in interest rates no longer exists, except to a very negligible degree.

May I say in closing that the prohibition of the future issuance of tax-exempt securities is not an attack on the sovereignty of the States, would not deprive them of any of their constitutional privileges. I am advocating policies which, if adopted, will remove an unjust and originally unintended privilege and result in a more equal and proper distribution of the tax burden. The American people will never be satisfied with any tax system which is not based upon the principle of equality. What the people want is, in the language of Professor Seligman:

Equality between States and Nation.
Equality between local and Federal bonds.
Equality between economic classes.
Equality between earned and unearned income.
Equality between rich and poor—that is the equality which we desire to achieve.

The problem of tax exemption is a problem of fiscal equality; it is a problem of social justice.

CALIFORNIA STATE PARK SYSTEM

The Clerk called the next bill, H.R. 8684, to provide for the selection of certain lands in the State of California for the use of the California State park system.

Mr. O'MALLEY. Mr. Speaker, I object.

Mr. BURNHAM. Mr. Speaker, will the gentleman withhold his objection?

Mr. O'MALLEY. Mr. Speaker, I reserve my objection, but permit me to say that it seems to me that when we started out today there was a concerted effort—probably on the part of the Republican strategy—on the part of the Republicans from California and certain sections of the East to knock off every bill on the calendar that affected Northern or Central Western States, without their giving a chance for an explanation, but by merely hopping up like robots to object to each one of these bills.

Mr. TABER. Mr. Speaker, I ask that the gentleman's words be taken down.

Mr. O'MALLEY. I am perfectly willing that they be taken down.

The SPEAKER pro tempore. The gentleman will indicate the words he wants taken down.

Mr. TABER. That the gentlemen were jumping up like robots.

Mr. O'MALLEY. Mr. Speaker, I withdraw my remarks as to robots.

Mr. TRUAX. Mr. Speaker, I reserve the right to object to this bill. May I call the attention of the gentleman from California [Mr. BURNHAM] to one particular paragraph of the splendid message of the President of the United States which we have just heard, and I hope he will indulge me a minute.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

I fear that the bill, which the gentleman offers, converting certain lands to the State of California for use of the California State park system might be one of these mistakes made at random. I sincerely believe that all such projects ought to go over until the next Congress meets; then have a comprehensive, unified program for all of these lands.

Mr. O'MALLEY. Mr. Speaker, in my reservation of objection I have the floor.

We had a number of bills up here today that vitally affected the schools of States in our section of the country. It appears to me that a concerted effort was made to strike bills from the Consent Calendar that vitally affected Northern and Western States, which are normally Republican, and which perhaps the strategists of the Republican Party hope to win back by such tactics. Now, we come to bills to transfer land to the State of California and other sections, and there is no objection to the bills from the Republican official objectors. Yesterday when we had a bill up transferring some land to a section in the Central West there were plenty of objections and the bill was taken off the calendar. I want to reach some agreement here where the bills affecting the Central West will get some consideration until they can at least be explained by their proponents.

Mr. ELTSE of California. Mr. Speaker, so far as this gentleman is concerned, there is going to be no agreement.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. O'MALLEY. Mr. Speaker, I object.

The Clerk called the next bill, H.R. 8683, to provide for the selection of certain lands in the State of California for the use of the California State park system.

Mr. TRUAX, Mr. YOUNG, and Mr. O'MALLEY objected.

PATENTS TO SCHOOL SECTIONS

The Clerk called the next bill, S. 1825, authorizing the Secretary of the Interior to issue patents to the numbered school sections in place, granted to the States by the act approved February 22, 1889, by the act approved January 25, 1927 (44 Stat. 1026), and by any other act of Congress.

Mr. CARTER of California and Mr. TRUAX objected.

DESCHUTES NATIONAL FOREST, STATE OF OREGON

The Clerk called the next bill, S. 2924, to include within the Deschutes National Forest, in the State of Oregon, certain public lands within the exchange boundaries thereof.

Mr. CARTER of California. Mr. Speaker, I object.

CONVEYING CERTAIN LANDS TO STATE OF IOWA

The Clerk called the next bill, H.R. 7834, to provide for conveying to the State of Iowa certain lands within the nonnavigable meandered lake beds within that State for use as public parks, recreation grounds, and game refuges.

Mr. CARTER of California and Mr. AYERS of Montana objected.

Mr. WEARIN. Mr. Speaker, will the gentlemen withhold their objections?

Mr. CARTER of California. I will withhold my objection.

Mr. AYERS of Montana. Mr. Speaker, I refuse to withhold mine.

Mr. ZIONCHECK. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California and Mr. AYERS of Montana objected.

FALSE RETURNS BY POSTMASTERS

The Clerk called the next bill, H.R. 7310, to enable the Postmaster General to withhold commissions on false returns made by postmasters.

Mr. CARTER of California. Mr. Speaker, I object.

Mr. ELTSE of California. Mr. Speaker, will the gentleman withhold his objection?

Mr. CARTER of California. I reserve my objection.

Mr. ELTSE of California. Mr. Speaker, may I make a statement with reference to the attack made by the gentleman from Wisconsin, in which he accused the Members on this side awhile ago of entering into a conspiracy, and particularly those Members from California. I was the only gentleman from California that made the objection to the gentleman's bill, and I objected on the merits of the bill.

The regular order was demanded.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California. Mr. Speaker, I object.

CONVEYING CERTAIN LANDS TO STATE OF IOWA

Mr. GILCHRIST. Mr. Speaker, I ask unanimous consent to return to Calendar 338, the bill (H.R. 7834) to provide for conveying to the State of Iowa certain lands within the nonnavigable meandered lake beds within that State for use as public parks, recreation grounds, and game refuses.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. AYERS of Montana. I object.

Mr. GILCHRIST. Mr. Speaker——

Mr. WEARIN. Mr. Speaker, I make the point of order the gentleman from Montana was not on his feet when he objected.

Mr. ZIONCHECK. Mr. Speaker, I object to returning to any bill that has been objected to. I am not objecting because of the merits or demerits of the bill but I am objecting to returning to any bill that has been objected to.

Mr. BLANCHARD. Mr. Speaker, I make the point of order that we have already returned to the bill by unanimous consent.

The SPEAKER pro tempore. The Chair will state to the gentleman that we have already returned to the bill by unanimous consent.

Mr. ZIONCHECK. There was objection by the gentleman from Montana.

Mr. GRISWOLD. Mr. Speaker, I understand there is now no objection.

The SPEAKER pro tempore. Was the gentleman from Montana on his feet seeking to object to returning to the bill?

Mr. WEARIN. No.

Mr. GILCHRIST. Mr. Speaker, in Iowa we have a peculiar condition of law respecting some nonnavigable, meandered lake beds and shallow ponds. It is proposed by this bill to transfer whatever title the United States may have in these lakes to the State of Iowa. Iowa claims them and the United States agrees by its Secretary of the Interior and land office that it does not own them. If you will read the report you will see that the Secretary thinks this bill is eminently satisfactory. The bill provides that these shall be transferred to the State so that the State can hold them in perpetuity, for ever and ever, world without end, for recreation grounds, parks, and game preserves. They are not to be drained. In this season of drought we want the State, through its conservation board, to have power to attend to these lakes.

The bill provides that the transfer shall be subject to legal and valid rights of everybody. It provides that the United States shall reserve its coal and oil and mineral rights. It also provides, in so many words, that Iowa shall be bound to use them in perpetuity for parks and recreation grounds and it goes further to say that if we do not do this, then the title shall revert to the Government.

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. BLANCHARD. In other words, you are seeking to restore the level of the lakes and not to drain them?

Mr. GILCHRIST. Yes; the purpose is to put them under our board of conservation so they cannot be despoiled. This is exactly what the bill does.

Mr. WEARIN. Mr. Speaker, will the gentleman yield?

Mr. GILCHRIST. Yes.

Mr. WEARIN. I should like to make a brief statement with reference to the bill.

I happened to be a member of the State Legislature of Iowa when we started a comprehensive program of conservation that is in harmony with the present national administration, and this bill likewise is in harmony with the program, both of the State of Iowa and the National Government, from the standpoint of conservation, and I can assure the Congress that the State of Iowa is now launching upon this long-term plan of developing its natural resources for purposes of general benefit to the public and I can also assure all of you that this is a very meritorious measure and I trust it shall go through without objection.

Mr. GILCHRIST. And if we do not do what we say we will do, the title reverts to the United States under the terms of the bill itself. I cannot conceive of a more wholesome proposition. There should not be the slightest objection to the bill.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, it seems to me the gentleman's program is just an incidental matter so far as the President's whole program is concerned as set forth in his message today.

Mr. GILCHRIST. I think it is a part of it.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California. Mr. Speaker, I object.

The SPEAKER pro tempore. The Clerk will call the next bill.

Mr. LAMNECK. Mr. Speaker, it is apparent we are not going to get anywhere today and I therefore move that the House do now adjourn.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Ohio that the House do now adjourn.

The motion was rejected

PUBLICATIONS OF LIMITED CIRCULATION

The Clerk called the next bill, H.R. 8245, to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. STUDLEY. Mr. Speaker, this is a post office bill, and it is recommended by the Post Office Committee and also by the Department.

Mr. TRUAX. What does the bill propose to do?

Mr. STUDLEY. It proposes to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

Mr. TRUAX. Whom does it benefit?

Mr. STUDLEY. It benefits a lot of small bulletins and magazines like those of the Veterans of Foreign Wars and the Spanish-American War veterans and a lot of lodges and organizations, as well as various religious papers, that have a limited circulation. It is recommended by the Department and has been unanimously reported by the Committee on the Post Office.

Mr. TRUAX. With the gentleman's assurance that it does benefit all of the veterans' organizations and the fraternal orders, I withdraw by reservation of objection.

The SPEAKER pro tempore. Is there objection to the present consideration of the bill?

Mr. CARTER of California. Mr. Speaker, I object.

ADJUSTMENT OF CLAIMS OF POSTMASTERS

The Clerk called the next bill, H.R. 9120, to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended.

Mr. DOCKWEILER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. DOCKWEILER. What happened to no. 389 on the calendar?

The SPEAKER pro tempore. It was objected to.

Mr. WOLCOTT. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER pro tempore. Evidently, there is not a quorum present.

Mr. COOPER of Tennessee. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 182]

Abernethy	Dingell	Kurtz	Rogers, N.H.
Adair	Doutrich	Kvale	Ruffin
Allgood	Driver	Lanham	Sadowski
Andrew, Mass.	Faddis	Lee, Mo.	Sanders, Tex.
Andrews, N.Y.	Farley	Lehlbach	Schaefer
Auf der Heide	Fernandez	Lesinski	Seger
Bacon	Fish	Ludlow	Shoemaker
Beck	Fitzgibbons	McCormack	Simpson
Berlin	Foss	McDuffie	Sirovich
Black	Frear	McFarlane	Smith, Va.
Boehne	Frey	McLean	Snell
Bolton	Gambrill	McLeod	Stalker
Brennan	Gifford	McMillan	Steagall
Britten	Goldsborough	McSwain	Stokes
Brooks	Goss	Maloney, La.	Strong, Tex.
Browning	Granfield	Mansfield	Sullivan
Buckbee	Green	Marland	Sumners, Tex.
Burke, Calif.	Greenway	Marshall	Sweeney
Cannon, Wis.	Griffin	Mead	Taylor, Colo.
Carley, N.Y.	Guyer	Montet	Taylor, Tenn.
Carpenter, Nebr.	Hamilton	Muldowney	Terrell, Tex.
Celler	Harter	Nesbit	Thompson, Tex.
Chase	Healey	Norton	Thurston
Chavez	Hoeppel	O'Brien	Wadsworth
Church	Hoidale	Oliver, Ala.	Waldron
Coffin	Huddleston	Parks	West, Ohio
Collins, Miss.	James	Peavey	West, Tex.
Cooper, Ohio	Jeffers	Perkins	Withrow
Corning	Jenkins, Ohio	Peterson	Wood, Ga.
Cross, Tex.	Kee	Rayburn	Woodrum
DeRouen	Kennedy, Md.	Reid, Ill.	
Dickinson	Kleberg	Rich	
Dies	Kramer	Robinson	

The SPEAKER. Two hundred and ninety-nine Members have answered to their names. A quorum is present.

Mr. COOPER of Tennessee. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

RATE CONTROL OF RAILROADS WITHOUT SIMILAR RATE CONTROL OF COMPETING FORMS OF TRANSPORTATION IS RANK DISCRIMINATION

Mr. McGUGIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. McGUGIN. Mr. Speaker, this Congress should not adjourn until after it has enacted legislation which places all competing forms of commercial transportation under the same regulation which applies to the railroads. Such legislation has been before the Interstate and Foreign Commerce Committee during the greater part of this session of Congress. Long before now it should have been brought out of that committee and passed by Congress.

More than 4 years ago, the House of Representatives passed a bill which placed commercial busses and trucks under governmental regulation and control. That bill was pigeonholed in the Senate. After that experience no similar legislation has been passed by the House. The House of Representatives should pass the bill which is now in the Committee on Interstate and Foreign Commerce and then insist upon Congress staying in session until it is voted upon in the Senate. The entire railroad industry, capital and labor, is deserving of such legislation being enacted.

The railroads are the largest taxpayers in the country. The railroads are our principal form of transportation. The railroads are hamstrung by Government rate regulation. Every citizen in the country is vitally interested in the railroads in one way or another. Every citizen vitally depends upon the railroads for the transportation of many of the things which he buys and sells. Every citizen is interested in the railroads because the railroads bear such a great percentage of the tax burden of the country. If the railroads are impoverished then the tax burden which they are now carrying must be carried by the remainder of the people. Insurance companies have a large part of their assets invested in railroad securities. If these securities become worthless, the life-insurance policies of millions of our people become impaired. There are so many people employed in the railroad industry that practically every community is either directly or indirectly interested in the welfare of the railroads.

Yet, in the face of these facts, we have carried on the unwise policy of taxing the railroads to build parallel highways which are used by passenger busses and freight trucks in competition with the railroads. These commercial busses and trucks use these highways virtually free of charge. These public highways are to these commercial busses and trucks what the rights-of-way are to the railroads. The railroads have their money invested in their rights-of-way and their tracks. The upkeep on these tracks is a tremendous charge upon the railroads and it furnishes labor for thousands of our citizens. The amount which the commercial busses and trucks pay for the use of the highways is little or nothing as compared with the expenses of the railroads in the owning and maintaining of their rights-of-way.

This discrimination is only a small part of the governmental discrimination which is being practiced against the railroads. The railroads are held to rigid rates prescribed by law while these commercial busses and trucks practice a sort of a piracy by the undercutting of railroad rates for the transportation of passengers and freight. This constitutes the most vicious and unfair form of competition. We have set up the N.R.A., professing that our purpose is to eliminate unfair trade practices in industry. Yet, in the case of transportation, the Government is responsible for the worst kind of an unfair trade practice when it prescribes rigid rates for the railroads and then permits commercial busses and trucks to use the public highways virtually free and to undercut these established rates of the railroads.

These commercial busses and trucks are most assuredly common carriers and should be treated as such by the Government. Their rates should be prescribed by law. Their rates should be legally prescribed so that the public will be protected, and there will be fair and reasonable competition as between these commercial busses and trucks on the one hand and the railroads on the other. This is the legislation which should be enacted. This is the legislation which has been smoldering in the committee throughout this entire session of Congress. This is the legislation which should be enacted before we adjourn.

With hundreds of thousands of railroad laboring men unemployed, the obligation is upon the Congress to enact legislation which would insure fair competitive conditions between the railroads and competing forms of transportation. Such legislation would make it possible for a goodly part of these railroad men to get back to work.

In the special session of Congress at the request of the President, Congress enacted the Railway Transportation Act. This act provided for the Coordinator of the railroads. Congress, railroad capital, and railroad labor were all alike informed that the Coordinator under the Transportation Act would set about to adjust the intolerable and inequitable condition in which we find the railroad industry. The truth is, a year has gone by and nothing has been done to adjust the railroad situation. It is true that Congress cannot meet all the ills which beset the railroad industry. Congress can enact legislation which will provide for fair, just, competitive conditions as between the railroads and competing forms of transportation. Until this is done, the railroads stand as the forgotten industry. The unemployed railroad man stands out as the forgotten man. He is as much the forgotten man today, nearly 2 years after the election, as he was before the election in 1932. In fact, he is more forgotten today than he was 2 years ago. In the meantime, Secretary Ickes, the Public Works Administrator, has used public works money which Congress appropriated to take care of the unemployed for projects which when completed will make more unemployment on the railroads. I refer to Secretary Ickes' use of more than a hundred million dollars for the purpose of building hydroelectric projects. When these hydroelectric projects are completed, they will replace existing steam-generating electric plants. These steam-generating plants are operated by coal.

The coal for these steam plants is being hauled from the coal mines to the electric-light plants by the railroads. When these hydroelectric projects are completed and the steam-generating plants are out of business, there will be no demand for this coal.

For the years there have been about 10 or 15 cars of coal daily hauled out of southeast Kansas on the railroads into Nebraska to be used by steam-generating electric plants. Secretary Ickes has allotted Public Works money for the Loup River hydroelectric project in Nebraska. When that project is completed, the market for this Kansas coal will be lost. Then Kansas coal miners will have lost the employment of producing coal, and the Kansas railroad men will have lost the employment incident to the hauling of this coal. This is only one of many similar instances where railroad labor and coal miners are to be thrown out of work as a result of hydroelectric plants which are now being built from Public Works money.

At best the railroads have enough trouble without the Government in more ways than one going out of its way to make new trouble for the railroad industry.

SELECTION OF LAND IN CALIFORNIA FOR STATE PARK SYSTEM

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to Calendar No. 384.

The SPEAKER. The gentleman from California asks unanimous consent to return to Calendar No. 384.

Mr. TRUAX. Reserving the right to object, what bill is that?

Mr. CARTER of California. It is H.R. 8684, to provide for the selection of certain lands in the State of California for the use of the California State park system.

Mr. TRUAX. I object.

Mr. CARTER of California. Will the gentleman reserve the objection and give the author of the bill a chance to make an explanation?

Mr. TRUAX. I reserve the objection and yield to the author of the bill.

Mr. BURNHAM. Mr. Speaker, this bill provides that the State of California may have the privilege of selecting certain desert lands owned by the Federal Government for the purpose of a State park system. The lands are of no value whatever. I have photographs here of the lands, showing that they are characteristic desert lands. The State would like to preserve these lands for the benefit of tourists from all parts of the country. They can now develop these arid acres and furnish employment for the unemployed.

Mr. TRUAX. I will say, as I did a little while ago, that the President of the United States has disclosed in his message which was read today, that he is now making a comprehensive thorough survey of all of our marginal lands and worthless lands.

Mr. BURNHAM. This is in harmony with it.

Mr. TRUAX. I think the gentleman should be willing to let the bill go over until the next Congress as the President suggests.

Mr. BURNHAM. I want to say that the Secretary of the Interior favors this. It does not cost the Federal Government a cent, and as a matter of fact the State of California pays the cost of the filing fee which amounts to several thousand dollars, and neither the gentleman nor I would give 10 cents for all of the land.

Mr. TRUAX. Does the gentleman want me to again refer to the President's message? I am sorry, but I am constrained to object.

AMENDING ACT AUTHORIZING POSTMASTER GENERAL TO ADJUST CERTAIN CLAIMS

The Clerk called the next bill on the Consent Calendar, H.R. 9120, to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty," approved March 17, 1882, as amended.

The SPEAKER. Is there objection?

Mr. CARTER of California. I object.

GOVERNMENT QUARTERS AT EL PASO, TEX.

The Clerk called the next bill on the Consent Calendar, H.R. 1731, to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes.

The SPEAKER. Is there objection?

Mr. CARTER of California. I object.

Mr. THOMASON. Will the gentleman withhold the objection?

Mr. CARTER of California. I will reserve the objection.

Mr. THOMASON. It seems that some of us are unjustly suffering from this controversy. We are innocent bystanders.

Down at El Paso, Tex., there must be certain Government facilities at the Rio Grande in order to take care of customs, immigration, and public health, not only for Americans going into Mexico but for Mexicans coming into the United States. For many years the employees of our Government have had quarters in an old and out-of-date leased building. Five years ago Congress appropriated $535,000 for a modern Government building. A site was selected and contracted for. When the abstract of title was delivered to the Attorney General for examination he refused to approve same because the land is in what is known as the Chamizal Zone, which is a strip of land claimed by Mexico on account of changes in the channel of the Rio Grande.

It is absolutely necessary that our Government have proper facilities at the American end of the International Bridge. Since it is impossible at this time to acquire land there with good title, the only thing left in the world to do is for private individuals who claim the land to erect decent quarters there and lease them to the Government. As it is now, there are a great many customs, immigration, and Public Health employees working there day and night in a place that is not adequate or sanitary. When the river rises the water accumulates on the floor 3 or 4 inches deep. There are many

aliens there every day who have to be examined. Customs business must go on. So I say to my good friend from California [Mr. CARTER] that an emergency situation exists and every interested department of the Government, the State Department, the Treasury Department, the Public Health Department, heartily approve this, because it is the only thing left to be done to provide adequate quarters not only for the representatives of the American Government but for the hundreds of people who pass through that port every day and who have important business to transact.

It is impossible to carry on the business much longer in the present location. It is also impossible for the Government to erect its own building there any time soon. We have private parties who are willing to build a modern building and lease it to the Government upon terms and conditions that will be approved by proper departments and where the interest of the Government will be served as well as safeguarded.

The session is nearing a close and I fear this bill will not pass if it fails today. I beg my friend from California not to object. I should not be penalized because he is peeved at the gentleman from Ohio for objecting to his bill.

Mr. CARTER of California. Mr. Speaker, I object.

SENECA INDIAN SCHOOL, WYANDOTTE, OKLA.

The Clerk called the next bill, S. 555, to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located.

Mr. STUDLEY. Mr. Speaker, I ask unanimous consent to return to no. 390 on the calendar, H.R. 8245, to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation.

The SPEAKER. Is there objection to the bill which the Clerk reported?

Mr. ELTSE of California. Mr. Speaker, I reserve the right to object.

Mr. STUDLEY. Mr. Speaker, the gentleman from California objected, but I think if he would withhold his objection I could explain the matter.

Mr. ELTSE of California. Mr. Speaker, I reserve the right to object and yield to the gentleman from New York. First, what bill is before the House?

The SPEAKER. Calendar No. 393, S. 555.

Mr. STUDLEY. Mr. Speaker, I refer to Calendar No. 390.

Mr. ELTSE of California. Mr. Speaker, are we considering Calendar No. 393?

The SPEAKER. We are.

Mr. ELTSE of California. Mr. Speaker, I reserve my right to object to that and I yield to the gentleman from New York [Mr. STUDLEY].

Mr. COCHRAN of Missouri. But that is not the bill the gentleman from New York has in mind.

Mr. MILLARD. Mr. Speaker, I ask unanimous consent to return to Calendar No. 390.

The SPEAKER. But we have not yet finished with Calendar No. 393.

Mr. CARTER of California. Mr. Speaker, I object.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. STUDLEY] to return to Calendar No. 390?

Mr. ZIONCHECK. Mr. Speaker, I reserve the right to object. A policy has been adopted on the other side that we should not go back to any of the bills that have been once considered until we get through.

Mr. CULLEN. Mr. Speaker, there is a disposition on the part of certain Members to object to all bills on the Consent Calendar. I hope we are going to get somewhere in order that we may do business on this calendar. We are getting close to adjournment, and this calendar may not be called up again. If we can complete the calendar, we may get consent from all sides to go back and take it up again, and I think that would be the solution of the matter at this time.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. STUDLEY] to return to Calendar No. 390?

Mr. ZIONCHECK. Mr. Speaker, I object.

ARRESTS BY CERTAIN MEMBERS OF DIVISION OF INVESTIGATION

The Clerk called the next bill, H.R. 9476, to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object.

Mr. DISNEY. Mr. Speaker, Calendar No. 393 was called, and several gentlemen got to their feet, and as I understand it, no objection was made to Calendar No. 390.

The SPEAKER. The gentleman from California objected.

Mr. DISNEY. Will the gentleman from California reserve his objection until I can make a statement about the bill?

The SPEAKER. We are now considering Calendar No. 394.

Mr. DISNEY. I was on my feet trying to get recognition to ascertain the status of 393.

The SPEAKER. That is the status of it. It has been objected to.

Mr. DISNEY. I ask the gentleman from California to withhold his objection until I can make a statement.

The SPEAKER. Does the gentleman from California withhold his objection?

Mr. CARTER of California. Mr. Speaker, I reserve my objection if the gentleman desires to make a statement.

Mr. DISNEY. Mr. Speaker, all that is involved in this little bill is $10,000 to pay the Wyandotte Indian Tribe for a piece of land that the Government has used for over 50 years for school purposes without paying the Indians a dime for it.

With this payment the Indian tribe can wind up its reservation affairs and close its business at once. It is the last piece of land which this tribe has. The school is used by the Government as a school for other Indians. There are five or six Wyandotte Indians who use this school. The Wyandottes who are left ought to be paid for this land. We are not asking for interest on the money or anything like that. The land is appraised at $60 an acre. I have seen the land and it is really worth more than that. You are not punishing anybody on this side or that side in objecting to this bill. You are simply holding up the clearing-up of the business of the Indian tribe. It will relieve the Indian department of a great deal of its work, and save a lot of expense. I hope the gentleman will not object. The bill has passed the Senate.

Mr. CARTER of California. Mr. Speaker, I regret that I must insist upon my objection. I object.

Mr. FULMER. Mr. Speaker, the gentleman from California informs me that he expects to object to every bill on the calendar. It is simply a matter of wasting time when we have other work to do, and I move that the House recess.

Mr. HARLAN. Will the gentleman withhold that?

Mr. FULMER. I will withhold it.

Mr. BYRNS. I hope the gentleman will not insist upon that motion.

Mr. FULMER. Mr. Speaker, I withdraw the motion.

EMPOWERING MEMBERS OF DIVISION OF INVESTIGATION OF DEPARTMENT OF JUSTICE TO MAKE ARRESTS

The Clerk called the next bill, H.R. 9476, to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, what I have to say is to try to get some place—to see if we can do some business here. To throw a little light on this subject, I wish to say that when we were considering the Indian bills, Calendar Nos. 325 to 345, early in the session today I made the statement that I had given very careful consideration to those bills and that I had talked with the Bureau of the Budget, and I said that I felt I had valid reasons for objecting to those bills on the Consent Calendar, and I objected to them. The gentleman from New York [Mr. TABER], the gentleman from New York [Mr. MILLARD], and the gentleman from Pennsylvania [Mr.

SWICK], and myself interposed objections. We interposed those objections in all good faith.

Mr. ZIONCHECK. Mr. Speaker, regular order.

Mr. BYRNS. Mr. Speaker, I rise to make a parliamentary inquiry, which I will transfer from the speaker to the gentleman from California [Mr. CARTER].

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. BYRNS. I should like to know if it is the purpose of the gentleman from California to continue to offer objections to all bills as they are called upon the Consent Calendar?

Mr. CARTER of California. While it is not a parliamentary inquiry, I think in fairness to the House and my colleagues I should make some statement on this matter. I want to say that objections were made to two bills, Calendar Nos. 384 and 385. The gentleman making the objection said he was not conscientiously opposed to the bills, but he was objecting to those bills because certain other bills had been objected to.

Mr. TRUAX. Will the gentleman yield?

Mr. CARTER of California. In just a moment.

A call of the House intervened, and I asked unanimous consent to return to Calendar No. 384, and the gentleman from Ohio interposed an objection to returning to the bill.

Mr. FULLER. Will the gentleman yield?

Mr. TRUAX. Will the gentleman yield?

Mr. CARTER of California. In just a moment. I want to say that I regret very much to be compelled to pursue a course of this kind, but when gentlemen rise on the floor of the House and say that they file objection, as one gentleman did, because some other bills were objected to, and that he was not conscientiously opposed to the passage of the two bills to which I referred and to which he objected, I find this is the only means of protecting myself in this matter.

Mr. BYRNS. Will the gentleman yield?

Mr. CARTER of California. I yield.

Mr. BYRNS. The gentleman knows that I do not subscribe to or endorse any action on either side of the Chamber in objecting to bills because some previous bill had been objected to. I think these bills ought to be considered on their merits. I do not think that one Member ought to penalize the entire House because some previous bill had been objected to, by objecting to all bills. But I suggest to the gentleman from California that two wrongs do not make a right.

If we could proceed with the balance of the calendar and consider the bills on their merits, well and good; but if we cannot, then I suggest to the Speaker that we take up the Private Calendar and see what we can accomplish with it.

Mr. Speaker, permit me to say to the Members of the House that all reason for taking a recess having now disappeared because of the fact that we can conclude this Consent Calendar today, it will be my purpose tonight to move that the House adjourn until tomorrow, and there will be no other chance before a week from Monday, if we are in session that long, to consider the Consent Calendar.

Mr. TRUAX. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. TRUAX. Mr. Speaker, who has the floor?

The SPEAKER. The gentleman from Tennessee has the floor, but the Chair will recognize the gentleman from Ohio.

Mr. TRUAX. Mr. Speaker, the gentleman from California objected to Calendar No. 384, to which bill I objected. The gentleman said I did not conscientiously object to the bill. I deny that statement.

Mr. CARTER of California. Mr. Speaker, if the gentleman will permit, I did not say that in reference to the gentleman's objection, but with reference to the first objection which was lodged against the bill.

Mr. TRUAX. I thank the gentleman. Mr. Speaker, the purpose of this bill is to give to the State of California the right of acquiring certain land. The President in his message this morning stated definitely and repeatedly that he is undertaking a Nation-wide program of land conservation; and I am following the President of the United States rather than the gentleman from California.

Mr. HOEPPEL. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. HOEPPEL. This is merely desert land, and we are trying to preserve it in its natural state for posterity.

Mr. TRUAX. This is the first time I have heard that there is any desert land in California. [Laughter.]

Mr. CARTER of California. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. CARTER of California. Mr. Speaker, in reply to the statement of the gentleman from Ohio in reference to following the recommendation of the President of the United States, the gentleman will find a report from the Secretary of the Interior, a representative of the President of the United States, recommending the enactment of this bill. It in no way conflicts with the President's policy. As a matter of fact, it is in direct line with the policy set out in the message of the President which was read here today.

Mr. TRUAX. The Secretary of the Interior is a Republican representative of the President of the United States.

Mr. CARTER of California. That may be the basis of the gentleman's objection.

Mr. TRUAX. If the gentleman will get the President's recommendation, I will withdraw my objection.

Mr. BYRNS. Mr. Speaker, I understand it is the purpose of the gentleman from California to pursue the course he has indicated.

Mr. CARTER of California. Yes.

Mr. BYRNS. Mr. Speaker, I suggest that for the present we abandon the calling of the Consent Calendar, inasmuch as we are not going to do any business under it, and that the Private Calendar be called under the order made yesterday.

Mr. SUMNERS of Texas. Mr. Speaker, I do not think the situation is as hopeless as that; I think there is a possibility of completing the Consent Calendar.

Mr. FULLER. Mr. Speaker, there is no use asking consent to return to the gentleman's bill for the purpose of getting the gentleman's bill passed. We will not consent to it.

Mr. GLOVER. Mr. Speaker, I demand the regular order.

Mr. CARTER of California. Mr. Speaker, in view of certain representations that have been made to me within the last few minutes, I shall abandon temporarily my procedure of objecting to each and every bill. [Applause.]

Mr. Speaker, in fairness to those Members to whose bills I objected, I ask unanimcus consent to return to those bills. I think they ought to be called sometime this afternoon. I objected to the bills in order to try to preserve a right I have here, and without any regard to the merits of the bills, but, as I say, in fairness to these Members I think their bills should be considered this afternoon.

The SPEAKER. The Chair will recognize the gentleman from California at any time to ask unanimous consent to return to the bills referred to.

DEPARTMENT OF JUSTICE

The Clerk called the next bill, H.R. 9476, to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Director, Assistant Directors, agents, and inspectors of the Division of Investigation of the Department of Justice are empowered to serve warrants and subpenas issued under the authority of the United States; to make seizures for violation of the laws of the United States; to make arrests without warrant for felonies cognizable under the laws of the United States, in cases where the person making the arrest has reasonable grounds to believe that the person so arrested is guilty of such felony. Such members of the Division of Investigation of the Department of Justice are authorized and empowered to carry firearms.

With the following committee amendments:

Page 1, line 6, after the word "seizures", insert the words "under warrant."

Page 2, line 2, after the word "felony", insert the following: "and where there is a likelihood of the person escaping before a

warrant can be obtained for his arrest, but the person arrested shall be immediately taken before a committing officer."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

SUPREME COURT OF THE UNITED STATES

The Clerk called the next bill, S. 3040, to give the Supreme Court of the United States authority to make and publish rules in actions at law.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, will not the effect of this bill be to require attorneys in every one of the 48 jurisdictions of the United States to learn a lot of new rules of court procedure?

Mr. SUMNERS of Texas. May I say to the gentleman from California that if the Supreme Court promulgates these rules it will be necessary to learn them, of course. It is anticipated that the rules will be simple and that it will not be difficult for practicing attorneys to familiarize themselves with these rules. The Supreme Court, as the gentleman knows, has promulgated rules covering the practice in equity.

Mr. ELTSE of California. What is to be gained by this? At the present time the Federal courts follow the rules which prevail in the State courts?

Mr. SUMNERS of Texas. Yes.

Mr. ELTSE of California. What is to be gained by setting up a new set of rules?

Mr. SUMNERS of Texas. To make for a uniform procedure; that is all.

Mr. ELTSE of California. Will this be of material assistance to attorneys before the bar?

Mr. SUMNERS of Texas. It is anticipated it will be, and to the courts, too.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. ELTSE of California. I yield to the gentleman from Missouri.

Mr. COCHRAN of Missouri. May I ask the gentleman from Texas if it is not a fact that practically every bar association in the United States, including the American Bar Association, has advocated this legislation?

Mr. SUMNERS of Texas. I understand that is true.

Mr. ELTSE of California. Will not this set up a special class of lawyers who will practice in the Federal courts and compel the small-town lawyers, because of the intricacies of these rules which they will not understand from actual practice, to take in on these Federal cases lawyers who have specialized in practicing before the Federal courts?

Mr. SUMNERS of Texas. May I say to the gentleman that I have never heard that objection made, and I will be frank with him. I have heard the suggestion that it would make possible the development of interstate lawyers who would not have to employ local counsel in the event they wanted to go to a State other than the one in which they are accustomed to practice. It was thought by the Committee on the Judiciary that if we establish uniform rules of procedure the average lawyer in the little town could more easily familiarize himself with the whole practice from the time he went into the district court until he reached the Supreme Court, and in the long run have a better chance at Federal practice.

Mr. ELTSE of California. The gentleman knows that in actual practice the average small city lawyer goes into the Federal court possibly once a year or once every 2 years. At the present time he is just as much at home in the district court of the United States as he is in his own circuit or superior court, because the rules of practice are the same.

Mr. SUMNERS of Texas. I believe if we had these uniform rules promulgated by the Supreme Court, so far as the lawyer in the small city is concerned, he would be better prepared to take his case and pursue it to the Supreme Court of the United States than he would be without uniform rules. Some people have thought that if we had these uniform rules and the lawyer from New York, for instance, went to another State he might not have to employ local counsel. That is the only objection I have heard from the standpoint of the lawyers at the bar. That objection, whatever may be its merit or lack of merit, does not seem to me to be well founded. Outside lawyers do not trust themselves alone before juries in foreign jurisdictions. The Supreme Court wants this and all of the bar associations have endorsed this, so far as I know.

Mr. ELTSE of California. Mr. Speaker, I withdraw my objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Supreme Court of the United States shall have the power to prescribe by general rules, for the district courts of the United States and for the courts of the District of Columbia, the forms of process, writs, pleadings, and motions, and the practice and procedure in civil actions at law. Said rules shall neither abridge, enlarge, nor modify the substantive rights of any litigant. They shall take effect 6 months after their promulgation, and thereafter all laws in conflict therewith shall be of no further force or effect.

SEC. 2. The court may at any time unite the general rules prescribed by it for cases in equity with those in actions at law so as to secure one form of civil action and procedure for both: *Provided, however*, That in such union of rules the right of trial by jury as at common law and declared by the seventh amendment to the Constitution shall be preserved to the parties inviolate. Such united rules shall not take effect until they shall have been reported to Congress by the Attorney General at the beginning of a regular session thereof and until after the close of such session.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NAVY AND MARINE MEMORIAL MONUMENT

The Clerk called the next resolution, House Joint Resolution 342, authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument.

Mr. TABER. Mr. Speaker, reserving the right to object, I cannot understand why it should cost any money to erect a completed building. That is what the title of this joint resolutions says: "A joint resolution to defray the expense of erecting the completed Navy and Marine Memorial Monument." If it is completed, I cannot see any reason for spending the money to erect it.

Mr. BLOOM. Mr. Speaker, this monument is entirely completed and is now in Cleveland, Ohio. The committee that has had this matter in charge for the last 10 years has spent about $380,000. In the last couple of years they have stopped functioning on account of the depression. The base and everything is right here on the Memorial Highway, and the firm in Cleveland, which has the monument completed, claims it will cost about $13,000 to bring it here and erect it complete. It will also cost about $5,000 for sodding and fixing up the approaches. Everyone that has passed on the Memorial Highway has been wondering what that thing was that is all boarded up. They spent $380,000, and if this bill is not passed it will cost a considerable amount of money to remove this granite base that has been lying there for several years. The monument is complete, and it will cost this much money to bring it from Cleveland and erect it here.

Mr. TABER. Was the other part of the expense paid by the Government?

Mr. BLOOM. No; nothing was paid by the Government.

Mr. TABER. This was a private enterprise which the Government is now being asked to defray?

Mr. BLOOM. I believe every Member of this House who has passed on the Memorial Highway has been wondering why this was boarded up. The thing is completed and it requires these few dollars to erect it. This Commission has practically gone out of business on account of the depression. I may say that some 2,000,000 school children have contributed to this thing.

Mr. TABER. Who contributed?

Mr. BLOOM. There is a long list in this book.

Mr. TABER. They thought they had money enough to complete it and now find they have not?

Mr. BLOOM. They cannot collect the amount of money that has been subscribed. For $13,000 we can complete and erect this monument. The money will be spent through the Secretary of the Navy.

Mr. TABER. Would the gentleman accept an amendment reducing this to $13,000?

Mr. BLOOM. Complete?

Mr. TABER. The gentleman said it would cost $13,000 and in the resolution it is stated $18,000.

Mr. BLOOM. Thirteen thousand dollars for the monument and $5,000 for the sodding. If it does not cost that much money, well and good. The Secretary of the Navy has charge of the expenditure.

Mr. TABER. Does the gentleman mean that the people out in Cleveland want $13,000?

Mr. BLOOM. Yes. It will cost that much to bring it here and erect it. It is all completed.

Mr. TABER. Why is it necessary to have $5,000 more?

Mr. BLOOM. Five thousand is what they estimate it will cost to sod the ground and fix up the approaches.

Mr. TABER. It is to be on Government ground and to become a part of the park, is it not?

Mr. BLOOM. Yes. The gentleman can reduce it to $13,000 if he desires, but they were of the opinion that $18,000 would be necessary to cover everything necessary.

Mr. TABER. Mr. Speaker, I withdraw the reservation of objection, the gentleman from New York having agreed to an amendment reducing the amount from $18,000 to $13,000.

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object, I want to ask the gentleman from New York a question. When the gentleman says he is going "to erect a completed building," is he going to do it by the Aladdin-lamp process or is he going to do it gradually?

Mr. BLOOM. I will say to the gentleman from Texas that this is not a building, it is a completed memorial.

Mr. BLANTON. It is stated here it is for the expense "of erecting a completed building."

Mr. BLOOM. A completed monument, ready for erection.

Mr. BLANTON. Is it going to be completed when it is erected?

I withdraw my objection, Mr. Speaker.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the proviso in the joint resolution entitled "Joint resolution authorizing the erection on public grounds in the city of Washington, D.C., of a memorial to the Navy and Marine services, to be known as 'Navy and Marine Memorial Dedicated to Americans Lost at Sea'", approved February 16, 1924, is amended to read as follows: "*Provided*, That the site chosen and the design of the memorial shall be approved by the Commission of Fine Arts."

SEC. 2. There is authorized to be appropriated the sum of $18,000, or so much thereof as may be necessary, to be expended under the direction of the Secretary of the Navy, (1) for the transportation of the Navy and Marine Memorial Monument to the site on Columbia Island, D.C., chosen for such memorial in accordance with the provisions of such joint resolution of February 16, 1924; (2) for the erection of such memorial on the granite pedestal base already constructed on such site; and (3) for the landscaping and approach work of land adjacent to such base as the Secretary may deem necessary and appropriate.

Mr. TABER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TABER: Page 2, line 2, strike out "$18,000" and insert in lieu thereof "$13,000."

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SENECA INDIAN SCHOOL, WYANDOTTE, OKLA.

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to return to Calendar No. 393, the bill (S. 555) to authorize the acquisition by the United States of the land upon which the Seneca Indian School, Wyandotte, Okla., is located.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, I am not opposed to the gentleman's bill, but I think it would be unwise to return to any of the previous bills at this time. We have just established harmony and I think it would be better to go along with the calendar and then return to those bills later.

Mr. DISNEY. We cannot establish any harmony by breaking down the calling of the calendar by objecting to the bills of certain Members, when the objection is not based upon the merits of the bill, and then object to returning to them.

Mr. MARTIN of Massachusetts. All these bills will be returned to later; but if we try to pick them out one at a time and return to them, I think it will cause trouble.

Mr. DISNEY. And I have spent 2 hours waiting here to have this bill called.

Mr. MARTIN of Massachusetts. I am sorry, but I presume everybody else who is concerned in the matter has had the same experience.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

Mr. MARTIN of Massachusetts. Mr. Speaker, I object.

EXPERIMENT STATION AND EXTENSION WORK IN PUERTO RICO

The Clerk called the next joint resolution, House Joint Resolution 270, to make available to Puerto Rico certain appropriations for the fiscal year ending June 30, 1934, for experiment station and extension work, which have not been paid because of unfulfilled conditions.

Mr. TRUAX. Mr. Speaker, I object.

PROTECTION OF TRADE AND COMMERCE

The Clerk called the next bill, S. 2248, to protect trade and commerce against interference by violence, threats, coercion, or intimidation.

Mr. SCHULTE. Mr. Speaker, I object.

Mr. OLIVER of New York. Mr. Speaker, will the gentleman withhold his objection?

Mr. SCHULTE. I reserve the right to object, Mr. Speaker.

Mr. OLIVER of New York. This is the noted racketeering bill recommended here and agreed upon by organized labor and by the Department of Justice. It has been agreed upon by every factor involved in this kind of controversy. We have Mr. Green on record——

Mr. SCHULTE. Has the gentleman a letter from Mr. Green which states he is on record in favor of this bill?

Mr. OLIVER of New York. Yes.

Mr. SCHULTE. If so, I shall withdraw my objection, if the gentleman will show me the letter.

Mr. OLIVER of New York. I cannot show the gentleman the letter, but Mr. Green specifically agreed to it and it is stated in the report that there is a letter from the Attorney General embodying the agreement——

Mr. SCHULTE. I do not care anything about the Attorney General.

Mr. OLIVER of New York. And Mr. Green appeared before our committee and stated before our committee that he intended to go into a further conference——

Mr. SCHULTE. Will the gentleman give me his assurance that he has a letter from Mr. Green stating he has agreed to this bill?

Mr. OLIVER of New York. I will not say I have a letter——

Mr. SCHULTE. Has the gentleman seen such a letter from Mr. Green?

Mr. OLIVER of New York. No; but I have seen an agreement in which the Attorney General said that Mr. Green had agreed to it.

Mr. SCHULTE. I object, but I will agree to having it passed over without prejudice.

Mr. SUMNERS of Texas. Mr. Speaker, if the gentleman will bear with me a moment—I do not know whether I can satisfy the gentleman or not. The members of the committee are very much concerned to have this matter straightened out if it can be done. Conferences have been had by the Attorney General with Mr. Green and with Mr. Easby-Smith, attorney for organized labor, and all the gentlemen of the committee believe the matter is entirely straightened and this bill is satisfactory to all those concerned.

Mr. SCHULTE. I am going to object at this time until you get in contact with Mr. Green.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Howe, its enrolling clerk, announced that the Senate requests the House to return to the Senate the bill (H.R. 7340) entitled "An act to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof."

LEAVE TO FILE CONFERENCE REPORTS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a conference report on the bill S. 3025; and also until midnight to file a report on the housing bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

Mr. MARTIN of Massachusetts. Reserving the right to object, and I shall not object, when does the gentleman intend to call up the conference report?

Mr. STEAGALL. Not before Monday.

The SPEAKER. Is there objection to the two requests of the gentleman from Alabama?

There was no objection.

PRINTING OF UNITED STATES CODE

The Clerk called the next bill on the Consent Calendar, H.R. 6486, to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929.

The SPEAKER. Is there objection?

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

Mr. HARLAN. Will the gentleman reserve that motion?

Mr. ZIONCHECK. I will.

Mr. HARLAN. The deficiency appropriations bill that passed the Senate in the last hour of the Seventy-second Congress had an amendment, added to an appropriation bill, that came back with the conference report, and a lot of matters were injected into this amendment changing the rights of different committees—the Committee on Printing and the Committee on the Revision of the Laws. The present bill simply restores those rights and leaves the law as it was before. Senator FLETCHER, of the Joint Committee on Printing, did not object, and the representatives of the Joint Printing Committee in the House had no objection to it. It is simply a restoration of the rights of the two committees. The Committee on Revision of the Laws cannot proceed unless this bill is passed.

Mr. ZIONCHECK. Why not?

Mr. HARLAN. Because the legislative reference service of the law department in the Congressional Library cannot function. We are getting out a code, and they are cooperating with us, and the man who is doing it is without any present authority.

Mr. ZIONCHECK. Cannot you bring the bill in and compensate him later?

Mr. HARLAN. This legislation was all a mistake. It took away the prima facie character of the general code, and it was impractical all around. It was all done in the eleventh hour of the closing of the Seventy-second Congress.

Mr. ZIONCHECK. As far as that is concerned, this should have been brought in before the eleventh hour of the closing of the Seventy-third Congress.

Mr. HARLAN. It was a Senate amendment on an appropriation bill.

Mr. ZIONCHECK. But this is a House bill.

Mr. HARLAN. Yes; this is a House bill that has been passed by the Senate. The bill was filed in the early part of the session.

Mr. ZIONCHECK. And it was put on the Consent Calendar when? On the 30th day of May of this year?

Mr. MARLAN. The subcommittee passed on it; and the gentleman from Tennessee [Mr. BROWNING] had sickness in his family, and it was delayed.

Mr. ZIONCHECK. It is not an emergency measure.

Mr. HARLAN. I want to say to the gentleman that if this bill does not pass I do not know how we are going to get out the code.

Mr. TRUAX. Will that be any great calamity?

Mr. ZIONCHECK. If the gentleman says that it is necessary in order to get the code out, I withdraw my objection.

Mr. TRUAX. I want to ask the gentleman a question. Does this provide for the employment of more people?

Mr. HARLAN. It does not. It does not do anything except restore to the committee rights they had before.

Mr. TRUAX. Then the gentleman cannot use the argument of reemployment of men, as we do on most bills?

Mr. HARLAN. No; there is no new deal; no relief, no employment.

Mr. TRUAX. The gentleman thinks it is an emergency matter, and unless the laws are revised this year there will be hell popping in this country?

Mr. HARLAN. It has been 8 years since the Federal Code was gotten out, and we are supposed to codify it every 5 years.

Mr. TRUAX. Mr. Speaker, I know that my colleague devotes a lot of time and energy and attention to the revision of the laws, and I am going to withdraw my objection upon his assurance that it is an emergency.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

The SPEAKER. Without objection, the Senate bill, S. 3237, will be substituted.

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That such provisions in section 1 of the act of March 4, 1933 (47 Stat. 1603), as purport to amend "sections 4 and 5 of the joint resolution approved March 2, 1929 (U.S.C., supp. VI, title 1, secs. 54 (a) and (b)", and hereby repealed.

SEC. 2. Sections 4 and 5 of such joint resolution of March 2, 1929 (U.S.C., supp. VI, title 1, secs. 54 (a) and 54 (b)), shall hereafter be in full force and effect as originally enacted.

SEC. 3. That, subject to the provisions of the second section, the Joint Committee on Printing is hereby empowered to authorize the printing of any bill or resolution, with index and ancillaries, in such style and form as the Joint Committee on Printing shall deem to be most suitable in the interest of economy and efficiency, and to so continue until final enactment thereof in both Houses of Congress; and such committee may also curtail the number of copies of such bills or resolutions, including the slip form of such public act or public resolution.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill (H.R. 6486) was laid on the table.

NATIONAL PLANNING MEANS CONTROL OF ALL BUSINESS

Mr. WOODRUFF. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein an address delivered over the radio last evening by the gentleman from Kansas [Mr. MCGUGIN].

The SPEAKER. Is there objection?

There was no objection.

Mr. WOODRUFF. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following speech delivered by Hon. HAROLD MCGUGIN, of Kansas, over the National Broadcasting Co.'s circuit on Thursday, June 7, 1934:

"NATIONAL PLANNING" MEANS CONTROL OF ALL BUSINESS

The country is being committed to the program of "national planning." This is a program which all of us are learning more about and know more about than we did a year ago when it was presented to the country by the Roosevelt administration as a mere temporary emergency program. "National planning" means that in the end the control of every activity of the citizen has passed from the individual citizen over to the Government. It means that we are taking on a new form of government which is directly opposed to our plan of government under the Constitution.

The Democratic Party has committed itself to this program. It did not do so deliberately. Two years ago the Democratic Party went before the people with Franklin D. Roosevelt as its candidate and with a platform which was committed to the traditional precepts and principles of the Democratic Party, and which was in perfect keeping with constitutional government. The people accepted the Democratic Party upon its platform and the preelection statements of the Democratic candidate Mr. Roosevelt.

What happened is, President Roosevelt upon entering office chose not traditional Democrats to carry out the major responsibilities of his administration. He turned to another class of people, who are commonly known as the "brain trust." These "brain trusters" are committed to the philosophy in government known as "national planning." With President Roosevelt having taken this course, it is now no mere accident that his administration has cast aside the principles of the party of Jefferson, Jackson, Cleveland, and Wilson.

When the Roosevelt administration turned to those of the "brain trust" and accepted the program of "national planning", it was utterly impossible for this administration to keep faith with the traditional principles of the Democratic Party, to keep the pledges of the Democratic platform, to keep the preelection promises of President Roosevelt and to respect the liberties of the American citizens under the Constitution. It is as impossible to accept the program of "national planning" and at the same time preserve the constitutional rights of the citizen and the principles of the Democratic Party as it is for a man to travel east and west at the same time.

I am going to call a witness to substantiate my statements. In doing so, I must call a witness who is universally accepted as the foremost authority on "national planning." I must call a witness whose views cannot be depreciated by the suggestion that he is a political foe of this administration. I shall call Prof. Rexford G. Tugwell, who is the dominant personality in this administration and the foremost engineer of the administration program of "national planning." I shall use the testimony of Professor Tugwell as set forth in his speech before the American Economic Association in December 1931. At that time he held no public office and was under no obligation to color his statements in order to pacify any public sentiment. In this speech, he was discussing the subject of "national planning." In setting forth the requirements for "national planning", he said: "We have a century and more of development to undo." In this speech he set forth the three necessary changes which we must endure in order to have "national planning." They are, first, changing our constitutions and statutes once and for all; second, destroying business as we have known it; and, third, destroying the sovereignty of the States. After setting forth these requirements, he said: "All three of these wholesale changes are required by even a limited acceptance of the planning idea."

Before the American people move on to such a new and untried scheme of things they must have the right in an open election, with "planning" as the sole and paramount issue, to make their decision as to whether or not they choose to make this change once and for all. There is only one way that such a campaign could be placed before the American people. That is for the Republican Party to meet the issue squarely and declare its unqualified opposition to such a wholesale destruction of our constitutional Government and our civilization as we have known it. This is the obligation and the duty of the Republican Party to the country. In fact, it has no other choice, except to pass into nonexistence. Willingly or unwillingly the Democratic Party has been committed to this "planning" program by the Roosevelt administration. The Democratic Party has no alternative other than to give its unqualified support and endorsement to "national planning." Such a campaign will mean the breaking of political ties such as we have not seen since the election of 1860. The Republican who wants "planning" must give up his party ties and embrace the Democratic Party. The Democrat who believes that we should run this country within the Constitution and preserve our traditional rights and liberties under the Constitution must give up his Democratic ties and embrace the Republican Party.

In such a campaign the Republican Party must place the issue so squarely before the people that all will know that with "planning" no private business in which they are interested is a matter of their own concern but rather that such business is subject to the control and domination of Government. Upon that score Professor Tugwell said:

"There is no private business, if by that we mean one of no consequence to anyone but its proprietors; and so none exempt from compulsion to serve a planned public interest."

The issues must be placed before the people so clearly that they will understand that there is no way to have a "planned economy" except to make modifications in both our business and governmental structures so serious as to mean destruction and the rebeginning of both. Upon that subject Professor Tugwell said:

"It is, in other words, a logical impossibility to have a planned economy and to have business operating its industries, just as it is also impossible to have one within our present constitutional and statutory structure. Modifications in both, so serious as to mean destruction and rebeginning, are required."

The issues must be placed before the people so clearly that they will understand that there is no middle ground on this subject. Many of our citizens labor under the belief that we can have a "planned economy" by the Government acting as a mere advisory council with the citizen still operating and controlling his own activities. This is not true. On this subject Professor Tugwell said:

"The necessary conditions of planning are not established by any 'purely advisory national economic council.' An advisory council might guess, but it cannot plan."

In this speech before the American Economic Association, Professor Tugwell rendered a distinct service to the American people in that he made clear the price which we must pay for "national planning." The difference between Professor Tugwell and me is that he is eager to pay this price and to embrace "national planning", while I am not. In this speech he expressed his undying love for "planning." These are his words on that subject:

"The prospect of a planned economy is so congenial to every hope and belief that I have."

The issues in such a campaign must be made so clear that all will understand that the present program of control of government passing from Congress to the Executive, with Cabinet officers and commissions issuing rules and regulations, for the violation of which citizens are sent to the penitentiary, are all integral and inherent parts of "national planning." In other words, the people must understand that with "planning" it is inescapable that legislative government must give way to the system of government by Executive order. In this country we call these Executive orders "rules and regulations." In other countries they are honestly labeled "edicts."

The issues must be made so clear that the people will understand that this program of "national planning" is inescapably similar to the destruction of the rights and liberties of the citizens in Russia under the Soviet, in Germany under Hitler, and in Italy under Mussolini. What these three countries have is "national planning", with the government dominating and controlling all business and activities of the citizens. In order to have such a program it is inescapable that freedom of speech, freedom of the press, the right of labor to organize and bargain, and the citizen's right of contract must all be denied. These privileges of the citizens can only exist in a society where the people do their own planning and run their own business. There is no room for such privileges in a society where the government does the planning.

In such a campaign the Republican Party must also present an affirmative program. This affirmative program must include the correction of the evil which unbridled greed has brought upon our country. Our pledge must be reform, but reform within the Constitution. Our reform must be in keeping with the reforms of Lincoln and Theodore Roosevelt. They had courageous programs of reform, but they kept them within the Constitution.

If we are to obtain public confidence in our pledge, we must first assure the people that the Republican Party is free from those selfish interests of concentrated wealth which have heretofore abused their American privileges and imposed too selfish a grip upon the Republican Party. The Republican Party must make its position so clear that no one can understand its pledge to operate under the Constitution to mean a privilege or a grant to any citizen or any class of citizens to enjoy any special privilege over the rest of the people. The affirmative program of the Republican Party must insure the rights and the liberties of the American people under the Constitution. At the same time, its position must be so clear that all will understand that protecting the rights of the individuals does not include the special privilege of small aggregations of individuals to band together in order to monopolize the economic opportunities which rightfully belong to the individual citizens of America.

The Republican Party must take a bold and affirmative position that agriculture is the basic industry of this country, and as such it must to a great extent depend upon world trade. Our program must include an interest in the world markets for agriculture as well as protecting the American markets for American industry.

In brief, the Republican Party must be so courageous, and so clear and explicit in its position and action that both seekers and foes of special privilege will know that the Republican Party of today is in spirit and in fact the rejuvenated party of Abraham Lincoln and Theodore Roosevelt.

From the beginning, we must realize that such a program will bring to us powerful opposition. Large monopolistic institutions are now enjoying rights and privileges under the N.R.A. and its codes, privileges which were denied to those institutions by the antimonopoly laws that were given to this country by the Republican Party. These selfish beneficiaries of the present program are not going to give up their new privileges without a struggle. None the less, we must make bold our position that we stand for effective laws prohibiting monopolies and conspiracies in restraint of trade, together with an impartial enforcement of such laws, and that we are unalterably opposed to the suppression of the antimonopoly laws by codes, written and administered by monopoly, under the protection of the N.R.A.

In considering the fruits of the N.R.A. to date it is well to remember that the true benefits which it has accomplished are the shortening of the hours of labor and the reducing of child labor in industry. The N.R.A. and its codes were not at all necessary in order to obtain these benefits. The interstate-commerce clause of the Constitution grants the same power to Congress to accomplish these two benefits by legislation that is granted to authorize the codes under the N.R.A. If the codes which shorten the hours of labor and prohibit child labor are constitutional, likewise direct legislation on the same subjects would be constitutional.

We must realize from the beginning that the power of concentrated wealth, coupled with the power of the present administration, which is pouring out billions of dollars of public funds, will make a most formidable foe for us. If the Republican Party is to keep faith with its traditions and meet its responsibility to the country, it will rededicate itself to the fundamental principles of the party, and do so unmindful of the power and the force of its opposition. It will make its appeal to the great mass of people and take its chances on the people yet having as their para-

mount interest the preservation of the liberties passed on to them by their fathers.

If the love of liberty and justice and the spirit of our fathers yet linger in the hearts of the American people, we cannot lose; we will not lose. Whatever may be our chances of victory, there is no choice left to us other than to make this fight. It is in such a struggle that the greatest reward for the Republican Party is to be found. This is true whether the end be temporary defeat or victory. It is better for us to go down to defeat defending the true traditions of our country than it is to ride through to victory by joining a crusade to destroy constitutional government.

THE CONSENT CALENDAR

FEES ON APPEAL AND BONDS IN ADMIRALITY

The Clerk called the next bill, H.R. 9091, to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I reserve the right to object in order to permit the author of the bill to make a brief explanation of it. There are so many maritime terms in it that I do not know what it is all about.

Mr. OLIVER of New York. Mr. Speaker, I think the gentleman from New Jersey [Mr. KENNEY] should be given the privilege of explaining the bill.

Mr. KENNEY. Mr. Speaker, this is a bill to amend the admiralty laws. The first amendment proposed is to add a section which would allow a small docket fee on appeal, besides the cost of brief. At the present time there is no provision for that. However, the courts on appeal have often held that an appeal is a new trial and have allowed a docket fee not provided by statute. This provision would make the fee uniform, so that there would be this small graduated docket fee on appeal in every jurisdiction, and besides that the cost of the brief, which is usual in all of our State courts. This amendment has the approval of the American Bar Association, the Maritime Bar Association, and the admiralty committee of the Bar Association of the City of New York.

Mr. TRUAX. Does it provide for increased fees?

Mr. KENNEY. In substance it does not.

Mr. TRUAX. Does it in fact?

Mr. KENNEY. It makes them uniform. In one jurisdiction it might increase the fees, but in another jurisdiction it would not, and in any case the fee is very small, a graduated one. And the bill further provides that no commission shall be paid the marshal where he does not sell any property, and no money passes through his hands; then the bill furnishes the means of reducing the amount of the bond required to release property libeled.

Mr. TRUAX. What is the fee?

Mr. KENNEY. It is stated in the bill. It is based on the amount involved in the litigation. If the gentleman will refer to the bill he will see that the fee provided for is quite small.

Mr. TRUAX. Does it not increase the fee from $50 to $100?

Mr. KENNEY. No; it fixes uniform fees where none existed before by statute, although the courts have allowed varying fees on appeal in different jurisdictions. A $100 fee will only be allowed where the amount involved exceeds $5,000. The minimum fee is only $20, and that fee has been allowed in many jurisdictions, although no provision is made expressly by statute.

Mr. TRUAX. The present fee is $50 on amounts of $5,000 and over?

Mr. KENNEY. There is no fee fixed now on appeal, but the courts on appeal have held in some jurisdictions that it is a new trial, and they allow the fees provided by statute for trials in the court below.

Mr. TRUAX. What justification is there for doubling the fees at this time?

Mr. KENNEY. There is not a doubling of the fee.

Mr. TRUAX. It says so in the bill.

Mr. KENNEY. I do not see that in the bill.

Mr. TRUAX. I call the gentleman's attention to line 9 on page 1 where there is a fee of $50 provided and the amount involved is over $5,000, and a proctors' docket fee of $100.

Mr. KENNEY. No; provision is made for a $20 fee where the amount involved is not over $1,000; a fee of $50 where the amount involved is from $1,000 to $5,000; and the $100 fee where the amount is over $5,000. The American Bar Association met and at first thought that a $100 fee would be proper in all cases, but later it was felt that the graduated fees would be more equitable.

Mr. TRUAX. But $50 has been the fee heretofore, has it not?

Mr. KENNEY. There has been no fee fixed by statute heretofore for cases on appeal. I am telling the gentleman that in different jurisdictions the courts have fixed varying fees, made different allowances. This bill would tend to unify the docket fees and procedure in all jurisdictions, and the $100 provided for is only in cases above $5,000. The litigation might involve a million dollars, and yet the court would under this bill allow only this small fee of $100.

Mr. TRUAX. I have always been of opinion that lawyers' fees are plenty high enough as they stand today.

Mr. KENNEY. The docket fee would come from the unsuccessful party, to be paid to the successful party.

Mr. TRUAX. Then the loser would pay the winner.

Mr. KENNEY. Would pay a small docket fee, as is usual in litigation.

Mr. TRUAX. One hundred dollars?

Mr. KENNEY. Oh, no; only a single docket fee; the amount would depend on the amount involved but in no case more than $100.

Mr. TRUAX. What does he pay him as the law now is?

Mr. KENNEY. It differs in different jurisdictions. It all depends on the court.

Mr. TRUAX. As I understand it, the fellow who loses will be soaked with $100 fee?

Mr. KENNEY. We are not going to soak him. We are going to limit him so that he cannot be charged with a docket fee of more than $100.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

JAMES WILSON AND SEAMAN A. KNAPP

The Clerk called the next business, Senate Joint Resolution 100, authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

There being no objection, the Clerk read as follows:

Resolved, etc., That the archway connecting the new building of the Department of Agriculture (commonly known as the "South Building") with the west wing of the main building of the Department of Agriculture shall be designated the "Wilson Memorial Arch" in memory of James Wilson, Secretary of the Department of Agriculture for 16 years, and shall be suitably inscribed as such.

SEC. 2. The archway connecting such new building with the east wing of the main building of the Department of Agriculture shall be designated the "Knapp Memorial Arch" in memory of Seaman A. Knapp, who rendered great service to American agriculture, and shall be suitably inscribed as such.

SEC. 3. The Grand Council of the National Honorary Extension Fraternity, Epsilon Sigma Phi, is hereby authorized to place, without expense to the United States, in each such memorial arch a suitable memorial tablet; but such tablets shall not be erected until the plans and specifications therefor have been submitted to and approved by the Commission of Fine Arts.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAYMENT OF FARM-LOAN MORTGAGES WITH BONDS ISSUED BY JOINT-STOCK LAND BANKS

The Clerk called the next bill, H.R. 7663, to authorize payment of farm-loan mortgages with bonds issued by joint-stock land banks, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. ELTSE of California. Reserving the right to object, I would like to ask the author of the bill if it would not be possible for redemption to be made at any time, even though it be more than 15 or 20 years of age, after foreclosure? It will disturb titles. A mortgagor can redeem under this bill





even though his mortgage had been foreclosed for 5 or 10 or 15 years.

Mr. FULMER. It puts the farmer whose lands have been closed out on the same basis he is now in dealing with the land bank, and he can only redeem his land if it is still in the possession of the joint-stock land bank. He could not go back and interfere with any private, innocent purchaser.

Mr. ELTSE of California. But under the proviso at the end of the bill there is no limitation put on at all. If there has been a foreclosure within a year after the organization of the joint-stock land banks and the land bank is still in possession, the mortgagor can still come back and redeem.

Mr. FULMER. Absolutely.

Mr. ELTSE of California. Suppose it gets into the hands of a third party?

Mr. FULMER. Oh, he could not redeem. If the joint-stock land bank has sold that land, it would be the same as it is now. He would not have any right to repurchase unless the owner would agree to sell to the farmer, and in that case he could not use these bonds.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. CHRISTIANSON. I think the gentleman will find that the period within which redemption can be had from a real-estate mortgage is entirely within the jurisdiction of the State, under the control of State statutes, and that this bill could not have the effect extending the period of limitation longer than the period fixed by law in the State in which the mortgage is foreclosed.

Mr. BLANTON. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. BLANTON. The joint-stock land banks have gotten into the habit of buying the mortgages of the Federal land banks, with the notes payable at the home office, and I have known of them bringing suit 500 miles away from the farmer's home, where there were homestead features connected with certain parts of the land involved, and forcing the poor farmer to go 500 miles from home to fight them in their courts, far away, in order to protect his homestead rights. I think this bill is worthy, and I hope it will pass.

Mr. ELTSE of California. I want to ask the gentleman whether he does not believe there might be some injustice resulting to the joint-stock land banks——

Mr. BLANTON. Oh, I have seen so much injustice done by them that I do not have any sympathy for them.

Mr. ELTSE of California. I do not yield to the gentleman from Texas. I was asking the gentleman from South Carolina [Mr. FULMER] a question. Suppose the joint-stock land bank has made an improvement to the extent of $5,000 or more on the property, under this bill the mortgagor can redeem and not have to pay the joint-stock land bank anything for the improvements put on?

Mr. FULMER. I will be glad to accept an amendment to care for that.

Mr. ELTSE of California. But under the bill you say he has a right to purchase it for the same amount for which it was foreclosed.

Mr. FULMER. Yes.

Mr. ELTSE of California. Suppose the land bank has erected a barn or a house at an expense of $4,000 or $5,000, the mortgagor can come in and redeem that property by paying the amount of the judgment, after which judgment the expenditures were made by the land bank.

Mr. FULMER. You would not find that to be the case. If the gentleman will just give me a minute to explain this——

Mr. ELTSE of California. Certainly.

Mr. FULMER. There was a provision in the emergency land bank act whereby joint-stock land banks could borrow money for the purpose of extending time to farmers. They have borrowed that money. They have borrowed from the Reconstruction Finance Corporation. They have come along ruthlessly and sold out farmers and bought in their own bonds at 20 and 25 cents on the dollar, canceling same 100 percent on the dollar, and have made a profit out of it, and left the farmer without his land.

Mr. ELTSE of California. I appreciate all of that.

Mr. FULMER. May I say further, as a matter of fact, the gentleman understands that private owners of mortgages are scaling down in various instances, but these banks refuse to make proper cuts and refuse to sell to the farmer who has lost his land, at any price. However, they sell it at a ridiculously low price to a man on the outside and then buy in and cancel their own bonds, making a profit in some instances as stated.

Mr. ELTSE of California. Will not the gentleman concede that there might be cases where it would be very inequitable for the mortgagor to redeem the mortgage without proper compensation for money expended by the land bank on improving the property?

Mr. FULMER. I do not, for the reason that if the joint-stock land bank can get the original indebtedness on the loan repaid they will be doing well. The gentleman need not lose any sleep over anything that may be lost through improvements made by the land banks, for there are not many; but if the gentleman wants to amend the bill to take care of it I would have no objection.

Mr. PIERCE. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. PIERCE. The land banks have not played fair with the people. A year ago it was provided by law that they could loan a further $100,000,000. They have not done so largely because of the fact that there was coupled with the permission to loan a reduction of interest to the farmer of 1 percent.

The land banks do not improve the lands on which they loan money. They simply get what little income they can from the borrower and sell the property as quickly as they can when the borrower fails to meet his payments.

This is a righteous law and ought to pass. The farmers ought to have the advantage of going into the market and buying this land cheap if they can, instead of the land banks being the only ones who can buy these bonds in as low as 40 cents on the dollar.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. McFADDEN. This is not a new thing. This bill has been before Congress for a number of years. When I was Chairman of the Committee on Banking we held extensive hearings on this bill, not as the Fulmer bill, but as the Hare bill. We held extensive hearings, but the committee did not see fit to act favorably upon it. It is a bad bill. There is much more to it than appears on the surface. I am quite in sympathy with some of the things that have been said in favor of the bill, but if you want to disrupt your whole Federal farm-loan situation pass this bill.

Mr. TRUAX. It has disrupted the farmer.

Mr. McFADDEN. If the Farm Loan Administration is not administering the law properly, appeal to the management to correct the defects.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. BLANTON. You are listening to the voice of a banker. This friend of ours from Pennsylvania is giving you the bankers' side of this proposition. The gentleman from Oregon [Mr. PIERCE] was giving you the side of the farmer; and I appeal to my friend from California not to listen to the banker's voice but to listen to the farmer's voice.

Mr. McFADDEN. May I ask the gentleman from Texas how he is qualified to speak on this bill; whether as a banker or as a farmer?

Mr. BLANTON. I have represented the farmers against the bankers, when their rights have been jeopardized, and I have been proud of it.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield further?

Mr. ELTSE of California. I yield.

Mr. McFADDEN. The gentleman from Texas is usually very complimentary to me, which I appreciate. I wish to correct the gentleman, I am not a banker.

Mr. BLANTON. The gentleman is an ex-banker like most of them are now.

Mr. McFADDEN. Because I was chairman of the Committee on Banking is no reason now to call me a banker.

Mr. BLANTON. Is it not complimentary to call my friend an ex-banker?

Mr. MOTT. Mr. Speaker, I demand the regular order.

Mr. McFADDEN. Mr. Speaker, I object.

Mr. FULMER. Mr. Speaker, will not the gentleman reserve his objection to permit me to make an explanation?

Mr. McFADDEN. Mr. Speaker, I reserve my objection for the moment.

Mr. FULMER. I would remind the gentleman from Pennsylvania that the Hare bill was reported by his committee.

Mr. McFADDEN. I realize that, but it was not passed by the Congress. There was certain pressure brought to report the bill out, but the members of the committee saw to it that the bill was not passed.

Mr. FULMER. It was reported late in the session.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. WOLCOTT. I may say to the gentleman that I quite agree with a great many of the things he has said concerning this bill, but I do not think any Member of this House need have any fear that this bill will ever become law. You cannot compel a joint-stock land bank to accept its bonds in payment of a loan any more than you could compel the gentleman from Pennsylvania or any other individual to accept bonds or stock in payment of a mortgage which he might hold.

The bill is unconstitutional, and if the Department of Justice gives the President of the United States an opinion on the bill before he acts on it, the President of the United States will never sign it, because it is unconstitutional. I wish, however, that it might be passed and become law. I wish it might be passed to stop this practice on the part of joint-stock land banks of buying up their own bonds at 30 cents on the dollar and not passing the benefit of these purchases back to the farm owners. The only thing I do not like about this bill is that it is not worded in such a manner as to make it constitutional, so that the President of the United States can sign it if he wants to.

Mr. McFADDEN. Mr. Speaker, further reserving the right to object, the gentleman is quite correct in that he says this bill has not had proper consideration by those who are advocating its passage.

I am quite in sympathy with the arguments that are being made as to the plight of these borrowers, but this is not the proper bill to remedy the situation; therefore I object.

RIFLE RANGES FOR THE ARMY

The Clerk called the next bill, S. 2130, to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That a sum not to exceed $16,000 is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for the purchase of 1,600 acres of land adjacent to Fort Francis E. Warren in the State of Wyoming for use of the United States Army for rifle-range purposes. All purchase of land under this act shall be made by the Secretary of War pursuant to law governing the acquisition of land for the use of the Army of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PURCHASE OF FOREST LANDS

The Clerk called the next bill, H.R. 9011, to facilitate purchases of forest lands under the act approved March 1, 1911.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to substitute a similar Senate bill, S. 3521, for the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That to allow and facilitate the purchase of forest lands under the provisions of the act approved March 1, 1911 (36 Stat. 961; U.S.C., title 16, secs. 613–521), in States which desire that such purchases shall be made but cannot give their formal consent thereto until the next meeting of their legislative bodies, it is hereby provided that a written statement of consent signed by the Governor of the State prior to January 1, 1935, and containing the certification that a majority of the individual members of the current State legislative body have expressed in writing to the Governor their concurrence in and approval of such statement of consent shall be regarded as fully complying with and satisfying the requirements of that part of section 7 of said act of March 1, 1911, which provides that no deed or other instrument of conveyance shall be accepted or approved by the Secretary of Agriculture under said act until the legislature of the State in which the land lies shall have consented to the acquisition of said land by the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

TOLL BRIDGE ACROSS OHIO RIVER BETWEEN ROCKPORT, IND., AND OWENSBORO, KY.

The Clerk called the next bill, H.R. 9721, authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.

Mr. ELTSE of California. Mr. Speaker, reserving the right to object, may I ask the author of the bill how near the nearest bridge to this is?

Mr. MILLIGAN. I cannot advise the gentleman whether there is another bridge in that vicinity or not.

Mr. ELTSE of California. Is the gentleman familiar with that area?

Mr. MILLIGAN. I am not.

Mr. ELTSE of California. This is a toll bridge?

Mr. CARTER of California. Mr. Speaker, reserving the right to object, is this a toll bridge?

Mr. MILLIGAN. It is.

Mr. ELTSE of California. Operated by a private company?

Mr. COCHRAN of Missouri. No; it is operated by a county official.

Mr. MILLIGAN. By the county commissioners of the county where the bridge is located.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That in order to promote interstate commerce, improve postal service, and provide for military and other purposes, the Spencer County Bridge Commission, of Spencer County, Ind., be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Ohio River, at a point suitable to the interests of navigation, between Rockport, Ind., and Owensboro, Ky., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Spencer County Bridge Commission, of Spencer County, Ind., all such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said Spencer County Bridge Commission, of Spencer County, Ind., is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable

interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches, the expenditures of maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE ACROSS MISSOURI RIVER AT FLORENCE, DOUGLAS COUNTY, NEBR.

The Clerk called the next bill, H.R. 9698, authorizing the Florence Bridge board of trustees to construct, maintain, and operate a toll bridge across the Missouri River at or near Florence, Douglas County, Nebr.

Mr. GILCHRIST. Mr. Speaker, reserving the right to object, for the purpose of propounding a parliamentary inquiry: Will an opportunity be given to return to the bills which were objected to at the time of what I call "the flare-up"?

The SPEAKER. The Chair understands that such a request will be made by the gentleman from California. Is there objection to the present consideration of the bill?

There was no objection.

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to consider the bill, S. 3230, in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That in order to facilitate interstate commerce, improve the postal service, and provide for military and other purposes, the Florence Bridge Commission (hereinafter created, and hereinafter referred to as the "Commission"), and its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River at or near the city of Florence, Nebr. (now a part of Omaha, Nebr.), at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, subject to the conditions and limitations contained in this act.

SEC. 2. There is hereby conferred upon the Commission and its successors and assigns the right and power to enter upon such lands and to acquire, condemn, occupy, possess, and use such real estate and other property in the State of Nebraska and the State of Iowa as may be needed for the location, construction, operation, and maintenance of such bridge and its approaches, upon making just compensation therefor, to be ascertained and paid according to the laws of the State in which such real estate and other property are located, and the proceedings therefor shall be the same as in the condemnation of private property for public purposes in said States, respectively.

SEC. 3. The Commission and its successors and assigns are hereby authorized to fix and charge tolls for transit over such bridge in accordance with the provisions of this act.

SEC. 4. The Commission and its successors and assigns are hereby authorized to provide for the payment of the cost of the bridge and its approaches and the necessary lands, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the Commission, bearing interest at not more than 6 percent per annum, the principal and interest of which bonds and any premium to be paid for retirement thereof before maturity shall be payable solely from the sinking fund provided in accordance with this act. Such bonds may be registrable as to principal alone or both principal and interest, shall be in such form not inconsistent with this act, shall mature at such time or times not exceeding 20 years from their respective dates, shall be in such denominations, shall be executed in such manner, and shall be payable in such medium and at such place or places as the Commission may determine. The Commission may repurchase and may reserve the right to redeem all or any of said bonds before maturity in such manner and at such price or prices, not exceeding 105 and accrued interest, as may be fixed by the Commission prior to the issuance of the bonds. The Commission may enter into an agreement with any bank or trust company in the United States as trustees having the power to make such agreement, setting forth the duties of the Commission in respect of the construction, maintenance, operation, repair, and insurance of the bridge, the conservation and application of all funds, the safeguarding of moneys on hand or on deposit, and the rights and remedies of said trustee and the holders of the bonds, restricting the individual right of action of the bondholders as is customary in trust agreements respecting bonds of corporations. Such trust agreement may contain such provisions for protecting and enforcing the rights and remedies of the trustee and the bondholders as may be reasonable and proper and not inconsistent with the law and also provisions for approval by the original purchasers of the bonds of the employment of consulting engineers and of the security given by the bridge contractors and by any bank or trust company in which the proceeds of bonds or of bridge tolls or other moneys of the Commission shall be deposited, and may provide that no contract for construction shall be made without the approval of the consulting engineers. The bridge constructed under the authority of this act shall be deemed to be an instrumentality for interstate commerce, the postal service, and military and other purposes authorized by the Government of the United States, and said bridge and the bonds issued in connection therewith and the income derived therefrom shall be exempt from all Federal, State, municipal, and local taxation. Said bonds shall be sold in such manner and at such time or times and at such price as the Commission may determine, but no such sale shall be made at a price so low as to require the payment of more than 6 percent interest on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, and the face amount thereof shall be so calculated as to produce, at the price of their sale, the cost of the bridge and its approaches, and the land, easements, and appurtenances used in connection therewith. The cost of the bridge shall be deemed to include interest during construction of the bridge, and all engineering, legal, architectural, traffic surveying, and other expenses incident to the construction of the bridge, and the acquisition of the necessary property, and incident to the financing thereof. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided. Prior to the preparation of definitive bonds the Commission may, under like restrictions, issue temporary bonds or interim certificates with or without coupons of any denomination whatsoever, exchangeable for definitive bonds when such bonds have been executed and are available for delivery.

SEC. 5. Upon the completion of such bridge, it shall be the duty of said Commission, until said bridge shall be taken over or acquired by one or more governmental units as provided in this act, to supervise the collection of tolls and to authorize and audit all expenditures of money received from the collection of tolls, to see that all revenues received from the bridge, except such amounts as may be necessary for the repair, operation, and maintenance thereof, shall be paid into the sinking fund and used for the amortization of the outstanding indebtedness incurred for the construction or improvement of such bridge. After a sinking fund sufficient for such amortization shall have been provided, the bridge shall thereafter be maintained and operated free of tolls, and the Commission, its successors and assigns, shall thereupon convey by proper instrument of conveyance all right, title, and interest in said bridge and its approaches to the State of Nebraska and the State of Iowa jointly upon the agreement of such States to accept and to maintain and operate such bridge as a nontoll bridge.

SEC. 6. For the purpose of carrying into effect the objects stated in this act, there is hereby created the Florence Bridge Commission, and by that name, style, and title said body shall have perpetual succession; the right to contract, sue, and defend in courts of law and equity; possess a common seal; hold title to real estate and other properties; and shall have and possess all powers necessary, convenient, or proper for carrying into effect the objects stated in this act.

The Commission shall consist of one person named by the governing bodies of each of the following governmental units, to wit: Douglas County, Nebr.; city of Omaha, Nebr.; Pottawattamie County, Iowa. In the event that any of said governmental units shall fail to take the necessary action, then the person holding the office of county attorney of Douglas County, Nebr., and the person holding the office of county attorney of Pottawattamie County, Iowa, shall become members of said Commission. Any vacancy occurring in said Commission shall be filled by the governmental unit that made the original appointment. The members of the Commission shall serve without pay, but shall be reimbursed out of any funds in its hands for necessary expenses incurred in the conduct of its business. The Commission may employ a secretary, treasurer, engineers, attorney, and such other experts, assistants, and employees as it may deem necessary, and fix the compensation of such persons. All expenses and salaries shall be paid solely from the funds provided under the authority of this act.

Nothing herein contained shall be construed to authorize the Commission, or any member thereof, to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to substitute the provisions of the House bill for the language of the Senate bill.

The Clerk read as follows:

Amendment offered by Mr. MILLIGAN: Strike out all after the enacting clause of the Senate bill and insert the following: "That in order to promote interstate commerce, improve the

Postal Service, and provide for military and other purposes, Charles J. Andersen, John A. Kuhn, and Henry Rief, all as trustees, or their successors in office, are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Florence, Douglas County, Nebr., in accordance with the provisions of the act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to the conditions and limitations contained in this act; said trustees shall own and hold said bridge in trust for Douglas County, Nebr., and Pottawattamie County, Iowa; said trustees being known as and functioning as the 'Florence Bridge Board of Trustees' and serving without compensation. Said board of trustees is hereby granted the right to assign, transfer, and mortgage all of the rights, powers, and privileges conferred by this act.

"SEC. 2. There is hereby conferred upon said board of trustees such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

"SEC. 3. The said board of trustees is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

"SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

"SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent to return to certain bills that have been objected to, beginning with no. 384 on the Consent Calendar.

Mr. ZIONCHECK. Mr. Speaker, I object. If we are going back, we will have to go back a little further than 384.

Mr. FITZPATRICK. Mr. Speaker, I thought the understanding was that after we finished the Consent Calendar we would go back.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WOLCOTT. I understand the rule concerning the consideration of the Consent Calendar provides that a bill to be in order for consideration on the Consent Calendar must be on the calendar for 3 legislative days.

The SPEAKER. The gentleman is correct.

Mr. WOLCOTT. Have not all the bills which have been on the Consent Calendar for 3 legislative days been considered?

The SPEAKER. The gentleman's statement is correct.

Mr. CARTER of California. That was my understanding.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, this morning I made a similar request to go back to no. 372 on the Consent Calendar, H.R. 9723, which was put on the same basis yesterday, and to substitute S. 3604. The gentleman from Massachusetts, Mr. MARTIN, objected to going back. I renew the request at this time.

Mr. CARTER of California. Mr. Speaker, as I understand it, I have the floor.

Mr. DISNEY. If the gentleman will yield, I have a bill involved, and the Clerk was engaged in the reading of the bill at the time the flare-up occurred.

Mr. CARTER of California. The gentleman's bill would be included in my unanimous-consent request. My request was to go back to no. 384 on the Consent Calendar and call those bills that were objected to from there on.

Mr. TRUAX. Mr. Speaker, I object to going back to no. 384 on the Consent Calendar.

Mr. ZIONCHECK. Will the gentleman withhold his objection a moment?

Mr. TRUAX. I withhold my objection.

Mr. CARTER of California. Mr. Speaker, I yield to the gentleman from Washington.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent to return to Calendar No. 372 on the Consent Calendar and substitute in lieu thereof the Senate bill, S. 3604, and that other bills objected to, under the same circumstances, be likewise considered.

Mr. TARVER. Reserving the right to object, Mr. Speaker, on yesterday when Calendar No. 377, relating to the disposal of surplus property of the C.C.C. camps, was called, the gentleman who makes this request demanded the regular order and prevented my explaining the terms of the bill to the House.

Mr. ZIONCHECK. Oh, no; if the gentleman will look at the RECORD, he will find that no one asked me to reserve the objection.

Mr. TARVER. The gentleman from Ohio [Mr. TRUAX] did not object.

Mr. ZIONCHECK. Take a look at the RECORD.

Mr. TARVER. The inquiry I desire to make is whether or not the gentleman will include in his request that we return and give further consideration to Calendar No. 377?

Mr. ZIONCHECK. The request I make, Mr. Speaker, is from 372, and includes all the bills from there on that have been objected to in an arbitrary manner.

Mr. MOTT. I demand the regular order, Mr. Speaker.

The SPEAKER. The gentleman from Washington asks unanimous consent to return to Calendar No. 372 and substitute the Senate bill for the House bill. Is there objection?

Mr. WHITE. Mr. Speaker, I ask unanimous consent to go back as far as Calendar No. 319 and consider that bill.

The SPEAKER. The Chair will consider only one unanimous-consent request at a time.

Mr. TARVER. Mr. Speaker, reserving the right to object, the request of the gentleman from Washington, as I understood, is to return to Calendar No. 372 and continue the call from there forward.

Mr. WOLCOTT. Mr. Speaker, a parliamentary inquiry. What is the request?

The SPEAKER. The request is to return to Calendar No. 372 and call the bills that have been arbitrarily objected to from that point on.

Mr. AYERS of Montana. Mr. Speaker, reserving the right to object, unless we go back to Calendar No. 325, I must object to the request.

Mr. BYRNS. Mr. Speaker, I am not going to object to any request that is made, but I simply want to call the attention of the Members of the House to this fact. After the consideration of this calendar has been concluded, we want to take up the Private Calendar and there are a great many Members interested in the bills on that calendar. The Consent Calendar has had a chance and while I am not going to object to any request that is made, I do think we ought to hurry along and not spend too much time considering this calendar.

Mr. BLANCHARD. Mr. Speaker, I demand the regular order.

Mr. CARTER of California. Mr. Speaker, I ask unanimous consent that we may return to and reconsider all bills on the Consent Calendar that have been objected to today.

Mr. TRUAX. I object to that request, Mr. Speaker. We want to get along with the Private Calendar and that is what our leader wants done.

Mr. BYRNS. I have no objection to the request, but let us look at the matter in a sane way, and consider what we have done. I would not object to going back to any bill that has been arbitrarily objected to, but to go back to

bills that have been considered and objected to, without any question of arbitrary action or anything of that sort, is simply asking too much.

Mr. TRUAX. The gentleman from Tennessee is exactly right.

Mr. BYRNS. If you want to consider bills that have been objected to arbitrarily and without consideration of their merits, I can see some fairness in that, but if we go back to all bills objected to we will be here until 6 o'clock without taking up the bills on the Private Calendar.

Mr. AYERS of Montana. Who is to be the judge of what is arbitrary?

Mr. O'MALLEY. Mr. Speaker, will the gentleman from Tennessee yield?

Mr. BANKHEAD. Mr. Speaker, ad interim, I will submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BANKHEAD. What is the matter now pending before the House?

The SPEAKER. Unanimous consent to return to Calendar No. 372 and to call the bills from there on, including Calendar No. 372, that have been arbitrarily objected to.

Mr. BANKHEAD. Upon that, Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is demanded. Is there objection?

Mr. AYERS of Montana. Mr. Speaker, I object.

THE PRIVATE CALENDAR

Mr. BYRNS. Mr. Speaker, I now ask that the Private Calendar be taken up.

Mr. GILCHRIST and Mr. DISNEY objected.

The SPEAKER. This concludes the calling of the Consent Calendar.

The Clerk will call the first bill on the Private Calendar.

Mr. BYRNS. Mr. Speaker, I presume from what I hear around me that there will be objection, but I want to keep faith with many Members here and that is what I propose to do. I ask unanimous consent that it first be in order to call Senate bills on the Private Calendar.

Mr. BLANCHARD. Mr. Speaker, reserving the right to object, may I ask the majority leader if that was the understanding yesterday?

Mr. BYRNS. No; we had no understanding yesterday, and I am making the request now and any Member can object.

Mr. BLANCHARD. Consideration of Senate bills is what the gentleman wants to do today?

Mr. BYRNS. I am making the request, and it is up to the Membership of the House whether that is to be the procedure or not. It is a matter of indifference to me, I may say to the gentleman.

Mr. BLANCHARD. I am not disposed to object, but what I have in mind is this: If the Senate bills are called, we are going away beyond the point where we have prepared ourselves for bills on the calendar.

Mr. BYRNS. I get the gentleman's point, and I may say it is entirely a matter of indifference with me. I am simply carrying out the request of a number of gentlemen.

Mr. BLANCHARD. I withdraw my reservation of objection, Mr. Speaker.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, I should like to ask the floor leader a question. Does the gentleman propose to continue with the Private Calendar tomorrow?

Mr. BYRNS. I am going to ask unanimous consent to do so, but that is a matter of unanimous consent, and I do not know whether the House will be willing to do it or not.

Mr. JENKINS of Ohio. If the gentleman will permit a suggestion, I think it would be a wise thing to take up the Private Calendar and consider bills that have been passed by the Senate, but at the same time I think notice should be given that we are going to do that. If the gentleman will permit a suggestion, if we are going to take up the Private Calendar tomorrow, inasmuch as it is impossible to prepare in advance for those bills now, would it not be wise to ask unanimous consent that such bills on the Private Calendar be considered tomorrow, so that the Members may be prepared at that time?

Mr. BYRNS. Well, we will find out whether we will take it up tomorrow. Mr. Speaker, I ask unanimous consent that on tomorrow it be in order to consider bills on the Private Calendar unobjected to, and that the Senate bills be called first.

The SPEAKER. Is there objection?

Mr. TRUAX. Reserving the right to object, I would like to ask my leader, the gentleman from Tennessee, a question—if he thinks that calling us here at 11 o'clock in the morning and sitting until 6 o'clock at night, we should do it on Saturday for the consideration of private bills, relieving private individuals mostly, when millions whom we ought to do something for are suffering?

Mr. BYRNS. Let me say that among the reasons for coming in at 11 o'clock, one reason was to preserve the right to call the Unanimous Consent Calendar. We have now completed the Unanimous Consent Calendar, and I have no other purpose than to move to adjourn tonight in the regular way.

Mr. DISNEY. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. DISNEY. The gentleman says we have completed the Unanimous Consent Calendar. Does he think we have had a fair show, when bills have been objected to without consideration and the Consent Calendar is going to be abandoned?

Mr. BYRNS. No; I mean this: We had half an hour on yesterday and up until this time today on the Unanimous Consent Calendar. I will say to my friend that these bills on the Private Calendar are entitled to some consideration. If the session continues, there will be another call of the Consent Calendar next Monday week.

Mr. MARTIN of Massachusetts. And we can take up the Consent Calendar at any time by unanimous consent.

Mr. BYRNS. Yes.

Mr. O'MALLEY. Why cannot that be done today? There are a number of gentlemen who did not get an opportunity to present their reasons for their bills. They ought to be entitled to have their bills presented.

Mr. BYRNS. I want to say that I was for the Indian bills. I was in the chair at the time they were called up. Considerable time was taken in discussion of the bills.

Mr. O'MALLEY. But the bills were not taken up individually.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TRUAX. I object.

Mr. DISNEY. Mr. Speaker, I make the point that no quorum is present.

The SPEAKER. The gentleman from Oklahoma makes the point of order that there is no quorum present. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 183]

Abernethy	Burke, Calif.	DeRouen	Green
Adair	Cannon, Wis.	Dickstein	Griffin
Allgood	Carley, N.Y.	Dies	Guyer
Andrew, Mass.	Cary	Douglass	Hamilton
Andrews, N.Y.	Celler	Doutrich	Harter
Auf der Heide	Chase	Edmonds	Healey
Ayres, Kans.	Church	Parley	Hoidale
Bacon	Clark, N.C.	Fernandez	Huddleston
Beck	Coffin	Fiesinger	James
Berlin	Collins, Miss.	Fish	Jeffers
Boehne	Connery	Flannagan	Jenckes, Ind.
Boland	Cooper, Ohio	Focht	Kee
Bolton	Corning	Frear	Kennedy, Md.
Brennan	Cox	Frey	Kennedy, N.Y.
Britten	Crowther	Fuller	Kurtz
Brooks	Crump	Gambrill	Kvale
Brown, Ky.	Culkin	Gifford	Lanzetta
Browning	Cummings	Goldsborough	Lea, Calif.
Buckbee	Dear	Goss	Lee, Mo.
Bulwinkle	Delaney	Granfield	Lesinski

Lindsay	Norton	Sadowski	Thompson, Tex.
Lozier	Owen	Schaefer	Thurston
Luce	Parks	Seger	Tinkham
Ludlow	Peavey	Shoemaker	Tobey
McCormack	Perkins	Simpson	Treadway
McMillan	Peterson	Sisson	Wadsworth
McSwain	Rayburn	Smith, Va.	Waldron
Maloney, La.	Reid, Ill.	Smith, W.Va.	Wearin
Mansfield	Rich	Snell	West, Ohio
Marland	Robertson	Snyder	Withrow
Marshall	Robinson	Stalker	Wolfenden
Montet	Rogers, N.H.	Steagall	Wood, Mo.
Muldowney	Rogers, Okla.	Stokes	Young
Nesbit	Rudd	Sullivan	

The SPEAKER pro tempore (Mr. COOPER of Tennessee in the chair). Two hundred and ninety-three gentlemen have answered to their names, a quorum.

Mr. BYRNS. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

LIBERALIZATION OF THE EMERGENCY FARM MORTGAGE ACT OF 1933

Mr. RICHARDS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on H.R. 9528.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICHARDS. Mr. Speaker, under leave to extend my remarks on H.R. 9528, my bill to amend the Emergency Farm Mortgage Act of 1933, which has just passed the House as S. 3540, I wish to make these observations.

Among the outstanding achievements of the present administration and the 73d Congress, are the home-loan legislation and the Emergency Farm Mortgage Act of 1933. These two pieces of legislation have opened up the field of hope to both home owners and farm owners where there was only despair before. The great majority of our citizens, who had known the joy of owning a home, had come to the place where they were also burdened by the sorrow of seeing that home slip away. This deplorable condition was brought about by the recent business depression in which real estate has had no loan or collateral value in ordinary business channels.

To my mind, any unbiased person will admit that the present administration has done more to alleviate the distressing conditions facing the tillers of the soil than has any other administration in the last half century. It is deeply regretted that in many instances this legislation came too late to help.

The Emergency Farm Mortgage Act of 1933 was an outstanding humanitarian achievement and it helped to pay an obligation that this Government owed its citizens. This legislation had become necessary because that great farming class of our citizens was standing, back to the wall, and were not receiving a fair price for their products. They were unable to meet their debts and obligations and were losing their farms and homes by the thousands all over the country, because of a condition primarily brought about by former policies of this Government, which have ruined our foreign trade and closed our foreign markets. These same policies also had much to do with destroying the purchasing power of our own people. It was, therefore, necessary for the Government to do something and to do it at once, and I am glad to say that our party, led by a great President, has already taken active steps to permanently remedy the situation by placing new tariff-making authority in the hands of the President in order that satisfactory rates and schedules may be at once arranged with foreign countries.

However, the immediate problem that faced the administration was to provide a breathing period for these farmers, to call a halt upon foreclosures, and to enact legislation that would allow them to hold their ground until the Government could step in and provide other active and permanent remedies.

Among remedial legislation offered by the President and passed by the Seventy-third Congress was the Emergency Farm Mortgage Act of 1933. Under this act the Reconstruction Finance Corporation was authorized and directed to allocate and make available to the Farm Loan Commissioner the sum of $200,000,000 to make loans to farmers under certain conditions. These loans were to be secured by a first or second mortgage on the farm property affected, including crops. The amount of the mortgage could not exceed 75 percent of the normal value of the property, as determined upon appraisal pursuant to the terms of the Federal Farm Loan Act. The law further provided that a loan could not be made in excess of $5,000 to any one farmer. Each mortgage was to contain an agreement providing for the payment of the loan on an amortization plan by means of annual or semi-annual installments, which installments covered interest on unpaid principal at a reasonable rate, and also equal payments to be applied on the principal of the debt as would extinguish the debt within an agreed period of not more than 10 years. There were other provisions in the bill as to method of procedure of obtaining a loan for the purpose mentioned.

It was, and is my opinion now, that the Government should provide for the farmers such loans as were provided under the Emergency Farm Mortgage Act, at an interest rate less than the rate stipulated therein, but, regardless of my personal opinion in the matter, it cannot be said that there are not many benefits in the act, and there is no doubt that thousands of farmers throughout the country have been able to retain or to recover their farms, where, if this legislation had not been provided, they could never have acquired this right. In section 32 of the Farm Mortgage Act of 1933 it was also provided that farmers who had lost their farms by foreclosure since July 1931 would have the legal right to obtain a Commissioner loan for the purpose of recovering their farms, provided a satisfactory arrangement could be made with the parties who were in possession at this time.

When it was called to my attention that farmers who had lost their farms by foreclosure before July 1, 1931, could not come under the benefits of the act, I introduced in the House H.R. 9528 to amend the Farm Mortgage Act of 1933, with the purpose of extending to farmers who have lost their farms by foreclosure prior to July 1, 1931, the same privilege as is now extended under the law to those who lost their farms by foreclosure since that date. I am glad to say that I was able to obtain the approval of Mr. W. I. Myers, Governor of the Farm Credit Administration, for this legislation. A unanimous majority report was received from the Committee on Agriculture, and when, on June 7, 1934, the bill was called up on the calendar of the House, I found that the identical bill, S. 3540, had been passed in the Senate the day before.

When my bill was called up in the House, I requested Chairman Jones of the Committee on Agriculture, to substitute the Senate bill for the House bill, otherwise it would have been necessary for the measure to be returned to the Senate again for approval, with the possibility of no definite action at this session of Congress. This was done and the bill passed with little opposition.

It is my hope that this legislation will provide a means whereby many farmers who have lost their farms by foreclosure before July 1, 1931, will be able to secure Commissioner loans and recover their farms from which they have been driven by force of circumstances over which they had no control. When a farmer has tilled the soil and provided a livelihood for his family on the same farm for many years and is forced to give it up because of debts that he cannot pay, something snaps in him and in many instances his fight and confidence are lost and he has no further incentive to work and toil, plan and dream for his family, because, of all things dear to an American citizen's heart, the home and ownership of soil is dearest. It is my hope that the Farm Loan Commissioner will be generous in handling the applications for loans in the field which has been opened up by my amendment to the Emergency Farm Mortgage Act, and that happiness will be restored to many farmers under the liberalized provisions of the original mortgage act.

PERMISSION TO FILE CONFERENCE REPORT, COMMUNICATIONS BILL

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House be permitted

until 12 o'clock tonight to file a report upon the communications bill.

The SPEAKER. Is there objection?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman call that up tomorrow?

Mr. RAYBURN. If the Senate should pass it early enough tomorrow we might call it up, if it is agreeable.

Mr. MARTIN of Massachusetts. It is agreeable to me.

Mr. RAYBURN. If the Senate passes it early in the day, we will do that.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

THE PRESIDENT'S MESSAGE—A NEW ERA IN SOCIAL PROGRESS

Mr. ELLENBOGEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. ELLENBOGEN. Mr. Speaker, President Roosevelt's message on social legislation is one of the most important he has ever sent to the Congress.

It is deep and far-sighted. It shows that the President understands the fundamental ills of our American people. In this message the heart and mind have united to construct a new road toward a better, toward a more secure future for the average man.

"Americans should never forget," the President says, "that security of the men, women, and children of our Nation comes first * * *." "This security depends," he continues, "primarily upon three factors * * * decent housing, employment, and security against unemployment and old age."

THE NEED AND VALUE OF AN ADEQUATE HOUSING PROGRAM

I want to discuss briefly the first two parts of this program and then dwell on the third. It is evident that the President has definitely concluded that a long-term program of housing is necessary to provide living quarters for the people.

Nearly one-third of the people of the United States are living in homes which are not only substandard but in many cases unfit for human beings.

Slum clearance alone is inadequate. It must be followed by the construction of new low-cost housing. We must have both. Further, a long-term extended housing program is the most practical way to pull the American people out of this depression.

On January 3, 1934, on the very first day of the convening of Congress, I introduced a bill which provides a practical way to solve this problem. I am happy that the fundamentals of that program have been approved by the President and that he is calling upon the Congress and upon the best interests of this Nation to devote their efforts toward a large scale of housing construction, both as a measure of necessity and as a means of recovery.

In his message the President next points to an opportunity for employment as the second fundamental requirement of recovery. There can be no well-being or security in this Nation—individually or nationally—until every man and every woman who is willing and able to work has a fair chance to find suitable employment.

SECURITY THROUGH SOCIAL INSURANCE

The third factor stressed in the message of the President concerns "security against the uncertainties and hazards of life." I would like to dwell upon this factor at some length, and therefore want to read a part of the Presidential message to Congress. The President says:

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

* * * the various types of social insurance are interrelated; and I think it is difficult to attempt to solve them piecemeal. Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life, especially those which relate to unemployment and old age. * * * I believe that the funds necessary to provide this insurance should be raised by contribution rather than by an increase in general taxation. Above all, I am convinced that social insurance should be national in scope. * * *

THE ELLENBOGEN OLD-AGE PENSION RESOLUTION

I am truly gratified about this part of the Presidential message. At the beginning of this session I introduced a resolution in the Congress of the United States which directed a study to be made for the establishment of an old-age-pension system, a system which was to be national in scope and which was to be based upon contributions and not upon general taxation. The funds were to be raised by contributions from employers and employees instead of being paid out of the Public Treasury. The unemployed were to be free from contributions. Out of this fund a pension was to be paid to every aged person residing in the United States.

There is nothing new about an old-age-pension system in the United States. It has been advocated for years, but until my resolution was introduced it had never been proposed in the Congress of the United States to create a national system of old-age pensions based on a system of contributions and not upon taxation.

The resolution was passed by the House of Representatives February 15, 1934, and the subcommittee which was directed to make the study is now working under it. I have consistently maintained that old-age pensions, to be lasting and permanent, must be national in scope and must be based upon contributions and not upon payments from the Public Treasury.

THE PRESIDENT HAS ENDORSED THE CONTRIBUTORY SYSTEM

And now, Franklin D. Roosevelt, President of the United States, in a solemn message to the Congress has upheld the principle of contributory pensions in clear and unmistakable language.

The President has said:

I believe that the fund necessary to provide this insurance should be raised by contributions rather than by an increase in general taxation.

The data are now being gathered in Government departments in Washington, and I am very happy that I have the privilege of cooperating with the various studies now going on.

The next Congress will have before it a bill for the establishment of a national system of old-age insurance and of unemployment, both on a contributory system, and I hope the Congress will pass it.

OLD-AGE-PENSION SYSTEMS IN OTHER COUNTRIES

The national contributory system which I have advocated is not new. It has been tested in various countries and under various conditions, and has been proven to be the very best system of social security we can have.

Forty-two foreign countries have old-age-pension systems, and of these, 31 have the contributory system which I advocated.

It is interesting to note here that experts in this field all over the world have so decidedly come to the conclusion that the contributory system is the best that they have given to other pension systems which are in operation the title of "transitory pension systems." In other words, they look upon these systems as temporary and preliminary to the adoption of the contributory system.

I have told you of all the countries that have national systems of old-age pensions. What countries do not have national systems? The only large ones that do not have a national system of old-age pensions are India, China, and our own United States. We have belonged to this minority too long. I am thankful that I have been given the great privilege of taking a part in leaving that minority as soon as possible.

THE AGED HAVE A RIGHT TO SECURITY

We have been proud of the advances we have made in this great country in the fields of science, invention, and mechanical progress. Thus far we have not had the opportunity, nor the right, to point with the same pride to the advance which we should have made in the field of humanity.

In the field of mechanics for the past few years we have heard a great deal about obsolescence—the problem of the wearing out of machinery. We should have an equal, a much greater concern with the wearing out of the greatest piece of machinery of all—the human body. Now we shall concentrate on that piece of machinery. We shall not say that because it is worn out, because its parts are no longer as good as when new, it must go to the scrap pile. It is up to us—to you and to me—to give it the very best care and attention it needs; and this the President's announced program brings.

Ladies and gentlemen, I need hardly point out to you that this vast program cannot be carried out properly unless we have a firm foundation on which to base our studies on national needs for unemployment insurance and old-age pensions.

THE VALUE OF AN UNEMPLOYMENT CENSUS

Last Thursday the House of Representatives approved and passed the plan which I have advocated for the last 6 months calling for a national census of unemployment, population, occupations, agriculture, and livestock to be held next November 12. I say to you that the adoption of this plan was one of the most important and one of the most significant pieces of legislation carried out by the House of Representatives during this session of Congress.

WHAT THE CENSUS WILL ACCOMPLISH

With this census we will know exactly how many unemployed there are in this country, we will know where they live, how old they are, the work for which they are fitted. We will have the basis for planning on an accurate scale for their future needs not only for immediate emergency relief but for a long term and vast program of social progress, such as I have been discussing here.

For these reasons I know you will appreciate how exceedingly happy I am that this census plan was adopted.

The bill now goes to the Senate. It has already been favorably reported there, and we can therefore hope that the Senate will also approve it and it will become law.

My friends, I sincerely wish that all of you will feel as happy as I do about these things—about the promise contained in the President's message, about the passage of the census bill.

THE GREAT HOPE FOR THE FUTURE

I tell you that we are on the threshold of a new dawn. The President has endorsed fully a great program of social legislation embracing unemployment insurance and old-age pensions. Further, he has definitely stated how that great program will be carried out. I regret that it seems necessary to wait until the next session of Congress to pass this legislation rather than at the present time.

However, the American people have been shown again that we can look forward to the near future, when under the inspired leadership of a great President, the Congress of the United States will give the American people a system which provides against unemployment, a system which guarantees a real and true security for their old age.

For untold centuries people have been able to look forward to old age only with fear and dread. It promised no safety, no comfort, and no happiness. At least we shall do away with all that.

In one of his poems, Robert Browning, one of the greatest poets in the English language, has written:

Grow old along with me;
The best is yet to be.

This is the message of hope which the President has now brought the American people. It is a message which brings within our grasp the attainment of better and happier lives.

NATIONAL SECURITY AND DEFENSE

Mr. KNIFFIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a short bill that I introduced today.

The SPEAKER. Is there objection?

There was no objection.

Mr. KNIFFIN. Mr. Speaker, I have asked for this little time so that I might call attention to a bill which I introduced this morning, which would provide further for our national security and defense.

I am one who believes that there should be no excess profits in the purchase of war supplies of any other Government operations necessitated by a state of war. I am persuaded that if men are to be conscripted for war that that policy should be broadened so as to include all of the things made necessary by a state of war.

There would have been no World War from 1914 to 1918 if the people of the nations involved could have had their way about it. It is the average citizen whose neck is risked in war and not the powder, steel, or chemical manufacturers along with their international financing friends. The fact that the commercial motive is one of the strong factors that stimulates war is unchallengeable, and that being the case private profit should be taken out of war so as to remove the incentive on the part of those who make great profits. The burden of war would thereby be equalized.

Many of our present difficulties are attributable to the late war. The deadly germ of war ultimately attacks the blood and bones of nations that participate in it. Much is said and written about the cancelation of the debts. Our taxpayers are called upon for over $400,000,000 yearly to meet interest requirements on bonds, the proceeds of which were loaned to European governments. The debts cannot be canceled any more than the destruction of a cyclone can be canceled. Someone must bear the loss and our people are at this time, some 15 years after the World War, still struggling under the galling yoke of this burden.

The next war, however, can and should be canceled forthwith.

When nations engage in legalized killing reaching into the millions, the war fatalities are not confined to battlefields but encompass our entire civilization.

Mere talk against war in itself will not prevent it; and I have therefore introduced a bill which, if enacted into law, will have a repressive effect upon those who might be willing that we engage in conflict because of the profits that would ensue to them, and I ask at this place in my remarks to have my bill printed in the RECORD.

A bill to provide further for the national security and defense

Be it enacted, etc., That to promote the efficient utilization and control of resources and industries during the existence of a national emergency in time of war, the President shall be, and he is hereby, authorized in the prosecution of any war in which the United States is engaged, when the conscription of persons is provided by law, to take private property (including money) for any military or nonmilitary purposes, but in no case shall persons or private property be conscripted for any purpose unless such powers are exercised concurrently, and no profit shall be paid as compensation for the taking of any private property.

The fact that tumult exists throughout the world is undeniable. I do not anticipate war with any nation in the very near future. We do not want war. At least 98 percent of the people we represent are unalterably opposed to war, and what I seek to do by the introduction of this bill is to foreclose any chance of the United States becoming involved in the future.

The theory that the jurisdiction of the United States should follow industrialists of this country, and in many cases they are associated with industrialists of European countries, into foreign lands when those industrialists go there for exploitation purposes, is unsound. If any American business man wants to go into a foreign country, where revolution is or soon may become in progress, in the hope that he may make great profit on his investment, he should be willing to take the risk and no obligation should rest upon the American Government to send armed protection there to safeguard his private business adventures when they are subjected to the risks of civil or military disturbance in a foreign country. Morally the practice cannot be justified; it is unsound legally and it is contrary to the principles of justice in international affairs.

People who are willing to go into a foreign country to exploit the resources of that country during civil disturbances should be warned of those existing dangers. Then if they are unwilling to leave, if they wish to subject themselves further to civil or military strife in a foreign country,

there should be no obligation on the part of the United States Government to send our Army and Navy into the jurisdiction of a foreign country to aid them in their progress of moneymaking and thus jeopardize the lives and the peace and safety of our American citizens.

THE PRIVATE CALENDAR

GEORGE A. CARDEN AND ANDERSON T. HERD

Mr. LLOYD. Mr. Speaker, if I correctly understood, the special order the other night called for the calling of Calendar No. 583, H.R. 8482, on the first call of the Private Calendar.

The SPEAKER. That is correct. The Clerk will call the bill.

The Clerk reported the title of the bill, as follows:

H.R. 8482, a bill conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Without objection, a similar Senate bill (S. 2898) on the Speaker's table, will be substituted therefor.

There was no objection.

The SPEAKER. The Clerk will report the Senate bill.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding lapse of time or any statute of limitations, or other limitations upon the jurisdiction of such court, to hear, consider, and render judgment upon any claims, legal or equitable, of George A. Carden and Anderson T. Herd, or their legal representatives, against the United States, involving the steamships *Erny, Lucia, Anna, Teresa, Clara, Ida, Dora, Himalaia, Franconia*, and *Campania*: *Provided*, That in determining the amount of any judgment on any such claim, allowance shall be made for any amount heretofore awarded the claimants on account of such claim: *Provided further*, That separate suits may be maintained (by or on behalf of the claimants or their legal representatives) with respect to any of such claims, but no suit shall be brought after the expiration of 1 year from the date of the enactment of this act: *And provided further*, That the record of the proceedings before the War Department heretofore had with respect to certain of such ships and the evidence there taken may be introduced, together with the exhibits therein offered, before the Court of Claims, with the full force of depositions, subject to objections as to competency and relevancy: *Provided further*, That if the Court of Claims shall upon the evidence reach the conclusion that the contract of sale included any right to the operation of the ships and that such right was not satisfied by the subsequent payment by the Secretary of War as an accord and satisfaction, then the recovery shall be limited to the duration of the World War.

Mr. LLOYD. Mr. Speaker, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LLOYD: Page 2, line 14, after the word "relevancy", insert the following: "*Provided further*, That if the Court of Claims shall upon the evidence reach the conclusion that the contract of sale included any right to the operation of the ships and that such right was not satisfied by the subsequent payment by the Secretary of War as an accord and satisfaction, then the recovery shall be limited to the duration of the World War."

The committee amendment was agreed to, and the bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

A similar House bill, H.R. 8482, was laid on the table.

GLADDING, M'BEAN & CO.

Mr. EVANS. Mr. Speaker, I understand that Calendar No. 614 on the Private Calendar, H.R. 3782, for the relief of Gladding, McBean & Co., at a previous call went over with the same understanding and the same status as the bill just considered.

The SPEAKER. That is correct, and the Clerk will call the bill.

The Clerk called the bill (H.R. 3782) for the relief of Gladding, McBean & Co.

The SPEAKER. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. EVANS. Mr. Speaker, will the gentleman withhold his objection?

Mr. TRUAX. Yes.

Mr. EVANS. Mr. Speaker, this bill is exactly the same as quite a number of others that were passed by consent. Those bills have been enacted into law. This is a bill for the purpose of reimbursing Gladding, McBean & Co. for losses it sustained on fabricating material in the construction of post offices on which the contract was canceled by the Government because the contractor's bond was found to have been forged.

Mr. TRUAX. What year?

Mr. EVANS. A little more than a year ago. There is no objection to the bill by the Treasury Department. They paid half a dozen other bills of exactly the same kind. The Senate passed this bill after overlooking this item in the list of bills for relief of other subcontractors who sustained losses on the same job. It has been passed and approved by the Senate committee, passed by the Senate, and it occupies exactly the same status as a number of other bills that were passed. It was overlooked.

Mr. TRUAX. I notice the Secretary of the Treasury, Mr. Morgenthau, does not definitely give his approval to this bill. He said if the bill is to be given favorable consideration, however, it is recommended that lines 7 to 11, inclusive, be amended to read as follows.

Mr. EVANS. That amendment has been put in. This is the same report that is made on all these bills, but it does say in the report that there was no fault on the part of the claimant, and he should be reimbursed. That is the purport of the report.

Mr. TRUAX. What is the amount asked for?

Mr. EVANS. About $6,000. It represents actual losses of the claimants in fabricating this material.

Mr. TRUAX. What material?

Mr. EVANS. For the building of a post office in the State of Nevada. It turned out there was a forged bond, and the contractor was irresponsible and failed. All of the other claimants except this one have been paid, and this claim is in exactly the same status. There is no difference at all.

Mr. DOCKWEILER. Will the gentleman yield?

Mr. TRUAX. I yield.

Mr. DOCKWEILER. I know the facts in this case. The company which manufactures this brick and wall material is not in my district. It is in the district represented by my colleague [Mr. EVANS].

Mr. EVANS. No. It is in another district. It is just over the line.

Mr. DOCKWEILER. Perhaps it is in my district. I know the facts of the case. It is a very justifiable claim. Every other claimant who did work on this post office has been taken care of.

Mr. TRUAX. This case has been the subject of complete hearings before the Appropriations Committee of the Senate. Did that committee approve this bill?

Mr. EVANS. Exactly.

Mr. TRUAX. Very well. Then I will withdraw my reservation of objection.

The SPEAKER. Is there objection?

Mr. EVANS. Mr. Speaker, I ask unanimous consent to substitute an identical Senate bill, S. 1173.

The SPEAKER. Without objection it is so ordered.

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Gladding, McBean & Co., out of any money in the Treasury not otherwise appropriated the sum of $6,602.40 in full settlement of all claims against the Government of the United States for losses suffered by the said company by reason of the default of the Plains Construction Co., general contractors for the construction of post office at Las Vegas, Nev., and the contractor's failure to furnish a valid bond as required by law for the protection of labor and material men furnishing labor and material on public works: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this

act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

CHARLES J. WEBB SONS CO., INC.

Mr. SABATH. Mr. Speaker, I ask unanimous consent to return to Calendar No. 603, S. 2138, for the relief of Charles J. Webb Sons Co., Inc. It was objected to under a misapprehension, and the gentleman who objected has withdrawn his objection.

Mr. TRUAX. Reserving the right to object, what is this bill?

Mr. SABATH. That is a bill for the relief of Charles J. Webb Sons Co.

Mr. TRUAX. Involving how much money?

Mr. SABATH. It is for money paid into the Treasury and later on the Treasury stated it was paid under a mistake.

Mr. TRUAX. Is that the Dickstein bill?

Mr. SABATH. That is the Dickstein bill.

Mr. TRUAX. I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. SABATH].

There was no objection.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection the Clerk read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles J. Webb Sons Co., Inc., the sum of $18,648.87, in full satisfaction of all claims for reimbursement on account of amounts erroneously collected and covered into the Treasury which had been tendered by such company in connection with a conditional offer in settlement dated January 4, 1932, and amended January 8 and 19, 1932, the conditions of which offer were not performed by the Government and the settlement not consummated.

With the following committee amendments:

On page 1, line 7, after the word "claims", insert "against the Government of the United States." On page 2, after line 3, insert: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. ZIONCHECK. Mr. Speaker, I wish to call attention to the fact that I think we should not go back to bills that have been previously objected to because it causes nothing but confusion and a lot of hard feelings. I think at this time, with an agreement on the other side, we should not go back to any bills previously considered and objected to, unless there was some special order with previous notice.

TO AMEND SETTLEMENT OF WAR CLAIMS ACT OF 1928, AS AMENDED

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the resolution (H.J.Res. 365) to amend the Settlement of War Claims Act of 1928, as amended.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

BOROUGH OF BROOKLAWN, STATE OF NEW JERSEY

Mr. WOLVERTON. Mr. Speaker, Calendar No. 616, H.R. 4672, for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey, was placed upon the preferred list on the last call of this calendar. I ask that it be called up at this time.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to return to Calendar No. 616, H.R. 4672. Is there objection?

There was no objection.

The Clerk called the bill, H.R. 4672, for the relief of certain purchasers of lands in the borough of Brooklawn, State of New Jersey.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. TRUAX. Reserving the right to object, this proposes an expenditure of $163,940.

Mr. WOLVERTON. No; if the gentleman will read the report carefully, I think he will find as I explained to the gentleman from Texas [Mr. BLANTON] the other night, and after the explanation he withdrew his objection, that the original bill which was introduced would have provided for that amount, but the bill which was subsequently introduced, and which is now before the House, and which has passed the Senate, would not carry that amount. It would be approximately $93,000.

Mr. TRUAX. What was the year in which these claims were incurred?

Mr. WOLVERTON. It would be difficult to fix any particular year.

Mr. TRUAX. Oh, this is a war claim?

Mr. WOLVERTON. No; subsequent to the war. In 1923, a village which had been built by the Government to house ship workers was sold into private hands on terms that carried a 70-percent mortgage payable in 3 years, which brought payment date up to 1926.

Mr. TRUAX. The gentleman says long before the war. How long before the war?

Mr. WOLVERTON. No; I think the gentleman misunderstood me, it was long after the war.

Mr. TRUAX. That is what I am trying to determine. In what year did these claims originate?

Mr. WOLVERTON. That is what I was just stating to the gentleman. These properties were sold by the Government at public auction in 1923 on terms that permitted the mortgages to run until 1926. In 1926 the Government insisted upon payment. Some paid, others did not; and the mortgages continued to run until 1931 and 1932 when the Government made another sale.

Mr. TRUAX. The gentleman wants to go back to 1926, and pay $165,000 on claims arising out of the war. Does not the gentleman think this is entirely too large an amount to consider in this manner?

Mr. WOLVERTON. If the gentleman will observe carefully the report that was made by the Shipping Board in this matter, the gentleman will find that the Shipping Board on November 16, 1932, which was when this matter was at its height, passed a resolution recommending the payment of this refund to the claimants.

Mr. TRUAX. Just a moment. Has this bill been recommended by the Treasury Department?

Mr. WOLVERTON. The Treasury Department had nothing to do with it. As the gentleman will notice, it has been recommended by the Shipping Board.

Mr. TRUAX. When was the bill first introduced?

Mr. WOLVERTON. A year ago, but it was not reached on the calendar until last Friday night.

Mr. TRUAX. No claim was made until a year ago?

Mr. WOLVERTON. The claimants were not in a position to make a claim prior to that time.

Mr. TRUAX. Why not?

Mr. WOLVERTON. Because the matter was not reported by the Shipping Board until 1932.

Mr. TRUAX. I am sorry, but I shall have to object to the bill, as I have objected to all bills that dipped into the Treasury for the satisfaction of claims which arose years ago.

Mr. WOLVERTON. This is not such a bill. This matter is current. As a matter of fact, this is an effort to rectify a situation which is very unjust; and if the gentleman will give me the opportunity, I think I can explain it to his satisfaction.

The purpose of this bill is to refund to certain owners of property in the borough of Brooklawn, N.J., who had purchased the properties from the United States, 28 percent of the purchase price where the full purchase price of said lands, or the full value of the United States Shipping Board mortgage, has been paid by such owners into the Treasury of the United States.

The refund, totaling $93,000, will benefit approximately 106 individuals who purchased homes at Brooklawn, N.J., built by the Government to house shipyard workers during the war. The payment of this money is amply warranted by the facts.

The beneficiaries of the proposed refund purchased the properties in question from the Government in 1923. They paid 30 percent in cash and gave purchase-money mortgages for the remaining 70 percent. The mortgages were for a 3-year term. When the 3 years expired, the Shipping Board demanded payment on threat of foreclosure. Some paid the Government by refinancing their mortgages with banks, building-and-loan associations, and private agencies, thereby making payment to the Government in full. Others in subsequent years did likewise. These individuals fulfilled completely their obligation to the Government and to the local municipality.

The remaining purchasers, however, paid no attention to the demands of the Shipping Board for payment of the mortgages. They defaulted in the payment of principal, interest, and taxes. This continued for several years, until the condition became so bad that pressure was brought upon the Shipping Board to foreclose or sell out its interest in these properties. The impelling reason for demanding this action from a local or municipal standpoint was that the law made it impossible for local authorities to sell for taxes any property in which the Government had an interest. These delinquent owners, being aware of this, paid no taxes, even though receiving all the benefits of the schools, police, and fire protection, and other advantages, the same as those who paid taxes. This delinquency meant that only about one-half of the properties in the borough were paying the entire cost of the municipal government. Finally the condition became so bad that the borough was about to close its schools and apply for a receivership. It was then that the Government started foreclosures and sold the properties and mortgages to a private agency at about a 40-percent reduction of the amount due on the mortgages held by it. In making such sale, however, provision was made that the property owners could settle their mortgages on the 40-percent-reduction basis. Thus, the delinquent owners, the very ones who had refused to pay and defaulted in payment of principal and interest and municipal taxes, were permitted to settle their mortgages at a discount of 40 precent and escape payment of interest for several years as well as local taxes. Thus defaulting owners by their delinquency were given a substantial advantage over the owners who had faithfully and conscientiously performed their full obligation to the Government and the local municipality. No one can justify such a condition as that. It is unjust, unfair, and unconscionable. Certainly, those who were honest and faithful to their Government should not be required to suffer or be penalized therefor. Yet, that is what has happened, and what this bill seeks to remedy.

The matter was brought to the attention of the Shipping Board; and after several hearings and careful consideration, the Board, on November 16, 1932, passed this resolution:

Whereas the Brooklawn Real Estate Taxpayers Association, representing purchasers of Brooklawn, N.J., properties, by its representatives, appeared before the Board at a hearing held on October 6, 1932, and thereafter submitted a petition dated October 14, 1932, for refunds of payments made to the Shipping Board upon satisfied mortgages, etc., and

Whereas the Board has been advised by its general counsel that there is no law which authorizes the Shipping Board to make refunds in the manner prayed for by the petitioners, and that the petition therefor should be denied and the petitioners notified that their only source of relief is from the Congress of the United States: Therefore, be it

Resolved, That the petition above referred to be, and the same is hereby, denied for the reason that there is no law authorizing the Shipping Board to make such refunds and that the only source of relief is from the Congress of the United States, where such matters only can be determined; and it is

Further resolved, That the said the Brooklawn Real Estate Taxpayers Association be further advised that the Board expresses its sympathy with the object of the petition filed and will favorably recommend the passage by Congress of a proper bill to cover the situation.

The subject matter of the proposed legislation has had the careful attention and consideration of both the House and Senate Committees on Claims and has received the unqualified approval of both.

The Shipping Board, as will be seen by its report on the bill, has approved it and recommended its passage.

The Senate has passed the bill of Senator KEAN, similar in purpose to this bill introduced by myself, and there is no valid reason why this legislation should not have the unanimous approval of the House. This act of justice is due the hard-working, honest, and sincere men and women who in good faith have performed their obligations to the Government.

Mr. TRUAX. Mr. Speaker, I may say to the gentleman from New Jersey that I take the position with regard to these bills that this year we shall have to spend millions of dollars to take care of drought-stricken people and others in want. In none of these bills is any provision whatsoever made to raise the revenue to pay the claim. The President is working overtime and bending every energy to conserve money for the relief of all the people, not a few. I must object to the bill.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. BLACK. There is this difference between claims against the Government for injuries and the disaster in the drought-stricken area: The United States did not cause the drought, but the United States did cause these injuries.

Mr. LAMNECK. Mr. Speaker, will the gentleman yield?

Mr. TRUAX. I yield.

Mr. LAMNECK. It is not clear to me how the United States Government is responsible in this case. As I understand it, the Government had this property and sold it at public auction to private purchasers.

Mr. WOLVERTON. Yes.

Mr. LAMNECK. How did the Government get back into the picture in such a way as to be responsible?

Mr. WOLVERTON. These claims arose in the way I have indicated. The Government sold the property on terms of 30 percent cash and 70 percent mortgage. When the mortgages fell due in 1926, the Shipping Board insisted upon payment in full. Certain citizens of the community paid by refinancing their mortgages through building-and-loan associations and other sources and settled with the Government in full. The greater number, however, did not do so, but permitted the mortgages to run until they were greatly in arrears not only as to payment of principal and interest but also as to payment of taxes as well. It finally created such a condition that the borough of Brooklawn was about to go into the hands of a State receiver. The Government paid no taxes on the property it owned nor were taxes paid on the properties on which it held mortgages. The result was that finally the Shipping Board, seeing the injustice of the situation, ordered foreclosure sales and as a last resort an auction sale of properties and mortgages in which it had an interest, and then permitted the delinquents to settle for 40 percent of the mortgages, without the payment of back taxes or any of the other delinquencies.

Mr. TRUAX. Has the gentleman conferred with the Appropriations Committee about this bill?

Mr. WOLVERTON. No; this bill must first be passed as an authorization.

Mr. TRUAX. Has the gentleman conferred with the Director of the Budget?

Mr. WOLVERTON. The Shipping Board——

Mr. TRUAX. No; has the gentleman conferred with the Director of the Budget?

Mr. WOLVERTON. No; I have not. This bill must first be passed before it becomes a matter to be considered by the Budget Director.

Mr. TRUAX. Mr. Speaker, I object.

Mr. WOLVERTON. Will not the gentleman withhold his objection for a moment?

Mr. TRUAX. Yes; I withhold my objection for a moment.

Mr. WOLVERTON. This bill has the approval of the Shipping Board. In their resolution they say not only that they are in favor of relieving the situation but that they will also favorably recommend the passage by Congress of a proper bill to cover the situation.

Mr. TRUAX. Yes, I recall; but the Shipping Board is a group of tax spenders, not taxpayers. They would recommend practically anything.

If the gentleman wants this bill passed, let him get the approval of the Director of the Budget and of the Appropriations Committee of the House.

Mr. WOLVERTON. The House Committee on Claims has passed upon it favorably, the Senate committee passed on it favorably, and the United States Senate has passed on it favorably.

Mr. TRUAX. If the gentleman had not made the latter statement, there might be a better chance.

Mr. LAMNECK. I did not get an answer to my question. This is to reimburse those property holders who did pay in cash?

Mr. WOLVERTON. Yes; to give them the same status as was given to those who, through delinquency, received a discount on their mortgages.

Mr. TRUAX. The gentleman has failed to mention the liability of the Government in these cases. He merely mentions that the Shipping Board recommends that the bill be passed.

Mr. WOLVERTON. Because they know the facts.

Mr. TRUAX. But they do not raise the money.

Mr. WOLVERTON. If the gentleman feels his judgment and knowledge are superior to that of those who know, that is for him to decide.

Mr. TRUAX. I do not feel that my judgment is superior to the judgment of the Shipping Board on paying claims, but I feel that my judgment is as good as anyone's for the taxpayers of this country who are going to pay these bills.

Mr. Speaker, I object.

L. R. SMITH

The Clerk called the next bill, S. 870, for the relief of L. R. Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to L. R. Smith, of Fortine, Mont., the sum of $19,223, said amount being in full settlement and reimbursement to the said L. R. Smith for the construction of a graded truck road, 7 miles in length, on Graves Creek, within the Blackfeet National Forest Reservation in the State of Montana, in pursuance of a survey made by the Forestry Bureau and proposed road development on said reservation in the Blackfeet National Forest.

With the following committee amendments:

On page 1, line 7, after the word "settlement", insert "of all claims against the Government of the United States."

On page 2, at the end of line 3, insert a colon and the following: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendments were agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONCRETE ENGINEERING CO.

The Clerk called the next bill, S. 1540, for the relief of the Concrete Engineering Co.

Mr. ZIONCHECK and Mr. HOPE objected.

Mr. EAGLE. Will the gentlemen withhold their objections?

Mr. ZIONCHECK. I withhold my objection.

Mr. HOPE. I withhold my objection.

Mr. EAGLE. Mr. Speaker, this bill involves $4,300.

There was a firm down in Houston, Tex., that was in the construction business and had to buy some steel forms. These steel forms were shipped by boat from various manufacturing plants in the North. They charged them, under section 304 of the Revenue Act, 0.3 of a cent per pound. Under section 312 the charge should have been 0.2 of a cent per pound.

The firm, being new in its business, instructed its certified warehousing agents to file a protest against the excess charge in all of 22 instances which occurred in the years 1926 and 1927. The agents upon whom these people relied filed protests in 17 of the instances, and the excess tariff payments were in each instance refunded. This firm thought that they had filed protests in the remaining five cases, but the protests had not been filed.

The amount of excess payments which the Treasury has received is $4,300. The Secretary of the Treasury, Mr. Ogden Mills, in the year 1932, recites these facts and says that because no protest was currently filed he cannot recommend payment, but he recites the fact that the Treasury has collected $4,300 in excess of a correct interpretation of the law. These people requested their certified warehousing agents, upon whom they relied, to file a protest in each instance.

The Senate committee has unanimously reported this bill. The Senate has unanimously approved the bill. The House committee have unanimously reported this bill favorably. It is upon this calendar. There is no moral or legal ground why these people should not have the $4,300 back that everybody, including the Secretary of the Treasury, Mr. Ogden Mills, in 1932 said that the Treasury had of their money in excess of a true interpretation of the statutes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I object.

Mr. EAGLE. Mr. Speaker, what State is the gentleman from?

Mr. HOPE. Kansas.

Mr. EAGLE. You will not pass another bill this session or any other session that I am a Member of.

The regular order was demanded.

Mr. HOPE. Mr. Speaker, I do not think we need to take any threats from that side of the House.

WESTERN UNION TELEGRAPH CO.

The Clerk called the next bill, S. 2139, for the relief of the Western Union Telegraph Co.

Mr. EAGLE. Mr. Speaker, I raise the point of order that there is not a quorum present. I will not be treated this way on an honest bill. No one will pass a private bill from now on this session, and you might just as well go home.

The SPEAKER. Evidently there is not a quorum present.

Mr. BYRNS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 184]

Abernethy	Bolton	Carter, Wyo.	Culkin
Adair	Brennan	Cary	Cummings
Allgood	Britten	Celler	Darden
Andrew, Mass.	Brooks	Chase	Dear
Andrews, N.Y.	Brown, Ky.	Chavez	De Priest
Auf der Heide	Browning	Church	DeRouen
Ayres, Kans.	Buckbee	Coffin	Dickstein
Bacon	Bulwinkle	Collins, Miss.	Dies
Bakewell	Burke, Calif.	Connery	Dirksen
Beck	Burke, Nebr.	Connolly	Disney
Berlin	Caldwell	Cooper, Ohio	Ditter
Boehne	Cannon, Wis.	Corning	Douglass
Boland	Carley, N.Y.	Cox	Doutrich

Eaton	Healey	Marland	Rudd
Fernandez	Hill, Knute	Marshall	Sabath
Flesinger	Hoeppel	Mead	Sadowski
Fish	Huddleston	Merritt	Schaefer
Fitzgibbons	James	Montet	Seger
Fitzpatrick	Jeffers	Mott	Shoemaker
Flannagan	Kahn	Muldowney	Simpson
Focht	Kee	Nesbit	Sirovich
Ford	Kennedy, Md.	Norton	Smith, Va.
Frear	Kennedy, N.Y.	O'Brien	Smith, W.Va.
Frey	Kramer	Owen	Snell
Fuller	Kurtz	Palmisano	Snyder
Gambrill	Kvale	Parks	Stalker
Gasque	Lambertson	Peavey	Steagall
Gifford	Lanzetta	Perkins	Stokes
Goldsborough	Lea, Calif.	Peterson	Sullivan
Goss	Lee, Mo.	Plumley	Taylor, Tenn.
Granfield	Lesinski	Prall	Thurston
Green	Lindsay	Randolph	Tobey
Greenway	Luce	Reece	Treadway
Griffin	Ludlow	Reid, Ill.	Waldron
Guyer	McCormack	Reilly	Wallgren
Hamilton	McDuffie	Rich	Weideman
Hancock, N.C.	McMillan	Richards	West, Ohio
Hart	McSwain	Robertson	Withrow
Harter	Maloney, La.	Robinson	Wood, Ga.
Hastings	Mansfield	Rogers, N.H.	Young

The SPEAKER. Two hundred and sixty-three Members have answered to their names; a quorum is present.

On motion of Mr. BYRNS, further proceedings under the call were dispensed with.

Mr. MARTIN of Colorado. Mr. Speaker, I move that the House do now adjourn.

Mr. BLANTON. Mr. Speaker, the gentleman from Colorado [Mr. MARTIN] is one of the loyal, dependable Democrats in this House, and he is surely following his leader.

Mr. MARTIN of Colorado. I shall follow him if they vote down this motion.

Mr. BLACK. Does not the gentleman realize we have only had two quorum calls today?

Mr. MARTIN of Colorado. Only two? I have been answering roll calls for quorums here all day.

Mr. BLANTON. The gentleman from Colorado [Mr. MARTIN] is too good a Democrat to gum up the cards, when it is not the wish of his majority leader [Mr. BYRNS].

The SPEAKER. Does the gentleman from Colorado insist upon his motion?

Mr. MARTIN of Colorado. Mr. Speaker, I withdraw the motion to adjourn.

TRANSPORTATION OF THE MAILS BY AIR OR WATER

The SPEAKER laid before the House the following request from the Senate:

IN THE SENATE OF THE UNITED STATES,
June 6 (calendar day of June 8), 1934.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (H.R. 7340) to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof.

The SPEAKER. Without objection, the request of the Senate will be complied with.

There was no objection.

THE PRIVATE CALENDAR

The SPEAKER. The Clerk will call the next bill on the Private Calendar.

WESTERN UNION TELEGRAPH CO.

The Clerk called the bill, S. 2139, for the relief of the Western Union Telegraph Co.

Mr. TRUAX. Mr. Speaker, I reserve the right to object to this bill.

This bill is to pay $1,100 to the Western Union Telegraph Co., owned by Kuhn, Loeb & Co.

Mr. BLANCHARD. Regular order, Mr. Speaker.

Mr. TRUAX. I will amend the bill, if the gentleman will accept the amendment, to make this an off-set on the income taxes that they have robbed the Government of during the past 8 or 10 years.

Mr. MARTIN of Colorado. Is this the gentleman's own bill?

Mr. TRUAX. No; I have no bills on the Private Calendar.

Mr. MARTIN of Colorado. No; I guess the gentleman has not, because the gentleman from Ohio and the gentleman from California, Mr. ELTSE——

Mr. TRUAX. I have saved the taxpayers of this country $1,000,000 today.

Mr. MARTIN of Colorado. And you have wasted $10,000,000 worth of time while you were doing it.

Mr. TRUAX. The gentleman is being paid for being here, the same as I am.

I object, Mr. Speaker.

RESERVE OFFICERS' TRAINING CORPS AND CITIZENS' MILITARY TRAINING CAMPS

The Clerk called the next bill, S. 2688, to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and citizens' military training camps.

Mr. HOPE. Mr. Speaker, I reserve the right to object——

Mr. EAGLE. Mr. Speaker, I object.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, it is quite evident that for one reason or another we are not going to be able to transact much business today on the Private Calendar, and may I suggest to the Speaker that possibly we should take up some of the rules that are on the calendar.

The SPEAKER. The Chair agrees with the majority leader that it is useless to continue the call of the calendar.

The Chair recognizes the gentleman from Alabama [Mr. BANKHEAD].

FEDERAL MEMORIAL COMMISSION

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 356 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate Joint Resolution 93. After general debate, which shall be confined to the joint resolution and shall continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the Library, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion except one motion to recommit.

With the following committee amendment:

Page 1, line 6, strike out "1 hour", and insert in lieu thereof "30 minutes."

Mr. BANKHEAD. Mr. Speaker, does the gentleman from Massachusetts [Mr. MARTIN] desire some time on the resolution?

Mr. MARTIN of Massachusetts. Yes; we should like to know what the bill is, as copies of the measure are not available at the desk.

Mr. BANKHEAD. As the gentleman from Massachusetts suggests that copies of the bill are not available, I will yield 5 minutes to the gentleman from Missouri [Mr. COCHRAN] to explain the purposes of the bill. I had assumed, of course, that copies of the bill were available to Members, as is usually the case.

Mr. COCHRAN of Missouri. Mr. Speaker, this is a Senate joint resolution. A companion measure was introduced in the House by me. It authorizes the creation of a Federal memorial commission to consider and formulate plans for the construction near St. Louis of a permanent memorial to the men who made possible the territorial expansion of the United States, which includes Thomas Jefferson, Livingston, Monroe, and those who negotiated the Louisiana Purchase.

The resolution does not carry even an authorization for any money. Remember that. It provides for the appointment of 3 members by the President, 3 by the Vice President, 3 by the Speaker of the House, and 6 by the association which has been organized and has members throughout the area covered by the Louisiana Purchase. This area

purchased by Jefferson in 1803 consists of over 2,000,000 square miles, the value today being estimated at $165,000,000,000. This cost the Government but $15,000,000.

The officials of the Jefferson National Expansion Memorial Association are Bernard F. Dickmann, mayor of St. Louis, honorary chairman; Charles Nagel, former Secretary of Commerce and Labor, honorary vice chairman; Rolla Wells, former mayor of St. Louis, honorary vice chairman; Luther Ely Smith, chairman; Morton May, Carl F. G. Meyer, Frank C. Rand, vice chairmen; John G. Lonsdale, treasurer; Tom Gilmartin, secretary.

Members of executive committee and chairmen of special committees: Plan and scope, Judge Jesse McDonald, chairman; press and publicity, W. C. D'Arcy, chairman; finance, Sidney Maestre, chairman; legislation, Gale F. Johnston, chairman, William J. Gibbons, Isaac H. Orr; historical data, McCune Gill, chairman; legal, Charles P. Williams, chairman; transportation, Col. Albert T. Perkins, chairman; speakers, Mrs. George Gellhorn, chairman, Claude B. Ricketts, Max O'Rell Truitt; Mrs. E. M. Grossman, executive secretary.

It is desired to erect this memorial on the banks of the Mississippi River at St. Louis. In advocating this site the association says:

> Here came Capt. Amos Stoddard in 1303, representing President Jefferson as well as France, to take possession of Louisiana. The flag of Spain was lowered, the flag of France was raised to signify the reacquisition by Napoleon 2 years before; then the Lilies of France came down, and the Stars and Stripes were raised over America's new domain. To this spot had previously come the explorers Joliet, Pere Marquette, and La Salle.
>
> Later came the Germans under Gottfried Duden and Carl Schurz. Scandinavians came through St. Louis, some bound for the Northwest, and sons of other nations. Such famous men as Zebulon Pike, Benton, Robert E. Lee, Doniphan, Douglas, Lincoln, Sherman, Blair, Mark Twain, James B. Eads, and Eugene Field were here. St. Louis was a starting point for the Santa Fe Trail, the Oregon Trail, the fur-trading enterprises, the Lewis and Clark Expedition, the migration to Texas under Moses and Stephen F. Austin, and the "Forty-niners"—a myriad of unknown pioneers and frontiersmen. This is sacred ground in American history.
>
> However honored by pageants, presentations, and Presidential praises, the United States has thus far had no adequate, permanent national memorial to those men who, as pioneers, gave to our Government, and held for posterity, an area west of the Mississippi double that east of it.
>
> It is well to honor Jefferson, Lewis and Clark, Livingston, and Monroe, and that galaxy of statesmen, patriots, and pioneers who had this great vision of the national expansion that was to be. Every great movement must have its leaders. They should be honored.
>
> And we should honor the unknown pioneers who came from New England and New York, Virginia, Maryland, the Carolinas, and Georgia and formed a westward movement that is one of the marvels of the history of the world.

St. Louis gave you the greatest world's fair the country ever knew. It will give you this memorial.

The people in the area are extremely anxious for the passage of this resolution so that the permanent commission can be organized.

We have precedents for the passage of legislation of this kind. One passed in the last Congress, which provided for a commission to investigate a similar project in North Carolina—the advisability of erecting a suitable memorial in honor of the first white child born in America.

I do not think there is any more I can say in reference to the resolution. It is sponsored by Republicans and Democrats alike.

Mr. CARTER of California. What is the salary to be paid these commissioners?

Mr. COCHRAN of Missouri. None whatever; the only cost to the Government is for printing this resolution.

Mr. CARTER of California. What about the expenses of the commission?

Mr. COCHRAN of Missouri. The Government is obligated in no way for any expenses of the commissioners or anyone else.

Mr. MARTIN of Massachusetts. The gentleman will not say that they will not come to Congress later for an appropriation?

Mr. COCHRAN of Missouri. No one has indicated to me there is any such thought in their minds.

Mr. MARTIN of Massachusetts. But he will not guarantee that they will not come back and ask for an appropriation?

Mr. COCHRAN of Missouri. They would have a hard time getting it. The country has done a great deal in the gentleman's State in the way of erecting historical memorials.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. JENKINS of Ohio. Section 2 says the United States commission may in its discretion accept from any source, public or private, money or property to be used for the purpose of making surveys, and so forth. Is not that an invitation to the world to come forward and also for the United States to step in?

Mr. COCHRAN of Missouri. I think the gentleman from Ohio is drawing on his imagination. I doubt if the commission will be here in my time asking for money.

Mr. MILLIGAN. They can accept contributions from private sources to carry into effect the proposition, and section 3 of this bill provides that it shall be no expense to the Federal Government.

Mr. COCHRAN of Missouri. That is true. The Federal Government is not responsible in any way. The resolution so provides. What more could be asked?

Mr. JENKINS of Ohio. Why could not the city of St. Louis take care of this?

Mr. COCHRAN of Missouri. It probably could, but there is a desire to bring in all States and municipalities in the area covered by the Louisiana Purchase.

Mr. TABER. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. TABER. Is not this the bill that was brought in with the request that the Government contribute $30,000,000? Was not that the way the bill started out?

Mr. COCHRAN of Missouri. I was requested to introduce such a resolution, and the day I introduced it in the House I gave to the press a statement that, in my opinion, it would never get out of the committee. I explained that Congress would never approve of such a proposition. This is a new resolution, and is so worded that it makes no charge on the Government and no appeal for even an authorization, let alone an appropriation. The resolution passed the Senate without an objection; without even being discussed.

Mr. McFADDEN. Will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. McFADDEN. Will the gentleman state what was the original cost of the Louisiana Purchase—the original purchase—was it not $15,000,000?

Mr. COCHRAN of Missouri. Yes; $15,000,000; and the area is now worth $165,000,000,000.

Mr. McFADDEN. And this is to cost twice what the original purchase cost?

Mr. COCHRAN of Missouri. The gentleman is like the gentleman from Ohio, drawing on his imagination. The gentleman has not read the bill. There is no provision, I repeat, for the Government to advance one dollar. If the Members will read the resolution they will see that that is true.

Mr. McFADDEN. Mr. Speaker, I have read the bill and I remember participating in the debate when the bill was under consideration before and was defeated. The gentleman knows very well that authority is going to be asked of this Congress at a subsequent date to appropriate $30,000,000.

Mr. COCHRAN of Missouri. The gentleman from Pennsylvania is an excellent mind-reader if he knows any such thing to be a fact. I am not asking for an appropriation, the resolution simply provides for a Federal commission. I shall not ask for any $30,000,000 appropriation.

Mr. McFADDEN. I know the gentleman will not, but the gentleman is proposing to leave this body and go to another body. If I thought this would help the gentleman succeed in his ambition, I might be in favor of the bill.

Mr. COCHRAN of Missouri. I do not want the gentleman to consider my political ambitions at this time, but I do appreciate his kind remarks.

Mr. LOZIER. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. LOZIER. Mr. Speaker, this proposal calls for no appropriation or authorization for an appropriation. I am sure that the resolution is offered in good faith and that neither this Congress nor any other Congress will be called upon to make an appropriation for the furtherance of this most worthy project. Is not that true?

Mr. COCHRAN of Missouri. Absolutely.

Mr. LOZIER. Here is a project which not only has its cultural aspects, but it involves a national recognition of the greatest single incident in American history since the adoption of our Federal Constitution. There is no event in the history of our Republic that contributed more to the expansion, stabilization, and the perpetuity of our Republic than the purchase of the Louisiana territory. While the acquisition of Louisiana territory, according to Jefferson, was of doubtful constitutionality and bent the Constitution almost to the breaking point, yet such purchase fixed irrevocably and unchangeably the destiny of the United States and made it a world power, forever removed the danger of being hedged about or absorbed by any European nation, and insured our ultimate and peaceful expansion to the Pacific.

This project is worthy of the enlightened and progressive millions who inhabit this vast trans-Mississippi area, the natural resources and riches of which stagger human comprehension. It is fitting that this epoch-marking, history-making event should be recognized by a memorial in keeping with the importance of the transaction that was destined to transform the United States from a weak and struggling state into a virulent and puissant Nation dedicated to human freedom, the reign of law, and social justice.

Mr. JENKINS of Ohio. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. JENKINS of Ohio. If the Federal Government is not supposed to pay anything toward this $30,000,000, how is the gentleman going to get the money?

Mr. COCHRAN of Missouri. The commission is going to get the money throughout the area covered by the Louisiana Purchase, an area valued now at close to $200,000,000,000.

Mr. JENKINS of Ohio. Does the gentleman think it is wise, at a time when there is drought and depression and with prospects for the continued depression, to stand for a proposition like this, especially when the gentleman expects to be elected to the United States Senate?

Mr. COCHRAN of Missouri. The public-spirited citizens interested in this project feel that it will benefit the unemployment situation, and that is one thought behind it. Blocks of buildings will be removed and a splendid memorial thereon is their goal. They are going out to try to find a way to raise money to construct a memorial, and if the memorial is constructed, it will require labor to construct it. This means work for the unemployed. It is, I admit, a gigantic task, but if the gentleman only knew the personnel that compose the association he would have hope that they will reach their objective as I have.

Is there any reason why we should not encourage them by providing for a national commission? I cannot conceive of any good reason and I do not think anyone can advance a sound reason.

Mr. ELTSE of California. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. ELTSE of California. To partially answer the gentleman from Missouri [Mr. LOZIER] when he asked why this great gentleman should not be honored, I cannot see why the Democratic Party wants to honor him when they have pulled so far away from the principles of Thomas Jefferson. He was a believer in State rights, and I cannot understand how the party which has abandoned State rights wants to honor him.

Mr. COCHRAN of Missouri. Let me say to the gentleman from California that I believe if Thomas Jefferson had been here on March 4, 1933, and had found his country and his people in the condition that President Roosevelt found them, found them in the condition a Republican administration left them, he would have done exactly as President Roosevelt has done. He would have taken care of them. He would have fed, clothed, and housed them. [Applause.]

Mr. BANKHEAD. Mr. Speaker, will the gentleman from Massachusetts use some of his time?

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Speaker, I am opposed to this resolution. The place for a memorial to Thomas Jefferson is in the National Capital, and not on the western bank of the Mississippi River. It is to the everlasting disgrace of this Nation that up to now we have not in this Capital a suitable memorial to Thomas Jefferson. To my mind no one contributed more to the founding of this Union and to its perpetuity than did Thomas Jefferson. I have had a bill before the Congress for the last 8 or 9 years providing for a memorial to Thomas Jefferson. I have searched the entire city of Washington, and I have failed to find a statue of Thomas Jefferson. Hidden away at the east entrance of this Hall is a small statue of Jefferson in a narrow hall, and unless somebody calls attention to it you will not see it. That is the tribute that a grateful—with an interrogation point after the grateful—country offers to the memory of Thomas Jefferson. The Louisiana Purchase was a great achievement, yes; but why do not the States that were carved out of the Louisiana Purchase get up this memorial themselves on the bank of the Mississippi and pay for it. I am opposed to a national memorial anywhere in the country to the memory of Thomas Jefferson until a suitable memorial is erected here, where it ought to be, in the Nation's Capital. I have suggested that the block immediately east of the Archives Building on Pennsylvania Avenue, known as the "Apex block", be set apart by Congress as a suitable site for the erection of the Nation's tribute to Thomas Jefferson.

This is the place and this is the city where it should be, not out along the western bank of the Mississippi. The Nation's Capital is the place where it should be. If the States in the West want this memorial, why do they not start it and pay for it, and not come here looking to the Federal Government for help?

Let us examine the report of the Committee on the Library. What does it say?

> The Committee on the Library, having had under consideration Senate Joint Resolution 931, respectively report the same with the recommendation that it do pass.

That is all the report says. Nothing else.

Now, I think it is a serious mistake to pass this resolution. I should like to see a thousand memorials to Thomas Jefferson, but until there is one here, where it ought to be, the Congress should not authorize a memorial in any other part of this Nation. We have been ungrateful, we have been unmindful of the work that Thomas Jefferson contributed to the cause of our beloved country, and until proper action is taken here, no other memorial should be considered.

Mr. MAY. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. MAY. I should like to ask the gentleman from New York if he does not believe, as I do, that Thomas Jefferson directed his own memorial in the writing of the Declaration of Independence, the Virginia Statutes of Religious Liberty, and in the founding of the University of Virginia?

Mr. BOYLAN. Thomas Jefferson directed that those achievements alone, including religious tolerance, be inscribed on his tombstone.

Mr. COCHRAN of Missouri. Will the gentleman yield?

Mr. BOYLAN. I yield.

Mr. COCHRAN of Missouri. Did the fact that Grant's Tomb was erected in New York prevent the Government of the United States from erecting the beautiful memorial at

the foot of Capitol Hill? Illinois has a wonderful memorial to Lincoln, but we also have the Lincoln Memorial in Washington.

Mr. BOYLAN. No; but the city of New York paid for the Grant Memorial erected there at his tomb.

Mr. COCHRAN of Missouri. Is there anything in this resolution that indicates the Government is going to pay for this? Why not give our people a chance to see what they can do.

Mr. BOYLAN. If you want the memorial in St. Louis, why do you not get the money and build it there?

Mr. COCHRAN of Missouri. There is nothing in this resolution which provides that it shall come from the Federal Government. It sets up a Federal commission. That commission is to do just what the gentleman wants—raise the money for this memorial.

Mr. BOYLAN. No, not now, but later you will be seeking Federal funds.

The SPEAKER. The time of the gentleman from New York [Mr. BOYLAN] has expired.

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 additional minutes to the gentleman from New York.

Mr. BOYLAN. Are there any other questions?

Mr. BANKHEAD. Will the gentleman yield for a brief question?

Mr. BOYLAN. With great pleasure.

Mr. BANKHEAD. I can understand the great interest that the gentleman from New York takes in perpetuating adequately the memory of Thomas Jefferson. I am familiar with the efforts the gentleman has made for a number of years to have such recognition given by some appropriate memorial in the city of Washington; but what assurance have we that there is any prospect of effectuating the gentleman's desire at any time within the immediate future? Coupled with that, and set over against that uncertainty, here is a concrete proposition upon the part of the citizens of that great area affected by the Louisiana Purchase, by which they propose by their initiative, to set up a memorial in that section of the country, and they are not asking for any Federal appropriation for that purpose. I should like to have the gentleman's answer to those questions.

Mr. BOYLAN. Well, it is true that there is nothing in the world to prevent those distinguished citizens from commencing and pursuing their work; the National Government will not prevent it in any way, and I am sure will not offer any impediment to any action they might take.

Mr. KENNEY. Will the gentleman yield to me?

Mr. BOYLAN. I yield to the gentleman from New Jersey.

Mr. KENNEY. The gentleman is acquainted with that great bridge from his city over to the State of New Jersey, called the "George Washington Bridge." I should like to have the gentleman, while he is on the subject, see to it that whoever may name the next bridge should give it the name of that great statesman, Thomas Jefferson.

Mr. BOYLAN. I think the gentleman has made an excellent suggestion, and I certainly will do everything I can to bring it about.

Too much honor cannot be given to Jefferson's memory, but I believe the initiative and the start should be in the Nation's Capital. Until something is done here, fitting and adequate, or in a measure promising to be adequate, to the respect of his name and his works, no memorial commission should be established by the Congress. For this reason and on account of the great respect and reverence I have for the memory of Thomas Jefferson, for the respect I have for the work he performed for the perpetuation of this Nation, and in the hope that we may be awakened to a realization of the debt we owe to his memory, I shall oppose this resolution. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON of Missouri. Mr. Speaker, I am sorry to note the position taken by my friend from New York [Mr. BOYLAN] on this resolution. As a rule it is my good fortune to find myself in accord with him on matters coming up on the floor. As a matter of fact, we are in heartiest agreement on the principal issue presented by this resolution this afternoon—the honor due Thomas Jefferson and the proper acknowledgment of his genius and achievements, especially in the acquisition of the Louisiana territory.

No one can stand in Statuary Hall and look upon the effigies there of the men who have made American history and who have had so large a part in the founding and preservation of the Republic without a feeling of surprise and regret that Jefferson is not there. Although he was the greatest thinker of the Revolution, second only to Washington and Franklin in the consummation of that vast enterprise, there is no fitting memorial to him within the confines of the Nation he helped to establish.

But I am inclined to think that the gentleman from New York and the gentleman from Kentucky, who have just spoken, on a hasty perusal of this resolution, have misconstrued its real purport. The memorial proposed is not merely a tribute to Jefferson, but is also in commemoration of an epoch-making event in the history of the Nation.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. CANNON of Missouri. I yield to the gentleman from Kentucky.

Mr. MAY. Mr. Speaker, I think the gentleman from Missouri must have misunderstood my meaning. I am one of the greatest admirers of Jefferson that there is in the House of Representatives. I merely wanted to stress the fact that Jefferson himself had said, as is engraved upon the monument marking his last resting place, that the three great achievements of his career were the writing of the Declaration of Independence, the writing of the Virginia Statutes of Religious Liberty, and the founding of the great University of Virginia.

I shall vote for this resolution. I believe we ought to pass not only this resolution but a resolution that would cause the erection of a monument to Thomas Jefferson in the capital of every State of the Union.

Mr. CANNON of Missouri. Mr. Speaker, I am glad the gentleman is supporting the resolution. I note he quotes the inscription from the tomb of Jefferson. I recently made a week-end trip to Richmond and there enjoyed the hospitality of our former colleague, Gov. George C. Peery, of Virginia. Among other points of history I visited Monticello and read the inscription to which the gentleman refers. It was written by Jefferson himself. When he came to sum up in one sentence the noblest achievements of his life and career he made no mention of his services as Secretary of State under Washington, or as Ambassador to France, or that he was twice President of the United States. He referred instead to his authorship of the Declaration of Independence, of the Virginia Statutes for Religious Liberty, and the founding of the University of Virginia. But could Jefferson have looked forward to this hour and have appraised the events of his administration at their true worth, he would have added a fourth. He would have written, author of the Declaration of American Independence, of the Virginia Statutes for Religious Liberty, father of the University of Virginia, and purchaser of the Louisiana Territory.

No other event since the adoption of the Constitution has affected so profoundly the history and destiny of the American people as the acquisition of the Louisiana Purchase—characterized by Speaker Clark as the greatest transaction in real estate since the devil took the Savior to the top of a high mountain and offered him the world if he would fall down and worship him. From that moment the modern United States was possible. The acquisition of Texas, California, and the Northwest Territory inevitably followed and as a result no nation today exercises a more effective or beneficent influence on world affairs. But for the Louisiana Purchase the Republic would have remained a petty state surrounded by overshadowing provinces of European powers, without influence abroad or opportunity at home, and ultimately the helpless prey of foreign aggressors. Surely both the man and the deed are entitled to this belated recognition.

I fully realize the force of the suggestion which has been made here, that in times like these, with men and women



and children to be fed and cared for, the attention of the country should not be diverted from the utilitarian. But "life is more than meat and the body is more than raiment." A nation which does not remember its great men and commemorate their virtues and their deeds will not long produce men deserving of remembrance or deeds and virtues worthy of commemoration. We can adequately care for the needy and at the same time honor the immortals who established a form of government which serves all mankind.

The SPEAKER pro tempore. The time of the gentleman from Missouri has expired.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to proceed for 1 additional minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, the further suggestion has been made that the memorial proposed in this resolution be placed in Washington. That would be highly inappropriate. The proper place for such a memorial is the spot on which occurred the stirring event which it commemorates. The historic soil of old St. Louis, where the standard of France was lowered and the Stars and Stripes were raised on that fateful day in 1803, is the natural and logical site for such a memorial.

Mr. Speaker, this resolution is neither provincial nor partisan. Its provisions are not limited to the city of St. Louis or the State of Missouri. It is national in its scope and world-wide in its significance. The objection that it proposes a charge on the Federal Treasury is disproved by the terms of the resolution itself. It does not ask for a dollar of appropriation. It merely asks for the appointment of a commission. It is my understanding that St. Louis is ready to contribute its part of the expenses. I am certain the State of Missouri will be glad to participate. And I have no doubt that each State in the Louisiana Purchase will want to have a part in supporting it. I trust the resolution will receive the support of Members from all States and from both sides of the aisle. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I do not minimize the greatness of Thomas Jefferson. I appreciate fully he merits a monument, and many have been erected in his honor, but I do say this is not the time to be spending money for monuments. The resources of the country and the people are being taxed to the utmost to take care of relief demands.

The proponents of the measure say it is not their purpose to ask the Government of the United States for any money. It is true, they do not ask for it right now, but just as sure as I am standing here, before their monument contract is awarded they will be back asking Congress for an appropriation. Why am I confident in this prediction? Because it was only a few months ago it was proposed to have the Government contribute $30,000,000 for the monument, and when the opposition was too formidable, the advocates revised their plans and sought merely a commission to receive donations from States and individuals.

This resolution calls for 3 persons to be appointed by the President of the United States, 3 Senators by the President of the Senate, 3 Members of the House of Representatives and 6 members from the district where the monument is to be placed. It is very evident from the complexion of the committee the purpose is eventually to secure money from the Treasury of the United States.

Mr. CANNON of Missouri. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Missouri.

Mr. CANNON of Missouri. Possibly the gentleman is not aware that provision has already been made for the expenses of the committee. It is my understanding that a number of public-spirited men of St. Louis have already guaranteed the expense and support of the commission proposed in the resolution, and that no appropriation will be asked for that purpose.

Mr. MARTIN of Massachusetts. May I ask the gentleman whether he does not expect the commission will come back here eventually and ask for a contribution from the United States Government?

Mr. CANNON of Missouri. I have never received any information from anyone connected with it indicating that they expect a contribution from the United States Government. I am not authorized to speak for anybody in that connection. But I have never received any such intimation and the resolution speaks for itself.

Mr. MARTIN of Massachusetts. Originally was there not a contribution asked from the Federal Government?

[Here the gavel fell.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield myself 3 additional minutes.

Mr. CANNON of Missouri. I understand when it was first mentioned some enthusiastic friends suggested that the United States Government might contribute $30,000,000. Of course, anyone knows that is out of the question. The Government has in the past contributed generously to such projects. The Rushmore memorial in the Black Mountains to Washington, Lincoln, and Theodore Roosevelt, for example, was a Federal project in which the United States matched dollars with the State, and such instances may have encouraged some to think the Federal Government should make a like contribution to the Jefferson memorial, but so far as I am aware the responsible proponents of the resolution have not asked a penny from the United States Government, either in their hearings before the committee or their interviews with the State delegation.

Mr. MARTIN of Massachusetts. I wish I could believe that, but I have been here so long, and I have seen these projects all start in this manner. When they first come to the House no one wants any money. It is merely official recognition desired. But they all come back, and eventually they get the money because persistency in the end prevails.

Mr. BLANTON. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from Texas.

Mr. BLANTON. The gentleman from Massachusetts has served here long enough with our able and highly distinguished colleague from Missouri [Mr. CANNON] to know that he has been one who has fought harder and has done more to save the money of the United States for the people of the United States than any other man I know of in Congress. Every one of us here highly appreciates the valuable service of the gentleman from Missouri [Mr. CANNON]. He has saved enough public money that the gentleman ought not to impute an attempt upon his part to improperly expend public funds.

Mr. MARTIN of Massachusetts. May I say that I do not impugn the motives of either one of the gentlemen from Missouri who spoke here. I think they are sincere. They are both able and fine men, and I do not think they will individually ask for an appropriation. I do not fear either, but someone else will ask for an appropriation. I believe in the interest of economy we ought to stop this project right here, and I hope the House will reject the rule.

Mr. UMSTEAD. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield to the gentleman from North Carolina.

Mr. UMSTEAD. If the Congress should be later asked for an appropriation to establish a memorial in that territory to Thomas Jefferson, would the gentleman vote against the bill?

Mr. MARTIN of Massachusetts. I would vote against such a proposal. I have voted against most all of these monuments in recent years because the needs of the Government are so great in other directions that we cannot afford to spend money except for essentials.

Mr. UMSTEAD. Even for a monument to the memory of Thomas Jefferson?

Mr. MARTIN of Massachusetts. Even for a monument for Thomas Jefferson.

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. WOODRUM].

Mr. WOODRUM. Mr. Speaker, it was not my purpose to comment upon the resolution, but I find it possible in this case to agree both with the gentleman from Missouri [Mr. COCHRAN], and with the gentleman from New York [Mr. BOYLAN].

Coming from the ancient and classic State that boasts the nativity and resting place of Thomas Jefferson, it seems to me that it is highly appropriate that this great achievement that the resolution seeks to memoralize should be carried on. Nor do I find myself very much horrified by the very probable prospect that eventually Congress will be asked to make a contribution to that worthy project. The resolution does not ask for it now, but as the work progresses very likely we shall be asked in the future. And why not?

We have built memorials to everyone else. We have spent the money of the American taxpayer lavishly in memoralizing this national hero and the other, and if, in the judgment of some future Congress, it should seem appropriate to have the Federal Government make a contribution to this great memorial, I think it would be entirely proper to do so. May I say I think the Federal Government should immediately take steps to establish some appropriate shrine in the Nation's Capital to Thomas Jefferson. That ought to be a Federal project, built out of Federal funds, and in keeping with his life and service, not only to America, but to democratic governments the world over.

We have memoralized in Washington Lincoln and other great characters in American history, and we ought to have here in the heart of the Nation's Capital some appropriate shrine to Thomas Jefferson. Even in the days of economic stress when we are, as I say, spending money so lavishly on many projects that some of us may think questionable, I would not stand back in an effort to start a memorial now in the Nation's Capital to this great hero of liberty and justice in government. [Applause.]

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Speaker, I agree with the gentleman from New York [Mr. BOYLAN] and also the gentleman from Virginia [Mr. WOODRUM] that the seat of the Nation's Government is the proper place to establish this memorial.

Those of us who are familiar with American history know of the great battle that went on between Hamilton and Jefferson, Hamilton believing in centralized government and Jefferson, on the other hand, believing in a decentralized government. I submit that this monument ought to be established here in the city of Washington and that there should be inscribed on it for all those who may come the words that "Government is an evil, a necessary evil, and the less of it the better", or words practically to this effect.

In these days when there is a tendency toward centralization of government and taking away the sovereignty of States for which the States fought and for which Jefferson stood, it is high time we have such a memorial at the seat of government and the Capital of the Nation, where all who come may see and be inspired to follow his dictates and the principles taught by the famous and the immortal Thomas Jefferson.

Mr. COLDEN. Mr. Speaker, will the gentleman yield?

Mr. ELTSE of California. No.

I yield back the balance of my time.

Mr. BANKHEAD. Mr. Speaker, I yield 2 minutes to the gentleman from California in order that he may submit an inquiry or otherwise use the time.

Mr. COLDEN. Mr. Speaker, I simply want to remind my colleague from California that through the purchase of Louisiana it is possible for him to sit in this great assembly today and express his views, because, without the geographical contiguity between California and the Atlantic States, California probably would never have become a part of this Union. This was made possible by the purchase of the Louisiana Territory by Thomas Jefferson, and I think all of the Members from California and the Southwest are under deep obligation to him, and we owe him a tribute the same as the people of the State of Virginia and the Louisiana Purchase area.

Mr. BLACK. Mr. Speaker, will the gentleman yield?

Mr. COLDEN. Yes.

Mr. BLACK. Does the gentleman think Thomas Jefferson conferred any benefit on the country by allowing the gentleman from California to come here? [Laughter.]

Mr. ELTSE of California. May I ask the same question with respect to the gentleman from New York?

Mr. COLDEN. I want to say to the gentleman from New York that the gentleman from California [Mr. ELTSE] is my colleague, and I believe it is my duty to protect him to that extent.

Mr. LOZIER. Mr. Speaker, will the gentleman yield for one question and an observation?

Mr. COLDEN. I yield.

Mr. LOZIER. Is it not true that Missouri, the brightest of the many stars of first magnitude in the constellation carved out of the Louisiana Territory, furnished Moses Austin, who planned, and Stephen Austin, who began the Anglo-American movement into Texas? The grant of Texas lands was made by the Mexican Government to Moses Austin in 1820 or 1821, and in 1822 Stephen Austin founded his colony on the Brazos.

The Louisiana Territory produced rugged men like the Austins, who planted civilization in the Texas wilds, which subsequently resulted in the independence of Texas, the establishment of the Republic of Texas, and its subsequent entrance by treaty into our Federal Union. Then followed the Mexican War and the Treaty of Guadalupe-Hidalgo, which increased our coast line 1,500 miles and added to our public domain 1,000,000 square miles of territory of great strategic importance and with enormous mineral deposits and other natural resources so diversified and stupendous that no statistician has ever attempted to approximate their intrinsic value.

Is it not meet and proper that we should rear in the historic city of St. Louis, the key and gateway to the Louisiana Purchase area, a stately monument of marble and bronze in honor of Thomas Jefferson, and to commemorate the acquisition of this far-flung domain that has so enormously enriched our Nation and so mightily influenced our national destiny?

Mr. COLDEN. Yes; and I may say further that the contribution from the States of the Middle West that furnished the Republican majority is responsible for my colleague being here. [Laughter.]

[Here the gavel fell.]

Mr. BANKHEAD. Does the gentleman from Massachusetts desire to use any more of his time?

Mr. MARTIN of Massachusetts. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Speaker, I am very much in favor of suitable memorials to men like Thomas Jefferson, because it was from the gray matter of men like Jefferson and Hamilton and Washington and others that we were given the Constitution of the United States.

I would not be averse in this instance to an appropriation by the Congress of a reasonable amount for this particular memorial. My interest, however, was aroused in the first instance by the presentation of a bill providing for a $30,000,000 appropriation. This was unreasonable, because this monument is to be erected in the West, and it should have been the pride and the ambition of the locality to have had an opportunity to subscribe to a monument of this importance.

I recall that in Pennsylvania, where the Constitution was adopted, for a good many years nothing was done to mark the memory of Robert Morris, who was among those who, along with Jefferson, had much to do with the formation of this Government of ours, and it is to the credit of the people of Pennsylvania that a few years ago they took it upon themselves to place in the city of Philadelphia a

suitable memorial to Robert Morris. I happened to be the chairman of the committee that undertook this work and we did not ask for any appropriation from the Congress. The memorial, perhaps, could have been more elaborate, but there is always the matter of sentiment attached to these memorials, and I am heartily in favor of marking the memory of the men who in the early days gave us this great chart under which we have been operating until just recently. [Laughter and applause.]

To my mind it is rather a traversty for this Congress to appropriate money to commemorate the memory of Thomas Jefferson when, as a matter of fact, practically everything they have done has been to undo all that Jefferson stood for and everything he tried to impress, not only upon the men of his time, but upon future generations as to the necessity of maintaining constitutional government in the United States.

There are many other men in the United States whose memory we should revere and mark by suitable memorials. Some come from my own congressional district, and I may refer to David Wilmot, one of my predecessors and another former Member, Galusha A. Grow, who was Speaker of this House during the Civil War.

I have tried recently to get legislation that would do something to construct a memorial for Wilmot, but of no avail.

There are other men for whom I should like to see a memorial constructed in suitable places throughout the United States—memorials for every man who signed that great Constitution of ours. I believe the generations to come, when constitutional government has passed out, as it is now passing out, will revere the memory of these great men who stood up as they saw fit to do for the future maintenance of this great country of ours. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I trust that there will be no misapprehension about the real purpose of the resolution from the Rules Committee making the joint resolution in order, and the Senate joint resolution, which has passed the Senate of the United States.

As has been clearly stated in the debate, it is simply a proposition to set up a commission of the number named in the resolution for the purpose of considering and formulating a plan whereby this tremendously important event in the development and construction of the Government of the United States is to be properly memorialized, and that it may have behind it the dignity and endorsement of representatives of the Federal Government appointed by the President of the United States.

I cannot conceive of any place in the country—despite the argument made by my genial friend from New York for the erection of a monument here to the memory of Jefferson—I cannot conceive of any more appropriate place for the construction of such a memorial than in the territory to which it applies.

As pointed out by the gentleman from Kentucky, it would not be necessary that Jefferson should be memorialized. He is enshrined in the hearts of the American people and will ever live in the affections and gratitude of the people of this country. [Applause.]

Just as the reply was made in London in that great cathedral constructed by Sir Christopher Wren, when a visitor asked, "Where is the monument to Wren?" the reply was, "Look around you."

Just as a visitor to St. Peter's in Rome might ask for some memorial to Michaelangelo, the answer would be to look above him and view the great frescoes that he had painted on the dome of that historic edifice. There would be the memorial to him. So that it is not necessary for the purpose of history to actually construct a memorial to Thomas Jefferson anywhere; but, for the benefit of future generations of that great western empire that his genius made possible, for the encouragement of the recollection of great historic events in the minds and hearts of the youth of this country, it seems to me that it is as little as we can do to give the endorsement of the Congress of the United States to a project undertaken by the citizens themselves of that great territory, to merely authorize the appointment of a commission to work out appropriate plans and provisions for a memorial.

Mr. BOYLAN rose.

Mr. BANKHEAD. Mr. Speaker, I see the gentleman from New York [Mr. BOYLAN] rising in his place. I join with him in the expression of the hope not only that this great memorial, somewhere along the Mississippi River, will be brought to a successful fruition, but I trust that the time will not be long delayed when here in the Capital of this Nation some great effigy of appreciation shall be constructed in memory of the author of the Declaration of Independence. [Applause.] But where there is a proposition, possibly, to construct two great memorials to this great man, when we have this immediate opportunity to begin a work of this magnitude, I do not think it is logical to discourage it upon the ground that sometime possibly in the future we will get permission to construct a memorial here in the city of Washington.

Mr. BOYLAN. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. BOYLAN. Mr. Speaker, I appreciate everything the gentleman has said. He has delivered a most eloquent address, one of the kind that he is able to deliver; but I know the gentleman will agree with me that the first memorial and the first step taken in anything we may do for the memory of Thomas Jefferson—although, as the gentleman has stated, he needs no memorial, for his works and achievements are embedded in the hearts and the minds of the American people—should, in the first instance, be to prepare a national memorial in the Nation's Capital, where visitors from the world over may see it and have called to their attention his life and works.

Mr. BANKHEAD. Mr. Speaker, I have already indicated to the gentleman why I cannot agree with the logic of his position.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MAY. In view of the fact that the Congress of the United States has heretofore expended several hundred thousand dollars in a bicentennial to memorialize the life of Washington, and considering the relation that Jefferson sustained to Washington and to this Republic in its formation and foundation, what other tribunal in America is there that could more appropriately pass a resolution on this subject than the Congress of the United States?

Mr. BANKHEAD. Mr. Speaker, I agree with the gentleman's conclusions in reference to that. I have spoken in support of the passage of the rule. Gentlemen will understand that 30 minutes is given for consideration of the resolution upon its merits, and I certainly hope gentlemen will not only adopt the rule but, when the vote comes, that they will adopt the resolution.

Mr. Speaker, I move the previous question on the resolution and the amendment thereto.

The SPEAKER pro tempore (Mr. SHALLENBERGER). The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the committee amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the adoption of the resolution.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts) there were—ayes 115, noes 15.

So the resolution was agreed to.

Mr. BANKHEAD. Mr. Speaker, in view of the fact that it is late in the afternoon and that it is the desire to finish this matter before we adjourn, I wonder if we could not reach an agreement to submit the resolution upon its merits without debate and without going into the Committee of the Whole House on the state of the Union.

Mr. MARTIN of Massachusetts. That would be agreeable to me.

Mr. TABER. Would it then be the purpose to adjourn?

Mr. BANKHEAD. The majority leader informs me that he expects then to adjourn. Mr. Speaker, I ask unanimous consent that the resolution may be put upon its immediate passage without intervening motion.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Senate Joint Resolution 93

Resolved, etc., That there is hereby established a commission, to be known as the "United States Territorial Expansion Memorial Commission" (hereinafter designated as the "United States Commission") for the purpose of considering and formulating plans for designing and constructing a permanent memorial on the Mississippi River, at St. Louis, Mo., said Commission to be composed of 15 commissioners as follows: Three persons to be appointed by the President of the United States, 3 Senators by the President of the Senate, 3 Members of the House of Representatives by the Speaker of the House of Representatives, and 6 members of the Jefferson National Expansion Memorial Association to be selected by such association.

SEC. 2. The United States Commission may in its discretion accept from any source, public or private, money or property to be used for the purpose of making surveys and investigations, formulating, preparing, and considering plans and estimates for the improvement, construction, or other expenses incurred, or to be incurred.

SEC. 3. The United States shall not be held liable for any obligation or indebtedness incurred by the United States Commission, the State of Missouri, the Jefferson National Expansion Memorial Association, the city of St. Louis, Mo., or any other agency or officer, employee, or agent of them, or any of them, for any purpose.

The SPEAKER pro tempore. The question is on the third reading of the joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

THOMAS JEFFERSON

Mr. MAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MAY. Mr. Speaker, I find myself in thorough accord with both the spirit and purpose of this resolution, and I am greatly delighted to have this opportunity of again expressing my views upon the life and services of Thomas Jefferson to not only the United States, but to all humanity in all the world for all time. To me there never was nor indeed could there be a place, a time, or a tribunal more appropriate in which to consider a resolution proposing a memorial to the immortal Jefferson than here at this time in this Hall.

We have in the recent past very appropriately and wisely paid a just and much-deserved tribute to George Washington by the creation of a bicentennial commission to provide a celebration of the two hundredth anniversary of the birth of Washington which reached its happy climax here in this historic Hall on February 22, 1932. Since the resolution calls for no appropriation of funds from the Federal Treasury and merely seeks to provide a commission to plan a fitting memorial to Jefferson's great accomplishment in the acquisition of the Louisiana Territory, I find neither reason nor justification for the opposition now coming from the other side of this House. All around this great Capital City we find erected statues honoring many great soldiers and statesmen, and most of them inspired by military achievements in some great battle involving the destruction of human life and property. Here we have a resolution to memorialize the deeds of one not noted as a warrior but one whose life typified the saying: "Peace hath her victories no less renowned than war." Yes, Mr. Speaker, a resolution proposing to create a memorial in marble and granite to stand out to the gaze of generations unborn and for centuries to come, as a beacon of hope and inspiration to noble deeds; a memorial that shall stand beside the pathway of civilization and liberty along which traveled the crusaders of liberty and democracy, carrying the self-evident truth "that all men are created equal" and have certain inherent and inalienable rights, among which is the right to life, liberty, and the pursuit of happiness; yes, Mr. Speaker, crusaders that carried into the jungles of a vast and impenetrable wilderness the hope of future generations of Americans, that Jefferson's philosophy of life, "Equal and exact justice to all men and exclusive privileges to none", might be the rich inheritance of all generations in this and every other land under the sun.

This greatest achievement of his administration, the acquisition by peaceable means of the Louisiana Territory, was the opening gate to a mighty empire, every foot of which is made sacred by the heroism and sacrifice of the men and women of the days of the covered wagon, and why not express in imperishable marble and granite the appreciation of a grateful people for such a statesman, philosopher, and patriot as Thomas Jefferson? My State bequeathed to the Nation Abraham Lincoln, the child of destiny, that followed the trail of the covered wagon and carried into that great land of promise the political philosophy of Thomas Jefferson "that this must be a government of the people, by the people, and for the people", and may I pause to remark that Jefferson's philosophy of government has for three-quarters of a century had its opponents in that same school of thought from which its adherents on the other side of the aisle now emerge as the opponents of this resolution.

In the eternal destiny of things, thank God, the fundamentals of government and the political philosophies of Jefferson have survived the attacks of the last few decades and emerge today more potent, powerful, and glorious than ever. It has come forth in glorious triumph to again reveal "a government of the people, by the people, and for the people" under the wise and superb leadership of another great Jeffersonian Democrat. [Prolonged applause.]

In the mind and heart of that matchless humanitarian and statesman was developed by his training and environment that immortal trinity, life, liberty, and the pursuit of happiness, which he wrote into the Declaration of Independence. A memorial to Jefferson though amply justified as a tribute to him as a man is also a recognition of these great fundamentals of democratic government. They were later embodied and written into the Constitution of the United States. In every sentence in that great document running like threads of gold and cords of strength is found the spirit of these three great divinely inspired principles. Jefferson the architect, the engineer, the master of political economy; the student, scholar, and statesman long before his elevation to the Presidency, has laid strong and secure foundations upon which he and his contemporaries had planted the Constitution under which we now live. Under that Constitution that guarantees to us and our posterity the blessings of liberty, that document that was designed to promote the general welfare and secure these blessings, no law should ever be enacted that is not a breathing and vital expression of the will of the people. I trust, Mr. Speaker, that as the result of it, pilgrims of all future generations as they pass from the great populous East to the broad plains of the West, may look upon a bright and shining memorial to Thomas Jefferson, that shall give hope and inspiration to the young and the old, to the Jew and gentile alike through the centuries. I shall vote for the resolution. [Applause.]

EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS—CONFERENCE REPORT

Mr. CARTWRIGHT submitted a conference report (Rept. No. 1923) on the bill (H.R. 8761) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, for printing in the RECORD.

FREEDOM AND PLANNING

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks and to include therein the Sieff political economic plan and an analysis of that plan.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McFADDEN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following secret document entitled "Freedom and Planning" issued from the inner council of the members of the Political Economic Plan, otherwise termed "P.E.P." The chairman of the organization and author of the document is Israel Moses Sieff, London, England. This is followed by an analysis of the plan.

FREEDOM AND PLANNING

COLLAPSING CIVILIZATION

This generation is faced with the threat of a world collapse of modern civilization and the advent of a period comparable with the dark ages which followed on the collapse of the Roman Empire in the fifth century A.D.

We are apt to regard such statements as pleasantly scarifying, pardonable exaggerations in the mouths of those who are trying to spur us to action against the very real ills of the times, but not meant quite seriously.

The threat is serious.

Chaos will overtake us if we cannot show intelligence enough to extricate ourselves.

For more than a year now nothing has enabled civilization to keep some sort of course and to ride out the storm except the immense momentum of ordinary economic processes and the inertia of habit and custom. It is the resisting powers of these forces and human intelligence which has thus far staved off the collapse.

They cannot bring us back prosperity, but they may suffice to carry the world through the immediate crises. If so, we shall for a time be able to live on our capital, the material capital stored up from past generations, the intellectual and moral capital of men and women trained for civilization and citizenship. But what chance will the next generation have, if half of them find no employment for their youthful energies, and all of them are living under the oppression of hopelessness and decay?

What forms collapse will assume no one can foresee. It may not come suddenly. More probably there will be a gradual decline with fleeting periods of revival.

SHRINKING CREDIT AND SHRINKING TRADE

Modern life depends on world-wide interchanges of goods and services. These in turn depend on confidence and credit. Confidence and credit are being progressivly impaired. Without them it is impossible to maintain for long not merely existing standards of life but even life itself for a large proportion of the world's population.

Imagine the plight of Great Britain if the complex economic and financial machinery which supplies the vast bulk of our population with its food were to cease to function. Such a catastrophe is not, it is true, as yet in sight, but this machinery depends wholly on confidence and credit, and with dwindling world trade and social and political trouble growing in other countries the moment is not far off when we shall be unable in these islands to support either present standards or our present aggregate population.

Applied science puts at man's disposal foodstuffs, raw materials, services of all kinds, in ever-growing abundance, enough not alone to maintain existing standards of life but to raise these standards for all far above the highest now enjoyed by any of us.

Only our intelligence and powers of organization and our moral and spiritual capacity to work in mutual cooperation with each other are proving insufficient to meet the growing complexity of the machinery for regulating production, distribution, and consumption.

First one, then another vital part of the machine is being thrown out of gear. Increasing friction is being generated in the effort to distribute to the consumer that which man is producing. The quantity of things produced and things consumed declines. The volume of world trade, both of internal trade within each country and still more of international exchanges of goods and services, is progressively lessened.

WORLD-WIDE ECONOMIC DISTRESS

Cracks are appearing everywhere. In China and in India economic distress is both aggravated and concealed by the social and political unrest of which it is the main root.

In South America revolution has become endemic and all but one or two of the most solid countries are financially in default.

In central and southeastern Europe financial default is imminent, but that is by itself of little moment in comparison with the consequent social and political upheaval which will follow. It is open to question whether the populations of Germany and central Europe can be fed and kept alive next winter and how long any organized government can control the situation in these countries.

In the United States of America loss of confidence is absolute. The strain of material suffering in a population, none too homogenous, accustomed for generations to rapidly increasing prosperity, may lead to a breakdown of existing institutions and forms of government. The outcome is unpredictable but the consequences throughout the globe may be catastrophic.

World disorganization, famine, pestilence, and the submergence of our civilization are visible on the horizon.

WHY?

Not because nature has been niggardly. Not because individual human achievement or capacity have grown less. They have won ever greater and greater triumphs over nature and throughout the material field in the last two generations.

These triumphs have been won by an ever-wider and even bolder application of the principle of division of labor, till man's powers of large-scale organization have been overstrained. He can control and adapt the forces of nature, but the task which he has now set himself requires more than that. He has still to learn so to control and adapt his own human nature and so to work together with the human nature of his fellows as to fit them and himself into their proper places in the organization without losing for himself and for them all that makes life worth living.

"Mankind is not clever enough to control the machine which he has created."

There is no lack of human good will and desire to serve our generation. Yet all of us are acutely conscious of the exasperating frustration of our best efforts. We see the evil plight to which we and the world are being reduced, and we confess that for the moment human intelligence seems bankrupt.

A RESPITE?

This essay cannot concern itself with remedies for the immediate crisis or with the means we may hope to restore for a time some semblance of order in the world's economy. It is necessary to assume that, whether with or without the help of intelligent human leadership, the economic structure will find within itself enough powers of resistance to secure for us a temporary respite.

The respite will be a short one. We must use it to make a new start or our doom is sealed.

BRITAIN'S PLIGHT

Great Britain and some parts of the British Empire have in some degree improved their own position since last autumn. Absolutely the improvement in Great Britain has been small, though relatively to other countries it is striking.

This achievement is of real value to the world, even though some part of it has been made at the expense of added difficulties for others.

It has been attained thanks to a remarkable demonstration of the self-discipline and well-disposed spirit of public service and the sober imperturbability and reasonableness of the British citizen in face of a crisis.

It is in this evidence of British character that the best hope for the future rests.

BRITAIN'S NEED OF A PROSPEROUS WORLD

Britain cannot however prosper in a distressed world. Entirely dependent on external trade for her food and raw materials, Britain cannot escape world catastrophe by isolating herself.

Moreover, that world-wide loss of control of the machinery of civilization is all too visible in Britain and in British institutions.

If Britain is to save herself and give the world that leadership which is urgently demanded, the first need is for complete reconstruction of our national life on lines fitted for the new needs of the twentieth century.

Here a fundamental difficulty must be faced. Economic nationalism is no solution. On the contrary, it is among the main causes of the world's troubles. Recovery depends on building up afresh and extending even more widely than before world-wide exchanges of goods and services which everywhere cross national and political boundaries.

The United Kingdom is far too small in area to form today an economic unit commensurate with the vast scale of modern commercial and industrial operations.

The aim must always be the widest possible international cooperation.

To assume, however, that for this reason the first steps must be international would under present conditions result in mere futility. Action, if it is to be both practicable and advantageous, must be taken within the sphere now open to us. Economic reconstruction within that sphere will moreover, at least in the earlier stages, tend to draw other countries within the orbit of returning prosperity.

Our attention must first be directed to the United Kingdom and to those regions whether within the British Empire or in countries of complementary trade where political and economic associations offer promising opportunities of effective cooperation.

Every care must, however, be taken to secure that in focusing our gaze on our own sphere of action we do nothing to exclude the wider division, and that we work gradually for the extension of complementary planned relations over the widest possible area.

THE NEED FOR PLANNING

"Almost all British constitutional safeguards are safeguards against being governed."

"Communism is a tremendous extension of government and consequently a great encroachment on liberty."

"Mussolini understood that what was keeping the people slaves was their determination to be what they called free."

"No real business that had to do positive work could achieve anything on the British Parliamentary system."

None of these aphorisms of Mr. Bernard Shaw can be rejected as untrue, even though they offer no proof that communism or fascism are either necessary or desirable.

Their truth can be illustrated in every branch of our present-day life.

We have allowed the numbers of our feeble-minded to double themselves in the last 20 years.

We have watched the purchasing power of our currency fluctuate wildly and play havoc with our economic life, and have been powerless to help ourselves.

The Road Act of 1910 gave powers both to build motor roads and to prevent ribband-building, but we still permit it and spoil our countryside and our motor roads.

Notoriously unsuitable candidates "got themselves elected" (this is our habitual way of speaking of what happens) to Parliament and local councils.

Prime ministers got nervously worn out in the mere effort to grapple with the everyday business which faces them.

In the imperial sphere there is practical unanimity as to the need for organizing the Empire as an economic family and yet we have the spectacle of the imperial conference of 1930.

In the sphere of foreign affairs the nations sign the Kellogg Peace Pact and arm themselves to the teeth.

Or again we keep alive the pretense that reparations and intergovernmental debts will continue to be paid, and because we dare not settle these obligations on terms which seem to involve inequitable distribution of the sacrifices involved, we wait with folded hands for the enforced default which will involve even greater iniquity and will strike a further blow at the foundations of the world's economic life. A year ago a broadminded settlement would have restored economic activity and staved off the financial crisis. Today, though an essential step on the road to recovery, cancelation of these obligations will by itself be of little avail. Its chief value now would be the evidence it would give of our capacity to reach international agreement.

THE FAILURE OF OUR POLITICAL AND ECONOMIC MACHINERY

Our political and economic machinery is breaking down. The great fund of individual and corporate good will, greater probably than at any previous period of our history, goes to waste and all our wills are frustrated for want of a large-scale plan of national reorganization.

Neither in politics nor in economics have we grasped that the first and urgent necessity is planning ahead.

Particular projects often of great potential value are put forward in Parliament or elsewhere without any effort being made to relate them to each other or to a national plan, and they either break down or function imperfectly through needless friction engendered by absence of ordered planning.

Frequently where public opinion has become exasperated at its failure to get something done to remedy a defect which everyone recognizes as intolerable, our distracted legislators with desperate unanimity unite to pass into law a compromise which is wanted by no one and merely aggravates the evil.

It is a common occurrence for a government to be pursuing two or more mutually inconsistent politics at one and the same time.

CAN WE SAVE OUR FREEDOM?

Mr. Bernard Shaw's mordant words pose directly the poignant question, Is national reconstruction possible without sacrifice of the essentials of personal and political freedom?

For all their difference, bolshevism and fascism have two outstanding features in common. Both stress the primary need for conscious forward planning on a national scale. Both repudiate the claims of personal and individual freedom.

In this country we hold fast to the concept of freedom as one of absolute validity.

We know in our hearts that we are in imminent danger of losing both our freedom and our material well-being if we go on drifting.

But, if indeed, national reorganization has to be bought at the price of losing our freedom, many of us feel that it would be better for humanity to descend once again into the abyss of barbarism and struggle back painfully at some later epoch to a civilization capable of satisfying both its material desires and its spiritual aspirations.

Is the dilemma absolute? Can conscious forward planning of our economic life be reconciled with the essential and overriding claim of freedom?

Is it true that what we need is more government and a great encroachment on liberty?

Observe that it is in the sphere of our economic life, in the sphere of material things only, that conscious forward planning is demanded.

May it not be that an unprejudiced reexamination of what we call freedom may reveal unexpected possibilities?

Our ideal is a nation of free men and women self-disciplined by an active social conscience.

FREEDOM AND THE MOTORIST

The growth of a code of law and of custom for motorists shows what can be done by free cooperation. The law and the custom are dynamic; not static. They are continually developing. At the moment indeed the toll of life and limb on the public roads is evidence of the urgent need for further improvements both in law and in custom. As a rule the law steps in only to interpret the collective will already expressed in a code of behavior, and to put compulsion not on the motorist in general, but only on the "road-hog."

Self-discipline and collective action enable the motorist to enjoy a large measure of freedom. Without the help of the code and without the intervention of authority to help him to enforce it, the will of the motorist in general would be everywhere frustrated and he would enjoy far less freedom than is now secured for him.

Is this "more government and a great encroachment on liberty?"

Can we not do for ourselves as a nation what we as motorists have done for ourselves as motorists?

"The law came in because of sin", but insofar as we are self-disciplined and our social consciences are active, we have won true freedom for ourselves in the particular field of motoring.

We do not rely solely on the enlightened self-interest and unregulated competitiveness of motorists to serve providentially the greatest good of the greatest number, and sternly forbid legislative intervention.

Yet, so long as we worship at the altar of laissez faire as the guiding principle of our economic life, we are trying to conduct our industry and commerce in exactly that spirit which we have wisely rejected in the field of motoring.

Laissez faire represented a reaction against the doctrine of mercantilism and in its day has served this country and the world admirably, but our free institutions were won long before the principle of laissez faire was enunciated.

There is not a prior reason for regarding freedom of thought, freedom of speech, freedom of conscience, free institutions as incompatible with conscious forward planning of our economic life.

A SUBSTITUTE FOR LAISSEZ FAIRE

The problem, then, is to find a new economic philosophy to replace the doctrine of laissez faire. The great virtue of laissez faire was that it seemed to provide a miraculous self-adjusting system of regulating the flow of production in accordance with demand in a freely competitive individualistic world. Even today there are unrepentant individualists whose cry is for a return to unrestricted laissez faire. Sweep away, they urge, all governmental and bureaucratic interference, abolish unemployment insurance and health insurance and all these new-fangled social services. Reduce taxation correspondingly, and industry will look after itself.

It is not always realized how fortuitous and temporary were many of the conditions on which the successes of laissez faire depended in the nineteenth century.

In many cases the economic life of the world has become too complex, the scale too large, the marvelous stream of new scientific invention too bewildering, the annihilation of distance, and the speed of transport and communication have drawn the Nation too closely together to allow of any return to nineteenth century methods. The mere size of the modern industrial unit is alone enough to destroy the effectiveness of the old methods.

And the social conscience of mankind has rightly revolted against the brutality of the economic adjustments on which in the last analysis depended the self-regulating machinery of the system of laissez faire.

Moreover, however firm their faith in the doctrine, statesmen and governments always tempered its rigors with pragmatic justice by intervening at this point and at that to enforce factory acts, acts restricting hours of labor and the like. And the rigidity of trade-union regulations today is part of our evil inheritance from the intolerance of laissez faire doctrinaires.

With the advent of the twentieth century and particularly after the war, Government intervention began rapidly to operate in increasingly wider spheres. And by this date the nature, form, and extent of Government intervention tended to be more and more uneconomic and antieconomic in their results precisely because they were conceived and applied by local authorities, Government departments, and parliaments and cabinets which still did lip service without conscious hypocrisy to the principles of laissez faire.

It was in principle permissible for the State to levy taxation on industry according to the needs of the public purse. It was in principle permissible for the State to make laws and regulations restricting the freedom of business activities in the interests of health, sanitation, safety of life and limb, conditions of labor. It was not permissible in principle for the State to recognize responsibility for the efficiency or remunerativeness of business. That was intolerable State interference in a region which it had no right to enter.

The rigidity of the doctrine has indeed been relaxed in many directions and with the advent of a protective tariff we have entered on an entirely new era in the relations between State and business. Yet it remains true that taxation and regulation of industry have been excessively and needlessly hampering in their effects just because our political and economic philosophy forbade the state "interfere with the free play of natural economic forces."

It must be left for separate essays to deal in greater detail with suggestions for building up a plan of national reconstruction in the special fields of agricultural and industrial production, finance, marketing, transport, housing, town-and-country planning, and the like.

The purpose of this essay is rather to examine how far it is true that conscious forward planning involves encroachment on freedom.

THE FREEDOM OF THE CONSUMER

The basic principle of human economic activities, except in Soviet Russia, is, and has been ever since the first steps in the direction of the division of labor were taken, that the would-be consumer determines for himself which of his competing wants

he will satisfy within the range of choice which his available purchasing power (even when he was living under a system of barter before money was invented) and the available supply of goods and services offered.

It is the consumer's choice which settles the relative prices of the various goods and services which the producer (or middleman) offers for sale.

The Communist system attempts to fix relative prices and to deny to the consumer the right to exercise this fundamental freedom of choice. The reason for this is that the Communist ideal is a mechanized state which will produce according to plan the maximum output of consumable goods and distribute them with maximum efficiency. The state accordingly fixes by decree the quantity and quality of production of all kinds and cannot afford to leave it in the power of the human consumer to cause variations in demand by exercising a free choice among his competing wants.

The consumer in fact is treated not at all as a consumer but as a part of the mechanism of production requiring a given quantity of fuel, etc., to keep him going as a producer. There is no reason whatever to regard this ultimate denial of freedom to humanity as necessary to conscious forward planning.

Reasonable standardization of some articles of ordinary consumption and some limits to excessive stimulation of the demand for the satisfaction of more whims which arises from unbridled competition among those who cater to them may indeed be welcomed. But the economic aim of a free community must always be to give the consumer the widest opportunities for satisfying as many of his wants as possible.

If there is to be a planning authority, its function must be to attempt to forecast demand and to regulate production and distribution accordingly, not to control or dictate consumption.

Control of consumption on special cases, e.g., of alcoholic liquor, may be necessary for reasons arising out of human weakness, but the limits of such control are narrow, and its existence does not invalidate the general argument.

Again rates and taxes levied for such purpose as the provision of free education or for display of flowers in a public park involve the enforcement of a form of collective consumption, but the individual is not compelled to use the public park or the free education if he has the desire and the means to choose alternatives.

This last example is, however, a significant illustration of our ready acceptance of collective restraints in our own or the general interests without feeling that our freedom is being filched from us.

A PLANNING AUTHORITY

Conscious planning leaves the consumer free but involves the substitution of some organized control over overproduction and distribution on behalf of the community to take the place of that free play of supposedly automatic economic forces on which laissez faire relied.

Control implies a controlling authority. To the average man and woman among us there jumps to the mind at once the picture of a large number of new Government departments and hordes of new officials attempting to take the place and to do the work of the business man, the manufacturer, the farmer, the banker, the shopkeeper, or at least to tie them all up hand and foot and dictate to them in the management of their daily affairs. And we see further a glimpse of Parliament and local bodies overwhelmed by the task of fulfilling their new functions.

Few people today would deny that the old social idea of putting the whole business of the nation into the hands of bureaucratic Government departments would prove a hopeless failure in practice and would be no improvement on present conditions.

Is there not a middle way, or better still a new way, of meeting the need for organization and coordination of those economic tasks which the break-down of laissez faire is leaving unaccomplished.

THE PUBLIC-UTILITY CONCERN

Without much distinction of party successive governments have tended in recent years to try, in various fields, to find a new way forward through the setting up of public-utility bodies, of which the B.B.C., the central electricity board, and the projected London passenger-transport board are outstanding examples. These bodies are not government departments, and their methods of management and direction and control are modeled rather on those of commercial concerns. Their purpose is to perform collectively for the community certain functions and to provide collectively certain services, in which monopoly rather than competition is, in the general belief, likely to give the best results. For this reason it is felt to be necessary to put the emphasis on the rendering of public service and not on the securing of profits, while insisting that the work ought to be done on a self-supporting basis and not dependent on a subsidy from the rates or taxes.

In all the instances cited the earning of surplus profits for private shareholders is excluded, and this must no doubt be the usual argument where monopoly is involved. It need not, however, be an invariable rule.

One special merit of this form of organization is that it claims to give flexibility of management and avoid the major risks of red tape, and while maintaining the ultimate control of Parliament and the nation provides for a large degree of self-government, and so reduce rather than increase the amount of governmental interference.

It is possible to envisage a considerable extension of this form of organization of the nation's business. A new picture begins to emerge in outline of industry, agriculture, transport, etc., enjoying if not Dominion status, at any rate wide powers of local self-government, with the Cabinet, Parliament, and the local authorities liberated from duties to which they are not ideally suited and free to perform their essential functions on behalf of the community.

THE ANALOGY OF THE ELECTRICITY GRID SYSTEM

The analogy of the grid system of the central electricity board, not itself undertaking the production of power nor the final distribution of electricity services to the consumer but providing a coordinated system of carrying the electricity produced from the big generating stations to local distributing centers all over the country, can be suggestively applied to other services.

Imagine the dairy farmers of the country or of various regional divisions of the country as the milk-generating stations, and the retailers of milk as the local distributing centers, with a central milk board conducting the business of bulk marketing of milk as the providers of the milk grid of Britain Already under the agricultural marketing act there are signs of the coming of such a milk grid as a natural development to meet the needs of the day. An extension of the system with suitable adaptions to other agricultural products easily suggests itself, and even more directly as a method of dealing with the needs of modern transport by rail, road, water, and air.

ORGANIZED PRODUCTION

When we come to the organization of producers, agricultural, industrial, and extractive, the central electricity model becomes more difficult to follow. Generally speaking, organization on public-utility lines seems to be adapted rather to the rendering of services in the sphere of distribution than to the business of production. It may be significant that the central electricity board was excluded from the ownership of generating stations. For reasons which have their roots deep in our human nature, we seem to be much readier to admit the principles of controlled monopoly and the domination of the motive of public service over the motive of private profit in the sphere of distribution than in the two spheres of original production and final retailing between which distribution services are intermediate.

Methods of retailing cannot indeed be left entirely unchanged in the face of twentieth-century needs. The multiple shop and the chain store are already bringing about notable modifications. The waste involved in the 500,000 or more retailed shops—1 shop for every 20 households—cannot be allowed to continue to block the flow of goods from producer to consumer. And reorganization of retail methods is necessary to achieve adequate organization of production. In general, however, it will probably be found that there is a large place in the business of retailing for the continued play of individualism and personal enterprise. The individualist consumer and his free choice call for some corresponding individuality of outlook in the retailer who caters to him.

Not so in the sphere of production. The business of production must be planned if it is to possess adequate means of keeping the volume and quality of the goods produced in reasonable relation to demand.

The development of an organized grid system for the distribution of milk must, it is certain, lead to a profound modification of the traditional individualism of outlook of the dairy farmer. And so it will be in other producing industries, cooperative organization of the business of distribution cannot fail to bring about conditions in which both the need and the will to organize themselves on a cooperative basis will arise amongst the producers whether they be agriculturists, or producers of coal or iron from the mines, or manufacturers of steel or of cotton or of wool.

Whether we like it or not—and many will dislike it intensely—the individualist manufacturer and farmer will be forced by events to submit to far-reaching changes in outlook and methods. The danger is that in resisting them because he regards them as encroachments on what he calls his freedom, he will make things worse for himself and for the community. Resistance is likely to play into the hands of those who say that tinkering is useless and that fullblooded socialism and communism are the only cure. Or he may be tempted to flirt with Fascist ideas. In either case he loses his cherished freedom, and it is only too probable that fascism and communism alike would be but short stages on the road to barbarism.

THE CONDITIONS OF ECONOMIC FREEDOM

It is idle to deny that some, at least, of the changes required when conscious forward planning extends into the field of production are of a revolutionary character.

It is all important, therefore, that we should appraise them soberly and without prejudice and distinguish clearly between unavoidable alterations of methods of economic organization and fundamental attacks on our personal and political freedom.

Our economic freedom must be and always has been tempered by the conditions of our environment and by our relations with our fellows, without whose mutual aid we could not enjoy the advantages which material well-being brings. Spiritual freedom in a highly organized and complex society of civilized men and women is attainable only by ready cooperation in so arranging our economic life as to provide the best attainable material surroundings.

PLANNING AND THE PRODUCER

Without entering more deeply into details than space here allows, the position of the farmer and manufacturer under a system of planned production can only be sketched in broad outlines.

He may be conceived of as remaining in full control of all the operations of his farm or factory, but receiving from the duly constituted authority instructions as to the quantity and quality of his production, and as to the markets in which he will sell. He will himself have had a voice in setting up his constituted authority and will have regular means of communicating with it and of influencing its policy. He will be less exposed than at present to interference from above; that is, from Government departments and local bodies and their inspectors. He will be less free to make arbitrary decisions as to his own business outside the region of day-to-day operation of plant or farm.

It must be presumed that the constituted authority will be armed by enabling act of Parliament and by a majority decision of its own members, presumably elected by the votes of those with whose affairs they deal, to exercise powers of compulsion over minorities in clearly specified cases.

All this is not very different from that which already occurs in particular organized industries, but must be conceived of as applying generally to most if not all of the major fields of production and as part of a consciously and systematically planned agricultural and industrial organization.

A NATIONAL PLAN IN OUTLINE

An outline of the organization contemplated would be somewhat as follows:

A national planning commission, with advisory, not executive functions, subordinate to the cabinet and to Parliament, but with clearly defined powers of initiative and clearly defined responsibilities, its personnel representative of the nation's economic life.

A national council for agriculture, a national council for industry, a national council for coal mining, a national council for transport, and so on, all statutory bodies with considerable powers of self-government, including powers of compulsion within the province with which they are concerned.

A series of statutory or chartered corporations, e.g., a cotton-industry corporation, a steel-industry corporation, a milk-producers' corporation, organized on the lines of public-utility concerns, serving at least to federate, and in suitable cases to own, the plants, factories, etc., engaged in production.

A series of public-utility corporations dealing with distributive services, e.g., the central electricity board, the national transport board (or a number of regional transport boards), and the national milk-marketing board.

In the constitution of these bodies provision would naturally be made for suitable representation of interest, including organized labor, and for their due coordination by means, for example, of the election by the various corporations of some of their members to serve on the national councils. To all of them Parliament would delegate considerable powers to regulate the affairs of their particular industries.

COMPULSION AND PRIVATE OWNERSHIP OF LAND

From the standpoint of encroachments upon freedom, apart from the denial of the tenets of individualism, the most obvious targets for attack are perhaps the proposed grant of powers to compel minorities and (point not yet mentioned) the probable necessity for drastic changes in the ownership of land.

Powers of compulsion of minorities are not unknown even under present conditions and will probably not arouse very violent antagonism on grounds of high principle.

The question of private ownership of land is one which never fails to encounter deep-rooted passions. It is also one which arises immediately in almost every aspect of conscious-planned reconstruction.

The conclusion seems unescapable that whether in the field of town-and-country planning or in that of agriculture (or rural) planning or in the organization of industry, it is not possible to make reasonable progress without drastic powers to buy out individual owners of land.

This is not to say that land nationalization, in the ordinary sense of the term, is either necessary or desirable. Far from it. Nothing would be gained by substituting the State as landlord. What is required, if only a view to equitable treatment of individuals, is transfer of ownership of large blocks of land not necessarily of all the land in the country, but certainly of a large proportion of it, into the hands of the proposed statutory corporations and public-utility bodies, and of land trusts.

In many cases all that would be needed would be the conversion of rights of ownership of land into rights of participation as shareholders or stockholders in the new corporations or in land trusts. It would be possible further in a large number of cases to leave management undisturbed, together with the enjoyment of many of the amenities which at present go with ownership, subject to the transfer of title to the corporations or trusts.

Here again limits of space preclude fuller treatment of the subject. All that is here relevant is the inevitable conclusion that the planned economy which the Nation needs to meet the demands of the twentieth century must clearly involve drastic inroads upon the rights of individual ownership of land as at present understood.

FINANCE

Thus far in this essay finance has been purposely left aside.

The assumption is that consciously planned reconstruction of the economic life of the Nation will increase, and indeed is necessary to maintain, the present national dividend. There is no reason to believe that overhead charges for government and administration will be increased. On the contrary, they should be diminished by the elimination of the friction and waste arising from present unplanning and disorder.

It should be possible also with industry and production replanned and coordinated so as to rearrange taxation as to take from the national dividend that part of it which is required for collective expenditure by the community at an economic cost less burdensome to the Nation than is involved by our existing rates and taxes.

From the standpoint of the national and local budgets therefore there is no cause for anticipating financial difficulties.

The question remains what changes are required in the financial machinery of the country. It is in the sphere of distribution, and especially in that important part in the mechanism of distribution which belongs to finance, that the worst disorders of the present economic system have shown themselves.

In no sphere is the evidence of our loss of control of the machine of civilization more evident than in that of finance.

The catastrophic fall of prices has resulted in complete disequilibrium between the cost of production and the price which the consumer can pay, and in particular, between the relative prices of agricultural and manufactured products.

Mismanagement of the standard of value is apparent throughout the world.

It is by no means so clear how recovery is to be brought about. Cheap money is obviously essential, but it is only if and when it leads to a revival of activity, to increased demand for goods and services and an increase in the volume of trade, followed by a recovery of prices to a remunerative level, that it serves any useful purpose.

Mere manufacture of paper purchasing power is of little avail, more especially if with waning political confidence the basis of credit shrinks faster than the manufactured paper money increases.

This is not the place to examine the problem of escape from the immediate financial crisis.

The same assumption must be made as was made earlier in this essay that the inertia and momentum of the economic structure and of habit and custom will carry us somehow through for the moment and that we shall be given a respite.

STABLE MONEY

One basic need of the new economic organization is the stabilization of the purchasing power of money. Stable money and conscious forward planning are mutually dependent.

The elimination of violent fluctuations of the general price level will immensely facilitate improved organization of production and distribution.

No question arises of fixing the prices of individual commodities.

Once equilibrium between costs of production and prices to the consumer has been reestablished, our first efforts must be directed to securing stability of the purchasing power of our money.

This question is dealt with at length in a separate essay and the conclusion must perforce be taken for granted here.

Stable money cannot be secured without considerable extension of control on behalf of the community over the flow of investment and the uses which the individual makes of his capital.

While as consumer he can retain full freedom of choice as to which of his competing wants he will satisfy, there are real difficulties in leaving him entirely free to invest his savings in any way he chooses.

It is probable that many of these difficulties can be solved, on the one hand, by extension of the system of insurance, along lines to which recent developments of the motoring law again supply suggestive analogies, and, on the other hand, by means which, while leaving the small capitalist untrammeled, will so canalize the flow of both long-term and short-term investment of the large sums which are at the disposal of banks and financial institutions as well as funds in the hands of large insurance companies as to insure that adequate capital is available for the big industrial, agricultural, and distributive corporations already invisaged.

It is necessary to insist that finance shall take its proper place as the servant and not the master of industry and commerce. The stabilization of the purchasing power of money will by itself go far to secure this subordination.

THE BANKS AND PLANNING

The Bank of England has in the course of its history lost practically all of its original profit-making characteristics and become in fact, if not in form, a leading example of a public-utility corporation devoted to rendering public service. It has also many of the features of a self-governing institution, its relations to the Government delicately adjusted so as to combine both due subordination and administrative independence, so as to offer a significant parallel to the new institutions suggested earlier in the sphere of industry and distribution. It would appear to be sufficiently flexible to enable it to adapt itself to filling its place in the new order without requiring any radical changes in its constitution.

The logical completion of the process of amalgamation which has reduced the number of the major joint-stock banks to five would clearly be to merge them all in one and to give them some monopolistic privileges in return for converting themselve into a real public-utility corporation.

This is a delicate process and it may be unwise to force the pace, seeing that natural developments are tending to bring about much the same results without outside intervention.

Careful study is needed of the relations between planned industry and the stock exchange, the acceptance houses, the issuing houses, and other parts of our financial machinery. It may well be that with industry, agriculture, transport, etc., organized on the lines suggested, and with the adoption of the steps necessary

to stabilize the purchasing power of money, the problems, which are in prospect somewhat terrifying, of bringing about a suitable reorganization of our financial institutions will be found largely to have solved themselves. For finance as the servant of industry can have no motive to do otherwise than adjust itself to the new needs.

LABOR

Little has been said hitherto on the subject of organized labor.

Clearly, labor must have effective representation and play an adequate part in the new statutory councils and public-utility corporations and in all the activities of the replanned nation.

The most difficult task will perhaps be to reconcile the trade unions to the remodeling of many of their existing regulations and to the change in outlook which conscious planning requires.

Stable money and the discarding of the doctrines of individualism and laissez faire will between them make obsolete many of the objectives and many of the issues which at present bulk largely in the minds of trade unionists. In planned industry the employee will take his true place more clearly than before as a partner in production.

The changes required in the organization of labor are obviously not such as can rightly be described as encroachment on freedom.

Difficult therefore as the right solution of the knotty problems which arise may prove, they need not detain us further in this examination of the relations of planning to freedom.

THE SOCIAL SERVICES

Nor need we pause here to examine what planning may mean in other parts of the structure of our economic life, education, health service, housing, provision for leisure.

Each of these subjects and others will need detailed investigation and the methods of organization adopted must be fitted into and form part of a complete whole with the new model for industry. It is high time that man should make effective use of biological knowledge to improve the human race and make himself more fit for his twentieth century responsibilities. In the health services and the province of medicine it is urgently necessary to shift the emphasis from cure to prevention, from negative to positive health, and this may well call for a big change in the organization of the medical profession, which has at present too often a vested interest in disease. But there is no reason for supposing that in order to deal with these various questions any new invasions of freedom will be called for which in degree or kind go further than what has already been contemplated in the industrial field.

IMPERIAL PLANNING

Many of the problems of national reconstruction extend into the imperial and international field. The United Kingdom by itself is far too small to provide an adequate economic unit for planning.

A planned economy for Britain implies as the next step a planned imperial economic family. Considerable interrelations imperial cooperation from the outset is essential, as a minimum, for success in certain directions.

The stabilization of the purchasing power of money calls for action not only in the Empire but also in such countries as Argentina and Scandinavia, which belongs to "sterlingaria", the area where British sterling is indisputably the international medium of exchange. Tariffs and agreements for industrial cooperation with other parts of the British Empire will have to be fitted into the framework of our national industrial system in order to make reasonably possible the successful functioning of such projected bodies as the steel industry council or the statutory cotton corporation. The subject matter with which these bodies will deal includes large questions of export trade, and is not, as in the case of the central electricity board, confined to the provision of services within our national boundaries.

INTERNATIONAL PLANNING

The interrelations of national planning and international problems are peculiarly difficult. An ideal national plan cannot be framed and brought into operation without complete international cooperation. Yet to wait till conditions are propitious for an intelligent international reorganization of our own and the world's economic life will not help us.

And with Russia and Italy embarked on plans which definitely override the claims of freedom, complete world-wide agreement is not within reach.

The better is the enemy of the good. Within the boundaries of the United Kingdom we have ample opportunities, if we set ourselves whole-heartedly to the task, to achieve that national reconstruction which is so sorely needed. Within the British Empire and even beyond it in countries whose economic ties with Britain are historically close and whose trade is complementary, we have reasonable prospects of securing fruitful results by political and economic cooperation.

We dissipate our strength and overstrain our resources if we attempt more before first putting our own house in order. It is not selfishness or aggressive nationalism or imperialism which puts a limit on our immediate sphere of action, but a sober estimate of our political and economic powers.

The goal of world-wide international cooperation must never be lost from sight, and advantage must be taken of every opportunity for bringing it nearer. The very fact that it extends planning across existing political boundaries is of special value. Nevertheless our first task is to replan Britain, with an economic organization that will fit harmoniously into the planned imperial economic family, and in so doing to give leadership and new hope to a distressed world.

Man's powers of large-scale organization and of harmonious cooperation will be further tested by the need for economic planning which transcends national boundaries and in due course demands world-wide cooperation. National and imperial and ultimately international political and economic practices and institutions will doubtless undergo profound modifications in adapting themselves to the twentieth century.

The constitutional development of the British Empire may indeed provide a model more suitable for adaptation to the needs of world cooperation than any at present in existence. The harmonious and free cooperation within a single system of a number of states enjoying sovereignty and independence as equal partners in a commonwealth of nations would appear to offer possibilities of extending itself indefinitely till it covers the whole world. Proof of the ability of the British commonwealth to provide its citizens with an economic organization that ministers effectually to their well-being will be the surest way of winning world-wide approval.

The only rival world political and economic system which puts forward a comparable claim is that of the Union of Soviet Republics.

If planning and freedom are to be reconciled, the solution must be found along the lines of the British approach.

PLANNING AND POLITICS

Effective planning on the economic side and even the introduction of desirable reforms in detail has become impossible without a drastic overhauling both of Parliament and the central government and of the machinery of local government. Political and economic planning are complementary and supplementary to each other and must be carefully interrelated. We need new economic and political institutions to match the new social adjustments which applied science has created and a new technique both in politics and in industry to enable us to find intelligent methods of surmounting new difficulties and complexities.

It has been suggested more than once in the course of this essay that devolution of powers to statutory bodies will be an important feature of the new order, and that in the result Parliament and the Cabinet will be relieved of some part of their present duties and set free to the great advantage of themselves and of the nation for their proper tasks of directing and guiding public policy.

Big consequent changes will follow in the machinery of government. The British constitution is, however, accustomed to changes of this sort. It is continually developing and adapting itself to new conditions. The further development now contemplated will be a natural evolution along lines consistent with British traditions.

Here, as elsewhere, vested interests will doubtless feel themselves challenged, and be inclined to resist. That is inevitable, but the essentials of constitutional freedom will remain unshaken. In some of its aspects the tariff advisory committee already suggests the nucleus of a national planning commission. In due course we shall perhaps be astonished not at the magnitude of the changes, but at their relative smallness.

PLANNING AND ECONOMIC FREEDOM

One further question remains to be touched upon before the summing up is reached.

Let it be granted, a well-disposed critic may say, that what you propose involves no fundamental attack on freedom; granted that your plan of reconstruction is not open to the charge of encroaching upon spiritual freedom, and, if successful, would provide a better material environment for the realization of humanity's higher aspirations; do you not run the risk of so trammeling and shackling man's economic freedom that the result will be less production not more, less enterprise and initiative, a drying up of the incentives to progress, and final loss not gain in material well-being?

One possible answer is, of course, to refer our critic to what was said at the outset as to the imminence of catastrophe if we continue to drift. We must regain control of the machinery of civilization if we and it are to survive.

Reluctance to embark on a doubtful adventure deserves a less negative treatment.

The dangers which our critic fears are real dangers. Red tape is not confined to Government departments. Our statutory corporations and public-utility boards may all too easily become unadventurous obstacles to progress, determined enemies to all new ideas.

It may be indeed that one of the lessons we have to learn from our present distresses is that scientific invention itself requires some planning in its application to the economic structure of the Nation.

The problem of progress is no longer the problem of getting enough change to prevent routine from deadening effort but the problem of preventing change from destroying both routine and all social stability.

This, however, is no justification of institutions which deaden effort.

Our proposals must rather be defended by the claim they will liberate the spirit of initiative and not deaden it, in that they will provide means by which the energetic man of business may escape from the disheartening frustrations and failures which are caused by the complexity of the machine, and will give him scope for serving his generation in a larger kingdom than the narrow field

of competition with rivals in particular industrial or commercial pursuits.

Though organized on public-utility lines with monopolistic privileges, the great chartered industrial corporations will find ample room for energy and initiative in performing their primary task of combining maximum output with minimum costs of production. The executive heads of particular factories will not lack the spur of competition.

THE PROFIT-MAKING MOTIVE

It is no part of our plan to enshrine equalitarian doctrines or to eliminate from business life the desire to better oneself and the motive of personal reward. Subordination of the motive of profit to the motive of service does not imply that the motive of profit has no useful part to play even within a public-utility concern not working for profit. It is not absent in the B.B.C. nor in the central electricity board.

Nor is it suggested that public-utility concerns or bodies analogous in character should be set up to deal with any but the major "key" business activities of the nation.

For example, the specialized steel industries of Sheffield would not, unless by their special desire, find a place within the organization of the chartered steel corporation. They would be ancillary to it and would no doubt cooperate with it in suitable ways, but would remain independent.

In general, specialized production and skilled craftsmanship would continue to be the field of individualistic effort. So also would retail business.

Experience alone can prove the justice of our claim that economic freedom will not be fatally shackled by the effects of conscious forward planning. Experience, too, will be needed to make clear the boundaries of the province within which individualistic effort can best be relied upon to secure the highest national dividend.

But we do make the claim that national reconstruction along the lines indicated is not only urgent and essential to salvation, but is also rightly calculated to improve the economic environment of our national life.

A CONSERVATIVE EVOLUTION

Indeed, the Socialist or the Communist will condemn our planning as mere tinkering with the outworn machine of capitalism. To him it will appear as a hopelessly conservative and anemic attempt to stave off the red-blooded revolution which alone would satisfy him.

Our plan is, we claim, conservative in the truest and best sense. It is conservative, not destructive, and builds solidly upon the present and the past. It faces the issues boldly and is not afraid to challenge vested interests and deeply cherished habits of thought and action. It does not, however, propose to expropriate anyone, and, in requiring the application of compulsion in a limited sphere, it is not doing more than extend and make explicit and give systematic application to tendencies and practices already at work.

The purpose of this essay is not to put before the reader any complete or fully worked-out plan of national reconstruction. That can be done only in a series of separate essays, and even then much of the necessary details would have to be left out.

Such sketch in the broadest outline of the lines which reconstruction might take as has been given here must inevitably raise more questions in the mind of the attentive reader than it answers.

PLANNING FREEDOM

Our purpose has been to vindicate by reasoned presentation our faith that national reconstruction on the basis of conscious forward planning, besides being urgent and necessary, is compatible with the preservation of our freedom.

Vested interests, ingrained prejudices, traditions, customs, and points of view which have proved their value in the past are challenged by us to give way to the needs of the present. This generation is called upon to accept modifications in the structure of its economic life, which are profound enough to require an altogether new outlook on the content and meaning of economic freedom. The old spiritual values which belong to personal and political freedom are not challenged. They are accepted as absolute and in full. It is because they are accepted as absolute and because there is urgent need to safeguard them in the changed world of the twentieth century, that new methods of economic organization have to be devised.

Economic freedom must always be relative to its environment. Economic freedom demands that form of economic organization of civilized society which will provide men and women with the highest standards of material well-being attainable by the use of their powers of scientific production and cooperative endeavor, in order that the environment thus afforded may present the widest possible opportunities for the exercise of the human nature.

In the haphazard and disorganized economic structure of today men and women are balked alike of economic and spiritual freedom.

If by conscious forward planning they can escape present frustrations, they will rightly be judged to be more truly free.

Mr. McFADDEN. Mr. Speaker, this analysis is divided into two parts, and represents only a portion of the data I possess showing a well-organized plan for world control. It is given with a view of furnishing a synopsis or outline of a hellish conspiracy to enslave and dominate the free peoples of the earth. There are sufficient facts herein to give the key to the thoughtful student of our national affairs so that he may be on guard against the sinister and ambitious Cæsars in our midst.

I

FREEDOM AND PLANNING AS APPLIED TO THE BRITISH GOVERNMENT

This "political economic plan", as it is also called, was prepared under the direction of Israel Moses Sieff, an English Jew, the director of a chain-store enterprise in England called "Marks & Spencer." This enterprise declared a 40-percent dividend during 1933 and was enabled to do so by the fact that it had handled almost exclusively all imports from Soviet Russia, thus being able to undersell established British competitors.

The political economic plan group is a branch of the Fabian Society.

In this connection I wish to quote from a Paris publication, Revue Internationale des Sociétés Secrètes, under date of January 25, 1931:

On the 1st of November 1930, the Evening Standard, an English daily paper, contained the following lines:

"GOVERNMENT BY FABIANS

"Many Labor members are talking about the dominance in the Government of that very academic body, the Fabian Society. I find that many people believed that this organization, through which many intellectuals entered the Socialist movement, had ceased to exist. But it goes on with membership, small but influential—some 5,000.

"Yet practically every recent appointment, either to high or low office, in the Labor administration has been made from the membership of the society, the latest examples of which are the new Air Minister, Lord Amulree, and the new Solicitor General, Sir Stafford Cripps. I am told that at least 90 percent of the members of the Government are in the rolls of the society, and that, contrary to regulations, so are a good many highly placed civil servants.

"The civil servants would probably defend themselves by saying the society is more intellectual than political.

"This ascendancy is, of course, due to the all-powerful influence of Lord Passfield and his wife, Mrs. Sidney Webb, with whom the Fabian Society has been the passion of their lives."

What, therefore, is the Fabian Society, the members of which, according to the Evening Standard, govern England? The answer is given us by the society itself in the Basis of the Fabian Society, which is appended to every book and tract it issues, and it runs thus:

BASIS OF THE FABIAN SOCIETY

"The Fabian Society consists of Socialists.

"It therefore aims at the reorganization of society by the emancipation of land and industrial capital from individual ownership and the vesting of them in the community for the general benefit. In this way only can the natural and acquired advantages of the country be equitably shared by the whole people.

"The society accordingly works for the extinction of private property in land, with equitable consideration of established expectations, and due provision as to the tenure of the home and homestead; for the transfer to the community, by constitutional methods, of all such industries as can be conducted socially; and for the establishment, as the governing consideration in the regulation of production, distribution, and service of the common good instead of private profit.

"The society is a constituent of the Labor Party and of the International Socialist Congress, but it takes part freely in all constitutional movements, social, economic, and political, which can be guided toward its own objects. Its direct business is (a) the propaganda of socialism in its application to current problems; (b) investigation and discovery in social, industrial, political, and economic relations; (c) the working out of Socialist principles in legislation and administrative reconstruction; (d) the publication of the results of its investigations and their practical lessons.

"The society, believing in equal citizenship of men and women in the fullest sense, is open to persons irrespective of sex, race, or creed, who commit themselves to its aims and purposes as stated above and undertake to promote its work."

One cannot refrain from noticing the irony of the words: "By constitutional methods", contained in the above basis. Everyone knows that the Socialist-Bolshevists of Russia claim to have confiscated and expropriated "by constitutional means" which are in reality legalized theft.

The society took the name of Fabian from the policy of temporizing it adopted, claiming to imitate that of the Roman prodictator, Fabius Conctator, during his fight against Hannibal, whom he eventually defeated at Tarenta, 215 B.C.

Frank Podmore, well-known spiritualist and occultist, one of the founders of the Fabian Society, is quoted as saying to the earliest members: "For the right moment you must wait, as Fabius did most patiently, when warring against Hannibal, though many censured his delays; but when the time comes, you must strike hard, as Fabius did, or your waiting will be in vain and fruitless."

The Fabian Society waited 40 years, striking a continual series of covert blows at the political, economic, social, and religious structure of England, and in 1924 it came to power with the advent of the first Labor government, which can be called the offspring of the Fabian Society.

The period of waiting had been fruitful, if long.

There is no gainsaying that the Fabian Society has been first and foremost a gathering of intellectuals; it might be said of a rebellious intelligentsia, whose accomplishments seem the realization of Weishaupt's dream of Masonic illuminism, cleverly combined with Moses Mendelssohn's dream of Jewish illuminism (Haskalah).

Historically, it was founded in 1883 at the time when, in the realm of philosophy and metaphysics, the political economy of John Stuart Mill, in England, and the positivism of Auguste Comte in France had thrown perturbation in the minds of numerous thinkers and given abundant food to the free thinkers of the epoch. Henry George's book on socialism, Progress and Poverty, was in great vogue. The direct influence leading to the formation of the Fabian Society was, according to E. R. Pease, its historian, exercised by Thomas Davidson, the founder of the Fellowship of the New Life, which society culminated in the Ethical Society of Culture in New York. Considerable impulse was also given to the budding association by its assimilation of Robert Dale Owen's socialistic principles.

It may be of interest to the readers of the R.I.S.S. to remember the fact that among the earliest members of the Fabian Society who had participated in the Fellowship of New Life were freemasons and spiritualists, some becoming later affiliated with Madame Blavatsky's theosophy. The activities of Frank Podmore in both Masonry, occult and spiritual, and Fabian socialism are a study in themselves.

Among the intellectuals who joined the Fabian Society soon after its inception in 1884 was the Irishman, Bernard Shaw, who was elected a member that year.

At that time the Fabian Society had completely seceded from the Fellowship of the New Life and formulated its own socialistic program. The following year Sidney Webb, now Lord Passfield, Minister of the Colonies, and Sydney Olivier, now Lord Olivier, who has held several government appointments, were elected members of the Fabian Society. Soon afterward, Mrs. Annie Besant, the present head of the theosophical movement, also was elected a member.

Fabian socialism at the outset groped its way along all the beaten paths of the social revolutionists who had preceded them. It also made incursions into Babouvism, Marxism, Bakounist anarchism, and the then existing various social democratic groups. Being, however, mainly composed of intellectuals, bureaucrats, civil servants, journalists, etc., the Fabians, whose fundamental slogan was the righting of the wrongs of the working class, had no keen desire for riotous street manifestations, and confined their earliest activities to drawing-room meetings.

It does not enter within the limits of the present sketch to retrace the history of the Fabian Society, but the point which should be regarded as of great importance is that out of the drawing-room meetings alluded to above, there emerged the tactics, truly Fabian, of temporizing and the decision taken and followed of penetrating into or, as Bernard Shaw himself expressed it, "permeating" numerous existing societies with Fabian socialistic ideas and principles.

This method of penetrating into organizations, political and economic, and boring from within, gave in time remarkable results. Fabians, mainly civil servants, easily found their affinities in liberal circles, and, moreover, owing to their loudly proclaimed Socialistic profession of faith, obtained the confidence of the working classes. They were indeed sitting on both sides of the fence and recruiting the good will of both Liberal and Labor organizations.

The study of Fabianism is one of almost unparalleled opportunism. Fabians seemed to have formulated no original creed of their own, but were only animated by an unswerving resolve to get to the top and govern England. Consequently, they adjusted themselves to whatever was the creed or tenets of any camp they penetrated into, and by degrees converted its adherents to a turn of mind designed to procure the advancement of Fabian members in political, industrial, or educational lines, with the final result that they secured "key positions." To suit even anarchism, they formed a special Fabian branch which bore the name of Fabian Parliamentary League.

No field of exploitation seems to have been overlooked by these Socialist intellectual illuminati:

1. Politics: In politics, their range of activities has been well defined by one of its leaders, Bernard Shaw, in a paper he read at a conference in 1892, at Essex Hall. The policy of "permeation" of the Fabian Society was clearly outlined and much stress laid upon the enumeration of results already achieved. Within a year of this conference, in January 1893, the Independent Labor Party was formed by the grouping of the local Fabian societies then in existence. These groups under the leadership of Keir Hardie, Friedrich Engels (co-worker of Karl Marx) and Marx's daughter E. Aveling had accepted as their code Marxism thus summarized: "To establish a Socialist state where land and capital will be held by the community." On such principles was Russia transformed into Soviet Russia in 1917.

The author of the History of the Fabian Society does not fail to point it out as the parent society, emphasizing the fact that the Marxist Independent Labor Party was but its offspring. Thus, leading on the one hand Marxist Socialism, and having, on the other, so permeated the Liberal Party that they also practically ruled it, the Fabians were soon able to set about taking part in local elections, and proposing their own candidates for appointments on school boards, vestry, county councils, women's liberal federation, liberal and radical unions, etc. They spared no pains in pushing forward the autonomy of municipalities as well as the various schemes for national insurance, old-age pensions, tariff reform, employers' liabilities, workmen's compensation.

Politically also, through their offspring, the Independent Labor Party, they asserted their defeatist and antipatriotic tenets during the Boer War 1899–1902, when they expressed their wish "to see the Boers successful and the British Army driven into the sea."

By 1903 the Independent Labor Party, after 10 years of indefatigable efforts among the trade unionists, gave its parent, the Fabian Society, the opportunity and satisfaction of presenting England with a full fledged Labor Party. Up to that time, Fabian candidates had contested and won seats in Parliament as Liberals. The practice of the policy of interlocking directorates had never been better evidenced than by the tactics of Fabianism.

The outbreak of the war in 1914 furnished the illuminati of socialism with the opportunity of manifesting their antipatriotic feelings much more openly than they had done during the Boer War. It was then that their policy of interlocking directorates bore abundant fruit. What one might call the "melting" property of the Fabian Society became more evident, for as such it did not create a record of antipatriotism. That particular task was intrusted to its members of the Labor Party and the Independent Labor Party, who took a prominent part in the formation of the Union of Democratic Control, which counted the Zionist Jew, Israel Zangwill, among its leading bandmasters.

The shameful defeatist, pro-German activities of the present Prime Minister of England, Ramsay MacDonald, Fabian and Laborite during the World War, and the open support given to bolshevism by his Labor Party, have forever sullied the political honor of England and are a matter of history.

Yet another aspect of Fabianism is the great part it took in the formation and, later, direction of the League of Nations, which Bernard Shaw calls "an incipient international government." Fabians have even been known to revendicate it as one of their creations, but there, at any rate, they are guilty of overrating their powers, for to all readers of the protocols of the Wise Men of Zion it is known beyond the shadow of a doubt that the superstate is a Jewish creation. So far as we know, the Fabians have not laid any claims to the authorship of the famous protocols written even before the Fabian Society came into existence. Still it is comparatively easy to conjecture that, owing to their close connections with such a Sage of Zion as Israel Zangwill, they may have been led to adopt this deep-rooted idea of his coreligionists. In other words the permeating Fabian Society became in its turn permeated by Jews. However, so far it has consciously or unconsciously failed to acknowledge that it is nothing more nor less than a tool in the hands of Judeo-Masonry.

2. Economics: In the realm of the economic, industrial, and financial life of England the Fabian Society played no lesser a part than in politics. With its slogan of "progressive policy" it invaded agriculture, preaching the nationalization of land; in other words, the confiscation of landed property. (Note: At a lecture given before the Comité d'Études Nationales in Paris by a Fabian, Mr. Noel Buxton, in May 1928, a member of the audience put it clearly to the orator that the agrarian program of the Labor Party spelled nothing other than expropriation.) It took on, though subsequently dropped guild socialism, but carried much weight with trade-unionism and a kind of syndicalism.

The first blow to industry was struck in Lancashire in 1890, the stronghold of English industry, with the help of Mrs. A. Besant as chief spokesman and agitator. Later the cooperative movement was captured and Fabianized and subsequently delivered over to the Independent Labor Party and Labor Party. It is due to the Socialists having been so successful in conquering industry that during the World War sabotage assumed such appalling proportions in the munition factories in England.

As to the financial ideals of the Fabians, whose basic principle is the ruin of capitalism, they became realities when taxation of the people took undue proportions in the shape of income tax, supertax, death duties, which are to be capped by capital levy. The promised benefits to the working class to be derived from such schemes as the national health insurance and workmen's compensation and dole, old-age and widows' pensions, have proved a myth. Yet they have gone a long way toward furthering the plans exposed in the protocols which aim at reducing to bondage the "Goyim" rich and poor alike.

3. Education: In the matter of education the Fabian illuminati have followed a theory which is none other than that suggested by one of the souls of Bavarian illuminism, Nicolai, in the eighteenth century. Having secured posts in the school boards of the country, it became very easy for Fabian Socialists to instill their educational de-Christianized principles in the school curriculum. Their attack on religious teaching was subtle but deadly, as seen in the education bill of 1902. They boast openly of having in their ranks several Anglican bishops and divines, the list being headed by Bishop Headlam, one of the earliest Fabians. Eventually they won, having, as has always been their wont, resorted to intensive propaganda, generously distributing their tracts and leaflets.

Under Fabian educational schemes come the formation of the educational groups and of the nursery, the latter designed as a

kind of training school for very young prospective Socialists. Women's groups were also formed, the members of which participated in all movements tending to a fuller feminist emancipation. But by far one of the most important steps taken by the Fabians along educational lines has been their inauguration in existing universities of University Socialist Societies, which in 1912 were finally grouped by Clifford Allen into the Universities Socialist Federation. Fertile seeds of Fabian socialism are also sown at the summer school organized annually by the society, which E. R. Pease rightly terms a "propagandist society." The culminating triumph of the Fabians in the realm of education was the creation of the London School of Economics and Political Science at the London University, where today one of the chief lectures is the Jew Socialist, Harold Laski, member of the executive committee of the Fabian Society and chairman of its publishing committee.

As was suggested already, and as can be seen from the succinct exposé here given, Fabianism left no field unexplored and unexploited. For 50 years it has treated England to doses of both pure and diluted Marxism, mostly diluted, as the English, by the very nature of their steady and conservative characteristics are not easily aroused to excesses as those perpetrated by the Paris Communards of 1871. But, on the other hand, they have been thoroughly permeated and their poisoning has been one of long process. It is true also to add that the war paved an easy way for the onward progress of socialism.

The young generations who had still been nurtured in the spirit of Christian tradition and family conservatism perished on the battlefields of France. Their virility would no doubt have constituted the barrier of opposition to this pernicious Fabianism. * * * As to the older generation that preceded that of the young martyrs falling in the name of patriotism and honor, they knew little and wanted to know still less, keen on believing that nothing could ever shake the security of England. How few among them wanted to understand the Protocols of the Wise Men of Zion, published in 1920, and fight the Christian fight to prevent the full accomplishment of the fateful Judeo-Masonic program therein contained. A limited effort was made by a group of Britons which in no time was permeated by emissaries of the powerful enemy and became sick unto death. * * * A noble and steadier effort made by a group publishing the Patriot, and spasmodic outbursts of righteousness made by the Morning Post, are all the resistance that England has been able to oppose to the devastating forces of Judeo-Masonic illuminism, that is, Fabian socialism.

The results are, to the naked eye, the history of England since the war, politically and economically.

Lloyd George's coalition government had been kind to socialism, but the real harvest time came when the Labor Party won the election in 1924 and its members governed or rather misgoverned England. It needed nothing short of the Bolshevist alliance which MacDonald wished to force upon the country to provoke the remaining sound reaction of the English people and prompt them to overthrow the Labor government. But this show of resistance was ephemeral.

How pitiful it is to know that the return of the Labor Party to power in May 1929 is entirely due to the incompetence of a conservative government, in which the people trusted for the sane administration of the affairs of state. Yet the Prime Minister, leader of the Conservative Party, Mr. Baldwin, could not claim ignorance of the Judeo-Masonic plans contained in the protocols of the Wise Men of Zion. He found it easier to deliberately disregard them. Be it as it may, England is once more in the hands of the Labor Party, with the inevitable and ubiquitous Ramsay MacDonald, and according to the latest report issued by the society, "8 Fabians are members of the Cabinet and 14 others hold offices in the Government without seats in the Cabinet."

Outside of England the Fabians are affiliated with strong Socialist groups professing the same ideas—in Copenhagen, in Canada and Australia, Japan, the United States of America, Spain, and Germany. It is our opinion that the Fabian Society is in close connection with the French Comité d'Études Nationales, which has already been mentioned to the readers of the R.I.S.S. and also with the Club du Faubourg, as well as with the Socialist Party headed by the Jew Leon Blum.

Less than 50 years of combined efforts, made by some intellectual and determined Jews and Masons, have cast over the world a dragnet in which all the nations of the world have been ensnared, and they are to be the prey of triumphant Jew.

Surely neither the fanatic illuminatus Nicolai nor his friend and master, the Jew Mendelssohn, ever conceived a better accomplishment of their ideals.

Yet, judging by the financial and economic situation of England at the close of 1930, the practical experiments of the Fabian-Socialist-Marxist theories of the illuminati governing the country have doomed it to irreparable ruin.

According to the Clarion, a Fabian weekly organ, still more disturbances are in store for the unhappy English nation. Its Parliament is to be "democratized" and one, or possibly two, "national assembles"—one for England, another for Scotland—will be created.

But, and here comes the anomaly which is nothing short of ludicrous, for Mrs. Sidney Webb, the author of the proposed Fabian plan, announces that the sovereign power will remain vested in the King, Lords, and Commons! * * *

Propaganda will once again come into play to sow disorder in the already much troubled minds and empty stomachs of a large number of English people. England as a whole refuses to believe that she is in the grip of bolshevism because she still sees the image of a throne, not realizing that this symbol of fallen royal power is kept by the Socialist for commercial purposes. It cannot be denied that without a court which panders to the futile snobism of American women, American dollars would not annually pour into England. Thus does the English throne which alone is left undisturbed and unshaken serve several purposes.

It hypnotizes the people into a false feeling of security, it is also an excellent commercial proposition, and, last but not least, let us remember that it is at the hands of a sovereign that titles are bestowed, and Jews and Fabians alike are eagerly seeking such dignities. Lord Melchett, Marquess of Reading, Lord Passfield, Lord Olivier * * * such is the ruling aristocracy of England. Without a king they would have remained Mond, Isaacs, Webb, Olivier, which emphasizes the need of at least one Socialist kingdom to serve the various ends of Judeo-Masonry which, outside of the lodges where titles are granted, wants to have its own aristocracy with sonorous titles.

As a last consideration, one fails to see why English economists and financiers express a too naive astonishment at France's policy of recalling from England all her gold resources. It needs no violent stretch of imagination to foresee that at any time such men as MacDonald, Snowden, Henderson, Webb-Passfield, and so forth, all of them Fabians, might decree the nationalization, confiscation, and expropriation by bolshevist constitutional methods of all public and private property.

Let us not forget that in conjunction with this eventuality, the insurance companies have already insured themselves against meeting any claims arising from the loss of insured property in cases of "confiscation by the State."

During 1931 this group of Fabians—among them Gerald Barry, I. Nicholson, and Kenneth Lindsay—used a newspaper at that time owned by Lord Beaverbrook and called "The Week End Review" as a vehicle for their ideas. It is understood that Beaverbrook, upon becoming familiar with their plans, disapproved; whereupon they left his paper and continued to publish their ideas in another on means furnished, according to my informant, by Mrs. Leonard Elmhirst, formerly Dorothy Willard Straight, nee Whitney, Sir Basil P. Blackett, governor of the Bank of England, became chairman of the group in 1931. From this time the organization was called the "political economic plan." Among other members were Israel Moses Sieff, Sir Henry Bunbury, Graeme Haldane, I. Hodges, Lady Reading, Daniel Neal, and H. V. Hodson. Monthly meetings were held, at which Mrs. Elmhirst was present. Finally the group split on international policy, and Sir Basil P. Blackett resigned and Israel Moses Sieff became chairman in July 1932. It is said that since becoming head of the group Sieff has spent £60,000 on the movement. In the fall of 1932 the following people joined the political economic plan: Sir Arthur Salter; Sir Oswald Moseley, the head of the new British Union of Fascists; Lord Eustace Percy; Lord Melchett, the son of the late Alfred Mond; and Sir Christopher Turnor.

The political economic plan organization is divided into many separate, well-organized, and well financed departments. For instance, town and country planning; industry; international relations; transport, controlled by Lord Ashfield; banking; social services, civic division, chairman, Ronald Davison; and an agricultural department, the head of which is Leonard Elmhirst, husband of the former Dorothy Willard Straight. Mrs. Elmhirst manages a school for agriculture on political economic plan lines at Dartington Hall, Totnes, Devonshire.

The document Freedom and Planning, heretofore inserted in the RECORD, is entirely secret and, to the best of my belief, has never before been published. However, the political economic plan has published broadsheets which in a rather veiled manner treat of some of the subjects dealt with in the secret document. These broadsheets are intended only for members and are almost impossible to procure. In a broadsheet dated April 25, 1933, they define their organization as follows:

A group of people who are actively engaged in production and distribution, in the social services, in town and country planning, in finance, in education, in research, in persuasion, and in various other key functions within the United Kingdom.

Emphasizing the secrecy of the organization on the last page of this broadsheet occurs the following paragraph:

You may use without acknowledgment anything which appears in this broadsheet on the understanding that the broadsheet and the group are not publicly mentioned, either in writing or otherwise. This strict condition of anonimity, upon which the broad-

sheet goes to you, is essential in order that the group may prove effective as a nonpartisan organization making its contributions outside the field of personal or party polemics.

Perhaps the first and only publicity the organization has had was in the Daily Herald April 28, 1933, which published an article referring to a private dinner given at the Savoy by the political economic plan on March 29 at which the chairman, Israel Moses Sieff, and the secretary, Kenneth Lindsay, made speeches. The caption in the Daily Herald was "Mystery Group Out to Re-Plan British Industry; P.E.P. at Work on New 'Control.'"

The political economic plan group members hold the meetings in a private room of the House of Commons. One of the first meetings was held on October 31, 1932, with the cognizance of Prime Minister MacDonald. Among those present were Malcolm MacDonald, son of the Prime Minister, J. H. Thomas, Sir Ernest Bennet, Lord Delawarr, Israel Moses Sieff, and Kenneth Lindsay, the secretary of the political economic plan.

The plan is already in operation in the British Government by means of the tariff advisory board, which in many of its powers is somewhat comparable to the National Recovery Administration in the United States.

This group organization has gathered all data and statistics obtained by governmental and private organization in administrative, industrial, social, educational, agricultural, and other circles; and Army, Navy, and airport statistics are in their hands as well as those of the law and medical professions. This has been made possible from the fact that the Prime Minister, Ramsay MacDonald, being a Fabian, the political economic plan Fabian group has had all archives at its disposal.

Through the tariff advisory board, created in February 1933, and headed by Sir George May, the control over industry and trade is being firmly established. This board works in direct connection with the treasury and with it devises the tariff policy. It has also been granted the powers of a law court and can exact under oath that all information concerning industry and trade be given it.

Iron and steel, as also cotton industrials in England, have been ordered by the tariff advisory board to prepare and submit plans for the reorganization of their industries and warned that should they fail to do so a plan for complete reconstruction would be imposed upon them. The tariff advisory board has been granted default powers and can, therefore, impose its plan.

The committee of the tariff advisory board is composed of Sir George May, Sydney Chapman, professor of economics and a statistician, and Sir George Allan Powell, of the food board and food council.

An interesting bit of information has come to me in this connection to the effect that this Fabian group has close connections with the foreign-policy association in New York City. This foreign policy association was largely sponsored by the late Paul M. Warburg and has received the close attention and support of Bernard M. Baruch and Felix M. Frankfurter.

Many serious people in England feel that this Fabian organization practically controls the British Government and that this Government will soon be known as "His Majesty's Soviet Government." It is asserted that both Prime Minister MacDonald and his son belong to the organization and that the movement is well organized and well financed and intends to practically sovietize the English-speaking race.

About 3 months after the passage of the National Recovery Act of the United States, when Israel Moses Sieff was urged by members of his committee to show more activity, he said:

Let us go slowly for a while and wait until we see how our plan carries out in America.

II

THE PLAN IN THE UNITED STATES

During the past several months Bernard M. Baruch, Felix Frankfurter, and the New York Jewish lawyer, Samuel T. Untermyer, have made several visits to Europe and spent considerable time there. There is justification for the belief that they have contacted with members of the British Fabian group and are familiar with their plans. The same system, in a somewhat adapted form, has been placed upon the statute books in the United States, and the iron hand of world control is fast being closed upon American agriculture, labor, and industry. The people in the United States have been propagandized into the belief that the National Industrial Recovery Act is a product of the political genius of Franklin Delano Roosevelt. There is no greater popular fallacy. The National Industrial Recovery Act was formulated before Franklin Delano Roosevelt had any well-defined ideas as to its existence, and it is doubtful that even now he appreciates its significance. It required 15 years of hard effort on the part of Mr. Baruch and his associates to foist this act upon the American people, and it was only through the sufferings over a period of great stress that he was enabled to do it. Baruch himself stated before the War Policies Commission in reference to the genesis of this act, "For 13 years I have been coming down and working with my associates in the War Department * * *." It might be stated that practically every year since the war Baruch has been going to the Army War College and giving our future generals lectures along these lines. However, these addresses are clothed in secrecy and we do not know just what he says. During the spring of 1931, in appearing before the War Policies Commission, Mr. Baruch stated, in part:

* * * Our industry must, at last analysis, mobilize itself. What is required is leadership of a type that will persuade cooperation in every branch. This leadership must be backed by sanctions of far greater force than can or ought to be used in peace. It is a spontaneous sort of function, utterly inappropriate to any imaginable form of bureaucratic organization.

As I have said, I do not favor an involved statute attempting to anticipate the requirements of another war.

I think plans should be made and revised yearly. I think some steps should be taken to keep selected industrial leaders informed of these plans so that when the principal actors in the 1918 mobilization pass from the scene there will be a nucleus of personnel to take their places. I do not believe that we can go further.

But, for a very special reason, I do believe that there should be one statute on the books the very existence of which would be a constant warning to everybody that never again in America will any man make as much profit in war as he can make in peace. There need be nothing complex nor involved about it. Purely for purposes of discussion I have prepared a rough draft, eliminating enacting clauses and formalities. It follows:

"That whenever Congress shall declare war or the existence of an emergency due to the imminence of war, then from and after a date prior to such declaration, which date the President is hereby authorized and directed to determine and announce, it shall be unlawful for any person to buy, sell, or otherwise contract for any service, right, or thing at a higher rate, rent, price, wage, commission, or reward than was in effect at the date so determined.

"Whenever, in the sole discretion of the President, he shall determine that any maximum price, wage, rent, rate, commission, or reward should be adjusted either upward or downward, he is hereby authorized to make and proclaim such adjustment; and such adjustment shall have the full force and effect under this statute of such price, wage, rent, rate, commission, or reward before such adjustment.

"During the period of any war or emergency declared by Congress thereunder the President is authorized to determine, and by proclamation announce, what classes of public service, or of dealers or manufactures of any article or commodity shall be required to operate under licenses, to fix a condition of such licenses, and to grant licenses under such conditions. After such determination by the President it shall be unlawful for any public service, dealer, or manufacturer in such determined classes to engage in business without such license.

"During the period of any war or emergency declared by Congress hereunder, the President is authorized to determine the order of priority in which any manufacturer, dealer, or public service in the United States shall fill customers' or other orders and after such determination it shall be unlawful for any such manufacturer, dealer, or public service to fill such order in any other order of priority."

So much for the bill he proposed, but bear in mind he was emphatic that it should be used only in the event of war or an emergency caused by the imminence of war. He further stated:

Nobody with any familiarity with industry could seriously urge a wholesale assumption by any Federal bureau of the responsibility for management of any or all of the vast conjuries of manufacturing establishments upon which we must rely for extraordinary effort in event of war. Even if such bureau management

could prove adequate to the task (which it could never do), the mere process of change would destroy efficiency at the outset.

The industrial pattern of the United States is a delicate mesh of interrelated strands. It has been evolved in response to the needs of the Nation and under natural economic law but dimly understood. It is a sensitive living organism, and the injection of arbitrary and artificial interference could be attempted only at the risk of starting a sequence of upheavals, the ends of which no man can see. * * *

Baruch also presented to the War Policies Commission a draft of a proposed act regarding price fixing, and stated:

General Johnson, who was instrumental in drawing up the selective-service legislation, as it was submitted to Congress during the war, and who wrote the selective-service regulations, assisted in preparing this draft. * * *

Johnson, as well as Herbert Bayard Swope, was present with Baruch during these hearings, and they appeared to be his lieutenants, Johnson especially acting in the capacity of an assistant.

General Johnson in the last few months has become well known to the American public, and there can be little doubt that his first allegiance is to Bernard M. Baruch, with whom he has been associated so long.

We find in the activities of General Johnson, in the promulgation of codes upon the industry of the United States and in the activities of that other "brain truster", Prof. Rexford Tugwell, in promoting agriculture codes and controlled agricultural industry of the Nation, the very same machinery in operation as was proposed in Freedom and Planning.

However, Baruch, Johnson, Tugwell, Frankfurter, et al. seem to be more brazen in their efforts in this country. Frankfurter has been furnishing most of the legal brains for the outfit, and it is said that no legal position of any consequence can be secured by any lawyer in the present administration without it has first had the approval of Frankfurter. And it is a startling fact, in connection with this, that most of the legal advisers, especially in key positions, are Jews. Felix Frankfurter's adept student and protégé, Jerome N. Frank, general counsel of the Agricultural Adjustment Administration, delivered an address before the Association of American Law Schools, thirty-first annual meeting, at Chicago, December 30, 1933, on Experimental Jurisprudence and the New Deal. A reading of this address shows the contempt of the Frankfurter lawyers for the Constitution of the land and an expressed determination to obviate and avoid constitutional barriers in their administration of the Nation's affairs. Those in charge of the plan and its administration in the United States have for years considered methods for accomplishing their ends without regard to the Constitution of the United States. They recognize the fact that the National Industrial Recovery Act did not give them all of the power they desired in order to break down the barriers enacted in our Constitution preserving certain rights to the various States of the Union, as well as other features. Therefore, in the promulgation of the various codes affecting industry and agriculture throughout the country they have sought to compel, browbeat, and bulldoze the business interests of this country to engage in private contract so that they would have the power to require the business interests of the Nation to do their wishes regardless of the Constitution. The new-deal lawyers now have no hesitancy in appearing in court and asserting that private citizens can contract away their constitutional rights. It has been through this method that they have broken down State lines and invaded the most private affairs of our citizens. It will be through this method, for instance, that the little retailer of the country will be driven out of business and chain-store-system control by them put into operation, just as they are attempting in England.

There is no better illustration of this group of international would-be Caesars to control the industry and agricultural interests of this Nation than that demonstrated in the methods they have employed to try to coerce and compel the Ford Motor Co. to sign the automobile manufacturers' code. It should be borne in mind that even General Johnson himself has had to admit to the Comptroller General of the United States that he has no evidence of code or law violation on the part of the Ford Motor Co. It should also be borne in mind that the little Jewish Assistant Attorney General, Cahffetz, who appeared in the Supreme Court of the District of Columbia for the Government in recent cases brought therein by a Ford dealer, admitted to the court that he had no evidence of law violation. Therefore a question of whether or not the Ford Motor Co. has violated the law or the codes is not raised. It is admitted by the Government that they have not. Then why all this stir to prevent the purchase by the Government of Ford products? There are two outstanding reasons: One is that the Ford Motor Co. represents the last stronghold of independent industry in this Nation, hence it must be destroyed. It interferes with their plans. Next, so long as the Ford Motor Co. refuses to sign any code and thus engage in private contract which would give the administration power over and beyond the law it is still free at any time it chooses to attack the constitutionality of these extraordinary measures. Frankfurter lawyers contend that one who has signed the code has waived his rights to make any such attack. Therefore the power of Government will be used to bludgeon and compel, if it can, this last stronghold of independent industry to come within the fold so that it will be safe from attack in this quarter.

The American people may feel exceedingly grateful that someone has shown some degree of patriotic sanity in this respect, and the Ford Motor Co. has a great many of the smaller business enterprises of the Nation with them in their stand.

We not only see the hurried and frenzied regimentation of industry and agriculture in this Nation by means of codes, but we are also witnessing a most spectacular engagement by Government in the private loan field. Billions of dollars are being used to take over debts and pledge the property of industry, farmers, and home owners. This paves the way for the day near at hand when Government corporations will begin to take over and operate industrial enterprises and land and home organizations. We are on the threshold of a modern and Machiavellian feudal system devised and controlled by a group of international usurpers.

It might be well to observe that those who for 15 years have planned this specific legislation which is now operating to take over and control the most intimate affairs of our national life must have foreseen the conditions under which they could make such a plan possible. Therefore, it is reasonable to assume that they had some direct part in bringing about the conditions which make it possible to place the "plan" in operation. There has not been an administration since our advent into the great World War in which Bernard M. Baruch has not been a chief political, economic, and financial adviser, and every administration that has listened to him has carried us deeper and deeper into financial chaos, and today we are operating on his greatest experiment—a planned economy and industrial and agricultural control. The juggernaut has been built and it is being moved on its cumbersome wheels. It is only a matter of time until it will give its lurch and roll upon and crush those who have built it.

Immediately following the World War, Bernard M. Baruch appeared before a select congressional committee and there testified to the fact that he virtually had complete control of the resources of the American Nation during the war. The colloquy with Congressman Jeffries is in part as follows:

Mr. JEFFRIES. In other words you determined what anybody could have?

Mr. BARUCH. Exactly; there is no question about that. I assumed that responsibility, sir, and that final determination rested with me.

Mr. JEFFRIES. What?

Mr. BARUCH. That final determination, as the President said, rested within me; the determination of whether the Army or Navy should have it rested with me; the determination of whether the Railroad Administration could have it, or the Allies, or whether General Allenby should have locomotives, or whether they should be used in Russia, or used in France.

Mr. JEFFRIES. You had considerable power?

Mr. BARUCH. Indeed I did, sir.

Mr. JEFFRIES. And all those different lines, really, ultimately centered in you, so far as power was concerned?

Mr. BARUCH. Yes, sir; it did. I probably had more power than perhaps any other man did in the war; doubtless that is true.

It is quite safe to assume today that now in coalition with Frankfurter, Brandeis, Moley, Tugwell, Johnson, Berle, and others of the American group, Mr. Baruch exercises more power than any man in the United States, if not in the world. It is a nice little camouflage for him to talk about getting out of Wall Street and writing the story of his struggling youth. We might as well look for the stream to run up the mountain.

THE PRIVATE CALENDAR

GEORGE A. CARDEN AND ANDERSON T. HERD

Mr. LLOYD. Mr. Speaker, a few moments ago on the Private Calendar, in consideration of Calendar No. 583, H.R. 8482, a bill conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd, I offered a committee amendment. I was not advised at that time that the Senate bill included the committee amendment.

I ask unanimous consent to vacate the committee amendment because it was already included in the bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. LLOYD]?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. FLETCHER. Mr. Speaker, I ask unanimous consent that on tomorrow, at the conclusion of business on the Speaker's table, I may be permitted to address the House for 10 minutes.

Mr. MARTIN of Massachusetts. Reserving the right to object, I should like to ask the majority leader what is the program for tomorrow. Will this interfere with his program?

Mr. BYRNS. I intended, when the House meets tomorrow, to renew my request for unanimous consent to consider the Private Calendar. I would do so now, but I believe we will all be in better humor tomorrow, and perhaps the request may be granted. If that is denied, then it would be proposed to go ahead with suspensions and rules, and possibly conference reports. A conference report has just been filed, and there has also been a conference report filed on the communications bill. Those conference reports may come up at any time.

Mr. MARTIN of Massachusetts. If the gentleman's request is granted, we will only consider bills on the Private Calendar and whatever conference reports may come in?

Mr. BYRNS. Yes. My request would go to this extent—of course, that could be refused, but if it were granted, we will take up the Private Calendar. I really believe the time has come when we ought to consider some Senate bills and pass those Senate bills on the Private Calendar. If the Members will look at the RECORD, they will find that the Senate passed a great many of the House bills on yesterday. I think we ought to pass Senate bills first and then consider House bills.

Mr. MARTIN of Massachusetts. Will the gentleman make his request now?

Mr. BYRNS. There is a request pending.

Mr. MARTIN of Massachusetts. I have no objection to the pending request.

Mr. TRUAX. Will the gentleman yield for a question? Is the gentleman going to ask unanimous consent to consider the Private Calendar on tomorrow?

Mr. BYRNS. I am going to ask that tomorrow.

Mr. TRUAX. You will ask it for tomorrow?

Mr. BYRNS. I will ask it tomorrow. I am simply serving notice now that I will make that request as soon as the House meets tomorrow.

Mr. MARTIN of Massachusetts. Perhaps the gentleman could do it now.

Mr. HANCOCK of New York. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. HANCOCK of New York. Did the gentleman say it was the intention to give preference to Senate bills that have been passed?

Mr. BYRNS. I am going to make that request. I think that is what we ought to do. I think we ought to take up the Senate bills first, and then if we get through with those, we can take up the House bills; but, in any event, I am going to ask that the Private Calendar be called tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. FLETCHER] that on tomorrow, at the conclusion of business on the Speaker's table, he may address the House for 10 minutes?

There was no objection.

FARMING THE FOUNDATION OF CIVILIZATION

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD concerning the decentralization of industrial population by subsistence homestead projects.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, it is trite to say that the farm is the foundation of all civilization. This truth nearly everybody will admit, but few are willing to admit its economic significance. Out of the ground all things of value must proceed. Not only things to eat and wear, but mineral products of all sorts, clay products, timber, and in fact all animal life is but one step up from the ground, and but a step back into the ground.

Mr. Speaker, it was a great conception of President Roosevelt to lay emphasis upon this fundamental thought by insisting upon wise experimentation in the matter of subsistence homesteads. These small farms are intended merely to decentralize the industrial population and to enable the families to produce fruits and vegetables, milk, and some meat for family use only, and not for the market so as to become competitors of commercial farmers. Those living upon these subsistence homesteads will labor in various factories at least a part of the time so as to raise the cash to pay for clothing and a part of their food, and for such pleasures and cultural agencies and instrumentalities as musical instruments, radios, books, and similar comforts, conveniences, and uplifting diversions.

The frontier of America has reached the Pacific and the backing-up process is beginning to show itself on the Atlantic coast. It is upon this eastern side of the continent that the worn, barren, marginal lands are to be found. The Democratic administration is showing the way to the recovery of these worn-out lands, just as it showed the way a generation ago to the conservation and reclamation of the barren desert lands of the West. Consequently we have programs of reforestation, of soil-erosion control, of drainage, of conservation of water power for rural electrification, to enable those living on the farms to lighten the toil and to enjoy more of the improvements of modern civilization.

Mr. Speaker, the program of the Democratic Party includes a great conception for the blessing and benefit of humanity. Its basis is the Bible, its exemplification is the philosophy and teaching and example of Jesus Christ, its partial fruition is the Declaration of Independence and even popular government itself. This program of the Democratic Party rises above partisan considerations; it is not a mere matter of office holding and pork-barrel politics, but it smacks of the spirit of the missionary. It exists to serve and bless mankind, it takes little children into its arms, it preaches the gospel of service to the poor, it holds out hope for the lowly and humble, it gives promise that America will still lead the world, as it has ever done, in pointing the way to a freer, purer, more just, and more ethical economic system.

Mr. Speaker, I have always believed in these things that I have been mentioning, but that belief was hazy and more of a hope than a creed. It is true that upon my own farm I have long been experimenting in soil building, erosion control, and diversification. It is true that I have preached from one end of our State to the other the necessity that farmers should first of all produce upon their farms the things that their families and tenants and their stock must

eat. It is true that I have sought to show the benefits of establishing farm marketing centers for canning fruits and vegetables, for converting milk into butter, cream, and cheese, for preserving and curing meats, and for assembling and shipping all forms of poultry, including eggs. It is true that I have pointed to the advantages of small farms near our centers of population. I have personally helped and encouraged many families to acquire such homes. But to find now that the force of the Federal Government is to be thrown back of a Nation-wide movement to make farm life more desirable and more profitable is one of the most joyful realizations of this whole Roosevelt regime.

Mr. Speaker, as an illustration of the interest I have long felt in such matters, I have been offering prizes in good country high schols in different parts of my district, the prizes being always books, for farmers who made the greatest progress in soil building, and for high-school pupils that wrote the best essays on various phases of farm life. Therefore, I am offering some extracts from the prize-winning essay by Miss Martha Roberts in the Mountain View High School of O'Neal Township in Greenville County. I wish that my colleagues could see this school in action. It is the center of community life. It is more than a mere place for children to learn the three R's; it is a place where grown men and women often assemble, and by exchange of experiences and ideals, all under the leadership of wonderful teachers, the whole community is advancing in every way. I am proud to report that there are many such country high schools in the Fourth Congressional District, and I do not intend to reflect upon any by calling special attention to the wonderful progress made in the Mountain View School and among the people living in that neighborhood. I hope that at another session I may have the great pleasure of calling attention to some of these other schools and of complimenting some of the winners of the contests which I have encouraged and stimulated.

Here follow brief extracts from the wonderful essay of Miss Martha Roberts.

THE ADVANTAGES OF FARM LIFE

Surely no place offers such great opportunities for life at its best as the farm. In this day of rural electrification, good roads, wide-awake churches and schools, the farm is an excellent place for good moral, physical, and mental development, and these are the most important forces of life. * * *

Farm life presents a natural environment of God's handiwork. No one who lives on the farm can fail to feel a closer communion with God, or fail to recognize a Supreme Being as one deals with plants day after day. Wild plant life, as well as the cultivated plant life, causes us to agree with the poet, who when asked why a certain beautiful wild flower grew in such a secluded spot, answered by saying:

"Why thou wert there, oh rival of the rose!
I never thought to ask, I never knew;
But, in my simple ignorance, suppose
The self-same power that brought me here brought you."

The close contact with outdoor life plays an important part in our moral growth, but church life is necessary too. Improved highways, automobiles, and centrally located churches make it possible for any one of us on the farm to enjoy and take an active part in religious activities. * * *

When we compare the physical ability of farmers with that of men who do indoor work, we can easily see that the farm offers unusual advantages for physical development. Work on the farm calls for a great deal of outdoor exercise. * * *

Good strong, healthy bodies are impossible without a sufficient amount of fresh, nutritious foods. On the farm fresh meats, vegetables, milk, eggs, butter, etc., can be had throughout the entire year. And with canning materials we can easily preserve our surplus foods so as to have a well-balanced diet throughout the year without much extra expense. Few cases of pellagra and other diseases, due to a faulty diet, are found among farmers, because they can have a supply of fresh foods at all times.

The mental side of life need not be neglected on the farm. Each of us can receive a high-school education without added expense, and with the foundation we thus receive, we can continue to improve and inform our minds. * * *

Thanks to the R.F.D.'s, we on the farms can receive daily papers and our magazines just about as quickly as people in cities and towns. Therefore, we can be familiar with and well informed on the topics of the day. Many rural sections have also the advantage of a Sunday paper. By means of the radio we in the country have the advantages of theaters, noted speakers and preachers, and musical concerts. Also the radio makes it possible for us to keep up with current events, market quotations, weather forecasts, and all other important things. * * *

In many rural sections we have the advantages of a public library. * * *

In view of the many advantages of the farm we understand how farm life has played an important part in producing many of the great characters of the past and also of the present.

(Miss) MARTHA ROBERTS.

Mr. Speaker, the message from President Roosevelt received by the Congress yesterday inspires us all with a vision of better and brighter days for the American people. This should certainly be true of the Piedmont section of South Carolina. We already have many interests which do interlock in bringing about better conditions for our people. But we need a more diversified industry and a more diversified agriculture. The more people there are engaged in manufacturing, not only cotton but various other products and especially in the manufacture of many kinds of commodities and utilities from cotton and from cotton cloth, the better the markets for all forms of farm products. In like manner the farmers will be induced to diversify their products and not only to produce cotton but to produce all the things on the farm that the people on the farm need to eat, and also the food for stock and cattle, with a surplus of fruits and vegetables, milk and cream, and meat for sale to the nearby industrial populations, and also for shipping to the distant markets of the North.

In order to help bring about these promising features of development, we need cheaper power. There are still parts of our streams on which power can be developed, and if we organize a power-distributing company in South Carolina for the Piedmont section, it will be possible to bring power over the mountains from the cheap sources of the Tennessee Valley Authority. That corporation can, and if we desired would, develop power nearer to Greenville than the Cove Creek Dam near Knoxville. There is abundant power in the French Broad River. The Tennessee Valley Authority has been cooperating splendidly with the power companies in the Tennessee River Basin by either buying out the existing transmission lines or by staying out of the territory already served by private power companies. That can easily be worked out in Piedmont, S.C. While the Duke Power Co. and its various subsidiaries offer power to every industry or enterprise that we may develop; yet, in my humble judgment, compared with power rates in other parts of the country and power rates prevailing in Canada, Norway, Sweden, and Italy the rates of the Duke Power Co. are too high. I believe in being fair to every person, firm, and corporation, and I certainly would be fair to the innocent stockholders, but the first consideration is the people who must have power in order to operate industries, and if the rates are so high as to either discourage industries or prevent their being expanded, then it is time to look about for a cheaper source of power.

If the Piedmont section of South Carolina will organize and cooperate for the development of all of our wonderful resources, we can within a generation be the richest part of the world. We have a climate unmatched anywhere. With the purest water and a naturally fertile soil, with all facilities of transportation, with local markets and every prospect of finding markets in the great cities of the North for all of our fruits and vegetables, milk products, and meats, I can see the mortgages being lifted from our farms, I can see better farm homes and farm outbuildings rising all over that section, I can see new industries of many kinds springing up in every neighborhood, and soon our whole section from side to side will reflect in a prosperous people the benevolent policies conceived in the heart of President Roosevelt.

These words from the message of President Roosevelt on June 8, 1934, seem especially appropriate to our situation:

Among our objectives I place the security of the men, women, and children of the Nation first.

This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

In a simple and primitive civilization homes were to be had for the building. The bounties of nature in a new land provided crude but adequate food and shelter. When land failed our ancestors moved on to better land. It was always possible to push back the frontier, but the frontier has now disappeared. Our task involves the making of a better living out of the lands that we have.

So also security was attained in the earlier days through the interdependence of members of families upon each other and of the families within a small community upon each other. The complexities of great communities and of organized industry make less real these simple means of security. Therefore, we are compelled to employ the active interest of the Nation as a whole through government in order to encourage a greater security for each individual who composes it.

With the full cooperation of the Congress we have already made a serious attack upon the problem of housing in our great cities. Millions of dollars have been appropriated for housing projects by Federal and local authorities, often with the generous assistance of private owners. The task thus begun must be pursued for many years to come. There is ample private money for sound housing projects; and the Congress, in a measure now before you, can stimulate the lending of money for the modernization of existing homes and the building of new homes. In pursuing this policy we are working toward the ultimate objective of making it possible for American families to live as Americans should.

In regard to the second factor, economic circumstances and the forces of nature themselves dictate the need of constant thought as to the means by which a wise government may help the necessary readjustment of the population. We cannot fail to act when hundreds of thousands of families live where there is no reasonable prospect of a living in the years to come. This is especially a national problem. Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now found.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to re-create forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

FRANKLIN D. ROOSEVELT.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. PEAVEY, for a week, on account of illness in family.

To Mr. HEALEY, for 2 days, on account of illness.

To Mr. HAINES, for June 9, on account of private business.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 339. An act for the refundment of certain countervailing customs duties collected upon logs imported from British Columbia; to the Committee on the Judiciary.

S. 413. An act for the relief of William H. Connors, alias John H. Connors, alias Michael W. H. Connors; to the Committee on Military Affairs.

S. 527. An act for the relief of Lillian Morden; to the Committee on Claims.

S. 568. An act for the relief of Winifred Meagher; to the Committee on Claims.

S. 605. An act authorizing national banks to establish branches in certain cases; to the Committee on Banking and Currency.

S. 762. An act for the relief of Teresa de Prevost; to the Committee on Claims.

S. 771. An act for the relief of James Darcy, alias James Hurley; to the Committee on Military Affairs.

S. 829. An act for the relief of Denis Healy; to the Committee on Naval Affairs.

S. 1137. An act for the relief of Ruth J. Barnes; to the Committee on Claims.

S. 1146. An act for the relief of John W. Beck; to the Committee on Military Affairs.

S. 1177. An act for the relief of Edward T. Costello; to the Committee on Military Affairs.

S. 1386. An act to provide for a preliminary examination of Nisqually River and its tributaries, in the State of Washington, with a view to the control of their floods; to the Committee on Flood Control.

S. 1510. An act to amend the act entitled "An act to adjust water-right charges, to grant other relief on the Federal irrigation projects, and for other purposes", approved May 25, 1926, with respect to certain lands in the Langell Valley irrigation district; to the Committee on Irrigation and Reclamation.

S. 1707. An act for the relief of Carlos C. Bedsole; to the Committee on the Public Lands.

S. 1792. An act for the relief of Claude C. Martin; to the Committee on Military Affairs.

S. 1836. An act for the relief of John W. Schell, deceased; to the Committee on Military Affairs.

S. 1948. An act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097); to the Committee on Indian Affairs.

S. 2010. An act to provide for the establishment of a Coast Guard station on the coast of Georgia, at or near Sea Island Beach; to the Committee on Interstate and Foreign Commerce.

S. 2074. An act for the relief of James R. Mansfield; to the Committee on Claims.

S. 2255. An act to regulate the defense of alibi in criminal cases; to the Committee on the Judiciary.

S. 2333. An act for the relief of John J. Moran; to the Committee on Claims.

S. 2336. An act for the relief of the estate of Mrs. Donnie Wright, deceased; to the Committee on Claims.

S. 2343. An act for the relief of Herbert E. Matthews; to the Committee on Claims.

S. 2454. An act for the relief of Arthur W. Adams; to the Committee on Military Affairs.

S. 2462. An act relating to loans by the Reconstruction Finance Corporation in connection with agricultural improvement projects; to the Committee on Banking and Currency.

S. 2501. An act for the relief of Dr. R. N. Harwood; to the Committee on Claims.

S. 2581. An act for the relief of Charles H. Willett; to the Committee on Military Affairs.

S. 2613. An act for the relief of Jewell Maness; to the Committee on Claims.

S. 2836. An act to amend the Mining Act of May 10, 1872, as amended; to the Committee on Mines and Mining.

S. 2892. An act to amend existing laws prohibiting the introduction of intoxicating liquors within the Indian country to permit its use as a medicine by practicing physicians for patients of Indian blood; to the Committee on Indian Affairs.

S. 2896. An act for the relief of James W. Carmichael, deceased; to the Committee on Military Affairs.

S. 2987. An act to restore homestead rights in certain cases; to the Committee on the Public Lands.

S. 3017. An act for the relief of Edwin C. Jenney, receiver of the First National Bank of Newton, Mass.; to the Committee on Claims.

S. 3113. An act to add certain lands to the Malheur National Forest, in the State of Oregon; to the Committee on Agriculture.

S. 3116. An act to amend sections 3 and 4 of the act of July 3, 1930, entitled "An act for the rehabilitation of the Bitter Root irrigation project, Montana"; to the Committee on Irrigation and Reclamation.

S. 3122. An act for the relief of H. N. Wilcox; to the Committee on Claims.

S. 3160. An act for the relief of Charles E. Secord; to the Committee on Claims.

S. 3199. An act for the relief of Thomas A. Coyne; to the Committee on Military Affairs.

S. 3261. An act to permit the stepchildren of certain officers and employees of the United States to be admitted to the public schools of the District of Columbia without payment of tuition; to the Committee on the District of Columbia.

S. 3375. An act to provide for the distribution of power revenues on Federal reclamation projects, and for other purposes; to the Committee on Irrigation and Reclamation.

S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act; to the Committee on Agriculture.

S. 3431. An act authorizing a preliminary examination of the Lower Columbia River, with a view to the controlling of floods; to the Committee on Flood Control.

S. 3459. An act to exempt from taxation certain property of the Daughters of Union Veterans of the Civil War in the District of Columbia; to the Committee on the District of Columbia.

S. 3463. An act to authorize the addition of certain names to the final rolls of the Blackfeet Tribe of Indians in the State of Montana; to the Committee on Indian Affairs.

S. 3479. An act to amend the act entitled "An act to regulate the practice of the healing art to protect the public health in the District of Columbia", approved February 27, 1929; to the Committee on the District of Columbia.

S. 3541. An act to authorize production-credit associations to make loans to oyster planters; to the Committee on Agriculture.

S. 3568. An act to amend section 824 of the Code of Laws for the District of Columbia; to the Committee on the District of Columbia.

S. 3569. An act to provide for the acquisition of land in the District of Columbia in excess of that required for public projects and improvements, and for other purposes; to the Committee on the District of Columbia.

S. 3656. An act for the relief of Robert N. Stockton; to the Committee on Claims.

S. 3657. An act authorizing the construction of a dam on the San Pedro River, Ariz.; to the Committee on Irrigation and Reclamation.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 1405. An act for the relief of the Yosemite Lumber Co.;

H.R. 2035. An act for the relief of Jennie Bruce Gallahan;

H.R. 2287. An act for the relief of Warren Burke;

H.R. 2692. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 2749. An act for the relief of E. B. Rose;

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H.R. 3353. An act to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3354. An act to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3362. An act to provide a preliminary examination of the Nooksack River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3363. An act to provide a preliminary examination of Skagit River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3768. An act to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies;

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4272. An act for the relief of Annie Moran;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4932. An act for the relief of Judd W. Hulbert;

H.R. 4962. An act for the relief of Joseph B. Lynch;

H.R. 5175. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 5334. An act to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226);

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.;

H.R. 5636. An act for the relief of Jose Ramon Cordova;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 5935. An act for the relief of Oscar P. Cox;

H.R. 6246. An act granting 6 months' pay to Annie Bruce;

H.R. 6675. An act to authorize the acknowledgment of oaths by post-office inspectors and by chief clerks of the Railway Mail Service;

H.R. 6847. An act providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va.;

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr;

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli;

H.R. 7082. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356);

H.R. 7098. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239);

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer;

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 7317. An act to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party;

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 7711. An act to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service;

H.R. 7759. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin;

H.R. 8234. An act to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods;

H.R. 8541. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin;

H.R. 8562. An act to provide for a preliminary examination of the Connecticut River, with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts;

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina;

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes;

H.R. 9064. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind.;

H.R. 9141. An act granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County in the State of Alabama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge, and approaches thereto, across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, District of Columbia, organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H.R. 9313. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.;

H.R. 9392. An act to reclassify terminal railway post offices;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington;

H.R. 9567. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.;

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.;

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933; and

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 1358. An act to provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery at Fayetteville, Ark.;

S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes;

S. 3211. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 3540. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933; and

S. 3640. An act granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.

TAX-EXEMPT SECURITIES—RECIPROCAL TAXATION OF GOVERNMENTAL SECURITIES PROHIBITED BY CONSTITUTION

Mr. CROWTHER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. CROWTHER. Mr. Speaker, it is well settled that the Federal Government is without power to levy a tax upon bonds or other obligations of States and municipalities, and conversely that such States and municipalities may not tax the obligations of the United States. In the case of *Collector* v. *Day* (11 Wall. 127), the Supreme Court of the United States, in referring to this inhibition, said:

> It is admitted that there is not express provision in the Constitution that prohibits the general Government from taxing the means and instrumentalities of the States, nor is there any prohibiting the States from taxing the means and instrumentalities of that Government. In both cases the exemption rests upon necessary implication, and is upheld by the great law of self-preservation; as any government, whose means employed in conducting its operations, if subject to the control of another and distinct government, can exist only at the mercy of that government.

When the sixteenth amendment to the Constitution was adopted, there was some question whether under its provisions giving Congress the power to "lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration", the Federal Government had thereby been given the power to tax income from State and municipal bonds. Governor Charles Evans Hughes, of New York, in submitting the amendment to the legislature of his State, opposed its ratification because he considered that the phrase "from whatever source derived" gave Congress this power.

However, the sponsors of the amendment in Congress contended that the language was intended only to give to Congress the power to levy a tax upon incomes without the necessity of apportioning the tax according to population, and that it did not extend the objects of taxation. It was pointed out that Congress already had the power to tax incomes, but that as a tax on incomes had been held to be a direct tax, it must, under the terms of the Constitution, be apportioned among the States. This requirement of apportionment, it was said, was the difficulty sought to be avoided by the amendment.

The first income tax law enacted subsequent to the ratification of the sixteenth amendment was under the Tariff Act of 1913. By the terms of the law, income from State and municipal securities was specifically exempted. During the consideration of the bill in the House of Representatives, Representative Cordell Hull, who has often been called the

"father of the Federal income tax", explained that the reason the Ways and Means Committee had recommended the exemption of such income was that the friends of the sixteenth amendment did not desire to raise any constitutional question, nor to arouse the antagonism of any State.

All Federal income-tax laws since 1913 have consistently exempted from the tax all income from the obligations of States, Territories, possessions, and their respective subdivisions. Whether such income would be exempt under general constitutional considerations, without such specific exemption, is still a moot question. So far as the Congress itself is concerned, the weight of opinion seems to be that a further constitutional amendment would be necessary to permit the taxation of such income. Since Congress has always exempted the income from State and municipal securities from taxation, the power of Congress to tax such income under the sixteenth amendment has never been directly presented to the Supreme Court for judicial determination. However, in numerous dicta, the Court has taken the position that the amendment did not extend the taxing power to new or excepted objects (*Brushaber* v. *Union Pacific R.R.*, 241 U.S. 1; *Evans* v. *Gore*, 253 U.S. 245).

THE HOLMES VIEW OF THE EFFECT OF THE SIXTEENTH AMENDMENT

It is interesting to note that while the Supreme Court has intimated that it would hold unconstitutional the taxation by the Federal Government of income from State and municipal securities notwithstanding the sixteenth amendment, this view has by no means been concurred in by all of the justices. Thus, in *Evans* v. *Gore* (supra), Mr. Justice Holmes (Mr. Justice Brandeis concurring), stated his understanding of the sixteenth amendment as follows:

By that amendment Congress is given the power to "collect taxes on incomes, from whatever source derived." It is true that it goes on "without apportionment among the several States, and without regard to any census or enumeration", and this shows the particular difficulty that led to it. But the only cause of that difficulty was an attempt to trace income to its source, and it seems to me that the amendment was intended to put an end to the cause and not merely to obviate a single result.

Under this view, Congress would have the power, without further amendment of the Constitution, to levy a tax upon income from State and municipal securities. Whether, on the direct question being presented to it, the Supreme Court would adopt the view of Mr. Justice Holmes, it is, of course, impossible to say.

As the possibility of the Court overruling its previous dicta is purely conjectural, it may be well to consider the only other means of giving to Congress the power to tax obligations issued by the States and municipalities. This, of course, is by further amendment of the Constitution.

VOLUNTARY EXEMPTION OF OWN SECURITIES BY FEDERAL, STATE, AND LOCAL GOVERNMENTS

It should perhaps be stated that while the Federal Government does not appear to have the power to tax the income from State and municipal obligations, it does have the power to tax income from its own obligations. However, in order that the securities issued by the Federal Government will not have to compete with tax-free State and municipal securities on the market, Congress usually provides either whole or partial tax exemption for its own issues. For a like reason, the States and municipalities exempt their own issues from their respective taxes.

ARGUMENTS PRO AND CON

There has been much popular controversy over whether all governmental securities should be tax free. The chief arguments in favor of the proposition are as follows:

First. Governments can thus borrow funds for public purposes at lower rates of interest than if the securities were taxable.

Second. The holders of tax-free securities do not in effect escape taxation, but pay it in the form of accepting a lower interest rate.

Third. The exemption of interest from obligations of the State and municipal governments from Federal taxation, and the exemption of the interest from Federal obligations from State and municipal taxation, is necessary in order to preserve and safeguard the dual sovereignty system established by the Constitution.

On the other hand, those opposing tax-free securities contend that—

First. The exemption from taxes is not adequately reflected in the price for which the securities are usually sold.

Second. High taxes divert savings from ordinary productive industry to tax-exempt securities.

Third. Private enterprises are not able to borrow money on their own obligations except at high rates of interest, due to the necessary competition with tax-free Government issues.

Fourth. The ease with which governments can borrow money through tax-free securities encourages extravagance.

AMOUNT OF TAX-EXEMPT SECURITIES OUTSTANDING

According to the annual report of the Secretary of the Treasury for the fiscal year 1932, it is estimated that there were outstanding, on December 31, 1931, some twenty-two and a half billion dollars worth of Federal, State, and municipal securities the interest from which was wholly exempt from Federal income tax, and in addition some twelve billions of Federal securities the interest from which was exempt from the normal tax but not the surtax. This makes a total of thirty-four and a half billions of dollars in Government securities, Federal, State, and local, which on December 31, 1931, were either wholly or partially exempt from Federal income tax. Of the issues which were wholly exempt, those of the States and municipalities amounted to some $15,583,000,000; those of the Territories and possessions to $153,000,000; those of the Federal Government to some $5,000,000,000; and those of the Federal farm-loan system to nearly $1,800,000,000. Of course, the amount of tax-exempt securities outstanding at the present time is considerably more than it was at the date above mentioned. It has been estimated by some that these securities now aggregate in the neighborhood of $42,000,000,000.

SECRETARY OF THE TREASURY GLASS URGED REFORM IN 1919

In his annual report for the fiscal year 1919, the Secretary of the Treasury, Hon. CARTER GLASS, called attention to the fact that high surtaxes tend to draw private capital from industry into investment in tax-free State and municipal securities, upon terms so easy to the States and municipalities "as to stimulate wasteful and nonproductive expenditure." He suggested that Congress amend the revenue law so as to require that, for the purpose of ascertaining the amount of surtax payable by a taxpayer, his income from State and municipal bonds be reported and included in his total income, and the portion of his income which is subject to taxation be taxed at the rates specified in respect to a total income of such amount. In support of his proposal he said:

It is intolerable that taxpayers should be allowed by purchase of tax-exempt securities not only to obtain exemption with respect to the income derived therefrom but to reduce the supertaxes upon their other income, and to have the supertaxes upon their other income determined upon the assumption, contrary to fact, that they are not in possession of income derived from State and municipal bonds.

While admitting that a question had been raised concerning the right of the Federal Government, under the Constitution, to tax the income from State and municipal bonds, he nevertheless stated that there could be no doubt of the constitutionality of such an administrative provision. In this connection, however, reference should be made to a recent decision of the United States Supreme Court in which this question was directly presented (*National Life Ins. Co.* v. *U.S.*, 277 U.S. 508). In the National Life Insurance Co. case, the collector of internal revenue, acting pursuant to the statute, required the company to subtract from the deduction allowed on account of reserves the amount of tax-free interest allowed as a separate deduction. On this point the Supreme Court said:

Thus he—the collector—required the petitioner to pay more upon his taxable income than could have been demanded had this been derived solely from taxable securities. If permitted, this would destroy the guaranteed exemption. One may not be subjected to greater burdens upon his taxable property solely because he owns some that is free.

Thus, it would appear that the proposal submitted by the Secretary, while an ingenious one, would not be upheld by the Supreme Court.

In 1920 the United States Chamber of Commerce took an interest in the matter of tax-free securities, and after a referendum vote of its members recommended against any further issues. The National Tax Association, just prior to that time, had condemned further exemptions by reason of the source of incomes.

VIEWS OF SECRETARY OF TREASURY MELLON

Secretary of the Treasury Mellon, shortly after assuming office in 1921, wrote to the Chairman of the House Ways and Means Committee under date of April 30, stating that "the continued issue of tax-exempt securities encourages the growth of public indebtedness and tends to divert capital from productive enterprise." In the same letter he further stated that "the existence of this mass of tax-exempt securities constitutes an economic evil of the first magnitude." Three days later a joint resolution was introduced in the House proposing a constitutional amendment making governmental security issues reciprocally taxable.

Speaking of the effect of tax-exempt securities upon the Federal income tax, Secretary Mellon, in a letter to the author of the joint resolution, dated September 23, 1921, said:

> The issue of tax-exempt securities has a direct tendency to make the graduated Federal surtaxes ineffective and nonproductive, because it enables taxpayers subject to surtaxes to reduce the amount of their taxable income by investing it in such securities; and at the same time the result is that a very large class of capital investments escape their just share of taxation.

In the same letter the Secretary justified the exemption by the Federal Government of its own securities from Federal income tax in the following language:

> Of course, the voluntary withdrawal of the tax exemptions from securities to be issued by or under the authority of the Federal Government would require no constitutional amendment, but to do this as to Federal securities alone would unjustly discriminate against the National Government and leave a clear field for the State and local governments.

HEARINGS ON PROPOSED AMENDMENT

In January 1922 public hearings were begun by the Ways and Means Committee on a number of resolutions pending before it which proposed to amend the Constitution so as to permit reciprocal taxation of governmental securities. Practically every witness appearing before the committee opposed any further tax-exempt issues. Among the national organizations represented at the hearing as favoring the proposed amendment were the following: The National Tax Association, the American Farm Bureau Federation, the Farm Mortgage Bankers Association, the National Association of Real Estate Boards, the American Mining Congress, the Peoples' Reconstruction League.

Speaking in behalf of the joint committee on taxation of the New York Legislature, Prof. E. R. A. Seligman, a recognized authority on taxation, gave an extended and carefully prepared argument in support of the proposal. He pointed out that it had often been contended that the issuance of tax-free securities could be defended because the public secured the advantage in the transaction, and went on to say that this was not the case; that it was the lender and not the borrower who secured the chief benefit. Professor Seligman warned that the issuance of tax-exempt securities was increasing so fast that it was rapidly narrowing the tax base, and argued that the continuance of this system might seriously endanger the Federal revenues.

In addition to other witnesses, Secretary of the Treasury Mellon personally appeared before the committee in support of the proposed amendment. President Harding had previously advocated the measure in a message to Congress on December 6, 1921.

PROPOSED AMENDMENT REPORTED TO HOUSE

On May 3, 1922, the Committee on Ways and Means reported to the House a joint resolution proposing the amendment of the Constitution to permit reciprocal taxation of future issues of Federal, State, and municipal securities. Outstanding issues were not to be affected, since good faith and the obligation of contract would prevent any attempt to reach them.

In its report accompanying the presentation of the proposed amendment to the House the committee gave the following reasons for abolishing the system of tax-free securities.

First. A large portion of property escapes taxation thereby, causing a great loss of revenue.

Second. It violates the ability principle of taxation and unfairly discriminates between taxpayers.

Third. It impedes private financing.

Fourth. It discourages investment in new enterprises.

Fifth. It encourages extravagance in governmental agencies.

Sixth. It grants a private subsidy to certain interests.

Seventh. By withdrawing money from private enterprises it increases the rate of interest required for all enterprises not carried on by the Government, and thereby adds to the cost of living.

Eighth. It creates social unrest; and the only practical remedy is by constitutional amendment.

HOUSE PASSES RESOLUTION—SENATE FAILS TO ACT

The House passed the joint resolution on January 23, 1923. In the Senate the bill was referred to the Judiciary Committee and hearings were begun a short time later. Other than to hold hearings, however, no action was taken on the measure.

Although the Senate did not act upon the resolution, it did adopt a resolution of its own directing the Federal Trade Commission, among other things, to investigate the facts relative to tax-exempt income from governmental securities. The Commission's report on the subject was transmitted to the Senate on June 6, 1924, and was ordered printed as a public document (S.Doc. No. 148, 68th Cong.).

RESOLUTION FAILS TO PASS HOUSE IN SUCCEEDING CONGRESS

In the Sixty-eighth Congress, the proposed amendment was again introduced, and on January 11, 1924, it was reported to the House, after being debated on February 7 and 8, it failed of passage by reason of lacking the necessary two-thirds majority, the vote being ayes 247, nays 133. In the debate, those Members who were especially interested in the success of the Federal farm-loan system and in municipal enterprises dependent upon bond issues emphasized the importance of these enterprises and made much of their dependence on tax-exempt issues. Opponents of the measure also attacked the motives of farm-mortgage bankers and public-service corporations in advocating the amendment.

LATER DEVELOPMENTS

Although in each succeeding Congress joint resolutions have been introduced by individual Members proposing an amendment to the Constitution in respect of tax-exempt securities, none of them have been reported out of committee. However, the Treasury Department has continued to recommend that such an amendment be adopted. In addressing the Ways and Means Committee in connection with the drafting of the Revenue Act of 1926, Secretary Mellon, on October 19, 1925, said:

> Looking at the proposition logically, there is no reason for the existence of tax-exempt securities. There ought to be no refuge to which the wealthy man can go and avoid income taxes at times when the Federal Government needs the money. A constitutional amendment to make these securities taxable should be passed. The Treasury has consistently been the advocate of such reform.

The following statement is contained in the annual report of the Treasury Department for the fiscal year 1927:

> Taking the long-time view of the situation, I believe that the enactment of such a constitutional amendment is desirable, for I consider it inconsistent with our principles of democratic government that our laws be so framed as to permit any class of our citizens to escape their just obligations.

Again, in his annual report for 1930, the Secretary of the Treasury called the attention of Congress to the fact that the Department had previously "earnestly recommended the adoption of a constitutional amendment permitting the Federal and State Governments, respectively, to tax securities to be issued in the future."

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 27 minutes p.m.) the House adjourned until tomorrow, Saturday, June 9, 1934, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SADOWSKI: Committee on Interstate and Foreign Commerce. H.R. 9653. A bill granting the consent of Congress to the State of Michigan, by and through the Mackinac Straits Bridge Authority, its successors and assigns, to construct, maintain, and operate a toll bridge or series of bridges across the Straits of Mackinac at or near a point between St. Ignace, Mich., and the Lower Peninsula of Michigan; with amendment (Rept. No. 1917). Referred to the House Calendar.

Mr. CHRISTIANSON: Committee on Indian Affairs. H.R. 9691. A bill referring the claims of the Turtle Mountain Band or Bands of Chippewa Indians of North Dakota to the Court of Claims for adjudication and settlement; without amendment (Rept. No. 1919). Referred to the Committee of the Whole House on the state of the Union.

Mr. MILLER: Special committee appointed in pursuance of House Resolution 236. House Report 1920. A report of the committee pursuant to House Resolution 236. Referred to the House Calendar.

Mr. MURDOCK: Committee on Indian Affairs. H.R. 9822. A bill authorizing an appropriation for payment to the Osage Tribe of Indians, on account of their lands sold by the United States; without amendment (Rept. No. 1921). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 9620. A bill to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new-mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes; with amendment (Rept. No. 1922). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. H.J.Res. 365. Joint resolution to amend the Settlement of War Claims Act of 1928, as amended; with amendment (Rept. No. 1924). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Wisconsin: A bill (H.R. 9875) to assure to persons within the jurisdiction of every State and Territory of the United States adequate protection of their right to work; to the Committee on Labor.

By Mr. STEAGALL: A bill (H.R. 9876) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act and certain laws relating to national banking associations, and for other purposes; to the Committee on Banking and Currency.

By Mr. DOCKWEILER: A bill (H.R. 9877) to repeal certain taxes on coconut oil, and for other purposes; to the Committee on Ways and Means.

Also, a bill (H.R. 9878) to repeal certain taxes on coconut oil, and for other purposes; to the Committee on Ways and Means.

By Mr. AYERS of Montana: A bill (H.R. 9879) to credit the Fort Belknap Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Fort Belknap Reservation, Mont.; to the Committee on Indian Affairs.

Also, a bill (H.R. 9880) to credit the Crow Indian tribal funds with certain amounts heretofore expended from tribal funds on irrigation works of the Crow Reservation, Mont.; to the Committee on Indians Affairs.

By Mr. KNUTSON: A bill (H.R. 9881) to provide for a statement of indebtedness of foreign countries to the United States; to the Committee on Ways and Means.

By Mr. FLANNAGAN: A bill (H.R. 9882) to establish the Breaks of Sandy National Park in Virginia and Kentucky; to the Committee on the Public Lands.

By Mr. McREYNOLDS: A bill (H.R. 9883) to authorize an annual appropriation to pay the pro rata share of the United States of the expenses of the Pan American Institute of Geography and History; to the Committee on Foreign Affairs.

By Mr. BEITER: A bill (H.R. 9884) to amend the act entitled "An act to provide for the appointment of an additional judge of the District Court of the United States for the Western District of New York", approved March 3, 1927; to the Committee on the Judiciary.

By Mr. IGLESIAS: A bill (H.R. 9885) to extend the provisions of certain laws to the island of Puerto Rico; to the Committee on Insular Affairs.

By Mr. KNIFFIN: A bill (H.R. 9886) to provide further for the national security and defense; to the Committee on the Judiciary.

By Mr. McCORMACK: Resolution (H.Res. 424) authorizing the special committee created by House Resolution 198, Seventy-third Congress, second session, to investigate Nazi propaganda and other matters, to expend not exceeding the sum of $40,000 in addition to the amount authorized to be expended by House Resolution 199, Seventy-third Congress, second session; to the Committee on Accounts.

By Mr. HOWARD: Concurrent resolution (H.Con.Res. 43) authorizing the printing of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan in Washington, D.C., May 3, 1934; to the Committee on Printing.

By Mr. LUDLOW: Concurrent resolution (H.Con.Res. 44) to provide for the printing and binding of the prayers offered by the Reverend James Shera Montgomery, Chaplain of the House of Representatives, during the opening of the daily sessions of the Seventy-second and Seventy-third Congresses; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GAMBRILL: A bill (H.R. 9887) for the relief of the Baltimore Renovating Co.; to the Committee on Claims.

Also, a bill (H.R. 9888) to extend the benefits of the United States Employees' Compensation Act of September 7, 1916, to Ethel Smith McDaniel, widow of Travis McDaniel; to the Committee on Claims.

By Mr. KOPPLEMANN: A bill (H.R. 9889) for the relief of Minnie Rosenblatt; to the Committee on Claims.

By Mr. REECE: A bill (H.R. 9890) for the relief of Odessa Nason; to the Committee on Claims.

By Mrs. ROGERS of Massachusetts: A bill (H.R. 9891) for the relief of Manuel Gonsalves; to the Committee on Claims.

Also, a bill (H.R. 9892) reviving and renewing Patents Nos. 955130 and 955131; to the Committee on Patents.

By Mr. SNELL: A bill (H.R. 9893) granting an increase of pension to Clara F. Tower; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5060. By Mr. GLOVER: Resolution of Grand Prairie Leader, Stuttgart, Ark.; to the Committee on Ways and Means.

5061. By Mr. GOODWIN: Petition of W. G. Skelly, Republican national committeeman for Oklahoma, opposing the Wagner labor disputes bill; to the Committee on Labor.

5062. Also, petition of the National Association of Pattern Manufacturers, Chicago, opposing the passing of the Wagner Labor Disputes Act (S. 2926); to the Committee on Labor.

5063. Also, petition of the Cooking and Heating Appliance Manufacturing Industry, Washington, D.C., opposing the passing of the labor disputes bill, Senate bill 2926; to the Committee on Labor.

5064. By Mr. KINZER: Petition of Dr. Jacob Herchelroth, of Lancaster, Pa., protesting against Senate bill 2800; to the Committee on Interstate and Foreign Commerce.

5065. By Mr. LINDSAY: Petition of Independent Petroleum Association, Washington, D.C., favoring the Federal Petroleum bill (H.R. 9676); to the Committee on Interstate and Foreign Commerce.

5066. Also, telegram from the Crown Cork & Seal Co., Inc., New York City, opposing the passage of the Wagner labor bill; to the Committee on Labor.

5067. Also, petition of the Armstrong Cork Co., Lancaster, Pa., opposing the Wagner labor bill (S. 2926); to the Committee on Labor.

5068. Also, petition of the Bacon Coal Co., Brooklyn, N.Y., opposing the Wagner labor bill; to the Committee on Labor.

5069. Also, petition of C. H. Kohnken, of Brooklyn, N.Y., opposing the Wagner labor disputes bill; to the Committee on Labor.

5070. Also, telegram from L. F. Loree, of New York City, concerning Senate bill 3231, railway employees pension legislation; to the Committee on Labor.

5071. By Mr. MARTIN of Oregon: Petition of Edna A. Scott, president Teachers Union, No. 11, Portland, Oreg., and others, urging Congress to earmark $150,000,000 of Public Works funds for direct school relief; to the Committee on Appropriations.

5072. By Mr. RUDD: Petition of Norman Winnall, of Brooklyn, N.Y., protesting against the passage of the Wagner bill (S. 2926); to the Committee on Labor.

5073. Also, petition of the Triangle Ink & Color Co., Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

5074. Also, petition of H. S. Chardavoyne, Inc., Brooklyn, N.Y., urging consideration of the Wagner labor bill at the next session of Congress; to the Committee on Labor.

5075. Also, petition of the National Gauge Corporation, G. M. Cowenhoven, president, Brooklyn, N.Y., opposing the passage of the Wagner labor bill (S. 2926); to the Committee on Labor.

5076. Also, petition of the Crown Cork & Seal Co., Inc., New York City, opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5077. Also, petition of the Broadway Merchants' Chamber of Commerce, Inc., Brooklyn, N.Y., opposing the new Wagner disputes bill (S. 2926); to the Committee on Labor.

5078. Also, petition of the Armstrong Cork Co., Lancaster, Pa., opposing the new Wagner disputes bill; to the Committee on Labor.

5079. Also, petition of the Bacon Coal Co., Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5080. Also, petition of William W. Fitzhugh, Inc., Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5081. Also, petition of L. F. Loree, New York City, opposing Senate bill 3231 until a thorough study has been made of the general coordinator of transportation; to the Committee on Labor.

5082. Also, petition of Hunterspoint Lumber & Supply Co., Inc., Long Island City, N.Y., opposing passage of the Wagner bill (S. 2926); to the Committee on Labor.

5083. Also, petition of C. H. Kohnken, of Brooklyn, N.Y., opposing the Wagner labor disputes bill (S. 2926); to the Committee on Labor.

SENATE

SATURDAY, JUNE 9, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Friday, June 8, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	King	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Cutting	Lewis	Russell
Bachman	Davis	Logan	Schall
Bailey	Dickinson	Lonergan	Sheppard
Bankhead	Dill	Long	Shipstead
Barkley	Erickson	McCarran	Smith
Black	Fess	McGill	Steiwer
Bone	Fletcher	McKellar	Stephens
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Murphy	Thomas, Utah
Bulkley	Gibson	Neely	Thompson
Bulow	Glass	Norbeck	Townsend
Byrd	Gore	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	O'Mahoney	Wagner
Caraway	Hatch	Overton	Walcott
Carey	Hatfield	Patterson	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	
Coolidge	Kean	Reynolds	

Mr. LEWIS. I wish to announce that the Senator from New York [Mr. COPELAND], the Senator from Illinois [Mr. DIETERICH], the Senator from Wisconsin [Mr. DUFFY], the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained from the Senate.

I regret to announce that the Senator from California [Mr. MCADOO] is still absent on account of illness.

I ask that these announcements may stand for the day.

Mr. FESS. I wish to announce that the Senator from New Jersey [Mr. BARBOUR], the Senator from Rhode Island [Mr. METCALF], the Senator from Delaware [Mr. HASTINGS], the Senator from Rhode Island [Mr. HEBERT], the Senator from Pennsylvania [Mr. REED], and the Senator from Maryland [Mr. GOLDSBOROUGH] are necessarily absent.

The VICE PRESIDENT. Eighty-two Senators having answered to their names, there is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, returned to the Senate, in compliance with its request, the bill (H.R. 7340) to authorize the Post Office Department to hold contractors or carriers transporting the mails by air or water on routes extending beyond the borders of the United States responsible in damages for the loss, rifling, damage, wrong delivery, depredations upon, or other mistreatment of mail matter due to fault or negligence of the contractor or carrier, or an agent or employee thereof.

The message also announced that the House had passed without amendment the following bills and joint resolutions of the Senate:

S. 1173. An act for the relief of Gladding, McBean & Co.;

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emer-

gency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933;

S. 2898. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd against the United States;

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law;

S. 3237. An act to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929;

S. 3521. An act to facilitate purchases of forest lands under the act approved March 1, 1911;

S.J.Res. 93. Joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the western bank of the Mississippi River, at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jefferson and his aids, Livingston and Monroe, who negotiated the Louisiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers and others who contributed to the territorial expansion and development of the United States of America; and

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

The message further announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.; and

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 870. An act for the relief of L. R. Smith; and

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes;

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H.J.Res. 342. Joint resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument; and

H.J.Res. 349. Joint resolution designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes.

PAYMENTS OF JUDGMENTS AND CLAIMS AND SUPPLEMENTAL ESTIMATES

The VICE PRESIDENT laid before the Senate six communications from the President of the United States, together with accompanying letters and related papers from the Director of the Bureau of the Budget, transmitting, pursuant to law, the following matters, which, with the accompanying papers, were severally referred to the Committee on Appropriations and ordered to be printed:

An estimate of appropriation submitted by the Treasury Department to pay a claim for damages to privately owned property in the sum of $102.26, which was considered and adjusted under the provisions of law, and requiring an appropriation for its payment (S.Doc. No. 203);

Record of claim allowed by the General Accounting Office as shown by certificate of settlement forwarded to the Treasury Department, covering a judgment rendered by the District Court against the former collector of customs, port of New York, where certificates of probable cause has been issued, as provided by law, amounting to $360.55 (S.Doc. No. 207);

Schedules of claims amounting to $15,231.88 allowed by the General Accounting Office, as covered by certificates of settlement which have been submitted to the Treasury Department under appropriations the balances of which have been carried to the surplus fund under the provisions of law (S.Doc. No. 205);

List of judgments rendered by the Court of Claims, which have been submitted by the Attorney General through the Secretary of the Treasury and requiring an appropriation for their payment under the War Department, $24,535.14 (S.Doc. No. 206);

Supplemental estimates of appropriations under the Department of Commerce, for the fiscal year 1935, amounting to $47,210 (S.Doc. No. 208); and

Supplemental estimates of appropriations for the fiscal year 1934, in the sum of $6,406.53, and for the fiscal year 1935, in the sum of $325,720, amounting in all to $332,126.53, and draft of a proposed provision pertaining to an existing appropriation for the Department of State (S.Doc. No. 204).

REPORT OF RECONSTRUCTION FINANCE CORPORATION

The VICE PRESIDENT laid before the Senate a letter from the Chairman of the Reconstruction Finance Corporation, transmitting, pursuant to law, a report on the operations of the Corporation for the first quarter of 1934, and for the period from its organization on February 2, 1932, to March 31, 1934, inclusive, which, with the accompanying report, was referred to the Committee on Banking and Currency.

PHILIPPINE INDEPENDENCE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting copy of a resolution adopted by the Provincial Board of Cagayan, Philippine Islands, expressing its thanks and gratitude for the enactment of Public Law No. 127, Seventy-third Congress, an act to provide for the complete independence of the Philippine Islands, to provide for the adoption of a constitution and a form of government for the Philippine Islands, and for other purposes, which was ordered to lie on the table.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from Daniel Ford, chairman, Membership Meeting of the Workers ex-Service Men's League, Post No. 165, New York City, N.Y., praying for the prompt passage of House bill no. 1, the so-called "veterans' bonus bill", which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a memorial from the board of directors of the San Antonio (Tex.) Manufacturers' Association, remonstrating against the passage of the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, which was ordered to lie on the table.

Mr. ROBINSON of Arkansas presented a telegram in the nature of a petition from W. E. Phipps, commissioner of education; J. W. Kuykendall, executive secretary of the Arkansas Education Association; and H. F. Dial, president of Education Association, dated at Little Rock, Ark., praying for the making of an appropriation of $75,000,000 for school purposes in the pending first deficiency and emergency appropriation bill, which was referred to the Committee on Appropriations.

REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 3660) to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monte-

rey, Calif., reported it with amendments and submitted a report (No. 1347) thereon.

He also, from the same committee, to which was referred the bill (H.R. 8728) authorizing the Secretary of War to lease or to sell certain lands and buildings, known as "Camp Eagle Pass, Tex.", to the city of Eagle Pass, Tex., reported it without amendment and submitted a report (No. 1366) thereon.

He also, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3742. An act granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt. (Rept. No. 1368); and

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass. (Rept. No. 1369).

Mr. WHEELER, from the Committee on Agriculture and Forestry, to which was referred the joint resolution (S.J. Res. 124) authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally, reported it with amendments and submitted a report (No. 1348) thereon.

Mr. WHITE, from the Committee on Claims, to which was referred the bill (H.R. 5122) for the relief of William S. Steward, reported it without amendment and submitted a report (No. 1349) thereon.

Mr. COOLIDGE, from the Committee on Claims, to which was referred the bill (H.R. 3705) for the relief of Julia E. Smith, reported it without amendment and submitted a report (No. 1350) thereon.

Mr. BAILEY, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3482. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N.Y., against the United States, in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island (Rept. No. 1370);

H.R. 3793. An act for the relief of Anthony Hogue (Rept. No. 1351);

H.R. 4387. An act for the relief of Mary A. Rockwell (Rept. No. 1352);

H.R. 6284. An act for the relief of John R. Novak (Rept. No. 1353);

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government (Rept. No. 1354);

H.R. 6625. An act for the relief of Charles Farr (Rept. No. 1355); and

H.R. 7163. An act for the relief of the D. F. Tyler Corporation and the Norfolk Dredging Co. (Rept. No. 1356).

Mr. BAILEY also, from the Committee on Claims, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

H.R. 3636. An act for the relief of Thelma Lucy Rounds (Rept. No. 1357); and

H.R. 8035. An act for the relief of James M. Pace (Rept. No. 1358).

Mr. LOGAN, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 740. An act for the relief of Wade Dean (Rept. No. 1359);

H.R. 1133. An act for the relief of Silas B. Lawrence (Rept. No. 1360);

H.R. 3176. An act for the relief of Ernest Elmore Hall (Rept. No. 1361);

H.R. 3296. An act for the relief of Carl F. Castleberry (Rept. No. 1362);

H.R. 3912. An act for the relief of Roland Zolesky (Rept. No. 1363); and

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation (Rept. No. 1364).

Mr. LOGAN also, from the Committee on Claims, to which was referred the bill (H.R. 987) for the relief of Sard S. Reed, reported it with an amendment and submitted a report (No. 1365) thereon.

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (H.R. 8108) for the relief of Jeannette Weir, reported it without amendment and submitted a report (No. 1371) thereon.

HEIGHT OF HUDSON RIVER BRIDGE, NEW YORK CITY

Mr. SHEPPARD. From the Committee on Commerce, to which was recommitted the bill (S. 3553) to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York City, to New Jersey, I report it back favorably with amendments and submit a report (No. 1367) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate proceeded to consider the bill.

The amendments of the Committee on Commerce were, on page 1, line 6, after the word "five", to strike out "disinterested expert engineers" and insert "members"; on the same page, line 9, after the word "Commission", to strike out "and 2 from civil life" and insert "1 from the Bureau of Navigation, Department of Commerce, and 1 from the Reconstruction Finance Corporation"; on page 2, line 18, after the word "operation", to insert a comma and "and also taking into consideration modern methods of lowering and telescoping masts on ships passing under bridges", and in line 24, after the word "commission", to strike out:

The time for commencing actual work on the bridge shall be extended 5 years from date of such approval.

The compensation and expenses of said commission shall be fixed by the Secretary of War and paid by the said bridge company, which shall deposit with the Secretary of War a sum not exceeding $5,000 for such purpose.

And insert:

Necessary travel, subsistence, and clerical expense, not exceeding $1,000, shall be allowed the members of the commission, and the sum of $1,000 is hereby appropriated for such purpose, to be paid by the Secretary of the Treasury on vouchers signed by the member of the commission appointed from the Corps of Engineers of the United States Army.

So as to make the bill read:

Be it enacted, etc., That there is hereby established a commission to be known as the "Hudson River Bridge Commission" (hereinafter in this act referred to as the "commission") and to be composed of 5 members, to be appointed by the President, 1 from the Corps of Engineers of the United States Army, 1 from the United States Navy, 1 from the Interstate Commerce Commission, 1 from the Bureau of Navigation, Department of Commerce, and 1 from the Reconstruction Finance Corporation.

Said commission hereby established shall meet from time to time after appointment and examine the subject of clear height above the water of the superstructure of the bridge which the North River Bridge Co. is authorized to build over the Hudson River under act of Congress (ch. 669, 1889–90, 51st Cong., and Public Act No. 350, 67th Cong.) with a view to determine scientifically from information in the files of the War Department and from any additional information and facts which the commission may obtain, such height as it shall deem necessary for security of navigation of the largest ocean ships under the bridge, located at Fifty-seventh Street, New York, and at the same time permit the low grade necessary for the most economical operation of railroad trains over the bridge and approaches thereto for the purpose of facilitating interstate commerce thereover, taking into consideration modern progress in ship and railroad construction and operation, and also taking into consideration modern methods of lowering and telescoping masts on ships passing under bridges.

This commission shall report its finding within 60 days, after appointment of the members thereof, with reasons therefor, to the Secretary of War, who is thereupon authorized and directed to approve within 10 days after receipt of such report the clear height of the bridge above the water recommended by the commission.

Necessary travel, subsistence, and clerical expense, not exceeding $1,000, shall be allowed the members of the commission, and the sum of $1,000 is hereby appropriated for such purpose, to be

paid by the Secretary of the Treasury on vouchers signed by the member of the commission appointed from the Corps of Engineers of the United States Army.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 3773) authorizing the Administrator of Veterans' Affairs to pay certain war-risk insurance policies to the beneficiaries thereunder; to the Committee on Finance.

By Mr. DAVIS (for Mr. REED):

A bill (S. 3774) for the relief of Thomas Regis Cushing (with accompanying papers); to the Committee on Naval Affairs.

By Mr. JOHNSON and Mr. HAYDEN:

A joint resolution (S.J.Res. 138) to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934; to the Committee on Agriculture and Forestry.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles and referred as indicated below:

H.R. 9476. An act to empower certain members of the Division of Investigation of the Department of Justice to make arrests in certain cases, and for other purposes; to the Committee on the Judiciary.

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.; to the Committee on Commerce.

H.J.Res. 342. Joint resolution authorizing an appropriation to defray the expense of erecting the completed Navy and Marine Memorial Monument; to the Committee on the Library.

H.J.Res. 349. Joint resolution designating or naming a certain mountain in the State of Tennessee "Mount Roosevelt", and for other purposes; to the Committee on Public Lands and Surveys.

AMENDMENTS TO EMERGENCY APPROPRIATION BILL

Mr. FLETCHER submitted an amendment intended to be proposed by him to House bill 9830, the first deficiency and emergency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 73, line 2 (in the item for public buildings, under the heading "Procurement Division, Public Works Branch"), before the word "rental" to insert "all necessary improvements to make such land and buildings available for the purposes intended;".

Mr. LOGAN submitted an amendment intended to be proposed by him to House bill 9830, the first deciency and emergency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 63, after line 24, to insert the following proviso: *Provided, however,* That no funds appropriated by this title shall be loaned, granted, or donated, either directly or indirectly, to any commission, board, or instrumentality created by Congress or other public authority, for the sole purpose of bringing into being or carrying into execution, any self-liquidating project, unless the obligations of such commission, board, or other instrumentality shall be guaranteed as to payment of interest and principal by a State, county, municipality, or a political subdivision of a State, county, or municipality, or unless such obligations are otherwise adequately secured; and the income from such self-liquidating projects shall not be accepted as adequate; and this proviso shall apply to any appropriation heretofore made and unexpended for like purposes as those mentioned in title II of this act.

CENTENNIAL OF INDEPENDENCE OF THE REPUBLIC OF TEXAS

Mr. CONNALLY submitted the following concurrent resolution (S.Con.Res. 21), which was referred to the Committee on the Library:

Resolved by the Senate (the House of Representatives concurring), That there is hereby established a joint congressional committee to be composed of 3 Senators, to be appointed by the President of the Senate, and 3 Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the Centennial of the Independence of the Republic of Texas, to be held in the State of Texas in the year 1936.

The expenses of the committee, which shall not exceed $5,000, shall be paid, one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers approved by the chairman.

REGULATION OF COMMUNICATIONS BY WIRE OR RADIO—CONFERENCE REPORT

Mr. DILL. Mr. President, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes.

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes.

(For conference report, see RECORD of House proceedings, p. 10969.)

Mr. DILL. I move that the report be agreed to.

Mr. KING. Mr. President, I should like to ask the chairman of the committee, the Senator from Washington, whether in the agreement which has been reached there is any provision which will restrict the authority and power of the District of Columbia in handling and exercising jurisdiction over public utilities.

Mr. DILL. Mr. President, I think nothing in this bill would seriously restrict in any way, unless it might be in connection with the exchanges of the city which run out into the States. We have attempted in the bill to avoid even that restriction. I think the occasion for the suggestion being made to the Senator is that in the House amendment there was a provision, in the form of a definition, which would have given the commission control of the telephone and telegraph rates in the District of Columbia, but the House receded on that provision; so that, so far as we can know, we believe the power of the District of Columbia will not be interfered with.

Mr. KING. Mr. President, I want to be assured of that fact, because I could not support the conference report if I believed that within the pages of the bill and within the report there were provisions which would restrict the District of Columbia, through its government, through Congress, in exercising full and proper authority over the public utilities within the District. That is a matter belonging exclusively to the District of Columbia, and I would not be willing to impinge upon that authority, and if the bill should do so, I should oppose the report.

Mr. DILL. I think I can assure the Senator that it does not.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

JOHN P. LEONARD; WILLIAM G. BURRESS, DECEASED; PAUL JELNA—CONFERENCE REPORTS

Mr. SHEPPARD. Mr. President, I ask that the Chair may lay before the Senate several conference reports submitted by me on yesterday, which are now on the table.

The VICE PRESIDENT laid before the Senate the following conference reports, which were read:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 541) for the relief of John P. Leonard having met,

after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2439) for the relief of William G. Burress, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

Mr. SHEPPARD. I ask that the Senate consider severally and agree to the reports.

The reports were severally agreed to.

NOMINATION OF REXFORD G. TUGWELL

Mr. BYRD. Mr. President, in the course of my remarks yesterday I referred to a letter which I had written to Dr. Tugwell with respect to an interview with him, published in a Washington newspaper, in which I asked him as to the accuracy of that interview. So that the record may be complete, I will state that the question I propounded to him was whether he was correctly quoted when he said that certain amendments to the Agricultural Adjustment Act now pending in the Senate—

> Will permit us to continue what we have already been doing. If we should get a set-back in court we would have to stop doing certain things under present circumstances.

At the conclusion of my remarks the distinguished Democratic leader of the Senate made the announcement that a reply had been made by Dr. Tugwell to my letter, and that the reply was in the mails. I received the reply this morning, and I desire to have it incorporated in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., June 8, 1934.

Hon. HARRY F. BYRD,
United States Senate, Washington, D.C.

DEAR SENATOR BYRD: In reply to your letter of June 1, I would like to state what I said at the press conference on May 31 in somewhat more precise manner than it was reported by the Washington Herald on the following day in the quotation to which you refer.

Under the general marketing agreement and licensing powers already in the Agricultural Adjustment Act we have worked out marketing agreements which are benefiting producers of fluid milk, rice, peanuts, tree fruits, oranges, tobacco, and many other products. The progress of these operations is always subject to attack in the courts, and there have been several occasions when they were delayed for considerable periods pending the outcome of the court decisions. The orange-control work was the one to date which has been most seriously held up. The decisions of the courts, when finally obtained, have been generally favorable in all cases so far, so that it appears that what we are doing is in conformity with the policy laid down by Congress as set forth by the law and is so generally understood by the courts. If, however, Congress were to definitely spell out the powers under the act, as suggested in the amendments already proposed, that would give farmers still greater confidence in the successful carrying through of the operations which we have already undertaken, and of securing marketing agreements which might be placed into effect in the future at the request of the producers concerned.

It was with that idea in mind that I stated at the press conference that we regarded the amendments not as widening our powers, but rather as clarifying what the act already authorized us to do. It was also in that connection that I stated that certain of the amendments simply permitted us to do what we are already doing.

Obviously, our power to control the distribution and marketing to prevent overproduction, such as is now being undertaken with respect to citrus crops, canned peaches, and many other products, would be limited if we were prevented by court action from carrying them through. Inasmuch as these marketing agreements have materially increased the income of the farmers concerned, it would seem that such a result would certainly be contrary to the general policy which the administration is following for farm relief, and which was so clearly set forth in the general statement of principles of the Agricultural Adjustment Act.

Sincerely yours,

R. G. TUGWELL, *Assistant Secretary.*

Mr. BYRD. I shall make no reference at this time to the reply of Dr. Tugwell, except to say that in this letter he confirms, in substance, the accuracy of the interview. I call particular attention to one sentence in the letter, as follows:

> It was also in that connection that I stated that certain of the amendments simply permitted us to do what we are already doing.

Mr. President, this issue is now clearly presented to the Senate of the United States. We have before us the question of the confirmation of the nomination of Dr. Tugwell. We have his written statement that he has already exceeded the authority given him by law and is asking from Congress additional legislation to validate illegal acts already performed by his Department.

I repeat now what I said in my remarks yesterday: That I shall never join in a vote of confidence by confirming the nomination of any official of this Government who has so little regard for the Constitution of the United States as to usurp authority which belongs to Congress and to substitute himself for the Congress.

RENEWAL TERM INSURANCE—SUPREME COURT DECISION

Mr. GEORGE. Mr. President, when the Economy Act of 1933 was under consideration in the Senate and when it was under consideration in the Finance Committee prior to its report of that measure to the Senate, I took occasion to call attention to the fact that the clause in the Economy Act which undertook to deprive the holders of renewal term insurance, was in my judgment, unconstitutional and would be so held by the courts.

Monday of this week the Supreme Court of the United States, in two cases, passed squarely upon the question. Inasmuch as some thirty-odd thousand cases which were then pending in the courts and which, of course, as a result of that legislation, were dismissed—at least the greater number of them—and some twenty-odd thousand claims which had not gone into the courts may be affected by the decision, I ask leave to have inserted in the RECORD at this point the opinion delivered by Mr. Justice Brandeis in the cases named therein.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES

(Nos. 855 and 861—October term, 1933)

MARGARET SHEA LYNCH, PETITIONER, *v.* UNITED STATES OF AMERICA. ON CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE FIFTH CIRCUIT

SAM WILNER, PETITIONER, *v.* UNITED STATES OF AMERICA. ON CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SEVENTH CIRCUIT

(June 4, 1934)

Mr. Justice Brandeis delivered the opinion of the Court.

These cases, which are here on certiorari, present for decision the same question. In each, the plaintiff is the beneficiary under

a policy for yearly renewable term insurance issued during the World War pursuant to the War Risk Insurance Act of October 6, 1917, chapter 105, article IV, sections 400–405. The actions were brought in April 1933 in Federal district courts to recover amounts alleged to be due. In each case it is alleged that the insured had, before September 1, 1919, and while the policy was in force, been totally and permanently disabled; that he was entitled to compensation sufficient to pay the premiums on the policy until it matured by death; that no compensation had ever been paid; that the claim for payment was presented by the beneficiary after the death of the insured; that payment was refused; and that thereby the disagreement arose which the law makes a condition precedent to the right to bring suit. In no. 855, which comes here from the fifth circuit, the insured died November 27, 1924. In no. 861, which comes here from the seventh circuit, the insured died May 15, 1929.

In each case the United States demurred to the petition on the ground that the court was without jurisdiction to entertain the suit, because the consent of the United States to be sued had been withdrawn by the act of March 20, 1933 (ch. 3, 48 Stat. 9), commonly called the "Economy Act."

The plaintiffs duly claimed that the act deprived them of property without due process of law in violation of the fifth amendment. The district courts overruled the objection, sustained the demurrers, and dismissed the complaints. Their judgments were affirmed by the circuit courts of appeals (67 F. (2d) 490; 68 F. (2d) 442). The only question requiring serious consideration relates to the construction and effect to be given to the clause of section 17 of the Economy Act upon which the Government relies; for the character and incidents of war-risk insurance and the applicable rules of constitutional law have been settled by decisions of this Court. The clause in question is:

"* * * all laws granting or pertaining to yearly renewable term insurance are hereby repealed * * *."

First: War-risk insurance policies are contracts of the United States. As consideration for the Government's obligation, the insured paid prescribed monthly premiums (*White* v. *United States*, 270 U.S. 175, 180). True, these contracts, unlike others, were not entered into by the United States for a business purpose. The policies granted insurance against death or total disability without medical examination, at net premium rates based on the American Experience Table of Mortality and 3½-percent interest, the United States bearing both the whole expense of administration and the excess mortality and disability cost resulting from the hazards of war. In order to effect a benevolent purpose heavy burdens were assumed by the Government. But the policies, although not entered into for gain, are legal obligations of the same dignity as other contracts of the United States and possess the same legal incidents.

War-risk insurance, while resembling in benevolent purpose pensions, compensation allowances, hospital and other privileges accorded to former members of the Army and Navy or their dependents, differs from them fundamentally in legal incidents. Pensions, compensation allowances, and privileges are gratuities. They involve no agreement of parties; and the grant of them creates no vested right. The benefits conferred by gratuities may be redistributed or withdrawn at any time in the discretion of Congress (*United States* v. *Teller*, 107 U.S. 64, 68; *Frisbie* v. *United States*, 157 U.S. 160, 166; *United States* v. *Cook*, 257 U.S. 523, 527). On the other hand, war-risk policies, being contracts, are property and create vested rights. The terms of these contracts are to be found in part in the policy, in part in the statutes under which they are issued and the regulations promulgated thereunder.

In order to promote efficiency in administration and justice in the distribution of war-risk insurance benefits, the administration was given power to prescribe the form of policies and to make regulations. The form prescribed provided that the policy should be subject to all amendments to the original act, to all regulations then in force or thereafter adopted. Within certain limits of application this form was deemed authorized by the act (*United States* v. *White*, 270 U.S. 175, 180), and, as held in that case, one whose vested rights were not thereby disturbed could not complain of subsequent legislation affecting the terms of the policy. Such legislation has been frequent. Moreover, from time to time, privileges granted were voluntarily enlarged and new ones were given by the Government. But no power to curtail the amount of the benefits which Congress contracted to pay was reserved to Congress; and none could be given by any regulation promulgated by the administrator. Prior to the Economy Act, no attempt was made to lessen the obligation of the Government. Then, Congress, by a clause of 13 words included in a very long section dealing with gratuities, repealed "all laws granting or pertaining to yearly renewable term insurance." The repeal, if valid, abrogated outstanding contracts and relieved the United States from all liability on the contracts without making compensation to the beneficiaries.

Second. The fifth amendment commands that property be not taken without making just compensation. Valid contracts are property, whether the obligor be a private individual, a municipality, a State, or the United States. Rights against the United States arising out of a contract with it are protected by the fifth amendment (*United States* v. *Central Pacific R. Co.*, 118 U.S. 235, 238; *United States* v. *Northern Pacific Ry. Co.*, 256 U.S. 51, 64, 67.) When the United States enters into contract relations its rights and duties therein are governed generally by the law applicable to contracts between private individuals. That the contracts of war-risk insurance were valid when made is not questioned. As Congress had the power to authorize the Bureau of War Risks Insurance to issue them, the due-process clause prohibits the United States from annulling them, unless, indeed, the action taken falls within the Federal police power or some other paramount power.

The Solicitor General does not suggest, either in brief or argument, that there were supervening conditions which authorized Congress to abrogate these contracts in the exercise of the police or any other power. The title of the act of March 20, 1933, repels any such suggestion. Although popularly known as the "Economy Act", it is entitled "An act to maintain the credit of the United States." Punctilious fulfillment of contractual obligations is essential to the maintenance of the credit of public as well as private debtors. No doubt there was in March 1933 great need of economy. In the administration of all Government business economy had become urgent because of lessened revenues and the heavy obligations to be issued in the hope of relieving wide-spread distress. Congress was free to reduce gratuities deemed excessive. But Congress was without power to reduce expenditures by abrogating contractual obligations of the United States. To abrogate contracts, in the attempt to lessen Government expenditure, would be not the practice of economy, but an act of repudiation. "The United States are as much bound by their contracts as are individuals. If they repudiate their obligations, it is as much repudiation, with all the wrong and reproach that term implies, as it would be if the repudiator had been a State or a municipality or a citizen." *The Sinking Fund Cases* (99 U.S. 700, 719).

Third. Contracts between individuals or corporations are impaired within the meaning of the Constitution whenever the right to enforce them by legal process is taken away or materially lessened. A different rule prevails in respect to contracts of sovereigns. Compare *Principality of Monaco* v. *Mississippi*, decided May 21, 1934. "The contracts between a nation and an individual are only binding on the conscience of the sovereign and have no pretensions to compulsive force. They confer no right of action independent of the sovereign will." The rule that the United States may not be sued without its consent is all-embracing.

In establishing the system of war-risk insurance, Congress vested in its administrative agency broad power in making determinations of essential facts—power similar to that exercised in respect to pensions, compensation, allowances and other gratuitous privileges provided for veterans and their dependents. But while the statutes granting gratuities contain no specific provision for suits against the United States, Congress, as if to emphasize the contractual obligation assumed by the United States when issuing war-risk policies, conferred upon beneficiaries substantially the same legal remedy which beneficiaries enjoy under policies issued by private corporations. The original act provided in section 405:

"That in the event of disagreement as to a claim under the contract of insurance between the bureau and any beneficiary or beneficiaries thereunder, an action on the claim may be brought against the United States in the district court of the United States in and for the district in which such beneficiaries or any one of them resides."

Although consent to sue was thus given when the policy issued, Congress retained power to withdraw the consent at any time. For consent to sue the United States is a privilege accorded; not the grant of a property right protected by the Fifth Amendment. The consent may be withdrawn, although given after much deliberation and for a pecuniary consideration. *DeGroot* v. *United States* (5 Wall. 419, 432). Compare *Darrington* v. *State Bank* (13 How. 12, 17); *Beers* v. *Arkansas* (20 How. 527–529); *Gordon* v. *United States* (7 Wall. 188, 195); *Railroad Company* v. *Tennessee* (101 U.S. 337); *Railroad Commission* v. *Alabama* (101 U.S. 832); *In re Ayers* (123 U.S. 443, 505); *Hans* v. *Louisiana* (134 U.S. 1, 17); *Baltzer* v. *North Carolina* (161 U.S. 240); *Baltzer & Taaks* v. *North Carolina* (161 U.S. 246). The sovereign's immunity from suit exists whatever the character of the proceeding or the source of the right sought to be enforced. It applies alike to causes of action arising under acts of Congress, *DeGroot* v. *United States* (5 Wall. 419, 431); *United States* v. *Babcock* (250 U.S. 328, 331); and to those arising from some violation of rights conferred upon the citizen by the Constitution, *Schillinger* v. *United States* (155 U.S. 163, 166, 168). The character of the cause of action—the fact that it is in contract as distinguished from tort—may be important in determining (as under the Tucker Act) whether consent to sue was given. Otherwise, it is of no significance. For immunity from suit is an attribute of sovereignty which may not be bartered away.

Mere withdrawal of consent to sue on policies for yearly renewable term insurance would not imply repudiation. When the United States creates rights in individuals against itself, it is under no obligation to provide a remedy through the courts. (*United States* v. *Babcock*, 250 U.S. 328, 331.) It may limit the individual to administrative remedies. (*Tutun* v. *United States*, 270 U.S. 568, 576.) And withdrawal of all remedy, administrative as well as legal, would not necessarily imply repudiation. So long as the contractual obligation is recognized, Congress may direct its fulfillment without the interposition of either a court or an administrative tribunal.

Fourth. The question requiring decision is, therefore, whether in repealing "all laws granting or pertaining to yearly renewable term insurance" Congress aimed at the right or merely at the remedy. It seems clear that it intended to take away the right; and that Congress did not intend to preserve the right and merely withdraw consent to sue the United States. As Congress took away the contractual right it had no occasion to provide for with-

drawal of the remedy. Moreover, it appears both from the language of the repealing clause and from the context of section 17 that Congress did not aim at the remedy. The clause makes no mention of consent to sue. The consent to sue had been given originally by section 405 of the act of 1917, which, like the later substituted sections, applied to all kinds of insurance, making no specific reference to yearly renewable term policies. Obviously, Congress did not intend to repeal generally the section providing for suits. For in March 1933, most of the policies then outstanding were "converted" policies, in no way affected by the Economy Act.

That Congress sought to take away the right of beneficiaries of yearly renewable term policies and not to withdraw their privilege to sue the United States appears also from an examination of the other provisions of section 17. The section reads:

"All public laws granting medical or hospital treatment, domiciliary care, compensation and other allowances, pensions, disability allowance, or retirement pay to veterans and the dependents of veterans of the Spanish-American War, including the Boxer Rebellion and the Philippine Insurrection, and the World War, or to former members of the military and naval service for injury or disease incurred or aggravated in the line of duty in the military or naval service (except so far as they relate to persons who served prior to the Spanish-American War and to the dependents of such persons, and the retirement of officers and enlisted men of the Regular Army, Navy, Marine Corps, or Coast Guard) are hereby repealed, and all laws granting or pertaining to yearly renewable term insurance are hereby repealed, but payments in accordance with such laws shall continue to the last day of the third calendar month following the month during which this act is enacted."

That section deals principally with the many grants of gratuities to veterans and dependents of veterans. Congress apparently assumed that there was no difference between the legal status of these gratuities and the outstanding contracts for yearly renewable term insurance. It used in respect to both classes of benevolences the substantially same phrase. It repealed "all public laws" relating to the several categories of gratuities; and it repealed "all laws granting or pertaining to" such insurance. No right to sue the United States on any of these gratuities had been granted in the several statutes conferring them; and the right to the gratuity might be withdrawn at any time. The dominant intention was obviously to abolish rights, not remedies.

That Congress intended to take away the right under outstanding yearly renewable term policies, and was not concerned with the consent to sue the United States thereon, appears also from the saving clauses in section 17. These provide that "all allowed claims under the above-referred-to laws" are to be reviewed and the benefits are to be paid "where a person is found entitled under this act"; and that "nothing contained in this section shall interfere with payments to be made under contracts of yearly renewable term insurance under which payments have commenced, or on any judgment heretofore rendered in a court of competent jurisdiction in any suit on a contract of yearly renewable term insurance, or which may hereafter be rendered in any such suit now pending." That is, the rights under certain yearly renewable term policies are excepted from the general repealing clause.

Fifth. There is a suggestion that although, in repealing all laws "granting or pertaining to yearly renewable term insurance", Congress intended to take away the contractual right, it also intended to take away the remedy; that since it had power to take away the remedy, the statute should be given effect to that extent, even if void insofar as it purported to take away the contractual right. The suggestion is at war with settled rules of construction. It is true that a statute bad in part is not necessarily void in its entirety. A provision within the legislative power may be allowed to stand if it is separable from the bad. But no provision, however unobjectionable in itself, can stand unless it appears both that, standing alone, the provisions can be given legal effect and that the legislature intended the unobjectionable provision to stand in case other provisions held bad should fall (*Dorchy* v. *Kansas*, 264 U.S. 286, 288, 290). Here both those essentials are absent. There is no separate provision in section 17 dealing with the remedy; and it does not appear that Congress wished to deny the remedy if the repeal of the contractual right was held void under the fifth amendment.

War-risk insurance and the war gratuities were enjoyed, in the main, by the same classes of persons; and were administered by the same governmental agency. In respect of both, Congress had theretofore expressed its benevolent purpose perhaps more generously than would have been warranted in 1933 by the financial condition of the Nation. When it became advisable to reduce the Nation's existing expenditures, the two classes of benevolences were associated in the minds of the legislators, and it was natural that they should have wished to subject both to the same treatment. But it is not to be assumed that Congress would have resorted to the device of withdrawing the legal remedy from beneficiaries of outstanding yearly renewable term policies if it had realized that these had contractual rights. It is, at least, as probable that Congress overlooked the fundamental difference in legal incidents between the two classes of benevolences dealt with in section 17 as that it wished to evade payment of the Nation's legal obligations.

Sixth. The judgments below appear to have been based, in the main, not on section 17 of the Economy Act, but on section 5, which provides:

"All decisions rendered by the Administrator of Veterans' Affairs under the provisions of this title or the regulations issued pursuant thereto shall be final and conclusive on all questions of law and fact, and no other official or court of the United States shall have jurisdiction to review by mandamus or otherwise any such decision."

This section, as the Solicitor General concedes, does not relate to war-risk insurance. It concerns only grants to veterans and their dependents—to pensions, compensation allowances and special privileges, all of which are gratuities. The purpose of the section appears to have been to remove the possibility of judicial relief in that class of cases even under the special circumstances suggested in *Crouch* v. *United States* (266 U.S. 180); *Silberschein* v. *United States* (266 U.S. 221); *United States* v. *Williams* (278 U.S. 255); *Smith* v. *United States* (57 (2d) 998). Compare *United States* v. *Meadows* (281 U.S. 271).

Seventh. The Solicitor General concedes that in no. 861 no question is presented except that of jurisdiction dependent upon the construction of the clause in section 17 of the Economy Act discussed above. He contends in no. 855 that, if jurisdiction is entertained, the demurrer should be sustained on the ground that the complaint fails to set forth a good cause of action, since it fails to show that the suit was brought within the period allowed by law. This alleged defect was not pleaded or brought to the attention of either of the courts below. Nor was it brought by the Solicitor General to the attention of this Court when opposing the petition for a writ of certiorari. We do not pass upon that question, which, like others relating to the merits, will be open for consideration by the lower courts upon the remand.

Eighth. Mention should be made of legislation by Congress enacted since the commencement of these suits.

1. Act of June 16, 1933 (c. 101, sec. 20, 48 Stat. 309) provides:

"Notwithstanding the provisions of section 17, title I, Public, No. 2, Seventy-third Congress, any claim for yearly renewable term insurance on which premiums were paid to the date of the death of the insured * * * under the provisions of law repealed by said section 17, wherein claim was duly filed prior to March 20, 1933, may be adjudicated by the Veterans' Administration on the proofs and evidence received by Veterans' Administration prior to March 20, 1933, and any person found entitled to the benefits claimed shall be paid such benefits in accordance with and in the amounts provided by such prior laws. * * *"

2. Section 35 of the Independent Offices Appropriation Act of 1935, passed on March 27–28, 1934, over the President's veto, provides:

"That notwithstanding the provisions of section 17 of title I, of an act entitled 'An act to maintain the credit of the United States Government' approved March 20, 1933, and section 20 of an act entitled 'An act making appropriations for the Executive offices, etc. * * *' approved June 16, 1933; any claim for renewable term insurance under the provisions of laws repealed by section 17, wherein claim was duly filed prior to March 20, 1933, and on which maturity of the insurance contract had been determined by the Veterans' Administration prior to March 20, 1933, and where payments could not be made because of the provisions of the act of March 20, 1933, or under the provisions of the act of June 16, 1933, may be adjudicated by the Veterans' Administration and any person found entitled to yearly renewable term insurance benefits claimed shall be paid such benefits in accordance with and in the amounts provided by such prior laws."

The provision in the act of June 16, 1933, which was enacted before the entry of judgments by the district courts, does not appear to have been considered by the lower courts. The provision in the act of March 27–28, 1934, was enacted after the filing in this Court of the petitions for certiorari but before the writs were granted. As neither of these acts was referred to by the Solicitor General or by counsel for the petitioners, we assume that there is nothing in them, or in any action taken thereunder, which should affect the disposition of the cases now before us. Any such matter also will be open for consideration by the lower courts upon the remand.

FEDERAL DEPOSIT INSURANCE

Mr. VANDENBERG. Mr. President, I shall interrupt the silver debate for only a short time.

Federal deposit insurance and its administration are again under fire from those who, in my judgment, are either unfortunately misled respecting their facts or are deliberately willing to encourage the destruction of the Federal deposit-insurance system. Neither reason is tenable, and neither objective is justifiable. The net result in either event is calculated to shatter all over again public confidence in American banking.

I assert without reservation that there is no excuse or justification for any such loss of confidence or for any such calamity as would flow therefrom. Therefore, it seems to me fundamentally necessary in the public welfare to make a definite statement in respect to these current criticisms.

I specifically refer to an editorial in the New York Herald Tribune, of Thursday, June 7, dealing as a text with an address previously delivered by Mr. Leo T. Crowley, the very able Chairman of the Federal Deposit Insurance Corporation. I speak of the Herald Tribune with great respect. It

is a great and useful newspaper. Its editors are my friends. So far as the Herald Tribune is concerned, I believe it is misled in this matter. I do not remotely impugn its motives. I speak only of the facts.

It appears that Mr. Crowley a short time ago made an address to the country in which he undertook to disclose the effectiveness of the instrumentality over which he presides in respect to its contribution to our economic restabilization. In the course of his address, Mr. Crowley made certain statements which resulted in the editorial from which I am about to read.

After referring to various other stages of the economic recovery program to which the editor takes exception, the following language appears:

Now comes Leo T. Crowley, Chairman of the Federal Deposit Insurance Corporation, with a panegyric on the guaranty of bank deposits that properly belongs with the rest of this humbuggery.

I do not undertake to analyze "the rest of the humbuggery", but I do undertake subsequently to prove that Mr. Crowley's observations are the exact opposite of "humbuggery." They spell unadulterated truth.

I continue reading:

In a general press interview Mr. Crowley called attention a day or two ago to the fact that the Federal Deposit Insurance Corporation "was entering its sixth month of operation without a single bank failure." However, a further reading of the interview discloses that while there have been no "failures", "two small State banks have encountered difficulties."

The American Banker—

That being the name of a trade publication which is now quoted in the editorial of the New York Herald Tribune—

The American Banker rightly calls Mr. Crowley to task for this juggling of definitions.

I shall make it perfectly plain that there has been no "juggling of definitions." The "juggling" is by Mr. Crowley's critics.

It invites attention to the fact that the doors of these banks are closed. The depositors cannot get their money, even in the case of insured accounts.

That particular sentence I shall subsequently challenge, because I think it carries a sinister implication which could well invite the undermining of all the banking confidence that has been so painfully restored in the course of the past 15 months after the needless debacle of 1 year ago.

Continuing the editorial:

The banks' officials are no longer at their desks. The State is in charge of the banks for liquidation, by reopening or otherwise. These banks, it concludes, are failed banks in the commonly accepted use of that term. It goes on to say—

Now we are quoting from the American Banker—

But the illusion that the F.D.I.C. has ended bank failures must not be impaired. Hence, all that the Federal authorities will admit is that "two small State banks have encountered difficulties." We can understand the temerity of the Federal Deposit Insurance Corporation about facing the facts. We can understand it because we know that in their most sanguine moments the officials of the F.D.I.C. know that they have attempted to do an impossible thing—to insure the demand solvency of even part of the deposits of every bank of this country.

Now continuing the Herald Tribune editorial:

This is a sharp rebuke, but it is a deserved one.

I intend to demonstrate, Mr. President, that it is an utterly untenable rebuke, without a shadow of justification in it; and I think the times are still sufficiently tender so that we should be a little careful before we invite untoward inferences respecting banking stability.

Continuing to quote from the editorial:

In this country today we have a stabilization fund of $2,000,000,000 set up to buy and sell foreign exchange * * *

I am not interested in that phase.

Our central bank figures * * * are so badly snarled that no one any longer can extricate their real meaning.

Then this sentence:

The guaranty of bank deposits properly belongs in this category, since it is in effect nothing more nor less than a mechanism for "sweeping the dirt under the bed."

Mr. President, I desire briefly to analyze the charges in this editorial and dismiss them on the basis of the facts involved.

In the first place, I submit that it is nothing short of ridiculous to base any criticism of the effectiveness of Federal deposit insurance upon the assumption that two banks have closed in 6 months. Suppose they have! What of it? I should like to know when there has ever been another 6 months' period in the history of the whole American Republic when only two banks closed. If any emphasis is to be put upon the fact that two banks have closed between New Year's and the present hour, the emphasis belongs upon the fact that it is an amazing record in a restoration of public confidence and in a renewal of dependable banking operations. I submit that it is not only unfair but it is seriously dangerous in its implications to invite the American people to suspect that on the basis of this record there is a renewed failure of the banking function in respect to its dependability, and of the deposit insurance formula upon which our banking confidence leans.

So at the very outset I cannot but condemn without limitation the implication that because two banks have closed in some 6 months, in some way Federal deposit insurance has failed to achieve the result to which it was addressed. The truth of the matter is that Federal deposit insurance has become the main steel beam that has been builded into the reconstruction program of this Nation. The fact is that it has practically ended money hoarding by the people. The fact is that it has instilled a feeling of confidence in the great mass, rank, and file of bank depositors in the United States which is a positive benediction upon all other recovery programs and enterprises and objectives. We have insured the deposits of 97 percent of our depositors. It is a triumph in social progress and in banking stability.

So at the very outset of the contemplation I submit that the facts upon which the comment is based lead directly to a contrary conclusion to that which is reached—reached first by the American Banker; reached second by this editorial in the New York Herald Tribune.

I realize that some of the big bankers of America still object to Federal deposit insurance. I realize that many sections of the metropolitan press still condemn Federal deposit insurance; but, Mr. President, I am heartened by the fact and the belief that as a result of the experience of the past 6 months a vast majority of the banking spokesmanship of this country has come to realize the inherent benefit and advantage of Federal deposit insurance; and I am perfectly confident that the American people as a whole have come to that realization to such an extent that it is here to stay, and cannot be ripped out of the structure of recovery. Bankers can take their choice; we shall either have permanent deposit insurance or we shall have unlimited banking in the post offices of the Nation.

Mr. President, that is not the worst of this contemplation which I bring to the floor of the Senate, and against which I protest. I protest particularly against the implication carried in a single dark sentence of this editorial, reading as follows:

The depositors cannot get their money, even in the case of insured accounts.

Wittingly or otherwise, that sentence is calculated to impress the average bank depositor in the United States with the feeling that the Federal Deposit Insurance Corporation has broken down, that it is not serving the function to which it is dedicated by law, and that it no longer can be relied upon to pay the obligations which it has assumed as a result of this insurance process.

I desire to state without equivocation or reservation, and based upon the record, that any such conclusion is utterly without foundation, completely and absolutely without justification.

Now let us see what the situation is in respect to these two closed banks which are used as the excuse for this entire attack.

One of these banks is the Bank of America Trust Co. at Pittsburgh, Pa. This is a report from Mr. Crowley respect-

ing the status of that particular institution in respect to the deposit-insurance proposition. I read from a letter from Mr. Crowley addressed to me at my request under date of June 7, 1934:

On April 19, 1934, Dr. William D. Gordon, secretary of banking, State of Pennsylvania, advised this office that the subject bank was in difficulty and asked that representatives of this Corporation meet with him in Pittsburgh. Mr. Milford, assistant to director, and Mr. Brown, of the legal department of this Corporation, had a conference that evening in Pittsburgh with Dr. Gordon and his representatives. On the morning of April 20 Dr. Gordon attended a meeting of the board of directors of the bank and decided to place the bank on a restricted basis under the Sardoni Act, pending a more detailed investigation of the affairs of the institution. The Sardoni Act became applicable at 9 a.m., April 20.

This Corporation—

To wit, the Federal Deposit Insurance Corporation—

This Corporation at once made arrangements to have its representatives be at the bank and work in conjunction with the State bank examiners in the investigation of the affairs of the bank, and to determine the Corporation's liability to depositors.

To wit, the Federal Deposit Insurance Corporation.

Also, this Corporation proceeeded at once—

I repeat the phrase "at once"—

to develop its plans in detail so that there would be no delay in the pay off the moment a receiver was appointed by the secretary of banking of the State of Pennsylvania.

Since that time we have kept in touch with the secretary of banking of Pennsylvania as to the status of the case, but apparently delays have occurred due to the fact that no decision has been reached as to a plan of reorganization.

We appreciate that the delay would result in inquiries and criticism as to why this Corporation did not pay off the depositors of the subject bank—

Well, they may have appreciated and anticipated criticism, Mr. President, because there are still those who, for purely selfish, self-centered reasons, would like to tear down this system, which permits the depositors of the United States to sleep nights. In this latter comment I am not referring to the Herald Tribune—

and hence we urged the secretary of banking to reach a decision at the earliest possible date as to the developments in acceptance of a reorganization plan or the placing of the bank in liquidation. Attached hereto is a copy of the letter written to Dr. Gordon on May 5, which indicated our position in the matter.

We now understand that a decision will be reached very shortly by Dr. Gordon as to the placing of this bank in liquidation. Awaiting this early decision, representatives of this Corporation are in Pittsburgh so that the pay off may take place practically simultaneously with the appointment of a receiver.

Mr. President, the representatives of the F.D.I.C. are in Pittsburgh at this hour potentially armed with the pay-off checks, ready to meet every obligation imposed upon the Federal Deposit Insurance Corporation by the law, ready to liquidate every depositor's claim up to $2,500, as required by the warrant of statute, awaiting only the completion of the legal period and formulas in the State of Pennsylvania which must precede the designation of a receiver. The response of the F.D.I.C. has been prompt, adequate, and conclusive. The law works.

I submit that the Federal Deposit Insurance Corporation could not possibly have more completely met its obligations. It has even anticipated its obligations. It could have waited in Washington until the receiver was named. It had no obligation until the receiver was named. It did not wait. It anticipated the event. I venture the assertion that the checks are drawn and in existence at this moment for the pay off. Yet, because of a local technicality embedded in the statutes of Pennsylvania, the critics of the Federal Deposit Insurance Corporation leap upon this distorted technicality and invite the country to the implication that there is something undependable about the Federal Deposit Insurance Corporation and the system which it administers, and that, quoting from the editorial—

After all, depositors cannot get their money even in the case of insured accounts.

Mr. President, I think I have a right to protest against that exhibit, not only personally and because of the part I have played in the initiation of the insurance system but on behalf of the Congress of the United States, which wrote the law, and on behalf of the Federal Deposit Insurance Corporation, which has ably administered it, and particularly in behalf of some 30,000,000 depositors of the country who have a right to believe in the continuing dependability of the plan upon which they lean.

Mr. DILL. Mr. President——

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Washington?

Mr. VANDENBERG. Certainly.

Mr. DILL. I did not hear the beginning of the Senator's remarks. How much time has elapsed since the bank closed?

Mr. VANDENBERG. April 19 it was put upon a restricted basis under the Pennsylvania law.

Mr. DILL. About 7 weeks then?

Mr. VANDENBERG. That is correct.

Mr. DILL. This is the only case we have had since the Corporation came into existence?

Mr. VANDENBERG. There is one other to which I am now coming. The other case which is used in this distorted assault upon Federal deposit insurance is that of the Fondulac State Bank at East Peoria, Ill. Again I quote from Mr. Crowley's letter of June 7 reporting to me upon the actual facts—actual facts as distinguished from the critical and hostile interpretation of alleged facts upon which these critical editorial comments have been based. I read:

On Monday morning, May 28—

That is scarcely more than a week ago—

On Monday morning, May 28, this Corporation was notified by the auditor of public accounts of the State of Illinois that the above bank was placed in the hands of the representatives of his department for audit and examination. On the same evening, H. N. Stronck, assistant to director of this Corporation, held a conference in Peoria, Ill., with the representatives of the State department of Illinois as to plans and procedures. Arrangements were made that representatives of this organization would make a joint audit and examination of this bank, which work was commenced the following morning.

I emphasize the phrase "the following morning."

This work is now in process, and it is expected same will be completed by the end of this week. According to the procedure of the auditor of public accounts of the State of Illinois, as soon as this audit and examination is completed a meeting will be called of the directors of the bank, advising them of the condition and asking them to submit a reorganization plan. In the event a suitable reorganization plan is not submitted then a receiver will be appointed.

As in the case of the Pittsburgh situation, this organization at once proceeded in the completion of the necessary details and procedures for the pay-off of the depositors of the above bank.

They did not wait for the conclusion of the process under the State law which should bring this bank into a receivership and thus initiate the obligation of the Federal Deposit Insurance Corporation under the statute. They did not wait. They anticipated it the morning following the first suggestion respecting the institution, and at this hour they are in position to proceed with the pay-off at the first moment the legal situation under the State statutes will permit.

Continuing Mr. Crowley's letter:

In the event a receiver is appointed assurance can be given you that such a pay-off will be made shortly after the same may be done under the receivership laws of the State of Illinois. Under these laws no action may be taken for a period of 10 days after a receiver is appointed.

Mr. President, those are the official facts respecting the two instances, the only two instances in nearly 6 months in which any insured banking institution of the country has been in the slightest trouble. These are the facts respecting the ability, the purpose, and the intention of the Federal Deposit Insurance Corporation promptly, summarily, to meet every obligation imposed upon it under the terms of the Federal deposit insurance law. These are the facts which invite the American people to continue to rely upon this boon.

Mr. DILL. Mr. President, will the Senator yield?

Mr. VANDENBERG. Certainly.

Mr. DILL. These were both State institutions?

Mr. VANDENBERG. That is correct.

Mr. DILL. Does the Senator know the amount of deposits in each case?

Mr. VANDENBERG. I do not.

Mr. DILL. They were not large, I take it.

Mr. VANDENBERG. They are very small, relatively speaking.

Mr. President, I am concerned about what seems to be a continuing willingness in some quarters to use, if possible, prejudicial excuses for the purpose of trying to tear down the Federal deposit insurance system in the country. Since it is my profound conception that when we tear down that system we tear down the steel beam upon which most of the recovery structure rests in this country, because that is my conviction I consider it to be desperately important that no improper inferences aimed against the Federal Deposit Insurance Corporation, and the dependability and the solvency of the system, should pass without challenge.

This editorial is headed "Obscurantism at Washington." The dictionary says that "obscurantism" is "striving to prevent enlightenment or to hinder the progress of knowledge and wisdom."

I submit upon the basis of the facts that it is not Mr. Crowley or the officers of the Federal Deposit Insurance Corporation who are guilty of obscurantism. I submit that if there is any obscurantism in this contemplation, it is the obscurantism of those who, either unwittingly because they are uninformed respecting the facts or wittingly because they have an ax to grind, are engaged in this continuing conspiracy to tear down the Federal deposit insurance in the United States.

In conclusion, let me say just this, and I linger on the subject only because of my belief that there is nothing more essential than the maintenance of banking confidence in the United States and that we cannot maintain banking confidence except as we maintain the integrity of the deserved reputation of the Federal Deposit Insurance Corporation and the integrity of the system under which it operates.

The editorial undertakes to confuse in terms and definitions the existing deposit insurance system with the old guaranty of bank deposits, as it was known in the early days, when it failed in every State jurisdiction where it was undertaken. Mr. President, there is no consanguinity whatsoever between the old State guaranty system and the national insurance system under which we are now so successfully operating—operating so successfully that there have been only two bank closings in 6 months compared with literally thousands in a kindred period in recent memory.

This is not related in any way, shape, or form to the system which failed before, and that point has been demonstrated so often and so irrefutably that any effort to give renaissance to that sort of attack is entitled to be challenged as a sinister trend.

I invite the attention of the gentlemen who persist in criticising the Federal deposit insurance theory to one of the ablest discussions of the subject yet contributed to the country's literature and experience upon the subject. It is an address by William P. Chapman, Jr., of the New York City bar, delivered before the savings division of the American Bankers' Association on January 26, 1934. Let me read one paragraph from Mr. Chapman's amazing address:

> The conclusion is that the probabilities are that an annual contribution of one-fourth of 1 percent of the deposits of the solvent banks—

He is speaking of the 68 years of American experience—

> would have accumulated a fund which would have been sufficient to meet even the overwhelming disaster that has occurred since 1929, without even an extra assessment.

Mr. President, I should like to know whether there is any bargain in government equal in its fruits for the common throng to the bargain that would have been purchased for a premium of one-fourth of 1 percent if it could have prevented the banking tragedies and the banking debacles and the resultant social tragedies of the last three-quarters of a century.

Listen to the completed final compilation of figures, and I use the figures because I do not want to be accused of obscurantism in respect to any presentation of the present issue: During the 68 years from 1864 to June 30, 1932, the grand total of deposits in all the banks of the United States would have been $1,136,042,630,000.

The grand total of all deposits in suspended banks during those 68 years would have been $5,861,061,000.

The average experience in respect to closed banks is that the net loss upon liquidation is 36 percent. Therefore, the net loss to the insurance fund during those 68 years would have been $2,109,981,960.

Against that a collection of an annual payment of one-fourth of 1 percent would have reached the grand total in the course of these 68 years of $2,840,106,575.

In other words, the net balance to the credit of the fund at the end of 68 years—because these computations are based upon complete coverage—in which every depositor in a closed bank would have had all his money, would have been $730,124,615. That is without taking a single penny's credit for earnings upon the fund itself.

Mr. President, if an actuarial justification is wanted for the Federal insurance process upon which we are embarked, and which already has so ably demonstrated its utility, I submit that this collection of figures is unanswerable.

I suppose the question then is: Can the banks afford to pay one-quarter of 1 percent? Again quoting Mr. Chapman:

> Under the Federal banking legislation of 1933, member banks are forbidden to pay interest upon demand deposits and are restricted to a 3-percent rate upon time deposits. A rather careful estimate indicates that the saving in interest payments on deposits under the new laws—

Mr. President, just the savings in interest-rate payments—

> would be sufficient to pay a one-fourth of 1 percent annual premium more than twice over.

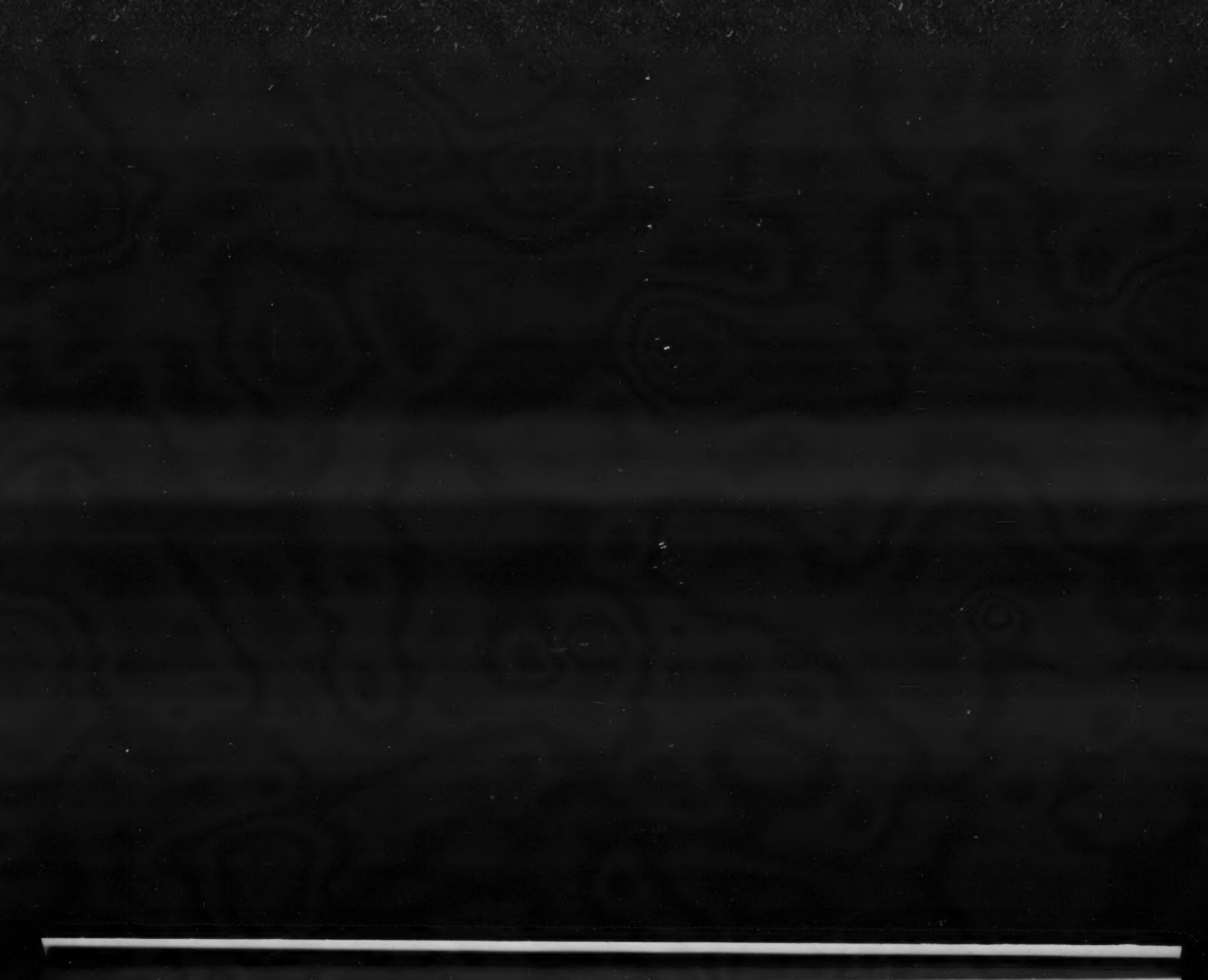
I desire to refer to just one further exhibit, and I intrude upon the patience of the Senate only because of my belief that this is the most fundamentally important thing in the whole recovery program, namely, to continue the maintenance of dependable confidence in the banking structure of this country. The favorite challenge, which continues to be used in academic discussions against the Federal deposit insurance idea is the question: Why should solvent banks contribute to insurance that they think they do not need?

Mr. President, although many an answer will occur to every Senator in the Chamber, no better answer can be summarized than in reading further from the address of Mr. Chapman, which I do:

> Finally, the objection most often advanced to bank-deposit guaranty is that sound banks should not be compelled to pay for the losses incurred by insolvent banks. There is one answer to this which does not admit of statistical support other than a sighting of the whole economic field. This answer is that in times of widespread depression the sound banks will have to pay for such losses—

And I submit that Mr. Chapman's deduction is irresistible, that in such times the sound banks will have to pay for such losses, whether they like it or not.

> There is no escape from it. Serious collapses in the field of banking affect the whole community, and the sound banks cannot escape injury. The indirect losses that are caused to banks that remain solvent by the failure of other banks in times of general dismay and apprehension cannot be measured, but the experience of the last 4 years should teach us that such losses may be enormous even though two-thirds of the banks are not compelled to go into receivership. Let me simply allude again to the shrinkage in loans and discounts in the solvent banks between June 30, 1929, and June 30, 1933, which amounted to $19,218,126,000. The deposits in banks which were forced to suspend in the period between June 30, 1928, and June 30, 1932, amounted to $3,355,000,000. If we add to that sum the deposits still tied up on December 27 last, in unlicensed and unrestricted banks, which amount to $1,223,195,000, the total of deposits frozen in those 5 years amounts to $4,578,195,000.
>
> If the procession that started in to convert into legal tender currency or gold their $3,355,000,000 of deposits in the banks that could not meet the emergency had been stopped in its early stages, the forcing upon the market of many billions of earning assets by the other banks for the purpose of maintaining their liquidity probably would not have happened. If the London fire had been





stopped in the house where it originated the other 1,300 houses might have remained in existence to undergo in due course a less disastrous and more constructive renovation.

Who can deny the fact or the analogy?

Mr. President, 6 months ago, yea, and throughout the period preceding, the failure of two banks in the United States would have sent tremors of concern and anxiety, yea, almost hysteria, through the banking fraternity, and depositors in other banks throughout the areas involved would have begun to whisper among themselves as to whether they had not better proceed quietly to extract their savings from the bank.

Here today we have two institutions closed. Not a tremor anywhere in the balance of the system, not an hour's uncertainty in the heart of any other banking institution, not a thought of a run upon another banking institution, not a moment's loss of sleep by any depositor in another institution.

Why not? Because of Federal deposit insurance, and nothing else.

Is it possible in the face of that contemplation to say that the strong bank, the big bank, does not have a tremendous stake in the maintenance of this system and that it does not have an inevitable partnership in the vicissitudes of the smaller one?

Mr. President, I submit in all earnestness that this latest attack upon the Federal Deposit Insurance Corporation in general, upon Mr. Crowley in particular, and upon the system and theory underlying this great enterprise which has been set up is utterly without warrant, utterly without justification.

I submit that the facts and circumstances of the hour demonstrate not only that Federal deposit insurance is absolutely reliable, without equivocation or reservation, but also that it is utterly indispensable to whatever hope we have for a restabilized United States.

DECLARATORY JUDGMENTS—AMENDMENT OF JUDICIAL CODE

Mr. KING. Mr. President, I ask unanimous consent, out of order, to advert to Senate bill 588, which was passed a few days ago, and which was held on the desk at my request, because I learned subsequent to its passage that House bill 4337, which previously had been passed by the House, dealt with the same subject and is textually substantially the same. I now report from the Judiciary Committee favorably without amendment House bill 4337, to amend the Judicial Code by adding a new section, to be numbered 274D, and I ask unanimous consent that the vote whereby Senate bill 588 was passed be reconsidered and that the House bill be now considered and passed.

Mr. BANKHEAD. Mr. President, what is the bill?

Mr. FESS. I should like an explanation of it.

Mr. KING. Judge MONTAGUE, of the House, was interested in the passage of a declaratory-judgment bill, which passed the House three or four times. The Senate Judiciary Committee had before it a Senate bill of the same character, and inadvertently reported out the Senate bill instead of the House bill. I ask now that the House bill be substituted for the Senate bill, and that the Senate bill be indefinitely postponed.

Mr. FESS. I have no objection.

Mr. KING. I ask unanimous consent that the vote by which Senate bill 588 was passed be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote by which the Senate bill was passed is reconsidered.

Mr. KING. I now ask unanimous consent that the Senate proceed to consider the bill, which I have just reported from the Committee on the Judiciary.

There being no objection, the Senate proceeded to consider the bill (H.R. 4337) to amend the Judicial Code by adding a new section to be numbered 274D, which was ordered to a third reading, read the third time, and passed.

Mr. KING. I ask that Senate bill 588 be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts:

On June 7, 1934:

S. 2696. An act to amend an act entitled "An act granting a charter to the General Federation of Women's Clubs"; and

S. 3524. An act to amend an act of Congress approved February 9, 1893, entitled "An act to establish a court of appeals for the District of Columbia, and for other purposes."

On June 8, 1934:

S. 177. An act for the relief of Woodhouse Chain Works;

S. 254. An act for the relief of Fred H. Cotter;

S. 785. An act for the relief of Elizabeth Bolger;

S. 1078. An act for the relief of Mrs. Asa Caswell Hawkins;

S. 1191. An act for the relief of Sultzbach Clothing Co.;

S. 1401. An act to pay a gratuity to Emma Ferguson Starrett;

S. 2002. An act for the relief of R. S. Howard Co., Inc.;

S. 2692. An act relating to the record of registry of certain aliens;

S. 2969. An act for the relief of the Mary Black Memorial Hospital;

S. 3026. An act for the relief of Lucy Cobb Stewart; and

S. 3641. An act to extend the times for commencing and completing the construction of a bridge across the St. Lawrence River at or near Ogdensburg, N.Y.

PIONEER NATIONAL MONUMENT, KY.

The PRESIDING OFFICER (Mr. FESS in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3443) to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes, which was to strike out all after the enacting clause and insert:

That when title to the sites of Fort Boonesborough, Boones Station, Bryans Station, and Blue Licks Battlefield, in the State of Kentucky, comprising noncontiguous tracts to be united by a memorial highway, together with such historical structures and remains thereon, as may be designated by the Secretary of the Interior as necessary or desirable for national monument purposes and for the proper commemoration of the valor and sacrifices of the pioneers of "the West", shall have been vested in the United States, said areas and improvements shall be designated and set apart by proclamation of the President for preservation as a national monument for the benefit and inspiration of the people, and shall be called the "Pioneer National Monument."

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land and/or buildings, structures, and other property within the boundaries of said national monument as determined and fixed hereunder, and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds, by purchase at prices deemed by him reasonable, or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national monument as may be necessary for the completion thereof.

SEC. 3. That the administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

Mr. BARKLEY. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

L. R. SMITH

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 870) for the relief of L. R. Smith, which were, on page 1, line 7, after "settlement", to insert "of all claims against the Government of the United States"; and, on page 1, line 13, after "Forest", to insert:

: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. ERICKSON. I move that the Senate concur in the amendments of the House.

The motion was agreed to.

THE PRESENT CRITICAL SITUATION

Mr. CUTTING. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the Right Reverend John A. Ryan, D.D., on May 29, 1934, on "The Present Critical Situation."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE PRESENT CRITICAL SITUATION

By Rt. Rev. John A. Ryan, D.D.

The most disturbing element in the situation is the question whether the industrial improvement which was steady and fairly rapid from last November until the beginning of May will continue during the next 6 months. Here is my own answer: For the last four Sundays the chart of business trends published by the New York Times has shown a decrease in the average of industrial activities. In all probability this downward trend, with possibly some interruptions, will continue until next September. When Congress reassembles next January the number of the unemployed will in all probability not have been reduced by one million below the present figure. In other words, the beginning of the year 1935 will find some seven to nine million unemployed. I am assuming that the National Recovery Administration will do nothing effective in the meantime toward reducing the hours of labor per week or increasing hourly rates of wages.

This is not prophecy. It is simple deduction from the facts and the nature of our industrial system. Business cannot improve rapidly unless it rapidly increases its sale of goods. It cannot greatly increase its sales unless those who would like to buy the added goods obtain the money to do so. These are the wage earners and the farmers. The middle class, the well-to-do, and the rich will not greatly increase their spending for consumption goods during the next 6 or 7 months.

The depression came because purchasing power had been badly distributed between those who wanted to spend and those who wanted to invest. The latter got too large a share of the national product. Although the economic philosophy of the "new deal" requires that this bad distribution should be corrected, the process of correction has not yet gone far enough to bring about that wider distribution of purchasing power which is essential to sustained and considerable business recovery.

The majority of business men have not yet realized this bad distribution of purchasing power and its evil effects. The majority are still under the delusion that if the production of capital goods could be resumed at the old rate, all products could be sold and there would be a return of prosperity. Hence, their denunciation of the Securities Act and their demand that Government facilitate recovery in the durable-goods industries. They seem to be blind to the fact that at present there is no large demand for the product of the durable-goods industries. The country does not need more factories, more railroads, more hotels, nor more apartment houses. To be sure, there is always need for replacement of worn-out and obsolete capital instruments, but this need would not at the present time justify more than a 25 or 30 percent increase in the operation of these industries. The only field offering any exception to this statement is that of low-cost housing, but this is not a field that private capital cares to cultivate. The profits are too meager. The enormous demand for durable goods and materials which is potential in an adequate low-cost housing program will not become actual until the task is directly undertaken and financed by the Federal Government.

The dark outlook for the capital goods industries is intensified by our very slow increase in population. Between the end of 1921 and the beginning of 1934 the birthrate in the United States fell 30 percent and some authorities expect the population to become stationary as early as the year 1940. This alarming development has not yet been observed by more than a small number of persons of any class and it seems to have escaped the attention of all except the business men. Those persons who have observed and given some study to the phenomenon realize that it will have profound effect upon our whole industrial life and arrangements. Only a few of our cities will experience any increase in population. The declining birthrate will be bad for the farmers, the real-estate men, and all those who are interested in the building industries.

Another complication which has, however, received somewhat more attention, is the extension of labor displacing machinery and methods which has taken place since the beginning of the depression. If our products were to reach the figures of 1929 before the end of this year, there would still be at least 5,000,000 workers unable to find employment. In the busiest months of the year 1929 there were between two and three million unemployed. Between 1929 and the present date at least 2,000,000, and possibly 3,000,000, jobs have been abolished by technological improvements; that is, by the substitution of mechanical and automatic process for human labor.

What could and what ought to be done? The principal requirements are two legislative measures which will not be enacted at this session of Congress. The first is the bill introduced by Senator LA FOLLETTE, calling for a $10,000,000,000 appropriation for Public Works; the second is the Connery bill, reducing the hours of labor to 30 per week. It seems to be generally agreed that the greater part of the business improvement which has occurred since last fall is due to the employment provided by the expenditure of Federal money for public works, civil works, and the activities of the Civilian Conservation Corps. Practically all of this money was immediately spent for goods, for the products of industry. Indeed, there are many indications which point to the conclusion that if all of those now unemployed were somehow put in possession of jobs, a great amount of public expenditure for public works would still be necessary in order to make the general employment continuous. A considerable section of the workers would not be needed, even on the basis of a 30-hour week, to produce the material goods required by our population. Of course, this estimate leaves out of account the production of low-cost housing, but that, as I have already noted, is a matter for Federal, not private, expenditures.

To those who raise the question concerning the financing of a $10,000,000,000 public-works project, the answer is very simple. Fundamentally, the problem is one of producing goods, that is, the raw materials and the finished products required to construct the public works, and the necessaries, comforts, and luxuries required to support the whole population. No one who knows anything about our productive capacity will deny that all these goods would be forthcoming. In a fundamental sense the public works would be paid for simultaneously with their construction. The financial and fiscal aspects of the problem are equally simple. The surplus money of the country would be diverted from unnecessary and wasteful investments into the Treasury of the United States, whence it would be drawn for expenditures on the public works. Let us not permit the money aspect of the process prevent us from seeing the fundamental problem, which is simply that of producing sufficient goods.

The 30-hour week would increase employment, total pay rolls, and purchases of goods. It would not, as some fear, prove disastrous to industry. Suppose that it would drive the weakest 10 percent of employers into bankruptcy. Far more than that number of persons now unemployed would then find work and a livelihood, with great advantage to the common good. Let us assume that most of the employers who survived would have to get along with less profits under the 30-hour week arrangement.

Far from being something to be deplored, this outcome should be welcomed. For our industrial system cannot continue to function without a redistribution of incomes and purchasing power which will give more to those who would like to spend money for consumption goods and less to those who would invest it in an already overexpanded industrial plant.

The other very critical question which now confronts the "new deal" is that of peace between capital and labor and the right of labor to organize. That right was fondly assumed to have been effectively guaranteed by section 7a of the National Industrial Recovery Act. We now know that it has been disregarded and evaded by some of our most powerful industries. The Wagner-Lewis bill was drawn to prevent these violations and evasions. For several weeks it was bitterly attacked by despotic industrialists at the hearings before the Senate Committee on Education and Labor. No unprejudiced person can read the three published volumes of these hearings without astonishment and discouragement over the intellectual dishonesty and enormous arrogance displayed by one big business man after the other in their attacks upon the bill. Congress should have passed the bill immediately after the hearings were ended. As a matter of fact, Congress intended to let it die in committee. Congress departed from this intention only when its fears were aroused by bloody labor strife in Minneapolis, Toledo, and elsewhere. Within the last few days the bill has been reported out of committee, but in a considerably diluted form.

This bit of recent legislative history, which, unfortunately is not exceptional, obviously strengthens the contention of Communists that labor gets nothing from our lawmakers except through methods of force and fear. While this is an exaggeration, it contains a considerable measure of truth. Throughout history, labor has got nothing worth while until it showed itself willing and able to use some kind of force, at least economic force.

Congress will not enact into law at this session either the La Follette $10,000,000,000 public works bill or the Connery 30-hour week bill. It can, however, give elementary justice to labor by enacting the Wagner labor disputes bill. When that becomes law, labor will be in a position to obtain some increase in wages and purchasing power and thereby to improve the outlook for business and for industrial recovery.

We are witnessing the nemesis of the capitalistic philosophy. Ever since the industrial revolution business men believed that they could pay the lowest wages and make the highest profits without interfering with the welfare of business. They believed that the process would go on automatically, that they could pro-

duce indefinite amounts of goods, and that these quantities of goods would automatically find markets. They did not believe that it was necessary to give to the masses enough money to buy the goods. They flouted the moral teaching of Pope Leo XIII on labor's right to a living wage. If they had accepted and put into practice that teaching, they would be better off today. A few of them have, indeed, come to realize that good ethics is also good business. The most critical question confronting the capitalistic system is whether the opinions of these few enlightened business men will prevail, or whether they will be ignored by the bourbons of industry, the men whose prototypes brought about the French Revolution and every other destructive revolution, including that which ushered in the monstrous system of Soviet Russia.

MONETARY USE OF PURCHASE OF SILVER

The Senate resumed the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

TRAVELERS WHO HAVE LOST THE ROADS

Mr. LONG. Mr. President, I had hoped the present silver bill would be of such nature as to inspire a great deal more opposition than it has aroused from those who have styled themselves the "sound money" element of the Senate. The fact that the bill is receiving so little opposition from the so-called "conservative money" crowd may be explained when its terms are understood insofar as failing to remonetize silver is concerned.

This bill does not remonetize silver, nor does it do more than we have already done by the act passed last year. On the contrary, Mr. President, unless this bill is amended, it might be better that it were not passed at all, because the terms of section 8 are such that it destroys such a thing as a silver market in the United States.

This bill is supposed to create a lively market for silver. The purpose is to raise the current value of silver from 45 cents an ounce, which it now brings on the world market, to $1.29 an ounce. When that shall have been done silver by that process will have been remonetized, that is, when silver shall reach the point where it brings on the world market $1.29 an ounce it will have the value of the regular 16 to 1 money ratio prior to the act of 1873.

There is a little history about the silver question, Mr. President, that has never been explained. It has been frequently stated on this floor that we repealed the silver law in 1873; that is, that the Congress repealed the silver law so far as silver being money is concerned.

As a matter of fact, Congress did no such thing, and if the Supreme Court of the United States could be depended upon to decide as regards silver as some of our best courts have decided on other matters of law, silver would still be money. There is not a thing in the act of 1873, signed by President Grant, which provides that silver is demonetized. The form of money which had been money ever since the Constitution was written—and it is still in the Constitution—never was mentioned as being demonetized in the act of 1873 or in any other act. All that was done was, as President Grant himself later said, to pass an act providing for the coinage of money, providing for the issuance of certain money, but as to silver the act left out that part providing for the coinage of silver. It was done, as the debates of Congress will show, with Congress in the dark. It was so mysteriously done that it was as impossible to see as though it had been hid under a skillet in the midnight, that they were undertaking to demonetize silver in 1873.

The Constitution of the United States—and I will not undertake to read or quote its exact terms—denominates gold and silver as the standard money of this country. That is our constitutional money. An act of Congress which prevails merely carries into effect the articles of the Constitution of the United States by prescribing the quantities and the valuations of gold and silver for uses as medium of exchange in America.

There is a decision, Mr. President, by the Supreme Court of Wisconsin, rendered a number of years ago, which holds where an act is passed by a legislative body carrying out a constitutional provision that that enabling act stands as the law even though subsequently repealed unless some other enabling act is passed carrying out the duty imposed by the Constitution upon the legislative body. I will not undertake to quote the decision of the Supreme Court of Wisconsin, nor is there any necessity that I read from it, for it has been frequently published in the law journals, but in that decision the Supreme Court of Wisconsin held that the legislature is bound to put into effect enabling laws to carry out a fundamental law, and when an enabling act is passed it is not within the power of Congress or of a legislature to repeal an enabling act carrying out a fundamental law unless there is another one substituted in its stead. That subject came up when we were discussing and considering repealing the Volstead law carrying out the eighteenth amendment.

Some of the best scholars we have in the Senate and in the other House looked into the question as to whether or not Congress could not "take the bull by the horns" and simply say that "the Volstead law be and the same is hereby repealed." Those of us who looked into the question, as I remember, were unanimously of the opinion that it was not within the power of Congress to repeal the enabling act carrying out the eighteenth amendment without at the same time putting some other enabling act into the law. The same proposition of law, properly carried out, would hold as regards silver; and there is a well-grounded, sound view to that effect in this country today—that, legally, silver never has been demonetized.

After the passage of the Money Act of 1873 silver continued to be money to a certain extent. It never had been entirely swept out of the various decrees providing for the payment of Government obligations, such as bonds and the like; that is, that there was enough left in the administration of the laws so that the demonetization of silver did not come as a sudden act. Cleveland took the final step which entirely demonetized silver.

It is well that we trace here, Mr. President, from where this school of thought comes. We have in this country a financial incubator for the United States. We have almost the British system in some particulars, only it is carried on outside the Government. We have in this country a celebrated law firm that has furnished guiding lights to the United States Treasury for so long that "the memory of man runneth not to the contrary." We have another celebrated law firm that has been kindly supplying the State Department with most of the high lights that have guided the destinies of that Department; but I will now advert to the firm furnishing those lights to the Treasury Department.

I have here The Life of Grover Cleveland. He was a Democrat, but he was not my kind of a Democrat. If I had been alive and there had been somebody running against him representing views which I entertained, I would have never voted for Grover Cleveland for President of the United States the last time he ran.

However, when Grover Cleveland had served as President of the United States for the first 4 years he was defeated for a second term, and after being out of office for 4 years he was elected for 4 more years as President of the United States. What did he do during the 4 years when he was out of office? According to the book which I have here, he served as an attorney, a member of the law firm of Bangs, Stetson, Tracy & MacVeagh, located first at 15 Broad Street and later at 45 Williams Street.

That law firm, Mr. President, is a very celebrated one. I understand—without calling names, which it is not necessary to do in this case—that some of the Secretaries of the Treasury have been members of that law firm. It is today the law firm of which a former nominee of the Democratic Party for President, Mr. John W. Davis, is a member. There are innumerable men to be found today in the Treasury Department who came from this law firm, which has existed for many, many years, performing distinguished service. It has always been the law firm representing the House of Morgan.

I think I have here the present name of that firm. I believe it is Davis, Polk, Wardwell, Gardiner & Reed, the name having been changed in 1924. I am informed that on

its letterhead it carries the notation that it is the successor of Stetson, Jennings & Russell, they being the successors of the original firm, the name of which I have just given.

Mr. Cleveland was given 4 years' incubation in the money question, the same as the others who have come from that firm. I understand a previous Secretary of the Treasury under the Republican Party was a member of this law firm. They have filled the Treasury Department of the United States with man after man, whether in Democratic administrations or Republican administrations. They have furnished the two leading parties nominees for President of the United States, for Governors of pivotal States, and they have furnished the successful candidates who have been elected the key men to dictate the financial policies of the United States.

It made no difference who won or who lost, in the background was the House of Morgan, with the Treasury Department chained down, with every crevice filled with henchmen trained either in their law office or in one of their counting houses or trained in the Treasury Department under the tutelage of one of their henchmen coming out of their law office or a counting house representing the House of Morgan. They have kept that system alive so long that it would be necessary, in order to clean it out, to fumigate the present Department from top to bottom. It would take tear bombs and gas bombs to clean out of the Treasury Department the old wool-gathering, web-worn, alleged conservative and sound money system that was saddled upon the country beginning in 1873.

The money system was not all they were carrying out. That was not all the trouble. That is not all the trouble today. That is only one part of the trouble. My friend from Idaho [Mr. BORAH], with whom I agree on the present matter, is none the less mistaken in thinking that the great money question is the moving cause that has brought us to our depression. That is only a means through which the greater fault has been accomplished. The money manipulation through the Treasury Department and the laws of the United States have been used to help along a greater work by which the main purpose has been wrought. The money question has been one of the numerous vehicles to concentrate wealth into the hands of a few people. They needed to control the money in order to prevail upon the various agencies of industry, commerce, and government to bring about a concentration of wealth into the hands of a few people.

They set about deliberately. They set about taking over the Government of the United States, not directly, but they set about to take over every root, branch, and purpose that a government serves through the economic control which they purported to exercise in the country.

So it was necessary, in order that their purpose might be speedily accomplished, that they have as little money as possible to control. Why was it they wanted to demonetize silver? It was because it gave the country less money. There was a particular reason why they should favor gold over silver. It was for the reason that there had been such exchanges and understandings established between the financial masters of Great Britain and other foreign countries that there was a coordination of interest, a consolidation of understanding, as the result of which and through which they proposed to control domestic, national, and international commerce, as well as the properties of the several countries.

The campaign of 1896 came on at a time following a great depression. It was alleged to have been due to the small supply of money in the United States. The nominee of the Democratic Party, William Jennings Bryan, was nominated as a rebuff to the then Democratic President of the United States. Bryan's nomination by the Democratic convention at Chicago was for the purpose of putting the party on record in part as being against the administration of Grover Cleveland, the Democratic President. As a matter of fact, Cleveland supported the Republican candidate for President of the United States against the nominee of his party. It was a fact openly published and well known that when William Jennings Bryan was made the nominee of the Democratic Party in 1896, the most effective opposition he had was Grover Cleveland, then serving the country as Democratic President. Some may not know that, but that is the fact. Grover Cleveland never supported the nominee of the Democratic Party during three campaigns after he was President of the United States. That is something which is not generally known, that Mr. Cleveland was so much at variance with the Democratic policy adopted by the party led by Bryan that he was the most effective means of defeating the nominees of that party in those campaigns. He did not do it in an open way particularly, but none the less in an effective manner.

The defeat of Bryan, accomplished through a lavish expenditure of money and the power of the Government against him, although it was supposed to be of his own party, none the less could not have been effected but for the sudden discovery of gold in large quantities sufficient to allay a large part of the depression and to start commerce and trade, preventing a paralysis of business, which would have continued unless silver had been remonetized. The supply of gold which was suddenly discovered loosened up conditions in the country sufficiently that barely was Bryan's defeat accomplished in 1896.

Tracing that history a little further, after Bryan had been defeated twice the Democratic Party apparently went back to the sane and conservative view and nominated Alton B. Parker, who was scandalously defeated. Following that it nominated Bryan again and the silver issue ceased to be mentioned for the time being, and the country went along. But as the country went along the bloody hands of masterful finance steadily aggressed all the time, and the concentration of wealth, almost nonexistent, continued until 50 percent of the people owned an overwhelming part of the wealth, and then it came to be that a smaller percentage owned a greater percentage of the wealth, and so on, until the year 1916 came, when a blind man could have seen with his cane the concussion brought about as a result of the clash over an insufficient supply of money on the one hand and the concentration of wealth on the other hand, one of which accentuated the other.

Prior to 1916 the money supply having brought the country along with its concentration of wealth to a position of peril, the Democratic Party again picked up the cudgel. The only time the cudgel has ever been picked up has been when the Democratic Party or the insurgent Republicans saw fit to pick it up. It remained for the Democratic Party to take up the cudgel in 1914, 1915, and 1916, following the election of Woodrow Wilson in 1912. What did they do?

The Democratic Congress and the Democratic Senate enacted a law which was signed by the President of the United States, providing for the appointment of a commission to study the conditions prevailing in the country and to make a report with reference to what had to be done to correct the industrial unrest, the depression, and other maladjustments existing at the time. There was appointed a commission, headed by Mr. Frank P. Walsh, of Kansas City, Mo., composed of several brilliant gentlemen of the country. They delved into the question. They did not touch the money question because the money question was secondary. I say now the money question is secondary. They did not touch the money question, but they went to the root of the tree to see what was the cause of the depression existing and continuing to grow worse in the years 1912, 1913, 1914, 1915, and 1916.

In the year 1916 the members of that commission completed their labors. They published a report. They submitted it to Congress. In that report they went over the conditions of agriculture. They went over the condition of industry. They discussed the hours of labor. They discussed farming conditions, particularly as to the share-croppers of the South and of the West. After an elaborate set of hearings, and a report as a result of them, that Industrial Relations Commission's report said to the Congress of the United States, "We find this trouble to be due, first, to the unjust distribution of wealth and income and the over-

whelming part in the hands of a few people"; and in that connection they detailed exactly who owned the wealth, who controlled the industries, particularly the steel industry. They showed that the steel industry, the gigantic enterprise of this country, was in the hands of one banking house; that wherever we found a melting pot for steel, wherever we found an iron bar being pressed, the entire enterprise, from the time the ore was dug from the ground until the time the bar was finished and sold in its final shape, was in the control and under the domination of a single banking house in the United States of America.

Said that report:

> There is no way by which this country can expect to revive its agriculture and its industry, and spread and make general the blessings of what is produced in this country, other than through a decentralization of the wealth of the United States.

The money question was not discussed. Most assuredly, one of the means of accomplishing that decentralization, one of the means by which it could have been done speedily and easily, would have been by the increase of the money supply.

We went along with this report of 1916. The war came on. The continent of Europe burst into flames on the east and on the west. In the whole world nations were at each others' throats; and therefore what had been proposed by the Democratic Congress, we may say backed by Bryan, was arrested, due to the war which later involved America.

All right. We stopped. We remained static. What then? In came the Republicans, and for 12 years the wheel was turned along the lines of conservative, so-called "sound, stable, true, and tried rule" of the mighty. There were no bones made about it. It was alleged to be necessary that we return to what they called, in a newly invented word, "normalcy." "Normalcy" meant that the so-called "conservative element" those believing in the doctrine of laissez faire, should be allowed to run the country. So there were placed in these departments men even of more conservative leaning and training than those who had been allowed to remain there in the few years the Democrats had charge of the country.

So we went along with Harding for 2 years, and with Coolidge for 6 years, and with Hoover for 4 years, until the year 1929, with the sound and so-called "conservative" crowd in the saddle, with the wheel turned back on sound money and "leaving business alone", until that concentration of wealth and small supply of money wound the country around to a point where a few people sat in absolute control of the country. Not only were they in control of the country, but they were the only ones allowed to share in what the country produced. Whenever the country ground out an enormous crop, it was instantly owned by fewer mouths than could consume it. Whenever a manufacturing plant turned out products they were immediately owned by a small clique that could not consume them. They were apparently, however, garnered into a few hands to be sold to the many hands; but the many hands could not buy for long unless they had the purchasing power wherewith to purchase.

So when they had completed their program, when they had reached the absolute zenith of a program where they felt they would find the end of the rainbow, they found the end of the rainbow, Mr. President. They were seated on the pot of gold with nothing left in the hands of the masses by which the blessings of the country could be shared, and therein became the beginning of their own doom.

What was that result following the breakdown in 1929? I became a Member of the Senate in 1932, after serving as Governor for nearly 4 years down in the South. What did we do to meet the depression in 1929? Why, we undertook to perpetuate the same system. We sent for the same men who had brought on the destruction. We introduced a bill here creating the Reconstruction Finance Corporation. We sent to Wall Street to bring down its celebrated masters of finance to tell the Government how to get out of its troubles. We might as well have sent for Dillinger to tell us how to capture Dillinger; we might as well have cried for a burglar to rescue us at night when we were molested on the highway; we might as well have set up a council in the penitentiary to pass on the pardon of the convicts there, as to have sent for the flower of Wall Street in 1929 to tell us how to correct a condition that Wall Street had brought on in this country.

When I came here in 1932 we had just passed the Reconstruction Finance Corporation law. I thought from what I heard here, though I was not here to study the vote on the measure, that it was intended to do some good things. I now believe we perhaps made a mistake in passing it. It failed to accomplish its purpose. It could not have done it. That law undertook to finance some of the banks in distress; but when the Reconstruction Finance Corporation loaned a dollar to a bank it had to give what they called "adequate and sound collateral", and there was no adequate and sound collateral for that day and time. They required collateral of from two to three dollars for every dollar they loaned, on the ground that they recognized that the country had begun to fade and to fail. If a bank had loaned a farmer a thousand dollars on a home, they would not take the collateral and lend a thousand dollars to the bank. They would require collateral of perhaps $3,000 in order to lend the bank $1,000. So the bank eventually had to deplete its resources in order to accommodate a small percentage of the people who were crying at the door to get their money out of the bank.

Then came the crash. I remember one night having a conference in a room in a hotel in this city, and I was asked by a distinguished member of the Hoover administration what could be done to save, even temporarily, the situation at that time existing.

As I remember it now, my answer was about as follows: All that he can do is to speedily provide funds to be spent by the States and municipalities under the supervision of the Federal Government. He will have to provide those funds today from the sale of bonds. Those bonds should be retired by a tax levied upon the big fortunes of this country, ultimately with a view of decentralizing the wealth of the United States.

Mr. President, that was one thing. Second, I said that he must ultimately look to shortening the hours of work, and I prescribed a third proposition, namely, that he should immediately have the Congress pass a law legalizing 2¾-percent beer.

I felt that if that were done the agitation over the liquor question would subside, that public work could be begun, there could be a start toward bringing fortunes down from the top, until they would reach such proportions that they would no longer be a menace to the independent, thriving business element of the country, and the United States could be on a solid, firm foundation, steadily improving, instead of steadily proceeding toward a goal where there would be paralysis of industry, commerce, and banking. My suggestions went amiss.

Mr. President, that having failed, we went along the old lines again—laissez faire—until the Chicago convention met. In the Chicago convention the fight was between the sound-money and sound-business element and the so-called "liberal element." There was just as much of a fight in the Chicago convention as there was in the Congress. I digress here to say that by the year 1929 this had ceased to be a party matter. There was a liberal element on this side of the Chamber and a liberal element on the other side of the Chamber, but when the depression of 1929 came on there was no longer any such thing as a party issue on the question I have mentioned.

There were not so many liberals on this side. I was more than a liberal; it was said sometimes that I was a radical liberal. But now I am a conservative liberal, when we consider some of the things which have been done. I, at least, was standing only for things within the Constitution; but those of us on this side were joined by an element on the Republican side. We were in the minority, considerably so,

but we were the ones who were striking for the reform that the big, powerful influence of swollen business should be broken down.

Mr. BONE. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Louisiana yield to the Senator from Washington?

Mr. LONG. I yield.

Mr. BONE. I wonder whether the Senator from Louisiana believes that any of his conservative brethren here would think that his remedy was a constitutional one, when it proposes to limit the size of private fortunes. I am wondering whether he honestly believes or thinks that any of his conservative brethren here would ever agree with him that that is within the Constitution. He understands that I heartily sympathize with his viewpoint and his purpose in this respect, but I think he merely trifles with himself when he thinks that he will ever bring his conservative brethren to believe that he is within the Constitution in suggesting that sort of remedy.

Mr. LONG. I think the Senator from Washington is in error. I do not think that what I propose is ever disputed on the ground of its constitutionality. It is disputed on other grounds. No one disputes the right of Congress to fix such inheritance taxes as it may desire to fix.

Mr. BONE. Mr. President, I think the Senator from Louisiana entirely overlooks the point I made, namely, that his brethren here will never agree with him, or that many of them will never agree with him, that he is advocating a constitutional remedy, or a remedy within what we are pleased to call the Government of our fathers, when he proposes to limit and curb large fortunes in the United States.

Mr. LONG. I realize that that is true. My friend the Senator from Washington states the fact, that some of my brethren will never admit it to be constitutional, or at least within the policy of the Government of our fathers.

There are in the Congress well-meaning brethren who think it an absurd proposition to agitate limiting the size of fortunes. With all regard for them, they and their fellow believers on the outside form the crowd which sent this country to the "demnition bowwows of hell," and they are the ones who are keeping it there today, and until we get an element in control in this country which will limit the fortunes of the big men, we will never have a restored prosperity in the United States.

Mr. BONE. Mr. President, will the Senator yield to me again?

Mr. LONG. I yield.

Mr. BONE. I would not presume even to think that I could make a contribution to what the Senator from Louisiana is saying, but if he will permit me to interrupt for just a moment, I should like to bring to his attention, and to the attention of the other Members of this body, a statement from one of the leading conservative Republican editors of the United States, who presumes to tell us just what to do in meeting the depression in which we now find ourselves immersed. This is a very conservative gentleman speaking, and presuming to give us advice:

> Leaders everywhere maintain that we are in the midst of an economic war that is much worse than real war.
>
> And yet we are trying to remedy this revolutionary situation with the rigid, immovable restrictions of civil and constitutional law.
>
> It cannot be done; war should be declared just as it is when we are attacked by an outside enemy. The enemy on this occasion is within.

Parenthetically let me say that this is taken from one of the largest conservative magazines in the country, and this is a very conservative editor giving the American people political advice. The editor goes on with his advice:

> What we need now is martial law; this is no time for civil law. The President should have dictatorial powers. The edicts of the Constitution do not interfere with a general when he is fighting a battle; and the Constitution should not interfere with the remedies which are essential to get us out of this appalling depression.

The great Republican editor says to throw the Constitution in the ash can. And conservatives here do not challenge such blunt statements from their own journalistic mouthpieces.

Mr. LONG. Mr. President, that is the view of the old, conservative, laissez faire crowd now. They have had their way in this country. They have carried it to hell. Now they prescribe a remedy and the thing will not work. It cannot work, because, unless they limit the size of fortunes in this country, there is no way of getting the money and the wealth out among the people.

The people out in the country who are trying to get hold of bed sheets enough to put on the beds cannot buy them because they have nothing with which to buy them. Yet the people are crying for those bed sheets, while we are forcing people to plow up cotton to keep from making any more sheets, because there is no place where they can be sold.

The people who were crying for meat to eat last year—and plenty of them were crying for meat; let us not fool ourselves about that a bit—could not get any meat because they did not have anything with which to buy meat. Yet we were having people kill pigs and hogs in order to keep from having too much meat on the market.

The old clique led us into that kind of nostrums. The same old gang came here to advise us that came to advise Hoover. There was no difference in the cliques that were around here. It was tweedledee and tweedledum.

The minute I saw my old friend Barney Baruch come here I recalled that I had seen him before. He hung around here during Hoover's administration, good man that he is. I suppose he is; I do not know a thing on God's earth about him, but I do know about what he advocates and what he does, so far as government is concerned. He hung around here when Hoover was President, trying to get us to adopt a sales tax. He came here to the Capitol and talked to his friends in the offices and in this building, urging us to adopt Hoover's policy. He went so far as to write an article in the American Magazine, which I read on the floor of the Senate, in which he lauded what was being done by Hoover and in which he said that Hoover was going to pull the country through, that everyone ought to follow Hoover, that Hoover had the thing down to the queen's taste, and that nobody need doubt that he was going to pull the country in just the direction it ought to go.

He was sitting at Hoover's feet, or Hoover was sitting at his feet; I do not know whether the hen came before the egg or the egg came before the hen, but one or the other was sitting at other's feet, and they carried the country slap-damn to hell. When the Democrats came in, the first man I saw around here was Mr. Baruch. I do not blame Mr. Baruch for being around here, but he was here.

What did we do? We have not varied very much from what Hoover was advocating. The only thing we have done has been to put into effect the things Hoover could not get the Congress to do. Hoover was not strong enough to get us to pass a law providing for the plowing under of cotton, but the Democrats were. Hoover tried it. Bless your soul, the Democrats could not claim this thing of plowing up cotton as their own child, because they would be claiming something that did not belong to them. Hoover was the man who proposed that, and if anything is ever done about it, all we have to say is that if Mr. Baruch was the man who proposed it to Hoover, and could not get it over with Hoover in the saddle, he also proposed it to Roosevelt, and we swallowed it, with Roosevelt in the saddle. That is all there is to that.

We came into power, and now, as the Senator from Washington reads, we have merely quieted the tumult by doling out money.

We are spending around $2.50 for every dollar the Government is getting. This year, according to one estimate, we are to spend $7,000,000,000 more than the Treasury takes in. We have to do it. If we were to stop doing it today, times would be worse than they ever were at any time since 1929. We cannot stop it on the present basis. We do not dare stop it, because the few people we are feeding—I say few in proportion to the number of people who need

to be fed—cannot be neglected, for there is not a place on earth they could go to get something to eat and something to wear except for the little dole that is handed out to keep hair and hide together until prosperity can come back.

Do we hear any rattle of prosperity? All on God's earth we have, Mr. President, is the Government disgorging its funds, going farther and farther into the recesses of insolvency and bankruptcy, undertaking to transfuse blood to the suffering people who must have it.

Mr. President, we were in the Chicago convention, as I said to my friend from Washington. In 1932 we were not fighting with depression along a Democratic or a Republican line of thought. There were two lines of thought in America, there were two lines of thought in the Congress, and two lines of thought in the Chicago convention, and one line of thought in the other convention, the Republican convention.

The Republicans met in Chicago a few weeks before the Democrats met, and they took the position that we should have to go along the lines of rugged individualism until finally we should work our way out somehow, some way—God knows how. That was their line of thought.

We went into the Chicago convention with one set of men—such men as I might name, but I will not—feeling that we had to do as Hoover was saying we had to do, that is, to take the hard and rugged road, and somewhere, somehow, we would grind ourselves up into small particles, and some would die, some would starve and some would commit suicide, some would fall on the way, but eventually a few of us would live, and work the thing out, and start again. That is one line of thought.

The liberals then, however, had a different view, just as we had in Congress. We knew that the country had enough for every man to eat; that it had everything he wanted to eat. We knew that the country had enough for every man to wear, everything he wanted to wear. We knew that the country had enough houses for every man to be comfortably sheltered, with his wife and his children. We knew that the productive capacity of the country was so high that enough could be made that none need be denied anything like a convenience of life, and that few need to be denied any of the actual luxuries of life.

So we went into the Chicago convention; and as against the laissez faire doctrine of the Republican Party which had just met in Chicago, against the policy as it had been practiced here by Republicans and by Democrats of the conservative leaning, we advocated the liberal line of thought of Congress, of the insurgents on the Republican side and the liberal Democrats on this side.

What we should have done that day was practically to dissolve the two parties, and that is really what we did. There was not any race between Republicans and Democrats. There was a race between liberals and reactionaries. The race was not between democracy as represented by the old line of some Democrats, and the Republicans as represented by their faith brought up from 1860.

Mr. BONE. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. BONE. I wonder if the Senator from Louisiana at this time will define for me—and it is a definition I have long wanted to hear from the lips of the able Senator—the difference between the standpatter or reactionary on either side of this Chamber and the progressive or liberal. I think it is time that we write into the CONGRESSIONAL RECORD some sort of definition—perhaps I do not see the distinction quite as plainly as I should, but there does not seem to me to be any great distinction—between the standpatter on this side of the Chamber and the standpatter on the other side of the Chamber.

Mr. LONG. There is not.

Mr. BONE. Of course, I may not have been here sufficiently long to know the distinction.

Mr. LONG. There is no distinction.

Mr. BONE. I should like to have the Senator make the distinction plain.

Mr. LONG. I can state that there is no difference whatever between a standpat Democrat and a standpat Republican except as to who gets the job. The only difference between a standpat Democrat and a standpat Republican is in "who is in and who is out." A standpat Democrat is one who will do just what the standpat Republican does when he gets in. Of course, they cuss one another and raise a whole lot of hurrally, and put out all this folderol for public consumption, but there is no difference betwixt them when the label is taken off and one gets down to what is in the box. Then it is found that they are the same.

It is like the case of the old patent-medicine man who used to go around selling two different kinds of patent medicines. One he called "high popalorum" and the other he called "low popahirum." The only difference between the two bottles of medicine was that in the case of one he took the bark off the tree for the purpose of making that medicine beginning from the ground up, and in the case of the other medicine he used bark which he took from the tree beginning at the top and working toward the ground. [Laughter.]

That is the difference between a standpat Democrat and a standpat Republican. That is the difference between a liberal Democrat and a liberal Republican. There is no difference. There ought not to be two parties here called "Democratic" and "Republican." We ought to put on the label and fight under a liberal party, or we ought to fight under a reactionary party. That is all there is to it.

That is my definition for my friend from Washington [Mr. BONE], so that he may understand it more clearly. If anyone in this body desires to identify who is a genuine, simon-pure liberal and who is a genuine reactionary, I will say that those who are not in agreement with me are reactionary. [Laughter.]

So, Mr. President, we went into the Chicago convention to fight the battle of liberals. There was not any doubt about how the lines were drawn there. Wherever a liberal was met, it was usually found that he was with us, unless his State had instructed him to do something else, and then he was trying to go around behind the barrel and do something to keep us from accomplishing the ultimate purpose. One would see, perhaps, a man come in whose delegation was for Roosevelt, but he would come in and announce that he was not in sympathy with something we were trying to do, or something else, and he would muddy up the waters or mix up the cards, and give us a lot of trouble, and we had to work perhaps all night to get back something that such men tried to get away.

We had to fight against the States' favorite sons. I kept two favorite sons from being mentioned in that delegation, and kept my own delegation from mentioning me, so that makes three favorite sons I kept from being nominated. I myself reduced that favorite-son nomination battle by three.

So we fought the battle of the liberals, and we were supposed to have won the battle. The liberals went before the people of the country with a liberal platform and a liberal candidate against what had been and against what was in these various matters that affected this country.

We promised—when I say "we promised" I mean the platform promised, or the candidate for President promised, or those of us speaking with due authority promised—what? We promised, first, that we should limit the size of fortunes in the United States of America. That is what we promised. That is in black and white over the seal of the President of the United States. That is no. 1. The first thing we promised was that we should go out and scale down these big fortunes to frying size. We were going to see that there should not be any such distinction and difference between one man and the other, and one business and the other.

That is no. 1 on the promised calendar.

We promised, first, a limitation on the size of fortunes, the decentralization of wealth, the sharing of profits, and of the wealth of the land among the people equitably. That is No. 1.

We promised, secondly, that we were going to shorten the hours of labor, so that the work might be distributed among the people and invented mechanisms made a blessing rather than a curse to humanity. We promised a farm-relief pro-

gram contrary to what Hoover had advocated, and we promised a currency managed by the friends of the people. It does not make any difference what else was in the platform; that was all that was needed. The fact of the case is the first two promises were all that were needed, namely, a limitation of the size of fortunes and a limitation of the hours of toil. Those were all that were needed; we did not need anything else.

We have placed on the statute books so many laws that I myself have not read half of them. I hold a book in my hand that contains in the neighborhood of 800 pages. I have voted for some laws here that have just about that much in them; I mean I have voted for one bill here at one time which was about as thick as this whole book is or, at least, half as thick. We have had bills here with 200 and 300 pages, starting at America and going up to the Arctic and coming back to America and going south to the Anarctic. We have enacted laws dealing with everything from chicken feathers on up to the size of litters of hogs. We have legislated about everything. There is not a thing on the topside of God's earth that we have not legislated about; nothing has been left out. We have regulated by law everything that can be regulated, and then we have regulated the regulators. Nothing has been left out; there has been nothing we have not done. We have enacted laws for the appointment of inspectors, and laws for the appointment of secretaries of inspectors, and laws for the appointment of inspectors of inspectors, and laws for the appointment of supervisors of inspectors, and for the appointment of inspectors of the supervisors. [Laughter.] We have not left anything out.

There is not a single subject on the topside face of the earth that has not been touched. We have provided for investigation and reform. Men have been sent out into the corners of the country to advise us as to how high the corn ought to grow; men have been sent out to say when the cotton ought to be picked; they have been sent out to see when the feathers ought to be taken off the back of a goose, and they have been sent out to see what size a litter of puppies ought to be; they have been sent out to regulate how many chickens should be hatched out of one nest. Nothing has been left out of what has been undertaken in the way of various forms of regulations since I have been in Congress. Yet where are we? We are right where we started, with one little exception; one improvement has been made, thank God. We have put a few more people on the dole than we had on the dole, and by putting a few more people on the dole and spending more money of the country it has been made possible to put a few more people on private rolls, but today we are right where we were. We are spending a little faster, we are spending a little more, putting more people on the dole; and if all the remedies and all the nostrums were discontinued today, we would be left in a worse condition than we were in since 1929.

We did one thing that I can say was really a good thing. We did provide for a guaranty of bank deposits, but do not forget what we had to do in order to get that law. I might be called one of the fathers of that law; if anybody has a right to be called a father of it, I am probably one of them. We stood here on the floor of the Senate and filibustered against one bank bill for 22 straight days; that is, it was said we were filibustering, but we were not doing any such thing. We were merely discussing the measure. But we stood here for 22 days to kill the first bank bill. Why? Because we knew it was not going to do the thing that was going to have to be done, in that it did not take care of the little banks and did not guarantee bank deposits. When they came in on the 5th of March, as I recall, with the first bill on the floor of the Senate, I fought that bill and its provisions, because it failed to take care of the little banks or to guarantee bank deposits.

I fought it on the 6th day of March; I fought it on the 7th day of March; I fought it every day, until finally the splendid Senator from Michigan [Mr. VANDENBERG] offered an amendment to a bill which we supported; and that is what brought about the only law of financial integrity of which I know that has been passed by the Congress, the law creating the Federal Deposit Insurance Corporation. We passed other laws and they are doing no good, and they can do no good.

What do we need to do? We do not need have more than one law; and I will take the responsibility for saying that I can write it on five sheets of paper; I will take the responsibility for saying that, common a lawyer as I am, I can sit down right here at this desk and write a law between now and the time the Senate shall recess today merely limiting the size of fortunes and limiting the hours of toil, and such a law would put this country on its feet instantly. I do not need any professors to help me; but I would call them in if I needed them, because I have nothing against professors. I would have been one myself if I could have absorbed some of the learning that they threw at me in those days and times. I rather compliment them that some of the things they used to try to teach me in the schools have taken hold in their own craniums. So I have nothing against them, but I do not need to call in anybody. If I were allowed to write and have passed a bill through this Congress limiting the hours of toil to such an extent that there would of necessity be a spreading of the work among the people who need the work, and if I were allowed to limit the size of fortunes and to spread the wealth among the masses, we would not need any other law or any nostrum or any regulation. We could take every law we have in all the books and go with them if we would simply pass a law limiting the size of fortunes and limiting the hours of toil. We would not need any more laws; but if we are going to allow a handful of people to own more of this country's things to eat and things to wear than all the remainder of the people put together, there is not any kind of regulation that is going to do any good. What good is it going to do to pass some kind of a social law when a man here has all the food to eat and will not let anybody have any of it?

What good is it going to do to pass some other kind of a law when another clique have all the wearing apparel and will not allow anybody to have any of it? Why will they not allow anybody to have any of it? Because the people have not got anything to buy it with; and, unless we decentralize wealth in this country, the people will not have anything to buy it with. There is no way for the people to get it. This snowball rolling down hill continues to grow.

Am I advocating something radical? I have the word of Mr. Harold L. Ickes, the Secretary of the Interior, in a magazine article published last Sunday in the New York Times, in which he says that we are out to redistribute wealth. Well, are we doing it? I will show in a minute whether we are or not. I have the word of Mr. Ickes, as I said, that we are now on the road to redistribute wealth. That is all I have ever been advocating. I have been pronounced the greatest of radicals in this country because I am advocating a redistribution of wealth, and yet Mr. Ickes says that is what we are out to do.

I have the word of the President of the United States that we must not allow the concentration of wealth. I have his word that we have got to redistribute wealth. I have his word that we must not allow conditions that will permit the concentration of wealth. But what are we doing to redistribute wealth? Are we redistributing wealth? Some have no better sense than to think we are. I will give the figures and show how we are doing it.

In 1931 the Democratic Party, through its President—that is, through the man who is now President—and through others of us, published the statements of 200 corporations; and we showed that those 200 corporations owned 45 percent of the entire property and industry of this country. That was in 1931; and President Roosevelt, before his nomination, said, "If we continue this, within a few more years a dozen concerns will own all the United States." That is what he said. How much do those same 200 corporations own today, in this year of our Lord 1934? Do they still own 45 percent, or have we, in carrying out our promises, reduced it down somewhat?

How much do these 200 corporations own that we said were bringing about this destruction? They do not own 45

percent? No. They own 55 percent. The percentage they own has increased 20 percent since the Democratic Party came into power in 1933. That is the fact, according to the estimate that has been published and not denied in the American Mercury magazine in an article prepared by Mr. Lawrence Dennis. He quotes some gentleman who made the study and gave those statistics. I think it might have been the same man who gave us the original figures to start with, although I am not sure as to that.

Now I will go a little further. I have here the figures on that, if I can find the paper; and in order that nobody will have any doubt about the direction in which we are going, I am going to give the figures from a source that no one will ever question, to prove that we who have said that we are going to decentralize wealth are on the road going in the other direction. I handed the paper, which I am undertaking now to find, to my friend from Nebraska [Mr. NORRIS] yesterday, and while he may not have returned it, I will be able to supply a copy within a few minutes' time, and I will read it to the Senate.

There is a newspaper published in Philadelphia known as the "Philadelphia Record." I have been looking for that paper to turn conservative, because it bought out the New York Evening Post a while back. The Philadelphia Record is one of our liberal newspapers which supported us for the nomination and for the election. The Philadelphia Record is known as a "great nonpartisan organ", but friendly to our Democratic Roosevelt administration—more so than I am; that is, more so than I was known as being before the election and following the election.

The Philadelphia Record has in it an article which I am going to read when it is brought to me in a few minutes. The figures it has compiled demonstrate that instead of having decentralized wealth and redistributed it among the people, we have turned the hands of the clock back the other way. It does not make any difference what we do in the country as long as we allow 1 percent of the people to own more than the other 99 percent of the people put together.

It does not make any difference how big the crop is, if we have 125,000,000 people to feed and only 1,000,000 of them have anything to buy with—it does not make any difference whether we raise the crop or not. It does not make any difference what we pretend to do, if we allow 1,000,000 people to be the only people who can buy anything in the United States, it means disaster to the other 124,000,000 and ultimately it means disaster to the million themselves.

One class never abdicates—the ruling class. They have never been known to say that they had to relax in order to save their own interests and their own selves. Marie Antoinette never reformed until she reached the guillotine. The ancient kings could not be reformed until they were beheaded. Croesus went to the grave calling for more gold. This clique in the United States, surrounding themselves with everything that can be worn or eaten or built into a house, cries aloud for a prosperity that will give them more profits and greater wealth. Never will they see prosperity until something happens in this country that allows them to make more than they have now. They started out with 5 percent of them in imperialistic control of finance, and when they finally destroyed the other 95 percent to where they had nothing, then this 5 percent of our people, comprising about 6,000,000 people, became cannibals among themselves. They began to eat the hides of the millionaires. One millionaire began to eat another millionaire until the ruling class was brought down to 4 percent. Then the financial cannibals, not finding enough meat and marrow on the bones of the common herd, began to eat upon one another until it was 2 percent of the people who owned practically all the wealth of the country. Then the cannibals, having nobody else whose flesh could be eaten because the common people had steadily been reduced to a condition of serfdom, kept on eating at the hide and flesh of one another until today the ruling class is less than 1 percent. Twelve men met in one banquet hall and one of them said "We 12 control America and everything in it." He said, "Strange as that may seem, we do. You and I are the 12 men who control this country, and every nook and corner of it."

Mr. President, the article to which I referred a few moments ago has just reached me. It appeared in the Philadelphia Record. The only way it got national circulation was through being reprinted in the American Progress. I have the article from the Philadelphia Record as reprinted in The American Progress, and I am going to ask the clerk to read the article in a very audible and distinct tone so it may be understood. This is from the Philadelphia Record as reproduced in the American Progress.

Mr. LEWIS. Mr. President, will the Senator allow me to bring to his attention a matter pertinent to that article?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Illinois?

Mr. LONG. I yield.

Mr. LEWIS. I should like to inform the Senator from Louisiana of my personal acquaintance with the eminent publisher of the Philadelphia Record, Mr. David Stearn, who is a very eminent citizen. He is not only a great publisher, as the able Senator has intimated, but had a great deal of daring to take the New York Evening Post, in view of its past vicissitudes. This gentleman was the publisher and editor of an evening paper in Springfield, in Illinois, the State which I have the honor to represent in part. I was through intimately and constantly in contact with him and his paper during the very long battle there to rescue the State from a bipartisan condition which I need not describe to this body. There is no one to whom credit is due more than to this gentleman, Mr. Stearn, for rescuing that State from a condition which was abhorrent. His democratic spirit, his republican sense of form of government, and, above all, his sense of justice, man to man, I can assure the Senator, would stimulate every enterprise in a public manner, as the Philadelphia Record bears evidence.

Mr. LONG. I thank the Senator. I am very glad to have that contribution. I know we will all be interested in the reading of the article from the Philadelphia Record. I ask that the clerk may now read the article.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

[From the American Progress, May 29, 1934]

THE RICH GET RICHER—PRESIDENT'S PROGRAM STUMBLING BECAUSE THERE HAS BEEN NO REDISTRIBUTION OF WEALTH, SAYS A GREAT LIBERAL NEWSPAPER, THE PHILADELPHIA RECORD

The rich are getting richer and the poor are getting poorer.

That was the case in the boom days of Coolidge. It also was the case of the depression days of Hoover.

And it still is the case in the recovery days of Roosevelt.

Let those shuddering Tories who moan about administration radicalism observe these figures from the Treasury:

Taxes paid by corporations increased from $62,801,192, for the March payment of 1933, to $92,200,858 for the March payment this year;

Taxes paid by persons with incomes of more than $5,000 jumped from $88,599,235 last year to $109,766,752 this year.

And taxes on incomes under $5,000 dropped from $14,974,689 to $12,936,734.

Concentration of wealth goes on at a more rapid pace under the new deal than before.

These figures, to be sure, are neither complete nor conclusive; but they show a definite trend, and the prospect is that the contrast will be even greater before the year is up. That is so because nearly 2 out of 3 of the taxpayers with incomes of more than $5,000 made only partial payments—while smaller taxpayers paid in full at the rate of 5 to 1.

As for those millions who pay no income taxes at all, the figures reveal that while wages increased 7.5 percent between January and April food costs soared 16.7 percent and the price of clothing and furnishings 27.5 percent.

It is obvious that President Roosevelt has not been radical enough in redistribution of wealth, the essential requirement for lasting recovery.

The Tory attackers of the President are the ones waxing fat on his present policies.

The reason for all this is plain.

There has been no redistribution of wealth—because no new credit has been created and distributed to our millions who lack buying power. That's the crux of it all.

Those social reforms achieved by the administration only appear radical to the Tories because they are so far behind the times. Other countries have had such reforms for many years.

Roosevelt's labor policy has seemed prolabor only because labor itself was punch-drunk throughout the Hoover regime.

The President's money policy, through the Warren gold-juggling scheme, appeared radical, but it was quite the reverse.

Indeed, with these factors: with nullification of N.R.A. by compromises on vital questions; with the approval of code after code with provisions that wipe out the spirit of the President's reemployment agreement—we have had the form of a new deal but the substance of the old deal.

That is why the President and Congress must go even further to the left—not in theory but in practice—unless the new pace of concentration of riches is to land us again in the mire.

The Wirts and the Rands and the other baiters of the President stand confounded.

The same men of money who controlled the bulk of the Nation's wealth in 1929, who controlled still more of it in 1933, are possessed of more yet in 1934.

If this picture does not silence the Tories, it discredits them completely.

It shows why the administration must change its money policy and redistribute wealth by creating new credit for the millions on the short end of our economic horn of plenty.

The new deal is still hamstrung by the old deal's queer deck. deck.

Mr. LONG. Mr. President, that article is not a criticism. It is a defense. It is an article from a Roosevelt Democratic newspaper, and the statements in it are very concise and to the point. Since it has been read by the clerk, I shall not again, of course, read it; but it is obvious from the figures given that the comments are justified.

The writer of the article says that the concentration of wealth in the hands of a few people is going on now, under the new deal, at a greater rate than it has ever gone on at any preceding time. That is something of which we ought to take note. The President says we must decentralize wealth. Mr. Ickes says we are on the road to redistribute wealth. I should like to get hold of him and put him on the right road.

I used to be a drummer traveling from place to place. That was before the day of the automobile when there was usually about one train a day. Coming on up through east Texas and north Texas and Louisiana and Oklahoma and all through that country we would have a passenger train, and we would get up at midnight and take it and sleep half the time in one town and the rest of the night in another town; but for the most part we had to travel by horse and buggy. Sometimes we traveled with a team of mules and a buggy of some kind; sometimes with one horse and a buggy. Very often I started somewhere—because most of the time I would drive myself—and I would get on the wrong road, and when I met some old man down around the forks of the creek who said to me, "Brother, you are on the wrong road; turn your mules around and go back for 5 miles and take the left-hand road", I thanked him for it.

I want to tell Mr. Ickes and Mr. Roosevelt that they are on the wrong road. If this article is true and these statistics are right, if they mean to redistribute wealth—and I will take them at their word—they are on the wrong road. They have started out to give the poor man a better break, but it is not possible to give the poor man a better break when the rich people are getting more and the little man is getting less.

I showed here on the floor of the Senate the other day that 3,000 farmers' places were being sold every day for mortgages that they could not pay, and I undertook to have enacted into law what was known as the "Frazier bill." Congress is going to adjourn very soon. We ought to have adjourned long ago. For the good we are doing, I am sorry we ever met; but Congress is going to adjourn very soon—for what? In order to give the people a rest—from what? From what?

Mr. President, we are going to give them a rest, but we are going to turn them over to bureaus and the bureaucrats whom we have brought in to administer these things. What man who wants to escape from a bear wants to be met by a lion? What man who runs into a house to get refuge, and puts his hands up against the wall, wants a snake to bite him? Yet we are going to adjourn Congress—and God help us to adjourn it! The quicker we do, the better off we will be. The quicker we do, the better off the country would be, if we could adjourn some of the rest of the things we have done; but we have not done a thing on God's earth to do or to undo what we had promised as essential to the American people.

Where is the law to redistribute wealth? Please tell me. Where is the law to give the little man more of what is in the country? Tell me where it is. Oh, yes; we put him on a dole. Why, we could get a hand-out long before that in the old days. It was not anything new for somebody to walk up to the back porch and ask to be given something to eat. I have seen that kind of men many times in my day and time; and as long as I had a dime in my pocket I never failed to feed a man who asked me for something to eat when he was hungry, or, whether or not he was hungry, I would give it to him rather than take the chance. We had that long ago. We had people asking for a little something to get something to eat long ago; but I did not think the time ever was going to come when we should be told that we ought to be satisfied to make tramps out of the whole American people; that all America is to be a tramp and a bum. The only difference is, instead of going up to somebody else's porch to get a hand-out, the United States Government has to give the hand-out, because now nobody has anything. The only difference is that everybody has been reduced to the point where the man who used to be able to give his unfortunate brother something to eat is now a bum himself.

The middle class is gone. Oh, yes; we once had a middle class, but it is gone now. Congress is adjourning—adjourning with a great record—oh, yes; a great record! I helped in this record. If the Lord ever grants me forgiveness for some of the things I have helped do here I shall feel that I have accomplished a great deal. Taxes paid by corporations have increased; taxes paid by the little man have decreased; wealth in the hands of the big man has increased; wealth in the hands of the little man has decreased; yet we talk about being on the road to the redistribution of wealth! How are we?

The N.R.A. is blowing up topside and bottom. God help it to blow up! The faster it blows up, the better. The worst thing ever done was on the night here when we voted the N.R.A. into law, and I said so at the time. The nostrums with which we were going to do good things have operated to the exact reverse. Now we come along with this bill; and that brings me to a discussion of this bill.

We have a silver bill before us. No; do not misunderstand me; we have not a silver bill before us. We have a bill not quite so drastic as the last bill was. The last currency law that we enacted was a far more drastic measure than this bill. I hope that my conservative Republican friends who have criticized this bill on the ground that it is creating too much money are not smiling inwardly as they are making their criticism. I hope that my friend from Ohio [Mr. FESS], who spoke here nearly all day yesterday, did not really fool himself into believing some of the things he said. He need have no fear. As far as the results that will be accomplished are concerned, I had a whole lot rather have the Senator from Ohio write the bill than to have the bill we have here now. So far as the effect is concerned, we are not going to get any more silver money—not a dime of it. I know that. You may not know it, but you do not have to knock me down more than one time for me to know that I have hit the ground. I know we are not, because I know what we got the last time, and I know who is going to administer the law. I know just as well as I know anything that when we get through with the Treasury Department, whatever we get out of there in the way of currency or monetary expansion can be placed in a man's right eye without doing a single cell the least harm or damage.

I know we are not going to get any more silver money, because I have been to market once and came back with an empty basket, and it is not necessary to send me up that hill again. I know what this thing is. I have been at this business long enough to know. It is not necessary to take me over that ground again.

I know what the bill is. Somebody may not want to say what he thinks about this thing, but, bless your soul, I am going to say what I think about it, and Congress is going to adjourn with me here saying what I said the first day I came here, and the results I have pointed out every day.

I know what this bill is going to do, and everybody else who wants to be frank with himself knows. The trouble is, everybody is afraid to think, because when they reason out the matter they are going to reach the same conclusion that I have already reached. When I came here in 1932, in the month of January, I said that we would look back on January 1932 as a good month, and we did. A few months later I said that we would look back on that time as a good month, and I say right now that if we should discontinue the expenditures that are being made by the Federal Government to keep people on the dole and to provide some of the employment that is going on in this country today—expenditures that are coming out of the Government today that they have no way to provide the money for unless they change the tax program—we will find that the country will go right back to a worse condition than it was in at any time since 1929.

Where are we going to get this money? We have not started on the worst of it. If the concentration of wealth is worse now than it was then, if times are worse now than they were then—and they would be if we should discontinue the dole—how are we going to meet the future? What is going to happen when we get down to the point where we have to pay this $32,000,000,000, and seven more billion, and seven more billion?

Conditions will not be any better next year than they are this year. They will not be any better with Congress gone than they are with it here. We now owe $30,000,000,000, or somewhere around that figure. There will be seven or eight billions more, and when we get through with that we will have to pay back seven or eight billions more, and when we get through with that, we will have to pay back eight or nine billions more, and then there will be more the next year, and we will have to pay back nine or ten billions more.

We have not started on the public debt. We have it up to around $30,000,000,000, and we had better be figuring up around $40,000,000,000 the way we are going, and after we get it to $40,000,000,000, we will have to be figuring on $50,000,000,000.

Where is the money coming from? Who is to pay off this deficit? Is it expected that the little man at the bottom will pay it off, the 125,000,000 people, most of whom have not anything to live on today? Are they expected to pay it? Who is to pay it? Who is going to pay this money?

If we start to saddle it on the rich, they holler "bloody murder." They form a demagogic party and make all of us members of it when we start to take a little from them.

I have proposed amendments, other Senators have proposed amendments, in a half-way effort to keep the Government from spending more than is being taken in, and we cannot get that kind of amendment or law across.

Who is going to pay the money? Who is to pay the money we are spending this year? Who is to pay the money we spent last year? We still owe it. The debt continues to mount. It is increasing. Who is going to pay it?

Are we to impose a sales tax and take it out of the hide of the little man who has not anything with which to buy food now? Are we to continue the kind of tax system we have now, and ultimately take it away from the man at the bottom? Who is going to pay, unless we change the laws we have on the books now? The condition will be a great deal worse than it is now, and the next year worse. We are traveling now the very worst route we could go. It would have been better, if we were not going to take a solvent view, if we were not going to topple off the fortunes of the big until we had brought them down to a moderate size, and use the money as a means for rehabilitating the people at the bottom—it would have been better, if we were not going to do that, so far as the public debt and financial solvency is concerned, if we had never tried any of these nostrums at all. Yet we have to try them, because for the present that is the only thing we can do that will make it possible for people to be fed.

Mr. President, now we come to the currency question. I have discussed the concentration of wealth, brought about, as I have shown, with the currency used as a vehicle; brought about by demonetizing silver in the initial stage and keeping it demonetized; brought about through the mechanisms and inventions which increased production, but which forbade consumption, because there was not purchasing power in the hands of the people who had to consume. It is desired that people buy things. The producers cannot sell the things after they are manufactured because the public, it is said, will not buy. The public will not buy because the public cannot buy. The public has not anything it can use with which to buy. The public has no wealth. The wealth is in the hands of the people who control the manufacture.

The very man who is making the things he wants to sell to the American people cannot find a market for them because the people who will have to use them and have to wear them out or have to eat the things which are manufactured or grown from the soil cannot buy them because they have not purchasing power. The wealth is in the hands of the master who makes the product, and nothing is being done to distribute the wealth, notwithstanding Mr. Ickes, and notwithstanding other and sundry satellites who say we are on the road. They are having one hell of a time getting anywhere. [Laughter.] They are on the road. I never saw anybody go so fast in my life. If they are on the road, they are like the boy I told about one day who was trying to go to school when it had rained and the ground was so slippery that every time he took one step toward the schoolhouse he slipped back two steps. [Laughter.] Finally one of his neighbors came along and said, "Well, the way you are losing ground, the only way you will ever get to school is to start back home. That is the way for you to gain a step."

If Mr. Ickes and Mr. Roosevelt and the balance of them are on the road to redistribute wealth, they are slipping too fast, and they had better turn around and go in the other direction. They are not accomplishing anything of the kind. On the contrary, the statistics, the records, and everything that has been compiled, show that we are going exactly in the wrong direction.

Now we are in the death days of the Congress. We are now fixing to adjourn the Congress. In other words, we are now fixing to let the Congress expire. What is there left for Congress to stay in session for, anyway? What are the powers of the Congress?

There was a power of Congress to coin money. We have surrendered that, so that there is no need to stay here to coin money.

There was a power to fix the value of money. We have surrendered that power. We have not that any more.

There was a power of Congress to raise revenue by taxation and tariffs. We have surrendered most of that. That is practically all gone.

Then we had a power to fix certain regulations over agriculture. We have not only given away power Congress had, but we gave away some powers that Congress did not even have, and the bureaus did some things which Congress did not authorize, and now they want Congress to authorize them. What is there left to Congress, as we review these various things?

There was the power to regulate the banking system. We have surrendered that.

There was the power to impose tariffs, of course. We have already surrendered that.

What is there left to keep Congress in session? Why this formality, this waste of time? Why this passing backward and forward? There is nothing more Congress can do unless it is to get back upon the level ground and enact what was promised the American people, namely, laws looking to the limitation of fortunes.

I will come to the pending bill, because, having discussed the things which led up to it we find that they are so

directly in point that I fear I may lose the attention I am trying to attract to the immediate matter before the Senate.

We have before us a silver bill. We passed a measure last year under which we allowed the President to do most anything he wanted to do with the currency, with gold or with silver. To put it in plain language, there is nothing that can be done with gold or silver or paper that the President and the Secretary of the Treasury have not authority to do today. If anybody can think of anything that needs to be done about the money question that the President has not power already to do, I do not know what it is. I will pause now to see if anybody knows of anything the President is forbidden to do under the present law that we have on the statute books. Very well.

I do not suppose anybody will dispute the statement that the President and the Secretary of the Treasury, whom the President appoints, can do anything they want to do about money today. They can make it out of weeds, they can make it out of chicken feathers, they can make it out of silver, they can make it out of gold, they can make it out of paper; they can fix it at one value one day and something else the next day; they can decrease the gold content of the dollar, they can raise the gold content of the dollar, they can swap, they can barter, they can trade. There is nothing left they cannot do.

The measure we passed did not work, so we came back with another silver bill. And what is this silver bill? I will read it:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the short title of this act shall be "Silver Purchase Act of 1934."

SEC. 2. It is hereby declared to be the policy of the United States that the proportion—

Here is the thing. "It is declared." They have not "Be it enacted" there, they have not even "Be it resolved." It reads:

It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver.

That is the policy. What was the policy last year? Was it not the policy last year to expand the currency? Did we not pass a measure last year the policy of which was to provide more money in this country, including gold and silver and paper money? What happened with that thing we passed last year that had a policy all the way through it, if it had anything at all?

We had $6,068,000,000 worth of money last year when we passed the measure the policy of which was to expand the money market and expand the currency. How much have we today, with that policy? We passed the measure, and we fixed the policy, if there is anything to a law. We have $5,300,000,000 worth of money now. We passed a law, when we had $6,000,000,000, to increase the money. That was last year. We have today $700,000,000 less money than we had last year, when we passed a measure to expand the currency. So gentlemen may think they are getting something out of this policy.

"Oh", they say, "you know that is the policy; that is the policy. We are getting a lot; we are getting a policy." Yes; we are getting a policy, like the old, ancient story, when they went to the king's house at night and woke him up in his delirium and said to him, "Your Majesty, we demand our rights", and the king poked his head out of the window and said, "I will give you your rights. They are yours." And the crowd went away perfectly happy.

We came in last year demanding more money, and we were told, "That is the policy. That is the intent." And we went away, and after a year's time we have $700,000,000 less money than we had before we wrote the law.

We now come back and say, "It is the policy to increase silver", and well may it be.

Let us read some more of this valuable legislation which we are called upon to enact into law.

Section 3: I do not see why a section is given to this thing. It is the same song, and the same verse, down through the whole bill. There is no need to give any section number to it. The bill can be taken, wadded up, and put into a gun barrel for all the effect it will have in law. It will make no difference. We will read on from this valuable manuscript:

SEC. 3. Whenever and so long as the proportion of silver in the stocks of gold and silver of the United States is less than one-fourth of the monetary value of such stocks, the Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States, authorized by law, or with any funds in the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

In other words, the Secretary of the Treasury is directed to buy silver whenever he thinks it is a good thing to do so. And he says he does not think it ever is a good thing to do. That is what he has said. Wonderful work we have done here after 6 months of study. We have actually authorized a man who says he does not think we ought to buy any silver at all, who says it is bad business and rotten finance—we have authorized him to buy silver whenever he thinks it is a good thing to do. It is a great accomplishment, Mr. President, and I will go home and put up my tombstone for that part of the bill if I vote for it. We cannot do any harm by voting for it, and we cannot do any good by voting for it. It does not make any difference, not a bit of difference, how we vote. It is just like spilling water out on the ground.

I continue to read:

Provided, That no purchase of silver shall be made hereunder at a price in excess of the monetary value thereof.

There is no necessity of providing that he cannot do anything, because he is not going to do anything anyway.

SEC. 4. Whenever and so long as the market price of silver exceeds its monetary value or the monetary value of the stocks of silver is greater than 25 percent of the monetary value of the stocks of gold and silver, the Secretary of the Treasury may, with the approval of the President and subject to the provisions of section 5, sell any silver—

And so forth. We are not worried about that. He is not going to buy any silver under this law. Suppose he did buy a little silver. What good would that do? That does not make silver money. Later on, however, I will show the Senate what he can do.

SEC. 5. The Secretary of the Treasury—

Now this gets to be interesting to me. It has all been explained to me, and I want the Senate to understand, Mr. President, that I understand this bill. I am one of the few men in the Senate who actually understands the bill. It has been explained to me.

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

Now get that. The Secretary of the Treasury is authorized to buy silver at 45 cents an ounce. Nearly all the silver experts have left the Chamber except me, but I understand it, and so I will explain it. The Secretary of the Treasury is authorized to issue currency on the basis of what the silver costs. The silver costs 45 cents an ounce, and he is authorized to issue so much currency as he spends for silver.

Silver on a monetary basis is at $1.29 an ounce. That is the basis of the dollar we have today. We have $850,000,000 worth of silver in the United States, and it is on a basis of $1.29 an ounce. The Secretary of the Treasury is going out and buy silver at 45 cents an ounce, and issue currency on a basis of such money as he has paid for the silver. That means instead of issuing it on the basis of $1.29 he is going to issue it on the basis of 45 cents. One silver dollar has $1.29 worth of silver behind it. Another silver dollar has 45 cents worth of silver behind it.

It is said that is going to work all right. Well, how is it? We have today in the silver dollar 0.78 troy ounce of silver. In $10 we have today 7.8 troy ounces of silver. That is just 16 times as many ounces of silver as there are ounces of gold in a gold dollar.

We issue silver today at a ratio of 16 to 1, except since the gold dollar has been devalued down to 59 cents I would

say that we issue silver on a ratio of 28 to 1. It is a ratio of 28 to 1 today after the gold dollar has been devalued.

The Secretary of the Treasury is going out to buy silver. The present-day market for silver is 45 cents an ounce, and if the Secretary buys a thousand dollars worth of silver that costs him a thousand dollars, he is going to issue a thousand dollars worth of currency and hold in the vaults, according to the explanation which is made, three times as much silver as he bought, to back up the 45-cent dollar.

Mr. President, that policy may be sound. If it is, very well. Senators cannot tell me that we can have 1 silver dollar being spent in this country on the basis of $1.29, and currency issued on a basis of 45 cents an ounce of silver, and make the two harmonize. I do not care what experts tell me they can do, I do not see how it can be done, and I do not believe the Secretary can do any such thing. To me it is an impossible law, which mixes up the situation, which gums up the cards. I will show how much further they have gummed up the cards.

There shall be maintained in the Treasury as security for all silver certificates heretofore or hereafter issued and at the time outstanding an amount of silver in bullion and standard silver dollars of a monetary value equal to the face amount of such silver certificates.

What is that going to be?

All silver certificates heretofore or hereafter issued shall be legal tender.

I am now going to pass over this other business which does not mean anything at all.

SEC. 6. Whenever in his judgment such action is necessary to effectuate the policy of this act, the Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or prohibit, by means of licenses or otherwise, the acquisition, importation, exportation, or transportation of silver and of contracts and other arrangements made with respect thereto.

In other words, he can stop anybody from buying any silver.

SEC. 7. Whenever in the judgment of the President such action is necessary to effectuate the policy of this act, he may by Executive order require the delivery to the United States mints of any or all silver by whomever owned or possessed.

That is like the gold law. Everyone can be made to bring in all the silver he has. I do not know how far that is going to be carried out; whether that means that the silver vases and the silver knives and tablespoons are to be exempted or just what silver that is going to include, but under this bill, whenever the Treasury wants to, it can bring in all the silver.

Someone has an idea that nationalizing silver is going to be a great thing. I never have thought so. I will not criticize it. I cannot see it. Perhaps it will.

Now we come to section 8. Here is an absolute stipulation in the law. Section 8 says:

Schedule A * * * is amended by adding at the end thereof a new subdivision to read as follows.

Instead of reading all of section 8 I will state what it is. The Treasury takes all the silver anyone has bought heretofore and sells hereafter and makes him pay a tax of 50 percent of the difference between what he bought it for and what he sells it for. In other words, if this measure is constitutional—and I do not argue the Constitution any more—anyone who sells silver can be made to pay 50 percent of the difference between what he paid for it and what he sold it for.

This proposal to place a 50-percent tax on all the profits realized on all transfers of silver bullion after May 15, no matter how long previously the profits may have accrued, is so obviously confiscatory, discriminatory, and unjust as to be incredible, except on the theory that all its implications have not been considered.

It has been for years just as legal and proper for a citizen of the United States to own silver as to own rubber or cotton or tin or nickel or platinum or real estate or stocks.

Let us assume the case of a citizen who several years ago, in 1932 or 1931 or 1929, bought a stock of stuff, whether it was copper, or lead, or ore, or steel, or what not, and we come along today and say to him, "It has become necessary to nationalize that commodity or call it in to Government use, and now in order to call it in we are going to make you pay one-half of the difference between what that commodity was valued at when you got it and what it is valued at now."

Suppose you took cotton, suppose you took copper, you would have the right to say today to a man, "Here, you have got so much stuff which you bought last year; now it is worth so much, and we will not let you dispose of that or consume it unless you pay us one-half of the difference." What would you do? You would take your cotton across the line to Canada, where you have a right to take it and to have command of it. What they are going to do is this: They are going to destroy the market for silver in the United States, and we had better not pass this bill at all if we have got to have section 8 in it in order to pass it. If, in order to give the President the same power he already has, we have got to provide that the American people cannot deal in silver as it can be dealt in anywhere else in the world, then the best thing we can do is not to pass this measure at all.

Let us assume the case of a citizen who, in 1932, bought silver when it was selling between 25 and 30 cents simply as an investment, simply on the theory that a commodity which had been money for almost all the people of the world for thousands of years and was still the only money of more than half the people of the world and was selling at the lowest price in all history in relation to gold, was a sound investment, the natural increment of which might offer at least as good and perhaps a better equivalent interest return than bonds or stocks or real estate even at their then greatly depreciated prices. Such has not altogether proved to be the case, for many stocks and bonds and certain commodities such as tin and rubber have risen far more than has the price of silver.

Mr. President, there are many commodities in this country that have already increased in value far more than has silver. Silver is not the only commodity that has gone up. Do we not say that wool has gone up? Do we not say that cotton has gone up? Do we not say that wheat has gone up? Do we not say that copper has gone up? Do we not say that lumber has gone up? Well, are we going to place a tax of 50 percent of the difference on everything that has increased in value simply because a man has it and the Goverment wants it? If the Government wants to steal it, it ought to say so. Did it ever say that it was going to take it from the man without allowing any value? It has never been suggested that a confiscatory tax in addition to the regular income tax should be levied on profits realized in cotton or wheat or chemicals or iron or lumber or real estate. Yet it is apparent that the rise in the great fundamental commodities with a world market has been about proportional to the depreciation of the dollar on the world market exactly as has the rise in silver.

The decrease in the price of these other commodities, based upon the depreciation of the gold content of the dollar, has been in about the same proportion for all. Why should the citizens who happened to decide upon silver as a vehicle of investment be penalized by a retroactive and highly discriminatory confiscation of what may, in some cases, be a large fraction of his wealth. Why should he be singled out for ex post facto punishment for doing a thing that was not only not illegal, or, in any sense, immoral or against public policy but was, indeed, directly in furtherance of public policy as repeatedly proclaimed by the Government, which was to raise the price of all commodities. The Government has said, "We are going to raise the price of all commodities, go out and buy them." As a result, the people bought them, and thus a stimulation was afforded through which commodity prices were caused to rise. Yet we now propose to say, "If you made a bad investment and the value went down, that loss is yours; but if you made a good investment, such as silver, and it goes up, then the Government takes half the profit." That is a nice thing for the Government to do. Dillinger would be hung for that; but the United

States Government does it according to this proposition from the distinguished Secretary of the Treasury.

I understand that there is nobody insisting on this provision but the Secretary of the Treasury; my understanding is, though I may be misinformed about it, that the Secretary of the Treasury is the only man insisting upon this confiscatory monstrous provision that the Government is going to make the people give it half the difference in the value of the property as of the time they bought it and at the present time, simply because the commodity went up instead of going down.

In that connection, if I may be permitted, in a few moments, I will discuss the statement which the Government issued a few days ago to people who bought silver, trying to have it appear that the man who invested his money in silver was disloyal to the American Government because it had gone up and had a chance to go up still higher.

The action of the considerable group of citizens who bought silver bullion in the dark days of 1932 was certainly calculated to and did actually measurably support and promote the price of silver, and consequently in all human probability the price of all other commodities because it is an ancient and widely held economic theory that there is a direct causal relationship between the price of silver and of all other commodities. Indeed, that theory was officially adopted and authenticated and declared by the President himself in his proclamation of December 1933. Yes, Mr. President, that was the President's proclamation.

Moreover, the Government of the United States was the owner of a large quantity of silver bullion which had greatly depreciated in price and had recently added stocks of silver in payment for war debts. Consequently, any citizen who bought a quantity of silver and whose continued ownership removed such quantity from the world market was not only not doing a thing in any sense damaging to the public interest but was actually rendering a public service.

Those who went out and bought silver on the exchange or bought silver in the open market made money for the Government. They helped to raise the price of silver bullion which the Government owned and was acquiring, and the Government made a profit as the result of the spirit that was brought about in the silver market.

There has been much loose talk about the speculation in silver. There is no principle of our law or of our historic national policy that denounces legitimate investment in fundamental commodities like silver, cotton, wheat, and tobacco as criminal or antisocial. There was not anything against a man buying gold, so far as that is concerned. But if our historic attitude toward legitimate investment is to be revolutionized and a new policy of discouraging and penalizing it is to be adopted then:

First. Such punitive measures should be made to apply only to investments in the future and not to that which is past.

Second. If past purchases of silver is to be penalized then past investment in securities and real estate and all other commodities should be equally penalized. In other words, if we are going to penalize a man who bought silver because it went up, then we ought to penalize a man who bought land if it went up.

Third. It is impossible ever sharply to distinguish speculation from investment; but insofar as a border line can be drawn between them, surely the man who bought silver on May 1 and sold it the next day, a day-to-day in-and-out trader, tends to fall on the side of the speculator, and a man who bought silver 2 or 3 years ago for permanent retention and still owns it tends to fall on the side of the investor. Yet, it is proposed in this case to penalize the legitimate investor and let the speculator go free.

Let us take the case of a citizen who invested in silver in 1932 at 25 cents an ounce. In the first place, it took real courage to buy silver then at 25 cents. It was the lowest price at which silver had sold since records had been kept. Nobody wants to buy anything when it is down at the bottom; it is not human nature to do it. But let us assume that a profound and possibly protracted and costly study of history and of world conditions, and especially of conditions in the great world of the Orient, induced the conviction that silver was one of the safest, soundest investments in the world and likely to enhance in value over a period of years. Let us assume that he then had no thought of the remonetization of silver by our Government, an assumption wholly reasonable in the light of the preceding 60 years of our history. Let us assume that he never advocated remonetization—and, indeed, let us go further to assume that he opposed remonetization by this country as not being in the interest of the public. If he sold his silver on May 14, he would have paid the regular tax on his profit and been the owner of a certain quantity of wealth. But if he waited until the 16th to sell, or if he still retains his silver, then a large and possibly disastrous fraction of his wealth as of May 14, 1934, is to be unequitably appropriated by his Government—notwithstanding there was no more talk of remonetization on May 16 than there was on May 14 and no material change of price between the two dates.

Finally, let us take the case of one selling after May 15 at a profit of $10,000 silver that he has held for 2 years, and let us assume that on other dealings in silver prior to May 15 he suffered a loss of $10,000. He is now exactly even, having no net profit in silver transactions, and yet a tax of $5,000 is to be imposed upon him, which is a sheer confiscation of a part of his original savings and in the nature of an ex post facto penalty for his daring to do a perfectly legal thing; namely, deal in silver. Can anything be imagined more unjust than that?

It has been urged by the Treasury that no citizen should be allowed to profit by the execution of a monetary policy; but plenty of them have been allowed to do it. They have been allowed to ship gold out of this country and ship it back to this country. After the Government had prohibited them from shipping gold out of this country, they were allowed to mine it and ship the newly mined gold out and bring it back, and they almost doubled the value of it. The Treasury published the name of everybody who bought or owned any silver. Why did they not publish the name of everybody who bought or shipped abroad gold? That would have been a very interesting thing to have done, if they wanted to get somebody on the map. They had just as much right to do the one as the other. A profit by millions of citizens is the inevitable consequence of any change in monetary policy. Moreover, the Government is understood currently to be buying corn and perhaps other grains for relief purposes. Buying corn for hunger relief is at least as solemn and sacred an exercise of government power as the buying of silver for monetary relief; yet there is no suggestion of a retroactive penalty on profits in corn, the rise in which has actually been greater than the rise in silver.

Finally, there is to be considered the obvious feature of double taxation, so repugnant to American traditions and so strikingly involved in this proposal.

One can quite understand the justice and propriety of a tax upon such profits as might result from a rise caused by the actual buying of silver by our Government if and when it is engaged in the gigantic and, it may be, impossible task of adding 1,300,000,000 ounces to our silver reserves; but the profit on which such tax is computed should not include profit already accrued before the purchasing program began.

What is the danger of silver being remonetized? Before I pass to that subject, however, let me say that I do not favor section 8 of the bill at all, and I know of very few others who do. I know it has very little support so far as the real, sincere belief of Senators is concerned. It ought not to be tolerated. If the bill is passed with section 8 in it, it will mean that the United States will have no market for silver here at all. If we are not going to have a market for silver in America, we are attempting to turn one wheel backward while at the same time we are trying to turn the other one forward.

During the delivery of Mr. LONG's speech,

Mr. KEAN. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KEAN. I have here a very interesting telegram from Mr. Richard T. Harriss on the subject of this bill, which I ask to have inserted in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The telegram is as follows:

NEW YORK, N.Y., *June 7, 1934.*

Senator HAMILTON F. KEAN,
Senate Office Building:

Irrespective of the underlying merits or demerits of the silver bill, the proposed tax of 50 percent on the silver profits of American citizens is unfair and highly discriminatory against our citizenship, for no tax can be levied against a British subject on profits he makes in selling silver in London to the American Government. This applies with equal force to the proposed limitation of 50 cents per ounce to be paid to an American citizen while being prepared to pay $1.29 an ounce to a foreigner. I vigorously protest this unjust discrimination against our people and in favor of foreigners. Furthermore, it means the closing of silver trading in New York, which has now become the world's great silver market, putting entirely out of business and employment those engaged in trading in silver and turns back to London a monopoly on the world's silver trade.

RICHARD T. HARRISS.

Mr. LONG. Mr. President, I suggest the absence of a quorum.

Mr. LEWIS. Mr. President, will the Senator from Louisiana yield to me for a brief period before he calls for a quorum?

Mr. LONG. Very well; I yield to the Senator from Illinois, if he wishes, with the understanding that I do not lose the floor. I wish to call a quorum, however.

Mr. LEWIS. Personally I do not care for a quorum.

Mr. LONG. Will the Senator call a quorum for me when he finishes his remarks?

Mr. LEWIS. I shall do so.

Mr. LONG. Very well; with that understanding I yield to the Senator from Illinois.

THE THREATENED STEEL STRIKE AND THE NEED TO DEFY LAWLESSNESS

Mr. LEWIS. Mr. President, there are some views which I think ought to be expressed by someone who is a Member of the Congress—either of the Senate or the House of Representatives—on the steel strike as now threatened. We gather from public reports that this menace is resting seriously at this time upon this Republic.

I notice that the very able educator and eminent Senator from Ohio [Mr. FESS], in opening his discussion yesterday on the silver bill, alluded to the opening remark of a great orator as made in Indianapolis, where that orator said, "The past rises before me like a dream." If my memory serves me with accuracy the observations submitted by the distinguished orator alluded to the tragic subject of the past involving the Civil War. I should like to appropriate for this moment the observation of the distinguished Senator from Ohio and make it applicable to some matters which will revive to the minds of all those present the necessity of very serious consideration of the events I now recount and its threat of repeating the disastrous experience.

The threat which seems to arise today of a strike in the steel industry, the complications between those who may be said to be the workers in steel and those who are the proprietors, afford justification for serious reflection on the part of the people of America. I invite those who honor me with their attention to the observations which I intrude at this time. It is to recall that in politics more than all things else there is nothing new and that we repeat under similar conditions the same result.

When General Harrison was President of the United States, in the spring of 1892 a certain force in this Government was enabled to take charge of the general system of administration and so paralyze it that they brought on this Government what was known as the "Homestead strike." In that strike business was demoralized, merchants were terrified, toilers were assailed, the honorable Government impaled on confusion, and throughout the world America was impeached for lawlessness, and subsequently a very just verdict of condemnation branded upon her for allowing brutal murder on the highways. The unhappy result of that strike and what followed it fell politically upon the administration then in power, as the subject matter generally—as the able junior Senator from Pennsylvania [Mr. DAVIS], who participated so greatly in the events of that hour, now parenthetically observes—was made a political issue by each and all the political parties then in controversy. Upon the Government itself it left a very deplorable fate because of what might be called the inefficiency of government in the failure to preserve law and order.

Mr. President, Grover Cleveland became President of the United States following Mr. Harrison. It will be recalled by those around me that my memory is just when it invites into consideration that a similar industrial situation arose under Cleveland. There was excited in this Government an organized assault upon the peace of the Nation, upon the honor of its laws, upon the order of the daily life of a law-abiding people. This was in what were called "strikes" growing out of the confusion touching the railroad question. There followed what we now recall as the "Debs strike." Unhappily, under that leadership my great State of Illinois, which I have now the honor to represent, suffered most in the devastation of riot, incendiarism, and murder.

The Debs strike, as we so speak of it, and that which followed it, produced complications all over America in every phase of industrial and commercial existence. Lawlessness controlled on every side, assaults upon every form of peace and order became general, rioting on the street corners and in the public places leading to deaths, followed with arrests under the law; the courts became stifled, and soon or late the Nation found itself paralyzed.

Unhappily for America, it became necessary for the President of the United States to use force in sending out the officials of the Government for the preservation of peace. Under the authority of carrying the mails within the provisions of the law and under the Constitution to maintain the order of the Government by a form of military display, greatly to be regretted, but which in history was justified by the conditions which called it forth, Cleveland ordered out the necessary Army force for necessary action to secure peace and preserve property and life.

Later in years Theodore Roosevelt became President of the United States. He found it agreeable, in the pursuit of what he felt was his duty to his countrymen and in the fulfillment of his obligations to the Nation, to prevent certain railroad masters from dominating this Republic in such manner as to proceed to execute their design of seizing every highway in the United States and carrying out a policy which they had of venting a grievance against the then President and punishing him with the power which they could command, that stifled the people of all transportation.

This was as vengeance on Roosevelt because he had assumed to support legislation in Congress which sought to assure just regulation of railroads. This was that there should be no wrong done the country, no monopoly maintained, but, above all, no injustice done the toilers.

Mr. President, this move of oppression in form of conspiracy to force a railroad strike proceeded so rapidly that the then President of the United States was compelled to take a measure of force to oppose the threat. He sent to Congress for immediate enactment a measure to protect the law and order of the country, to justify the common decency of mankind in demanding that there should not be in America another example of bloodshed in the conflict between mere power of numbers, on the one hand, and power of oppressive finance, on the other.

It would seem to us, as we reflect—to use the language of my eminent friend from Ohio, and appropriating a line as I do, as "the past rises before us like a dream"—that the same events I am now reciting, one after the other, during these Presidencies, came immediately following the inauguration of President Wilson.

While he was in power, though the country was then virtually in the threat and peril of war, every form of menace and danger was rushed upon us, sir, like some great cyclone in its hurry crossing the world. It was filled with fire and discharging its explosions upon all humanity. Here the

same forces which we have been describing for a moment presumed to take advantage of the embarrassing circumstances then enforced against Woodrow Wilson as President. From the advices he received, upon reflection upon what would be the sure condition of embarrassment to his country—measured by that which he had seen had occurred in the previous similar events which I have recounted under preceding Presidents—President Wilson sent down to Congress for immediate enactment a measure of which we now speak as the "Adamson Law." This, which was molded after the law which had been presented by William McKinley when a distinguished Member of the House of Representatives was to meet an emergency which arose in the city of Washington and which he presented as affecting the District of Columbia.

Yet such was the merit of the bill and its virtue of legislative form that the then President of the United States, Mr. Woodrow Wilson, and his legal conferees, copied the measure literally, and put it into effect as a national law under the name of the then chairman of the House Committee on Interstate and Foreign Commerce, Mr. Adamson, a Member of Congress from the State of Georgia.

By this particular act, sir, the President was able, with the cooperation of his countrymen of all political parties, to avoid the coming upon this Nation of that which had been begun, as an illustration, in the Homestead strike, that which followed after it under Grover Cleveland, that which was attempted under Theodore Roosevelt, and that which was then being committed under Woodrow Wilson.

Mr. President, this Nation is on the eve of repeating this tragedy. The courage of this Government should very early be announced. It is immaterial to me whether the announcement should come from the voice of the distinguished President in whom we all confide, both as to his honor and his patriotism, or whether it should come from a Member of this body or of the House of Representatives; but it should come to these, whoever they are saying that the great Congress of the United States at a time like this, when the world seems ready for every form of holocaust that could erupt and break forth as a matter of civil, or, if you please, sir, industrial dispute, here sir, we advise our countrymen that we look for peace; we look for forbearance; we look for concessions on all sides; and that this America does not intend to allow any lawless force to seize this Government in this hour, or in the pending day just ahead of us, we will not allow to be repeated—catastrophe in a manner similar to that which was undertaken and unhappily afflicted upon this Government in the instances I have recounted.

Mr. President, I take the liberty of rising and making these observations to say that this is a moment, such as comes in the life of every government, when America must, to use a sidewalk expression—most easily understood in its meaning by citizens who are not particularly interested in refinement of expression—America must show "guts"—this phrase now understood where action is called for. It must be borne in on the minds of all interested that this Nation is in no mood to dally or to parley with anything that has for its object an open, declared violence, or a defiant lawlessness, or a purposed defiance to the Government, obstinately placed because of power against the law, against the peace, against the order of the citizenry, or against the honor and flag of America.

It is not necessary that this Government should wait until there has been some assault to announce the position of America, nor is it wise that we sit silently, leaving it doubtful whether we would sustain the President and his Government in whatever steps are necessary to preserve justice among the citizens, law and order in the land.

It is prudent, sir, that at a timely moment—and I take the liberty of saying this is the moment—we should announce to the country at large that the Government will stand behind the President in everything that is essential for the maintenance of the law, in the execution of it honorably through the courts, for the sustaining of order by orderly procedure, that we may enjoy peace in the conduct of government. Above all else, sir, that there shall not be allowed in this Government, for the gratification of any selfish pursuit of any set of men, however powerful or numberful, that which shall lay a blight upon the honor of the Republic, or bring us again to such disasters as we endured in the time which I have made bold to recount before this honorable body, sirs, remember it all, that it might revive all America to these experiences.

Therefore, Mr. President, I break into this moment that all the country may know that from this honorable body comes the voice announcing complete support of the Government in every step necessary for the maintenance of order and justice. We owe it that we shall assure the preservation of just property, but, above all, the sustaining of the rights of the citizen; and, sir, as against all things else, the complete support of America in its effort to continue as a nation of peace and honor among its citizens. We must avoid the entrance by any force whatever of that which shall mean riot and insurrection among our people and cast dishonor on the Constitution, and the dishonor on the Republic from the riotous lawlessness forcing this Government, as in the past, to call for its repression by force.

This land seeks no force of military power for the suppression of internal disorder. We hope to repress internal disorder by avoiding it; but, if it shall arise, then to repress it by such steps of persuasion and friendly concession as is natural, sir, among human beings of a just faith in a true government and an honest faith in a just God.

We propose at this moment, sir, to remind our countrymen that such will remain the creed of our Republic; if to be urged by persuasion, sir, we hope with success; but if, sir, to be assured by force, necessarily if it must be, then, sir, wholly within the law as duty to the United States of America.

CHARLES J. WEBB SONS CO., INC.

The PRESIDING OFFICER (Mr. THOMPSON in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2138) for the relief of Charles J. Webb Sons Co., which were, on page 1, line 7, after "claims", to insert "against the Government of the United States", and on page 1, line 13, after "consummated", to insert:

: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. DAVIS. For the senior Senator from Pennsylvania [Mr. REED], I move that the Senate concur in the amendments of the House.

The motion was agreed to.

RELIEF FOR CERTAIN ARMY DISBURSING OFFICERS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2046) to provide relief for disbursing officers of the Army in certain cases.

Mr. SHEPPARD. I move that the bill with the amendment of the House be referred to the Committee on Claims.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. PITTMAN. Mr. President, I ask unanimous consent that beginning at 2 o'clock on Monday debate on the pending bill and any pending amendments be limited to 15 minutes, and not to exceed one speech to each Senator.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS of Oklahoma. Mr. President, reserving the right to object, I wish to state to the Senate that the Senator from Idaho [Mr. BORAH] desires to be heard on this issue; likewise the Senator from Montana [Mr. WHEELER], the Senator from North Carolina [Mr. REYNOLDS], the Senator from Nevada [Mr. MCCARRAN], and perhaps others.

In order that they may be present when this question is being considered, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	King	Robinson, Ark.
Ashurst	Couzens	La Follette	Robinson, Ind.
Austin	Cutting	Lewis	Russell
Bachman	Davis	Logan	Schall
Bailey	Dickinson	Lonergan	Sheppard
Bankhead	Duffy	Long	Shipstead
Barkley	Erickson	McCarran	Smith
Black	Fess	McGill	Steiwer
Bone	Fletcher	McKellar	Stephens
Borah	Frazier	McNary	Thomas, Okla.
Brown	George	Murphy	Thomas, Utah
Bulkley	Gibson	Neely	Thompson
Bulow	Glass	Norbeck	Townsend
Byrd	Gore	Norris	Tydings
Byrnes	Hale	Nye	Vandenberg
Capper	Harrison	O'Mahoney	Wagner
Caraway	Hatch	Overton	Walcott
Carey	Hatfield	Patterson	Wheeler
Clark	Hayden	Pittman	White
Connally	Johnson	Pope	
Coolidge	Kean	Reynolds	

The PRESIDING OFFICER. Eighty-two Senators having answered to their names, there is a quorum present.

Mr. PITTMAN. Mr. President, the roll was called at the request of the Senator from Oklahoma [Mr. THOMAS], so that Senators interested in the pending bill might be present. I had proposed a limitation of debate when the lack of a quorum was suggested. I should like to know from the Senator from Oklahoma, or from other Senators present, whether there would be any objection to fixing an hour for a vote on the bill.

Mr. THOMAS of Oklahoma. Mr. President, since I called for a quorum, I have conferred with the senior Senator from Idaho [Mr. BORAH], and it is agreeable to him to have a time fixed for a limitation of debate. The Senator from Nevada [Mr. MCCARRAN] is present and may speak for himself. The Senator from Louisiana [Mr. LONG] was out of the Chamber when I made the suggestion of the absence of a quorum, but he is now present. I am prepared, so far as I am concerned, to agree, because I have nothing further to say.

Mr. MCNARY. Mr. President, will not the Senator from Nevada state his request for unanimous consent?

Mr. PITTMAN. Mr. President, I ask unanimous consent that beginning at the hour of 3 o'clock p.m. on Monday, June 11, 1934, no Senator shall speak more than once nor longer than 15 minutes upon the pending bill or upon any amendment that may be pending or that may be proposed thereto, or upon any motion made relative thereto.

Mr. MCNARY. I prefer to have the proposal read by the clerk first, because I did not distinctly hear all that the Senator may have proposed. I have a suggestion to make, however.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The clerk will read the unanimous-consent agreement proposed by the Senator from Nevada [Mr. PITTMAN].

The legislative clerk read as follows:

Ordered, by unanimous consent, That beginning at the hour of 3 o'clock p.m. on Monday, June 11, 1934, no Senator shall speak more than once nor longer than 15 minutes upon the pending bill, or upon any amendment that may be pending or that may be proposed thereto, or upon any motion made relative thereto.

Mr. MCNARY. Mr. President, I have no objection to the proposal, save the fact that it is only one-half of the proposal. It should begin by saying that at the conclusion of today's work we shall recess until Monday at 11 o'clock, and that at 3 o'clock on Monday this limitation shall take effect. If that is added to the proposal I shall have no objection.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. MCNARY. I yield.

Mr. ROBINSON of Arkansas. If it meets with the approval of the Senator from Nevada, in charge of the bill, it is my purpose to move a recess until 11 o'clock Monday whenever the Senate concludes its labors today. There are some conference reports and perhaps some bills on the calendar which there is special necessity for considering, which will require only a few minutes. They can be taken up only by unanimous consent, if taken up at all. I am sure that that arrangement will be satisfactory.

Mr. MCNARY. Do I understand from that statement that the Senator wishes to have the calendar considered on Monday morning?

Mr. ROBINSON of Arkansas. No, Mr. President; I do not. I have been informed, for instance, by the Senator from Wisconsin [Mr. LA FOLLETTE] that he has a bill to which I can conceive of no objection. I have examined the report on the bill. He would like to have that bill considered before the Senate concludes its labors today. I merely wish to assure the Senator from Oregon that if this arrangement is entered into we can speedily conclude our work today and recess until 11 o'clock Monday.

Mr. MCNARY. Very well; but I should like to have the agreement understood, and, if I may be permitted, I will state it in my own fashion.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Nevada, if it meets with his approval, that he modify his proposal to provide that when the Senate concludes its labors today it shall take a recess until 11 o'clock Monday.

Mr. PITTMAN. I ask to have that suggestion included in the request for unanimous consent; and I ask the approval of the Senate of the modified request.

Mr. MCNARY. Mr. President, permit me to finish my proposal. I was about to make the motion complete in my own form and fashion, and suggest this kind of an arrangement—that when the Senate concludes its session today it recess until 11 o'clock on Monday, and that general debate on the bill continue until 3 o'clock on Monday; that after 3 o'clock on that day the debate on the part of each Senator shall be limited to 15 minutes on the bill and any amendments which may be pending or offered thereto, with the further exception that between 11 o'clock on Monday morning and 3 o'clock in the afternoon the time shall be equally divided between Republican and Democratic Members of the Senate.

That is the proposal I shall make.

Mr. PITTMAN. I have no objection so far as I am personally concerned.

The PRESIDING OFFICER. Does the Senator from Nevada accept that proposal?

Mr. PITTMAN. I accept that as a part of the proposed unanimous-consent agreement.

Mr. SHIPSTEAD. Mr. President, does the limitation of 15 minutes mean 15 minutes on the bill or on any amendment?

Mr. PITTMAN. Both; 15 minutes on the bill and 15 minutes on any amendment pending on the floor.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement, as modified?

Mr. LONG. Mr. President, I yielded to permit the Senator from Illinois [Mr. LEWIS] to make some remarks. I had the floor. I do not think I shall want more than a few more minutes. I desire it understood that I should like to have the floor for a few minutes on Monday. Otherwise, the time before the limitation of debate might be consumed,

and I might not be able to finish the speech I was making. I shall not continue very much longer. I shall not want over half an hour.

Mr. ROBINSON of Arkansas. The Senator would have that time under the agreement.

Mr. LONG. Very well.

The PRESIDING OFFICER. Is there objection to the proposal of the Senator from Nevada [Mr. PITTMAN], as modified? The Chair hears none.

GRANT OF PROPERTY TO WISCONSIN

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent that Order of Business 1345, being Senate bill 3532, may be read for the information of the Senate; and after that shall have been done I will ask unanimous consent for its present consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wisconsin?

Mr. ROBINSON of Arkansas. Mr. President, this is the bill to which reference was made a few moments ago. I have examined the report of the committee; and, so far as I am concerned, I find no objection to the consideration of the bill.

The PRESIDING OFFICER. The clerk will read the bill.

The Chief Clerk read the bill (S. 3532) granting certain property to the State of Wisconsin for institutional purposes, which had been reported from the Committee on Indian Affairs, with amendments.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The amendments were on page 1, line 9, after the word "effective", to strike out "at any time prior to July 1, 1934, if, before that date," and insert "if and when"; and to insert at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That there is hereby granted to the State of Wisconsin for institutional purposes the property known and designated as the "Hayward Indian School"; located at Hayward, Wis., such grant to include the land and buildings and such equipment as may be designated by the Secretary of the Interior, except the hospital, the nurses' home, and the doctor's residence: *Provided*, That this grant shall be effective if and when the Governor of the State of Wisconsin on behalf of the State files an acceptance thereof with the Secretary of the Interior: *Provided further*, That right is reserved by the Secretary of the Interior to retain until July 1, 1934, dormitory and other space needed for the housing and care of Indian pupils now accommodated at said school: *Provided further*, That it is a condition of this grant that Indians residing within the State of Wisconsin shall be accepted in State institutions on entire equality with persons of other races: *Provided further*, That nothing herein contained shall be construed as prohibiting payment by the Federal Government of tuition for Indian children enrolled in public schools.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS—CONFERENCE REPORT

Mr. HAYDEN submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 7, 8, 9, 11, 12, 14, 15, 17, 19, 20, 21, and 23, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: In lieu of the matter stricken out and inserted by said amendment insert the words "in making grants under said section to"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows: In lieu of the figures $30,000,000", as proposed by said amendment, insert the figures "$24,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sums of "$100,000,000", which appear twice in said amendment, insert in each instance the sums of "$125,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sums of "$10,000,000", which appear twice in said amendment, insert in each instance the sums of "$7,500,000"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 10. Section 19 of the Federal Highway Act, approved November 9, 1921, is hereby amended to read as follows:

"'SEC. 19. That on or before the first Monday in January of each year the Secretary of Agriculture shall make a report to Congress, which shall include a detailed statement of the work done, the status of each project undertaken, the allocation of appropriations, an itemized statement of the expenditures and receipts during the preceding fiscal year under this act, and itemized statement of the traveling and other expenses, including a list of employees, their duties, salaries, and traveling expenses, if any, and his recommendations, if any, for new legislation amending or supplementing this Act. The Secretary of Agriculture shall also make such special reports as Congress may request.'"

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted in said amendment insert the following:

"SEC. 12. Since it is unfair and unjust to tax motor-vehicle transportation unless the proceeds of such taxation are applied to the construction, improvement, or maintenance of highways, after June 30, 1935, Federal aid for highway construction shall be extended only to those States that use at least the amounts now provided by law for such purposes in each State from State motor vehicle registration fees, licenses, gasoline taxes, and other special taxes on motor-vehicle owners and operators of all kinds for the construction, improvement, and maintenance of highways and administrative expenses in connection therewith, including the retirement of bonds for the payment of which such revenues have been pledged, and for no other purposes, under such regulations as the Secretary of Agriculture shall promulgate from time to time: *Provided*, That in no case shall the provisions of this section operate to deprive any State of more than one-third of the amount to which that State would be entitled under any apportionment hereafter made, for the fiscal year for which the apportionment is made."

And the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 15. To provide for the continuation of the cooperative reconnaissance surveys for a proposed inter-American highway as provided in Public Resolution No. 104, approved March 4, 1929 (45 Stat. 1697), and for making location,

surveys, plans, and estimates for such highway, the Secretary of Agriculture is hereby authorized to expend not more than $75,000 to pay all costs hereafter incurred for such work from any moneys available from the administrative funds provided under the act of July 11, 1916 (U.S.C., title 23, sec. 21), as amended, or as otherwise provided."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate changing the title of the bill, and agree to the same.

KENNETH MCKELLAR,
CARL HAYDEN,
GEO. MCGILL,
THOMAS D. SCHALL,
LYNN J. FRAZIER,
Managers on the part of the Senate.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WM. M. WHITTINGTON,
C. MURRAY TURPIN,
CLYDE KELLY,
Managers on the part of the House.

Mr. HAYDEN. I move the adoption of the conference report.

Mr. VANDENBERG. Mr. President, what does the conference report do with respect to the Senate bill?

Mr. HAYDEN. The House adopted the general principle of the Senate bill, with the exception that there was a reduction in the first annual appropriation to be made for forest highways, for national park highways, and for roads throughout public lands and Indian reservations from $30,000,000 to $24,000,000. Then the same figure is carried through the 3-year period; to wit, $10,000,000 per year for roads within the national forests, seven and a half million dollars for roads within the national parks, $4,000,000 for roads within Indian reservations, and two and a half million dollars for roads throughout the public lands.

To carry out that proposal the conference report reduced the amount provided for national parks in the years 1936 and 1937 from $10,000,000 to seven and one-half million dollars.

The other change is the increase of the amount for Federal aid to be matched by the States in 1936 and 1937 from $100,000,000 to $125,000,000 a year.

Those are the monetary changes in the bill.

Mr. VANDENBERG. The arrangement for the next fiscal year, however——

Mr. HAYDEN. Is exactly as it was.

Mr. VANDENBERG. I have no objection.

Mr. SHIPSTEAD. Mr. President, what amount is now appropriated for roads and highways in States that does not have to be matched by State appropriations?

Mr. HAYDEN. The bill in that respect is exactly as it passed the Senate. There remains, carried over into the next fiscal year from the previous appropriation of $400,000,000, the sum of $230,000,000 to be actually paid out of the Treasury during the next year. To that amount the Senate bill proposes to add $100,000,000 to carry out a recommendation made by the President in his Budget message; so for the first year there will be a grant, unmatched by the States, amounting to $330,000,000. In the second year there will be a grant of $100,000,000, and Federal aid for $125,000,000 which must be matched by the States.

Mr. SHIPSTEAD. For the next fiscal year?

Mr. HAYDEN. For the fiscal year 1936. The grant for the next fiscal year, beginning the first of next July, requires no matching by the States.

Mr. SHIPSTEAD. The amount is $330,000,000?

Mr. HAYDEN. Yes. In the following year the States will commence to match Federal aid on the basis of $125,000,000 a year.

The PRESIDING OFFICER. The question is on the adoption of the conference report.

The report was agreed to.

RELIEF TO GOVERNMENT CONTRACTORS

Mr. LOGAN. Mr. President, I ask unanimous consent for the immediate consideration of House bill 9002, being Order of Business 1278. I have talked to the Senator from Oregon [Mr. MCNARY] since I attempted to call up the bill on Thursday.

Mr. VANDENBERG. Mr. President, what is the bill?

Mr. LOGAN. I may say to the Senator from Michigan that it is a bill which was introduced upon the recommendation of the Treasury Department. It has passed the House. It simply provides that persons having contracts with the Government when the N.R.A. codes were adopted, and who accepted the provisions of the codes, may file in the General Accounting Office, for adjudication, their claims growing out of the increased cost of labor and material. I believe there is no objection to it.

Mr. VANDENBERG. Mr. President, I am heartily in favor of the bill. I hope it will pass. I was trying to find out what it was that the Senator was proposing.

Mr. LOGAN. I am asking that the bill be considered and passed at this time.

Mr. VANDENBERG. I have no objection.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 9002) to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes, which had been reported from the Committee on the Judiciary with amendments.

The first amendment was, on page 1, after line 2, to strike out:

That the President, through such agency or agencies as he may establish or designate, be, and he is hereby, authorized and directed to hear and determine, on a fair and equitable basis, claims of persons who entered into a contract or contracts with the United States, including subcontractors and materialmen, for additional costs incurred by reason of compliance with a code or codes of fair competition approved by the President under section 3 of the act approved June 16, 1933, known as the "National Industrial Recovery Act", or by reason of compliance with an agreement with the President executed under section 4 (a) of said act. In the event that such contract was performed, wholly or in part, by a surety on the bond of the contractor, the claim may be presented by such surety.

SEC. 2. In order to be entitled to a consideration of his claim, the person presenting the same shall be required to establish (1) that the contract or contracts were entered into prior to August 10, 1933, or that the bid resulting in the contract was submitted prior to said date; (2) that the contract was performed wholly or in part subsequently to said date; (3) that in the performance of such contract or contracts he fully complied with the terms of the approved code or codes of fair competition for his trade or industry, or subdivision thereof, or that, in the absence of such code, he entered into and fully complied with an agreement with the President under section 4 (a) of the said act of June 16, 1933; and (4) that the cost of performance of such contract or contracts has been directly increased over the cost prevailing at the time that the bid was submitted, by reason of such compliance, and the amount of such increase.

And in lieu thereof to insert:

That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle on a fair and equitable basis claims of persons who entered into a contract or contracts with the United States prior to August 10, 1933, including subcontractors and materialmen performing work or furnishing material direct to the contractor under such contracts, for additional costs incurred by reason of compliance on and after August 10, 1933, with a code or codes of fair competition approved by the President under section 3 of the act approved June 16, 1933, known as the "National Industrial Recovery Act", or by reason of compliance with an agreement with the President executed under section 4 (a) of said act in the performance after August 10, 1933, of the contract or any part thereof. In the event that such contract was performed wholly or in part by a surety on the bond of the contractor, the claim may be presented by and settlement made with such surety, but such surety shall have no greater rights than would have accrued to the contractor had such contractor completed the contract. Any contractor, subcontractor, or completing surety desiring an adjustment and settlement with respect to any such contract under this act for increased costs incurred after August 10, 1933, by reason of compliance with the codes or reemployment agreements shall file with the department or administrative establishment concerned a verified claim itemizing such additional costs, and any subcontractor on any such contract may file his claim directly

with the head of the department or independent establishment concerned or through the contractor. After the claim has been examined by the head of the department or independent establishment concerned, or such person or persons as he shall designate, the claim shall be transmitted to the Comptroller General of the United States, accompanied with an administrative finding of fact and recommendations with respect to the claim.

Mr. LOGAN. Mr. President, I desire to propose an amendment to the committee amendment, after the word "material", in line 3 on page 3, to insert "or necessary fuel."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was, on page 4, section 3, line 7, after the word "any", to strike out "award" and insert "allowance", so as to make the section read:

SEC. 2. In no event shall any allowance exceed the amount by which the cost of performance of such part of the contract as was performed subsequently to August 10, 1933, was directly increased by reason of compliance with a code or codes of fair competition, or with an agreement with the President, as aforesaid.

The amendment was agreed to.

The next amendment was, on page 4, section 3, line 13, after the word "any", to strike out "award" and insert "allowance"; and in line 16, after the word "made", to strike out "The agency or agencies to be created or designated thereunder" and insert "The head of the department or establishment concerned, subject to the approval of the Comptroller General", so as to make the section read:

SEC. 3. In no event shall any allowance be made which would result in a profit to the claimant exceeding 7 percent on the cost of performance of the contract in respect of which the claim is made. The head of the department or establishment concerned, subject to the approval of the Comptroller General, shall have the authority from time to time, to determine the actual cost and profit thereon.

The amendment was agreed to.

The next amendment was, on page 4, after line 21, to strike out section 5, as follows:

SEC. 5. No claim hereunder shall be considered or allowed unless presented within 6 months after the President shall have established or designated an agency or agencies to whom such claims may be submitted, or, at the option of the claimant, within 6 months after the performance of the contract is completed.

And in lieu thereof to insert the following:

SEC. 4. No claim hereunder shall be considered or allowed unless presented within 6 months from the date of approval of this act or, at the option of the claimant, within 6 months after the completion of the contract, except in the discretion of the Comptroller General for good cause shown by the claimant.

The amendment was agreed to.

The next amendment was, on page 5, after line 12, to strike out section 7, as follows:

SEC. 7. In all proceedings under this act, the agency or agencies to be created or designated hereunder shall have the power to compel the attendance of witnesses to testify under oath and to produce books, papers, letters, or other documents.

And in lieu thereof to insert:

SEC. 6. In all proceedings under this act witnesses may be compelled to attend, appear, and testify and produce books, papers, and letters, or other documents; and the claim that any such testimony or evidence may tend to incriminate the person giving the same shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person in the trial of any criminal proceeding. Nothing in this act shall in any way relieve or excuse any officer of the United States or any claimant from prosecution under any statute of the United States for any fraud or criminal conduct.

The amendment was agreed to.

The next amendment was, on page 6, after line 4, to strike out:

SEC. 8. The agency or agencies created or designated hereunder are hereby authorized to make, adopt, and promulgate rules and regulations for the determination of claims.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

RELIEF OF DROUGHT-STRICKEN AREAS—MESSAGE FROM THE PRESIDENT (H.DOC. NO. 398)

Mr. KING obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President, I understand the Senator from Utah [Mr. KING] has taken the floor for the purpose of discussing the bill which is the unfinished business, the silver bill. If he will yield for that purpose, I should like to move an executive session; but before doing so I ask that the message from the President be laid before the Senate.

Mr. KING. I yield the floor for that purpose, and then I will yield for an executive session.

The PRESIDING OFFICER. The Chair lays before the Senate a message from the President of the United States, which will be read.

The legislative clerk read as follows:

To the Congress of the United States:

Unforeseen drought has visited disaster upon a large part of our country. Prompt and vigorous action to meet the emergency has been taken by the Federal Government through its various agencies. But the situation has become more grave as rainfall shortage has continued. Future rainfall cannot restore more than a small part of the damage to crops and livestock. An especially serious problem has developed because, while there is no prospect of shortage of human food, a shortage of animal feed threatens over a wide area. This is causing losses to farmers and regions dependent upon the livestock industries. Large-scale assistance by the Federal Government is necessary to protect people in the stricken regions from suffering, to move feed to livestock, and livestock to feed, and to acquire and process surplus cattle to provide meat for relief distribution.

Organizations already exist in the Department of Agriculture, the Federal Emergency Relief Administration, and the Farm Credit Administration to carry on the emergency program.

To finance operations of the magnitude planned, further funds are needed. After a conference with Members of Congress from the affected regions, a program along seven lines has been devised to meet the situation. These proposals and the funds required as estimated at this time are:

1. $125,000,000 for special work program and human relief.
2. $75,000,000 for livestock purchase in addition to the funds already available under the Jones-Connally Act.
3. $100,000,000 for shipping, processing, and relief distribution of purchased cattle.
4. $100,000,000 for loans to farmers to finance emergency feed purchases and shipments.
5. $50,000,000 for emergency acquisition of submarginal farms and assistance in relocating destitute farm families.
6. $50,000,000 for work camps to afford employment in the drought area for young men principally from cities and towns.
7. $25,000,000 for purchase of seed for 1935 plantings, and for loans to get seeds into farmers' hands.

These wholly tentative estimates have been made upon the basis of present and probable conditions. I believe the present emergency can be effectively met by the appropriation of $525,000,000. Only such portion, of course, will be used as becomes absolutely necessary. We are dealing with a rapidly changing problem, and it is important that the authorization should be flexible so that funds can be allotted to the several Federal agencies as required.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 9, 1934.*

The PRESIDING OFFICER. The message will be printed and referred to the Committee on Appropriations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of

the House to the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 870. An act for the relief of L. R. Smith;

S. 1173. An act for the relief of Gladding, McBean & Co.;

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933;

S. 2898. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd against the United States;

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law;

S. 3237. An act to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929;

S. 3502. An act authorizing the Oregon-Washington Bridge Board of Trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.;

S. 3521. An act to facilitate purchases of forest lands under the act approved March 1, 1911;

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington; and

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

AMERICAN-LA FRANCE & FOAMITE CORPORATION

Mr. BARKLEY. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Kentucky.

Mr. BARKLEY. I ask unanimous consent for the present consideration of the bill which I send to the clerk's desk, being Calendar No. 1302, Senate bill 2156.

The PRESIDING OFFICER. Is there objection?

Mr. VANDENBERG. Let the bill be stated.

The PRESIDING OFFICER. The bill will be read for the information of the Senate.

The legislative clerk read the bill (S. 2156) for the relief of the American-La France & Foamite Corporation of New York, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to the American-La France & Foamite Corporation, of New York, successor to the American-La France Fire Engine Co., Inc., all sums illegally collected by the Internal Revenue Bureau as excise taxes upon fire-fighting apparatus from the American-La France Fire Engine Co., Inc., under the Revenue Act of 1916, the Revenue Act of 1917, and/or the Revenue Act of 1918, not heretofore refunded, and all claims for refund heretofore filed by the American-La France Fire Engine Co., Inc., which have not been allowed shall be considered, notwithstanding any statute of limitations prohibiting such refund.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. BARKLEY. Mr. President, this is a bill directing the Secretary of the Treasury to repay to this concern money erroneously collected in taxes on fire apparatus under the laws of 1917 and 1918. The Treasury admits the erroneous collection, but, because of a lawsuit pending in the courts and the confusion of Treasury rulings on the subject, the company was 15 days late in filing its claim, which made it impossible for the Treasury to pay it. The Treasury, however, admits that the amount was wrongfully collected, and, while it does not pass on the question of whether we ought to authorize its repayment, certainly we ought not to make it possible for the Treasury to collect money and admit that it ought not to collect it and then keep it.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SALE OF OLD TENLEY SCHOOL IN THE DISTRICT

Mr. McCARRAN. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Nevada.

Mr. McCARRAN. I ask unanimous consent for the immediate consideration of Calendar No. 1308, being House bill 9184.

The PRESIDING OFFICER. Is there objection?

Mr. VANDENBERG. What is the bill?

The PRESIDING OFFICER. The bill will be read.

The legislative clerk read the bill (H.R. 9184) to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to sell and convey to the duly constituted representative and agent of St. Ann's Roman Catholic Church, of the District of Columbia, located at or near the corner of Wisconsin Avenue and Yuma Street NW., the following described real estate: The old Tenley School building, and original site, known as parcels 35/130 and 131, parcel 130 containing 2,880 square feet, and parcel 131 containing 42,036 square feet, or a total of 44,916 square feet, being the same land and premises now leased to the pastor of St. Ann's Church by a certain lease signed by the Commissioners of the District of Columbia, dated October 16, 1933, and now included in parcel 35/260.

Mr. McCARRAN. Mr. President, I wish to say, by way of explanation, that the school referred to is an old building which was abandoned some years ago by the District; and they desire to sell it, but they want permission to do so.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CONVEYANCE OF BUILDINGS, ETC., TO REPUBLIC OF HAITI

Mr. KING. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Utah.

Mr. KING. Mr. President, a few days ago the President of the United States transmitted a message to Congress asking authority to convey certain buildings, material, and equipment to the Government of the Republic of Haiti. Pursuant to the message of the President, a bill was introduced and referred to the Committee on Naval Affairs, and the Senator from Massachusetts [Mr. WALSH], a member of the committee, reported it, as I understand, unanimously. I ask for the present consideration of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 3739) authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti, which was read, as follows:

Be it enacted, etc., That the President is authorized to convey to the Government of the Republic of Haiti, without cost to that

government, such buildings, materials, and equipment owned by the United States in Haiti as may appear to the President to be appropriate.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and a treaty (and withdrawing two nominations), which were referred to the appropriate committees.

(For nominations this day received and nominations withdrawn, see the end of Senate proceedings.)

THE CALENDAR—TREATIES

The PRESIDING OFFICER. If there be no reports of committees, the calendar is in order.

The legislative clerk proceeded to read the first treaty on the calendar.

Mr. ROBINSON of Arkansas. Let the treaties go over.

The PRESIDING OFFICER. The treaties will be passed over.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education.

Mr. ROBINSON of Arkansas. That should be passed over for the present.

The PRESIDING OFFICER. The nomination will be passed over.

DEPARTMENT OF JUSTICE

The legislative clerk read the nomination of Joseph R. Jackson, of New York, to be Assistant Attorney General, Customs Division.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Frank K. Myers to be United States district judge, eastern district of South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of William Burgeson to be United States marshal, eastern district of South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Reuben Gosnell to be United States marshal, western district of South Carolina.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

HAWAII

The legislative clerk read the nomination of Arthur A. Greene, of Hawaii, to be Secretary of the Territory of Hawaii.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Eugene Carlson, of Virginia, to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. ROBINSON of Arkansas. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations are confirmed en bloc.

IN THE ARMY

The legislative clerk read the nomination of Percy Poe Bishop to be brigadier general, Coast Artillery Corps.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COMMISSIONER OF EDUCATION—JOHN WARD STUDEBAKER

Mr. ROBINSON of Arkansas. I ask unanimous consent to recur to the nomination of John Ward Studebaker, of Iowa, to be Commissioner of Education, and that the nomination be acted upon at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the question is, Will the Senate advise and consent to the nomination?

The nomination was confirmed.

The PRESIDING OFFICER. That completes the calendar.

MONETARY USE AND PURCHASE OF SILVER

Mr. ROBINSON of Arkansas. I move that the Senate resume the consideration of legislative business.

The motion was agreed to.

The Senate resumed consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. KING. Mr. President, as indicated by our distinguished leader, I took the floor a few moments ago for the purpose of discussing the pending so-called "silver bill." In view of the understanding reached that we shall take a recess until Monday at 11 o'clock, I shall pretermit any observations today with the understanding that when the Senate reconvenes at 11 o'clock Monday morning I am to have recognition at the hands of the Chair.

RECESS

Mr. ROBINSON of Arkansas. Mr. President, I move that the Senate take a recess until 11 o'clock Monday morning.

The motion was agreed to; and (at 3 o'clock and 12 minutes p.m.) the Senate, under the order previously entered, took a recess until Monday, June 11, 1934, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 9 (legislative day of June 6), 1934

UNITED STATES DISTRICT JUDGE

Harlan W. Rippey, of New York, to be United States district judge, western district of New York, to succeed Simon L. Adler, deceased.

TO BE MEMBERS OF THE BOARD OF TAX APPEALS

The following-named persons to be members of the Board of Tax Appeals for terms of 12 years from June 2, 1934, as follows:

J. Russell Leech, of Pennsylvania. (Reappointment.)

Charles P. Smith, of Massachusetts. (Reappointment.)

John M. Sternhagen, of Illinois. (Reappointment.)

Bolon B. Turner, of Arkansas, vice William C. Lansdon, term expired.

POSTMASTERS

ALABAMA

Leonidas M. Lane, Jr., to be postmaster at Greenville, Ala., in place of B. S. Perdue, removed.

Charles U. Totty to be postmaster at Tallassee, Ala., in place of G. A. Sayers, resigned.

ARKANSAS

Charlie O. Sawyer to be postmaster at Hamburg, Ark., in place of B. W. Allen, removed.

John W. Martin to be postmaster at Mena, Ark., in place of D. M. Townsend, removed.

Theo. Money to be postmaster at Waldron, Ark., in place of L. L. Henderson. Incumbent's commission expired May 29, 1934.

CALIFORNIA

Anthony J. Foster to be postmaster at Hayward, Calif., in place of H. A. Bradford, removed.

Robert B. Montgomery to be postmaster at Sequoia National Park, Calif., in place of A. C. Elmore, deceased.

COLORADO

Tom C. Crist to be postmaster at Haxtun, Colo., in place of F. L. Barton. Incumbent's commission expired January 28, 1934.

Alta M. Cassietto to be postmaster at Telluride, Colo., in place of L. G. Denison. Incumbent's commission expired January 28, 1934.

Roxie R. Broad to be postmaster at Wheat Ridge, Colo., in place of C. E. Taggart. Incumbent's commission expired January 28, 1934.

DELAWARE

Joseph C. Slack to be postmaster at Newport, Del., in place of E. W. Johnson. Incumbent's commission expired April 8, 1934.

GEORGIA

Sarah K. Scovill to be postmaster at Oglethorpe, Ga., in place of S. K. Scovill. Incumbent's commission expired June 4, 1934.

Duncan E. Flanders to be postmaster at Swainsboro, Ga., in place of W. H. Flanders. Incumbent's commission expired June 4, 1934.

George Arnold Ware to be postmaster at Tignall, Ga., in place of L. B. LeRoy, transferred.

DeWitt P. Trulock to be postmaster at Whigham, Ga., in place of G. W. Jordan, transferred.

ILLINOIS

Richard Laux to be postmaster at Addison, Ill. Office became Presidential July 1, 1931.

Mary O. McDaniel to be postmaster at Buffalo, Ill., in place of F. R. Edwards. Incumbent's commission expired December 20, 1932.

John P. Hook, Jr., to be postmaster at Fulton, Ill., in place of Peter Thomsen. Incumbent's commission expired February 6, 1934.

Fern Conard to be postmaster at Lamoille, Ill., in place of T. S. Ecklund. Incumbent's commission expired December 18, 1933.

Mary I. Erown to be postmaster at Little York, Ill., in place of G. F. Dickson. Incumbent's commission expired December 18, 1933.

Kate McDonnell to be postmaster at Loda, Ill., in place of C. E. Clester. Incumbent's commission expired January 8, 1934.

George W. Collins to be postmaster at Lombard, Ill., in place of C. C. Wimpress. Incumbent's commission expired December 15, 1931.

O. Cammie Seeders to be postmaster at Palestine, Ill., in place of E. C. Nethery. Incumbent's commission expired January 31, 1934.

Grove Harrison to be postmaster at Viola, Ill., in place of Fred Frazier. Incumbent's commission expired December 20, 1932.

INDIANA

Russell Armstrong to be postmaster at Hazleton, Ind., in place of C. E. Jones. Incumbent's commission expired January 22, 1934.

Adolph Hannie to be postmaster at Monroe, Ind., in place of G. H. Oliver. Incumbent's commission expired December 18, 1933.

Dean I. Lauver to be postmaster at New Carlisle, Ind., in place of L. H. McAllister. Incumbent's commission expired January 19, 1933.

Simon C. Hilsmier to be postmaster at Ossian, Ind., in place of H. W. Beatty. Incumbent's commission expired June 19, 1933.

John D. Stoner to be postmaster at Valparaiso, Ind., in place of F. W. Alpen, removed.

IOWA

William S. Olexa to be postmaster at Batavia, Iowa, in place of F. B. Peters. Incumbent's commission expired April 9, 1934.

Walter G. Lane to be postmaster at Baxter, Iowa, in place of G. T. Hardenburgh. Incumbent's commission expired April 22, 1934.

George P. Killinger to be postmaster at Carson, Iowa, in place of F. S. Smith. Incumbent's commission expired February 28, 1933.

Vernon M. Hill to be postmaster at Davis City, Iowa, in place of E. W. Teale. Incumbent's commission expired January 22, 1934.

Bernard B. Dolecheck to be postmaster at Diagonal, Iowa, in place of J. H. Dickens. Incumbent's commission expired April 22, 1934.

Anthony F. Schrup to be postmaster at Dubuque, Iowa, in place of Herman Ternes. Incumbent's commission expired December 18, 1933.

Gerry M. Houghan to be postmaster at Fort Des Moines, Iowa, in place of C. A. Clark, removed.

Herman L. Walker to be postmaster at Kalona, Iowa, in place of A. M. Kepler, resigned.

Frank F. Konrad to be postmaster at Lacona, Iowa, in place of W. J. Overmyer. Incumbent's commission expired January 31, 1934.

Violet A. Shirk to be postmaster at Linn Grove, Iowa, in place of B. F. Shirk. Incumbent's commission expired April 2, 1934.

Bert McKinley to be postmaster at Morning Sun, Iowa, in place of K. L. McClurkin. Incumbent's commission expired April 2, 1934.

Lee R. Evans to be postmaster at Mystic, Iowa, in place of D. W. Plessner. Incumbent's commission expired April 9, 1934.

James G. Floerschinger to be postmaster at Oxford, Iowa, in place of D. E. Warthman. Incumbent's commission expired April 28, 1934.

Walter Ward to be postmaster at Wall Lake, Iowa, in place of L. G. Kelley. Incumbent's commission expired March 18, 1934.

KANSAS

Jesse T. Poland to be postmaster at Barnes, Kans., in place of E. E. Shannon. Incumbent's commission expired December 19, 1931.

John J. Menard to be postmaster at Clyde, Kans., in place of A. H. Selden. Incumbent's commission expired December 7, 1932.

Harry F. Geistfeld to be postmaster at Washington, Kans., in place of B. E. Collins. Incumbent's commission expired May 12, 1932.

KENTUCKY

Nelly B. Jones to be postmaster at Grand Rivers, Ky., in place of Thomas Barr. Incumbent's commission expired September 18, 1933.

Dalph E. Creal to be postmaster at Hodgenville, Ky., in place of W. S. Jaggers, removed.

Howard C. Enoch to be postmaster at Marion, Ky., in place of V. O. Chandler, resigned.

MAINE

Willis H. Allen to be postmaster at Columbia Falls, Maine, in place of W. H. Allen. Incumbent's commission expires June 28, 1934.

Lillian C. Erickson to be postmaster at Stockholm, Maine, in place of L. C. Erickson. Incumbent's commission expires June 26, 1934.

George H. Foster to be postmaster at Unity, Maine, in place of C. R. Hamlin. Incumbent's commission expired March 18, 1934.

MARYLAND

Charles H. Wilson to be postmaster at Forest Hill, Md., in place of F. R. Tucker. Incumbent's commission expired February 10, 1934.

Charles A. Bechtold to be postmaster at Fort George G. Meade, Md., in place of L. T. Mankin, resigned.

Frances C. Hamill to be postmaster at Oakland, Md., in place of L. M. Fraley, removed.

MASSACHUSETTS

Thomas J. Drummey to be postmaster at East Pepperell, Mass., in place of D. O. Merrill. Incumbent's commission expired May 16, 1934.

Ellen M. O'Connor to be postmaster at East Taunton, Mass., in place of L. W. King. Incumbent's commission expired April 2, 1934.

Edward C. Pelissier to be postmaster at Hadley, Mass., in place of E. C. Pelissier. Incumbent's commission expires July 3, 1934.

Mary E. Sheehan to be postmaster at Hatfield, Mass., in place of U. G. Dehey. Incumbent's commissioned expired April 22, 1934.

Catherine A. McCasland to be postmaster at Hinsdale, Mass., in place of M. E. Rathbun. Incumbent's commission expired December 16, 1933.

William T. Martin to be postmaster at Monterey, Mass., in place of J. D. Miner. Incumbent's commission expired December 8, 1932.

Ephrem J. Dion to be postmaster at Northbridge, Mass., in place of E. J. Dion. Incumbent's commission expires June 20, 1934.

Maurice T. Nickerson to be postmaster at West Dennis, Mass., in place of J. H. Jenks, Jr., deceased.

MICHIGAN

Ernest O. Coy to be postmaster at Alden, Mich., in place of E. M. Angell. Incumbent's commissioned expired December 8, 1932.

Maurice E. Jones to be postmaster at Bear Lake, Mich., in place of H. M. Cosier. Incumbent's commission expired April 16, 1934.

Joseph W. Harlan to be postmaster at Davison, Mich., in place of E. R. Stephens. Incumbent's commission expired December 16, 1933.

Anne O'D. Wright to be postmaster at Munising, Mich., in place of Nathaniel Lobb. Incumbent's commission expired January 9, 1934.

Maude Russell to be postmaster at New Era, Mich., in place of E. M. Ray. Incumbent's commission expired March 8, 1934.

J. Jay Cox to be postmaster at Scottville, Mich., in place of H. B. Baltzer. Incumbent's commission expired March 22, 1934.

MINNESOTA

Lawrence B. Setzler to be postmaster at Maple Plain, Minn., in place of L. B. Setzler. Incumbent's commission expires July 3, 1934.

Milla Tagley to be postmaster at Mentor, Minn., in place of O. M. Groven. Incumbent's commission expired January 31, 1934.

Ignatius F. Lano to be postmaster at Long Prairie, Minn., in place of G. M. Tronsrue, removed.

MISSISSIPPI

Samuel N. Shelton to be postmaster at Alcorn, Miss., in place of M. T. Patton, removed.

Woodard M. Herring to be postmaster at Inverness, Miss., in place of W. M. Herring. Incumbent's commission expires June 20, 1934.

Thomas J. Barnes to be postmaster at Noxapater, Miss., in place of T. J. Barnes. Incumbent's commission expires June 20, 1934.

Hubbard E. McClurg to be postmaster at Ruleville, Miss., in place of H. E. McClurg. Incumbent's commission expires July 1, 1934.

Robert E. L. McLain to be postmaster at Shelby, Miss., in place of R. E. L. McLain. Incumbent's commission expires June 17, 1934.

MISSOURI

Albert W. Mueller to be postmaster at Altenburg, Mo., in place of A. W. Mueller. Incumbent's commission expires June 24, 1934.

Roy D. Holland to be postmaster at Butler, Mo., in place of C. H. McNay. Incumbent's commission expired December 18, 1933.

Ora G. Moore to be postmaster at Eagleville, Mo., in place of L. G. Riley. Incumbent's commission expired March 18, 1934.

Vernon D. Washington to be postmaster at Eldorado Springs, Mo., in place of J. M. Atkinson, Jr., resigned.

Charles A. Lawrence to be postmaster at Fenton, Mo. Office became Presidential July 1, 1933.

Joe C. Alexander to be postmaster at Branson, Mo., in place of B. W. Eiserman. Incumbent's commission expired January 8, 1934.

Ethel L. Lauderdale to be postmaster at Wellington, Mo., in place of D. M. Ritter, removed.

NEBRASKA

Bert Winters to be postmaster at Broadwater, Nebr., in place of E. R. Gilbert, removed.

Clair Grimes to be postmaster at Chambers, Nebr., in place of Loa Hubbard. Incumbent's commission expired January 28, 1934.

Marion M. Kenroy to be postmaster at Long Pine, Nebr., in place of C. E. Mills. Incumbent's commission expired May 16, 1934.

Ethel L. Ossenkop to be postmaster at Louisville, Nebr., in place of A. A. Jackman, retired.

Almira R. Boblits to be postmaster at Oconto, Nebr., in place of Blanche Snyder. Incumbent's commission expired March 8, 1934.

Kathryn V. McCusker to be postmaster at Ogallala, Nebr., in place of N. E. Stumbaugh, removed.

Lawrence H. Aufdengarten to be postmaster at Oshkosh, Nebr., in place of G. E. Swanson. Incumbent's commission expired March 8, 1934.

Cordes E. Walker to be postmaster at Page, Nebr., in place of O. L. Reed. Incumbent's commission expired December 17, 1932.

Bert S. Amos to be postmaster at Sargent, Nebr., in place of J. D. Finley. Incumbent's commission expired April 28, 1934.

John B. Karn to be postmaster at Stapleton, Nebr., in place of W. M. Baskin, removed.

Charles E. Major to be postmaster at Trenton, Nebr., in place of R. J. Boyd, removed.

NEVADA

Milo W. Craig to be postmaster at Montello, Nev., in place of A. R. Cave. Incumbent's commission expired January 11, 1934.

NEW HAMPSHIRE

Charles S. Stone to be postmaster at Andover, N.H., in place of A. C. Cochran. Incumbent's commission expired March 22, 1934.

Irving H. Brown to be postmaster at Campton, N.H., in place of Webb Little. Incumbent's commission expired March 22, 1934.

David V. Cahalane to be postmaster at Charlestown, N.H., in place of C. S. Hutchins. Incumbent's commission expired March 18, 1934.

John E. Bean to be postmaster at Contoocook, N.H., in place of L. S. Emerson. Incumbent's commission expired February 6, 1934.

NEW JERSEY

John A. Wheeler to be postmaster at Monmouth Beach, N.J., in place of J. A. Wheeler. Incumbent's commission expired May 13, 1934.

Nicholas T. Ballentine to be postmaster at Peapack, N.J., in place of N. T. Ballentine. Incumbent's commission expires June 10, 1934.

Anna C. Kelleher to be postmaster at Wayne, N.J. Office became Presidential July 1, 1932.

Patrick J. Shortt to be postmaster at Wildwood, N.J., in place of J. A. Harris, removed.

NEW YORK

Mayme Meegan to be postmaster at Altmar, N.Y., in place of F. J. Rich. Incumbent's commission expired December 18, 1933.

Lyda H. Armstrong to be postmaster at Berlin, N.Y., in place of F. S. Hull. Incumbent's commission expired December 16, 1933.

Mildred E. Brown to be postmaster at Bliss, N.Y., in place of A. M. Merville. Incumbent's commission expired February 14, 1934.

Jacob A. Fishbaugh to be postmaster at Cold Water, N.Y., in place of F. M. Avery. Incumbent's commission expired March 22, 1934.

Henry A. Dye to be postmaster at Forestville, N.Y., in place of C. L. Dix. Incumbent's commission expired January 9, 1934.

Austin W. Stitt to be postmaster at Frewsburg, N.Y., in place of E. C. Sager. Incumbent's commission expired January 28, 1934.

Hugh C. O'Neill to be postmaster at Holcomb, N.Y., in place of John Newton. Incumbent's commission expired January 28, 1934.

Royal B. Ingersoll to be postmaster at Houghton, N.Y., in place of W. C. Calkins. Incumbent's commission expired January 28, 1934.

James T. McConnell to be postmaster at Jamesville, N.Y., in place of K. M. Oley. Incumbent's commission expired January 9, 1934.

Clayton C. Young to be postmaster at Moira, N.Y., in place of H. D. Jock. Incumbent's commission expired December 16, 1933.

Elizabeth M. Trainor to be postmaster at Monsey, N.Y., in place of Alexander Angyal. Incumbent's commission expired January 8, 1934.

John Flinn to be postmaster at New Hyde Park, N.Y., in place of Frank Rosenberg. Incumbent's commission expired December 16, 1933.

Charles P. Rundle to be postmaster at Odessa, N.Y., in place of Deane Mitchell. Incumbent's commission expired March 8, 1934.

Frank Kilcoin to be postmaster at Swan Lake, N.Y., in place of J. H. Stoddard, deceased.

John H. Burke to be postmaster at Tarrytown, N.Y., in place of J. J. Tidaback, transferred.

Elmer H. Bishop to be postmaster at Wading River, N.Y. Office became Presidential July 1, 1933.

Hugh F. Maher to be postmaster at Washingtonville, N.Y., in place of A. A. Courter. Incumbent's commission expired February 14, 1934.

NORTH CAROLINA

Paul R. Younts to be postmaster at Charlotte, N.C., in place of J. D. Albright. Incumbent's commission expired March 22, 1934.

Clarence H. Rosebro to be postmaster at Cleveland, N.C., in place of J. H. Hobson, removed.

Robert T. Teague to be postmaster at Newland, N.C., in place of L. G. Hopkins. Incumbent's commission expired September 30, 1933.

William H. Shannon to be postmaster at Spencer, N.C., in place of H. L. Dorsett. Incumbent's commission expired December 18, 1933.

Louella Swindell to be postmaster at Swanquarter, N.C., in place of A. B. Berry, resigned.

NORTH DAKOTA

John M. McCabe to be postmaster at Belfield, N.Dak., in place of Carl Indergard, resigned.

Herman A. Emanuel to be postmaster at Crosby, N.Dak., in place of D. A. Gibbs. Incumbent's commission expired January 22, 1934.

Suzanna A. Preszler to be postmaster at Medina, N.Dak., in place of E. J. Olson, removed.

William T. Wakefield to be postmaster at Mott, N.Dak., in place of O. H. Opland, removed.

Herman A. Borcherding to be postmaster at New England, N.Dak., in place of J. A. Elliott. Incumbent's commission expired December 16, 1933.

Coral R. Campion to be postmaster at Willow City, N.Dak., in place of T. C. Michael. Incumbent's commission expired January 28, 1934.

OHIO

Harold Q. Overholser to be postmaster at Camden, Ohio, in place of E. J. Phares. Incumbent's commission expired April 15, 1934.

Emmert H. Crim to be postmaster at Cleves, Ohio, in place of E. L. Moore. Incumbent's commission expired January 22, 1934.

Leslie O. Campbell to be postmaster at Georgetown, Ohio, in place of A. W. Griswold, deceased.

William N. Long to be postmaster at Kingsville, Ohio, in place of J. E. Davis. Incumbent's commission expired January 31, 1934.

Herman E. Homberger to be postmaster at Mansfield, Ohio, in place of H. E. Hawley, resigned.

Ivan Schuler to be postmaster at New Vienna, Ohio, in place of M. B. Coffin. Incumbent's commission expired April 16, 1934.

Paul A. Elick to be postmaster at Payne, Ohio, in place of W. E. Lehman. Incumbent's commission expired January 9, 1934.

Charles M. Hogan to be postmaster at Wellston, Ohio, in place of W. E. Thomas, transferred.

OKLAHOMA

Lee Kennedy to be postmaster at Broken Bow, Okla., in place of V. A. Farmer, removed.

Ernest D. Peck to be postmaster at Carmen, Okla., in place of C. M. Henry, removed.

Etta E. McMillan to be postmaster at Freedom, Okla., in place of Floyd Clark, removed.

George G. Smith to be postmaster at Garber, Okla., in place of H. S. Magill, removed.

Lawson Race to be postmaster at Hunter, Okla., in place of J. A. N. Horton, resigned.

Lauren I. Harris to be postmaster at Keyes, Okla., in place of J. A. Godown, resigned.

Anice Sullins to be postmaster at Redrock, Okla., in place of O. F. Fowler. Incumbent's commission expired February 20, 1933.

Maud L. Vaughan to be postmaster at Supply, Okla., in place of M. L. Vaughan. Incumbent's commission expires June 17, 1934.

Fanny A. Rhoades to be postmaster at Wakita, Okla., in place of P. E. Harp, resigned.

OREGON

Harry Burke to be postmaster at Astoria, Oreg., in place of C. W. Halderman. Incumbent's commission expired March 18, 1934.

Mae M. Humphrey to be postmaster at Boring, Oreg., in place of A. L. Morand. Incumbent's commisison expired December 8, 1932.

Albert H. Fasel to be postmaster at Estacada, Oreg., in place of A. L. Morand. Incumbent's commission expired December 8, 1932.

Benjamin F. Turner to be postmaster at Maupin, Oreg., in place of B. F. Turner. Incumbent's commission expires June 17, 1934.

Henry R. Crawford to be postmaster at Salem, Oreg., in place of J. H. Farrar, transferred.

Frank H. Fawk to be postmaster at Willamina, Oreg., in place of O. L. Gillespie. Incumbent's commission expired March 18, 1934.

Howard F. Butterfield to be postmaster at Woodburn, Oreg., in place of L. H. Shorey. Incumbent's commission expired March 18, 1934.

PENNSYLVANIA

Charles W. Goerman to be postmaster at Ambridge, Pa., in place of S. M. Lambie. Incumbent's commission expired March 18, 1934.

Arthur Rabb to be postmaster at Bloomsburg, Pa., in place of H. A. McKillip, resigned.

Ruth R. Dufford to be postmaster at Clintonville, Pa., in place of M. L. McKee. Incumbent's commission expired December 19, 1933.

John C. Ellenberger to be postmaster at Dayton, Pa., in place of G. L. Goodhart. Incumbent's commission expired January 31, 1933.

Miranda S. Bard to be postmaster at Denver, Pa., in place of H. G. Marburger. Incumbent's commission expired January 14, 1933.

Albert F. Buck to be postmaster at Emaus, Pa., in place of G. H. Cunningham, removed.

Glenn C. Myers to be postmaster at Gardners, Pa., in place of H. L. Sterner. Incumbent's commission expired April 22, 1934.

Russell B. Pool to be postmaster at Lansdale, Pa., in place of G. J. Thumm, removed.

Helen P. Harter to be postmaster at Laurelton, Pa. Office became Presidential July 1, 1932.

Martha M. Ross to be postmaster at Library, Pa., in place of S. L. Boyer. Incumbent's commission expired January 5, 1933.

John J. Haughey to be postmaster at McKeesport, Pa., in place of J. B. Hershey. Incumbent's commission expired March 8, 1934.

Leon E. Shepherd to be postmaster at Malvern, Pa., in place of E. R. West, removed.

Lucian Westbrook to be postmaster at Matamoras, Pa., in place of R. E. Kelder. Incumbent's commission expired January 31, 1934.

Mabelle C. Creen to be postmaster at Mountainhome, Pa., in place of R. C. Sieg, resigned.

J. Earl Sheaffer to be postmaster at New Bloomfield, Pa., in place of T. L. Lebo, removed.

Ellis Walter to be postmaster at New Enterprise, Pa., in place of M. R. Clapper, removed.

Harold L. Heimbach to be postmaster at Quakertown, Pa., in place of F. H. Bean, removed.

Lora Cowen to be postmaster at Roscoe, Pa., in place of F. W. Allison. Incumbent's commission expired December 18, 1933.

Emma R. Dexter to be postmaster at Roulette, Pa., in place of Pearl Clark. Incumbent's commission expired January 31, 1934.

James W. Casey to be postmaster at Rouseville, Pa., in place of G. H. Brown, removed.

John L. Kramer to be postmaster at Springboro, Pa., in place of W. M. Smith, removed.

Ronald S. Kayzer to be postmaster at Tioga, Pa., in place of E. D. Brigham. Incumbent's commission expired April 29, 1933.

Charles H. Gretzinger to be postmaster at Trumbauersville, Pa., in place of R. C. Shup, resigned.

Charles M. Boyer to be postmaster at York Springs, Pa., in place of H. M. Gardner. Incumbent's commission expired January 10, 1932.

Orlando J. Shank to be postmaster at Windber, Pa., in place of R. A. Harclerode. Incumbent's commission expired January 26, 1933.

SOUTH CAROLINA

Sophie Flowers Poston to be postmaster at Johnsonville, S.C., in place of C. M. Venters. Incumbent's commission expired January 8, 1933.

Wood K. Durham to be postmaster at Landrum, S.C., in place of C. H. Culbreth. Incumbent's commission expired April 2, 1934.

Loula B. O'Connor to be postmaster at Meggett, S.C., in place of L. B. O'Connor. Incumbent's commission expires June 24, 1934.

SOUTH DAKOTA

Harry Dettman to be postmaster at Mission, S.Dak., in place of C. A. Zeitner, removed.

Anna F. Dillon to be postmaster at Whitewood, S.Dak., in place of I. U. Burger. Incumbent's commission expired January 8, 1934.

TENNESSEE

Donald B. Todd to be postmaster at Etowah, Tenn., in place of J. R. Taylor, resigned.

Mary A. B. Dunn to be postmaster at Maryville, Tenn., in place of J. L. Law. Incumbent's commission expired December 12, 1932.

Kirk D. Beene to be postmaster at Petros, Tenn., in place of H. B. Simpson. Incumbent's commission expired December 12, 1932.

TEXAS

Charles Y. Shultz to be postmaster at Alvarado, Tex., in place of H. T. Chastain, removed.

Ida S. McWilliams to be postmaster at Anahuac, Tex., in place of I. S. McWilliams. Incumbent's commission expires June 20, 1934.

M. Erma Capps to be postmaster at Bedias, Tex., in place of C. R. Davis. Incumbent's commission expired April 24, 1933.

Philip P. Wise to be postmaster at Bonham, Tex., in place of M. A. Taylor. Incumbent's commission expired February 6, 1934.

John M. Brice to be postmaster at Bruni, Tex. Office became Presidential July 1, 1933.

Paul V. Bryant to be postmaster at Canadian, Tex., in place of R. H. Stone. Incumbent's commission expired March 8, 1934.

Effie P. Minnock to be postmaster at Galena Park, Tex. Office became Presidential July 1, 1933.

William E. Porter to be postmaster at Glen Rose, Tex., in place of Keziah Shields. Incumbent's commission expired January 16, 1934.

Florence E. McElhany to be postmaster at Goose Creek, Tex., in place of F. E. McElhany, removed.

Janet S. Barron to be postmaster at Iola, Tex., in place of W. E. Barron. Incumbent's commission expired December 8, 1932.

Vernon May to be postmaster at Katy, Tex., in place of E. L. McCord. Incumbent's commission expired March 18, 1934.

Russell B. Cope to be postmaster at Loraine, Tex., in place of Alonzo Phillips. Incumbent's commission expired January 28, 1934.

Ed I. Pruett to be postmaster at Marfa, Tex., in place of M. B. Fitzgerald. Incumbent's commission expired April 26, 1934.

Perry Hartgraves to be postmaster at Menard, Tex., in place of W. D. Randolph. Incumbent's commission expired March 22, 1934.

Effide D. Rasmussen to be postmaster at Needville, Tex., in place of C. I. Snedecor. Incumbent's commission expired December 18, 1932.

Maud Collier to be postmaster at Pelly, Tex., in place of R. M. Fuqua. Incumbent's commission expired February 8, 1933.

Otis T. Kellam to be postmaster at Robstown, Tex., in place of G. G. Goodridge. Incumbent's commission expired December 7, 1932.

Claude F. Norman to be postmaster at Rule, Tex., in place of W. E. Penick. Incumbent's commission expired March 18, 1934.

Charles H. Grounds to be postmaster at Talpa, Tex., in place of G. M. Sewell. Incumbent's commission expired December 18, 1932.

Georgia D. Ruhrup to be postmaster at Toyah, Tex., in place of D. A. Hutcheson. Incumbent's commission expired April 15, 1934.

Madeline B. McClellan to be postmaster at Waller, Tex., in place of J. B. White. Incumbent's commission expired January 28, 1934.

VERMONT

Frank J. Donahue to be postmaster at Middlebury, Vt., in place of A. G. Hinman. Incumbent's commission expired April 15, 1934.

John J. Cain to be postmaster at Orwell, Vt., in place of B. A. Belanger. Incumbent's commission expired December 16, 1933.

VIRGINIA

C. Ward Kyle to be postmaster at Rural Retreat, Va., in place of W. E. Richmond, removed.

Clementine M. Wright to be postmaster at Sharps, Va., in place of C. M. Wright. Incumbent's commission expires June 26, 1934.

Rufus W. Garris to be postmaster at South Hill, Va., in place of R. M. Epes. Incumbent's commission expired January 16, 1934.

Richard S. Wright to be postmaster at Strasburg, Va., in place of J. R. Miller. Incumbent's commission expired April 22, 1934.

WASHINGTON

Lillian M. Tyler to be postmaster at Brewster, Wash., in place of L. M. Tyler. Incumbent's commission expires June 20, 1934.

John E. Martin to be postmaster at Buckley, Wash., in place of F. W. France. Incumbent's commission expired January 11, 1934.

Walter I. Peterson to be postmaster at Granger, Wash., in place of G. M. Mathis. Incumbent's commission expired April 2, 1934.

Tormod A. Myklebust to be postmaster at Lacrosse, Wash., in place of F. R. Jones. Incumbent's commission expired February 14, 1934.

Otto F. Reinig to be postmaster at Snoqualmie, Wash., in place of O. F. Reinig. Incumbent's commission expires June 20, 1934.

Jessie M. Severyns to be postmaster at Sunnyside, Wash., in place of Fred Arrowsmith. Incumbent's commission expired January 28, 1934.

Walter D. Codd to be postmaster at Tekoa, Wash., in place of O. G. Scott. Incumbent's commission expired April 2, 1934.

WEST VIRGINIA

Irvin J. Richardson to be postmaster at Bartley, W.Va. Office became Presidential July 1, 1932.

Mrs. Maurice R. Walker to be postmaster at Bramwell, W.Va., in place of Hattie Brown, removed.

John C. Blanton to be postmaster at Freeman, W.Va., in place of G. W. Sites. Incumbent's commission expired December 18, 1933.

Mayme E. Marquette to be postmaster at Harpers Ferry, W.Va., in place of L. Y. Conner. Incumbent's commission expired January 22, 1934.

John M. Snarr to be postmaster at Romney, W.Va., in place of J. B. Saville, resigned.

WISCONSIN

William H. McCrea to be postmaster at Benton, Wis., in place of G. E. Alderson. Incumbent's commission expired January 28, 1934.

Alwin W. Kallies to be postmaster at Bonduel, Wis., in place of A. W. Kallies. Incumbent's commission expired June 2, 1934.

Frances S. Gruber to be postmaster at Catawba, Wis., in place of Hilda Wick. Incumbent's commission expired January 29, 1933.

Edwin Foley to be postmaster at Clinton, Wis., in place of F. V. Winegar. Incumbent's commission expired January 28, 1934.

Fred J. Marty to be postmaster at New Glarus, Wis., in place of F. J. Marty. Incumbent's commission expires June 20, 1934.

John S. Dodson to be postmaster at Siren, Wis., in place of S. D. Olson, removed.

Merlin V. Griswold to be postmaster at Tigerton, Wis., in place of Arthur Heins. Incumbent's commission expired February 28, 1933.

WITHDRAWALS

Executive nominations withdrawn from the Senate June 9 (legislative day of June 6), 1934

POSTMASTERS

Thomas E. McCloskey to be postmaster at Danbury, in the State of Connecticut. Nominee died June 1, 1934.

Harvey E. Poole to be postmaster at Dunning, in the State of Nebraska. Nominee's name submitted through error.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 9 (legislative day of June 6), 1934

ASSISTANT ATTORNEY GENERAL

Joseph R. Jackson to be Assistant Attorney General.

UNITED STATES DISTRICT JUDGE

Frank K. Myers to be United States district judge, eastern district of South Carolina.

UNITED STATES MARSHALS

William F. Burguson to be United States marshal, eastern district of South Carolina.

Reuben Gosnell to be United States marshal, western district of South Carolina.

SECRETARY OF THE TERRITORY OF HAWAII

Arthur A. Greene to be secretary of the Territory of Hawaii.

SUPERVISING INSPECTOR, BUREAU OF NAVIGATION AND STEAMBOAT INSPECTION

Eugene Carlson to be supervising inspector, Bureau of Navigation and Steamboat Inspection.

COMMISSIONER OF EDUCATION

John Ward Studebaker to be Commisisoner of Education.

APPOINTMENT IN THE REGULAR ARMY

BRIGADIER GENERAL

Percy Poe Bishop to be brigadier general.

POSTMASTERS

INDIANA

Alva Davis, Arcadia.
Mary Williams, Attica.
Richard A. Conn, Brook.
Howard T. Brockway, Brookston.
Lawrence M. Welsh, Brownstown.
J. Clyde Davis, Carmel.
Alpha T. McKnight, Cicero.
Herschel V. Brouillette, Clay City.
Helen M. Krekler, Clinton.
Frank Ellett, Coatesville.
Daniel V. Clem, Covington.
Alfred E. Pate, Dillsboro.
Frank S. Dubczak, East Chicago.
Emma V. Spinks, Dugger.
William J. O'Donnell, Gary.
Orville Martin, Grand View.
Orel J. Montgomery, Holton.
Carroll W. Cannon, Knox.
Ruth Storen, Lexington.
John H. Smith, Monon.
Galen Benjamin, Monticello.
George H. Clarkson, Morocco.
Clarence C. Robertson, Nashville.
Cora Riley, Oaklandon.
Peter Holzer, Osgood.
Alva K. Costin, Paragon.
Harry W. Gilbert, Remington.
Edward P. Lane, Rensselaer.
William E. Etcheson, Roachdale.
Milton Edward Storer, Saint Joe.
Merton L. Hughbanks, Scottsburg.
Harry E. Patterson, Thorntown.
Iva C. Hardesty, Veedersburg.
Harvey D. Doering, Wakarusa.
Kenneth R. Parker, Westfield.
Patrick D. Sullivan, Whiting.

NEBRASKA

W. LeRoy Larson, Sidney.

NEW MEXICO

Walter W. Mayes, Clovis.

NEW YORK

Floyd A. Puffer, Inlet.

PENNSYLVANIA

James F. O'Brien, Allison Park.
Daniel J. McDonough, Ardmore.
Thomas P. Noon, Ashland.
Ard B. Carson, Belleville.
Beulah E. Hayden, Dalton.
Alice E. Shoemaker, Fayetteville.
Anna F. Martin, Gordon.
Clarence R. Baker, Hollsopple.
John M. Langan, Moscow.
Alfred Yeiser, Palmyra.
Wilson C. Reider, Shickshinny.
Charles J. Trexler, Windgap.

TEXAS

Clinton C. Burgess, Baytown.
Edward F. Gaston, Dayton.
Leonard B. Baldwin, Huntsville.
Willie B. King, Navasota.
George A. Reading, Richmond.
Fordyce C. Woodward, Santa Anna.
John N. Snell, Jr., Sunset Heights.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 9, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Almighty God, who fills heaven with His presence and majesty and glory and from whom love never goes out, we pray to Thee. We thank Thee that the goodness of the Lord is our portion forever. Thy words that have seemed as vanishing as the perfume of a dying flower proves eternal. Should we fail of the blessing that the whisper of the Lord is with them that fear Him, forgive and help and come with us. O river of God, flow along our pathway; go about the places where our feet stray and add twilights when the splendor of the West lingers in the open sky. Blessed Heavenly Father, we are in the throes of sorrow. One of our circle has left us in all the plenitude of his personal honors. He yielded pride, vanity, and leisure—everything except honor and truth, fidelity and friendship. O God, reason sometimes staggers—do Thou support us. O Thou whose throne is mercy, whose face is light, and whose name is love, comfort the loved ones in this their darkest hour. Smite the black shadow and the iron fate and count them as Thy beloved children until they, too, fall asleep in the arms of perfect peace. Through Jesus Christ our Lord. Amen.

THE JOURNAL

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that the reading of the Journal be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER. Without objection, the Journal will stand approved.

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4337. An act to amend the Judicial Code by adding a new section to be numbered 274D.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 3618. An act to grant a portion of the Fort Douglas Military Reservation to the University of Utah, Salt Lake City, Utah; and

S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes.

The message also announced that the Senate agrees to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendments of the Senate to bills of the House of the following titles:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burres, deceased; and

H.R. 3032. An act for the relief of Paul Jelna.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill of the Senate (S. 3285) entitled "An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 870. An act for the relief of L. R. Smith;

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.;

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes;

S. 3502. An act authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at or near Astoria, Oreg.; and

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—DROUGHT RELIEF

The SPEAKER. The House has just received a message from the President of the United States which is very short. Arrangements have been made by the broadcasting companies to transmit the message by remote control to the drought-stricken States. The people there have been advised that this would be done at exactly 15 minutes past 12, and without objection, at 12:15 the Chair will suspend all business of the House until the President's message is read.

TO PROTECT LABOR IN ITS OLD AGE

Mr. HASTINGS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HASTINGS. Mr. Speaker, the subject of legislation to protect labor in its old age is of increasing interest, and I trust that a bill along this line will be enacted during the present session of Congress.

I have long been an advocate of such legislation, and inasmuch as my views have been erroneously stated in Oklahoma upon this important subject, I want to call attention to the fact that on February 1, 1934, I introduced a bill (H.R. 7556) to protect labor in its old age.

Many other bills of a like nature dealing with the same subject have been introduced and are pending before the House Committee on Labor. That committee has reported out a bill, H.R. 8641, introduced by its chairman, Mr. CONNERY, which, in many respects, is similar to the bill which I introduced. Both of these bills provide for the creation in the Department of Labor of a bureau to be known as the "Old Age Security Bureau", to administer the act,

which provides that the Government shall contribute one-third of the total sum paid to aged persons under the laws of the States or Territories which have old-age assistance laws. This contribution by the Federal Government shall be subject to certain conditions and limitations as set out in the act. The bill calls for an annual appropriation of $10,000,000, to be apportioned among the States and Territories to aid them in giving assistance to aged persons under the conditions of the act.

The report indicates that 28 States and 2 Territories now have old-age pension laws, and I am sure that with the enactment of Federal legislation every State will be encouraged to enact similar legislation and take advantage of the Federal contribution.

Several days ago my attention was invited to a report in an Oklahoma paper published in Oklahoma City, which made the broad statement that I was opposed to old-age pension legislation. The erroneous statement was perhaps made because of the controversy over the age limit at which pensions should begin. The Representative from Oklahoma insisted that old-age pensions should begin at the age of 50. I informed the Representative from Oklahoma that the bill which I had introduced provided that cooperation by the Government with the States, provided that a pension should begin at the age of 65, and that I did not believe there was any sentiment in Congress favorable to old-age pension legislation where the pension should begin at the age of 50, and that if the representative of the pension organizations was anxious for favorable legislation, those interested in it should cooperate in an effort to secure legislation which should provide for pensions beginning at a higher age.

The bill reported by the House Committee on Labor provides for old-age assistance beginning at the age of 65 years. The bill which I introduced extends assistance beginning with that age. The bill as reported provides for cooperation by the States, and the bill which I introduced contains a similar provision.

This question is of such tremendous importance and I am so earnestly interested in its favorable consideration, inasmuch as I am about to retire from Congress, that I did not want the information to be sent out through Oklahoma that I was opposed to old-age pension legislation. Whether enacted during the present session, or whether it be postponed, such legislation is sure to be enacted. The Federal Government should cooperate with the several States and through such contributions old age should be assured of protection.

The plan which I have submitted has many provisions in common with the plan reported by the House Committee on Labor. This legislation has proved beneficial in the 28 States that have enacted it, and I feel sure that similar legislation will be favorably considered in the remaining States at an early date.

In view of my record in favor of old-age pensions and the statements which I have made throughout my district from time to time it is inconceivable that such an erroneous statement that I am opposed to old-age pension legislation should be circulated.

The bill which I have introduced provides that any beneficiary shall be a resident of the State, over 65 years of age, not possessed of real estate or personal property in excess of the value of $1,000, with an annual income of not more than $240, and with no child or other person able to support him.

This is humane legislation and strongly appeals to me. It should receive the favorable consideration of Congress.

LETTER OF THE SECRETARY OF WAR TO THE PRESIDENT WITH REFERENCE TO PROPOSED COMPREHENSIVE PLANS OF WATERWAY IMPROVEMENTS

Mr. MANSFIELD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to embrace therein a letter written by the Secretary of War to the President in reference to waterway improvements.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MANSFIELD. Mr. Speaker, under permission to extend my remarks in the RECORD, I desire to present the letter of the Secretary of War to the President, dated April 20, 1934, in reference to the proposed waterway improvement plans then under consideration.

I desire particularly to call attention to that portion of Secretary Dern's letter making reference to so-called "pork-barrel" legislation. From his letter it will be seen that this practice has been completely eliminated from congressional procedure with reference to river and harbor improvements as carried out by the Corps of Engineers of the War Department. Secretary Dern's letter very admirably states the situation, and I desire to call it to the especial attention of the Members of the House. It is as follows:

APRIL 20, 1934.

MR. PRESIDENT: With strong mental reservations I have signed the foregoing report because it seems to be about as good a literal compliance with your directive as can be expected from the committee at this time. While assuring you of hearty cooperation in whatever program may be adopted, I do not concur in the report in all respects, and I respectfully submit the following comments, information, and suggestions:

1. Notwithstanding the fact that you requested this committee to submit a list of 10 most desirable projects to be given priority in an improvement program, I feel that the committee should caution you against such a method of procedure, because:

(a) The selection of 10 projects at this time, either by this committee or by the National Planning Commission, cannot be based on sufficient knowledge of the subject, and must, therefore, be haphazard and hard to defend. It would, therefore, invite criticism and controversy, which ought to be avoided so far as possible at the beginning of a grand plan such as you have in mind. In other words, I fear that the proposal might prove politically inexpedient. The tactics of the campaign for such a fine, new, constructive conception should be carefully considered so as to anticipate and avoid unnecessary resistance.

(b) It does not comply fully with the directive of Congress "to send to the Senate a comprehensive plan for the improvement and development of the rivers of the United States, with a view of giving to Congress information for its guidance in legislation which will provide for the maximum amount of flood control, navigation, irrigation, and development of hydroelectric power."

(c) It might cause a reversion toward pork-barrel and logrolling methods of authorizing projects in Congress, which have now been substantially eliminated. It is my understanding that pork-barrel legislation is exactly what you want to head off, and I assume that you will welcome the views of the committee as to the best way to accomplish your purpose.

Some years ago river and harbor projects used to be regarded as the most notorious examples of congressional logrolling. A great many persons do not yet know that Congress has cleaned house in this respect and that such projects are now actually on a merit basis and that the present system is open to very little criticism.

(d) It ignores the fact that the data are available right now for the preparation of a comprehensive plan in full compliance with the request of Congress. The compilation of these data has been one of the most noteworthy and praiseworthy achievements of the Corps of Engineers, acting in pursuance of law as an agency of the legislative branch. If you now wish to expand the study beyond the scope prescribed by Congress, the War Department will cheerfully and whole-heartedly cooperate with such other departments as may be able to make a contribution to the study. It would, however, be wasteful not to make the fullest possible use of the painstaking and intelligent work performed during the past 7 years. The Army Engineers have a familiarity with water-use problems that could not be acquired by any new group without years of intensive and continuous study. To supersede them now instead of seeking their cooperation would be an inefficient procedure.

The following information is submitted:

Senate Resolution 164 is substantially identical with a provision in the River and Harbor Act of January 21, 1927, which assigned to the Secretary of War and to the Chief of Engineers the duty of making surveys in accordance with House Document No. 308 (69th Cong., 1st sess.), with a view to the formulation of general plans for the most effective improvement of navigable streams of the United States and their tributaries for the purpose of navigation and development of water power, the control of floods, and the needs of irrigation. (Consideration of the Colorado River was precluded.) The Flood Control Act of May 15, 1928, amplifies this duty with respect to the tributaries of the Mississippi River.

Pursuant to the above-mentioned congressional mandate, the Corps of Engineers has been engaged in this work for 7 years and has expended upward of $10,000,000 thereon. National planning for putting the waters of the United States to the highest beneficial use is therefore well under way, so far as assembling the basic data is concerned. It was initiated by Congress, which constituted the Secretary of War and the Chief of Engineers as its agent in finding the facts upon which it might act. They are required by law to report their findings to Congress, but this provision does not make it inconsistent for them to supply the information to you, so as to enable you to comply with Senate Resolution 164.

The reports on a majority of these surveys have been transmitted to Congress. The remaining reports are in preparation, but sufficiently advanced to permit all necessary information to be concisely tabulated so as to set forth the elements of a comprehensive plan for the improvement of the rivers and harbors of the United States. The Secretary of War and the Chief of Engineers can, within a very short time, prepare for you a comprehensive plan such as Congress has requested.

The work of the Corps of Engineers in assembling these data has been, by congressional mandate, restricted to navigation, hydroelectric power, flood control, and irrigation. If it is desired to add studies on stream pollution, soil erosion, reforestation, recreation, and sociological plans, these can be superimposed upon the data already submitted without conflict. If any field work or research has been carried out by any agency of the Government on these additional factors, these data can simultaneously be submitted to Congress by you, together with your own recommendations.

I have been trying to make up my mind whether all elements of a program of national planning should be combined in one plan. I do not think it is necessary to do so.

For example, putting an end to stream pollution seems to have little or no connection with improving the streams for navigation, flood control, power, or irrigation, because it is chiefly a matter of the construction of sewage-disposal plants, which so far has been a municipal question.

Soil erosion, except along the banks of the streams, would appear to be more closely allied with reforestation and restoration of plant cover than with stream improvement. In some cases, however, soil-erosion work will involve the construction of dams.

Reforestation plans an important part in flood control and soil erosion, but it may be carried on quite independently of river improvement works.

And so it goes. Each of these activities is a special problem, to be handled by a special group of experts if satisfactory results are to be obtained. Here is a place where too much coordination, or the coordination of unrelated activities, might prove harmful instead of beneficial.

As above stated, voluminous data and estimates on stream developments proper have been assembled by the War Department. Obviously, the bulk and mass of this information renders it difficult of digestion by anyone not familiar with the subject matter. However, the information at hand is sufficient in scope and form, in my opinion, for acceptability as a comprehensive plan responsive to Senate Resolution 164. The plan includes the improvement of less extensive watersheds, as well as the development of predominant basins, and is thus comprehensive. A program for the comprehensive development of our seacoast harbors might well accompany the plan for the development of our interior waterways.

As a result of the War Department's investigations, now nearing completion, about 2,000 river projects have been found practicable, with an estimated aggregate cost of about $8,000,000,000. The relation between estimated costs and estimated benefits of these projects has been determined. Obviously, more projects have been investigated than could be undertaken and paid for in the measurable future, but the expenditure of $8,000,000,000 over a 50-year period would involve an average annual outlay of but $200,000,000. It should be well understood that the Secretary of War and the Chief of Engineers are not recommending the construction, nor even the adoption, at this time of such a great number of projects. They are but presenting a plan, specific in its elements and estimates, which they regard as appropriate for future selection and appropriation, looking to a final comprehensive development of the waterways of the United States for the purpose of navigation, the development of water power, the control of floods, and the needs of irrigation.

So far as these activities are concerned, I respectfully suggest the following procedure:

1. The immediate preparation of a report by the Secretary of War and Chief of Engineers on the investigations made during the past 7 years.

2. The adoption of a plan based on this report by Congress and the authorization for its construction without prescribing any priorities.

3. Lump-sum annual appropriations of such amounts as Congress may determine.

4. The determination of priorities by a designated agency.

5. Construction of projects by the War Department, except irrigation projects which should be left in the Interior Department.

This plan would be along the same lines as are now employed in the construction of Federal Aid Highways. It would keep river and harbor work out of politics. It would eliminate pork-barrel legislation. It would make it possible to work according to a carefully developed plan, and it would keep the work in the hands of a closely knit, efficient, and continuing agency of the Government, namely, the Corps of Engineers of the Army, which could be required to cooperate with other agencies or departments so far as might be deemed necessary or advisable, in carrying out a program of stream pollution, soil erosion, reforestation, and other conservation activities.

Respectfully submitted.

GEO. H. DERN.

THE PRESIDENT,
The White House.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that it shall be in order today to consider in the House as in Committee of the Whole unobjected-to Senate bills on the Private Calendar and Senate bills on the Speaker's table where similar House bills have been favorably reported and are now on the Private Calendar, the call of said bills to begin with no. 629 of the Private Calendar.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. HOPE. Mr. Speaker, reserving the right to object, may I ask the majority leader how long he expects to hold the House in session this afternoon? I ask the question because I am not sure just how long these Senate bills will take.

Mr. BYRNS. It is the expectation to adjourn within a reasonable time out of respect to the memory of our deceased colleague the gentleman from Idaho, Mr. Coffin, but I thought that we would take up these bills for a while and dispose of this very necessary business in view of the anticipated early adjournment.

Mr. HOPE. With the gentleman's assurance I shall not object, but I did not want to go on too long, because we are not prepared on this side.

Mr. TRUAX. Mr. Speaker, reserving the right to object, may I ask the gentleman from Tennessee if these bills are in possession of the clerk of the committee here? Personally, I do not have them. I do not know what bills the gentleman expects to call up.

Mr. BYRNS. I understand that all or most of them are in possession of the clerk. Of course, if we get to a point where the Members are unable to give proper consideration to the bills, then we can stop. I may say to the House that my only object in making this request is due to the fact that the Senate has passed three or possibly four times more House bills than the House has passed Senate bills. These bills have an opportunity to become law. If they are not passed now there is a possibility that they may fail, and I think where we have bills which can become law upon approval by the House, consideration should be given to them.

Mr. SABATH. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman from Illinois.

Mr. SABATH. Has the gentleman information as to the number of House bills passed by the Senate?

Mr. BYRNS. The Senate has passed three or four times more House bills than the House has passed Senate bills. I may say in response to the question propounded by the gentleman from Illinois [Mr. SABATH] that the other day out of 185 private bills which passed the Senate, 141 of them were House bills and the gentleman will note that means more than 3 to 1 in favor of House bills. Either yesterday or day before, as the RECORD will show, the Senate passed a large number of House bills, which, of course, adds to the percentage.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I yield to the gentleman from Texas.

Mr. BLANTON. Where a bill has been passed by the Senate, and it gets by the House on unanimous consent, that ought to be sufficient evidence that it has some merit in it?

Mr. BYRNS. I should think so. Of course, every gentleman will have the right to make his objection.

Mr. TRUAX. I may say to the gentleman from Tennessee if I do not have a copy of any bill which is called up, I am going to object.

Mr. BYRNS. That is the gentleman's privilege.

Mr. TRUAX. This is entirely unexpected.

Mr. BYRNS. I made the statement yesterday that I was going to make the request today.

Mr. TRUAX. Well, I objected to the gentleman's request at that time.

Mr. BYRNS. I made the statement later on that I would make this request today.

Mr. BLANTON. We have the Senate bills here. Some of us are prepared to go ahead. I have them before me, and I am ready to pass on all the bills.

Mr. TRUAX. Well, I am not willing to pass on a bill unless I have it before me.

Mr. BYRNS. I may say to the gentleman that this will not take any privilege away from Members of the House if the request is granted.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. O'CONNOR. When the gentleman refers to Senate bills that are on the Speaker's desk, does he refer merely to private bills?

Mr. BYRNS. Bills that are on the Private Calendar where exactly similar bills have been reported by the committee, and only such bills.

Mr. O'CONNOR. Suppose there was a House bill on the Private Calendar previously and it had been objected to and then a Senate bill comes over similar to the House bill. The Senate bill being on the Speaker's table, may we take up that bill?

Mr. BYRNS. Of course, that is a question that probably should be submitted to the Speaker rather than to me. It is more in the nature of a parliamentary inquiry.

Mr. O'CONNOR. I refer to a private House bill on this calendar, previously objected to, where the Senate has now passed a similar bill and the bill is on the Speaker's table.

Mr. COCHRAN of Missouri. If it is not on the calendar, it cannot be considered under the proposed agreement.

Mr. O'CONNOR. I understood, in addition to the bills on the calendar, the gentleman from Tennessee asked unanimous consent to take from the Speaker's table any Senate bills where a similar bill had been reported by the House Committee.

Mr. BYRNS. I will read again that part of the request:

And Senate bills on the Speaker's table where similar House bills have been favorably reported and are now on the Private Calendar, the call of said bills to begin with no. 629 of the Private Calendar.

Mr. O'CONNOR. The request states " that are now on the Private Calendar." Does that means on the Private Calendar following the star?

Mr. BYRNS. I would so construe the request, but that is a parliamentary inquiry that I think should be addressed to the Speaker and not to me.

Mr. O'CONNOR. I do not see the necessity for that part of the request, if it is a Senate bill on the Private Calendar after the star. The gentleman's request to take up just Senate bills on the Private Calendar would cover all Senate bills.

Mr. BYRNS. No; it would not, because the bill may not have reached the Private Calendar. This is simply to take up all Senate bills that are on the Speaker's desk where a similar House bill is on the Private Calendar.

Mr. O'CONNOR. On the Private Calendar before or after the star?

Mr. BYRNS. After Calendar No. 629; that is, beginning where the House left off.

Mr. TRUAX. And they are to be called in their order on the calendar, beginning with no. 629?

Mr. BYRNS. Yes.

Mr. COCHRAN of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. COCHRAN of Missouri. Commencing with the star, where a House bill has not been passed upon or considered by the House at all, there are 14 Senate bills on the Speaker's desk which correspond to a House bill below the star.

Mr. BYRNS. And they are not on the Private Calendar.

Mr. COCHRAN of Missouri. They are not on the Private Calendar, and these 14 House bills have never been acted on by the House in any way.

Mr. O'CONNOR. I just wanted to make it clear that you are starting at the star and not going back of it. Of course, I should like to do that, but I wanted it cleared up.

Mr. BYRNS. I do not think this request will take care of the gentleman in that respect. I hope the request will be granted.

Mr. PEYSER. How about Senate bills back of the star which were passed over without prejudice; cannot they be called up by unanimous consent?

Mr. BYRNS. They can be taken up by unanimous consent, but they are not included in my request.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—DROUGHT RELIEF (H.DOC. NO. 398)

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Appropriations and ordered printed:

To the Congress of the United States:

Unforeseen drought has visited disaster upon a large part of our country. Prompt and vigorous action to meet the emergency has been taken by the Federal Government through its various agencies. But the situation has become more grave as rainfall shortage has continued. Future rainfall cannot restore more than a small part of the damage to crops and livestock. An especially serious problem has developed because, while there is no prospect of shortage of human food, a shortage of animal feed threatens over a wide area. This is causing losses to farmers and regions dependent upon the livestock industries. Large-scale assistance by the Federal Government is necessary to protect people in the stricken regions from suffering, to move feed to livestock and livestock to feed, and to acquire and process surplus cattle to provide meat for relief distribution.

Organizations already exist in the Department of Agriculture, the Federal Emergency Relief Administration, and the Farm Credit Administration to carry on the emergency program.

To finance operations of the magnitude planned, further funds are needed. After a conference with Members of Congress from the affected regions, a program along seven lines has been devised to meet the situation. These proposals and the funds required as estimated at this time are:

1. $125,000,000 for special-work program and human relief.

2. $75,000,000 for livestock purchase in addition to the funds already available under the Jones-Connally Act.

3. $100,000,000 for shipping, processing, and relief distribution of purchased cattle.

4. $100,000,000 for loans to farmers to finance emergency feed purchases and shipments.

5. $50,000,000 for emergency acquisition of submarginal farms and assistance in relocating destitute farm families.

6. $50,000,000 for work camps to afford employment in the drought area for young men principally from cities and towns.

7. $25,000,000 for purchase of seed for 1935 plantings and for loans to get seeds into farmers' hands.

These wholly tentative estimates have been made upon the basis of present and probable conditions. I believe the present emergency can be effectively met by the appropriation of $525,000,000. Only such portion, of course, will be used as becomes absolutely necessary. We are dealing with a rapidly changing problem, and it is important that the authorization should be flexible so that funds can be allotted to the several Federal agencies as required.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 9, 1934.*

EDUCATION AT THE CROSSROAD—GRAPHIC PRESENTATION OF CHARTED FACTS SHOWING SERIOUS CRISIS CONFRONTING EDUCATION THROUGHOUT THE NATION—THE FEDERAL GOVERNMENT'S RESPONSIBILITY

The SPEAKER. Under the special order of the House, the gentleman from Ohio [Mr. FLETCHER] is recognized to address the House at this time for 10 minutes.

Mr. FLETCHER. Mr. Speaker, on June 4, when the deficiency appropriation bill was passed under a rule limiting debate, there was no chance for an amendment. Only $48,000,000 was indicated as the allocation to take care of the emergency that confronts the schools of the United States.

As a member of the Committee on Education, I should like to say to the membership of the House that we have worked diligently in an effort to get the real facts concerning the deplorable crisis the schools of the Nation are now facing. Education is at the crossroads. I presented a bill for the consideration of the committee, as did a number of others. The chairman, the gentleman from Massachusetts [Mr. DOUGLASS], introduced a bill, which was reported out. The Douglass bill stipulates $75,000,000, which we had hoped and still hope can be earmarked to take care of the emergency, at least in part, that challenges education everywhere.

The deficiency appropriation bill is now being considered by the Appropriations Committee in the Senate, and for the benefit of Members here I want to say that there is a possibility of inducing the Senate to adopt an amendment earmarking $75,000,000 to help in keeping the schools of the Nation open.

FACTS PRESENTED IN CHARTS

I thought it might be somewhat helpful if charted facts were presented to enable you to visualize the situation and aid you in appealing to your Senators to approve such an amendment.

I have secured permission from the Committee on Printing to reproduce these four charts picturizing for the Members of the House statistical information brought to us by research authorities showing you how serious the crisis in education really is.

That each of you may have a complete picture of the facts concerning education in your own State, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore (Mr. O'CONNOR). Without objection, it is so ordered.

RELATIVE ECONOMIC IMPORTANCE OF PUBLIC SCHOOLS

Mr. FLETCHER. Mr. Speaker, public elementary and high schools constitute a major industry in this country when thought of in terms of the number of persons employed annually and in terms of the annual pay rolls.

Chart 1 shows the relative importance of public schools in the industrial life of the Nation as compared with railroads, manufacture of textile-mill products, telephones, manufacture of motor vehicles, steel works and rolling-mill products, and the manufacture of electrical equipment, apparatus, and supplies.

Public schools are exceeded both in the number of employees and the amount of annual pay rolls by railroads and are barely equaled by textile-mill products in the number of employees.

As to the total number of persons employed, education is of almost equal importance with telephones, motor vehicles, steel works and rolling-mill products, and electrical equipment all combined.

As to annual pay rolls, education is almost twice as important as textile-mill products and of about equal importance with telephones, motor vehicles, steel works and rolling-mill products, and electrical equipment combined.

EMERGENCY MUST BE MET

The point to remember here is that if the Federal Government is to concern itself with meeting emergency conditions in leading industrial activities in order to keep people employed and keep pay rolls adequate and constant it can hardly afford to neglect the importance of public education in these respects.

Hundreds of millions of dollars have been loaned by the Government to the railroads, and Congress has recently taken action to make loans to other industrial enterprises.

Furthermore, education is a public enterprise and is of vital concern to the national welfare. When public education suffers, the national welfare suffers at the most vital point of its existence, the lives of our children, our future citizens, not alone of the States and communities but of the Nation.

More than one-fourth of our entire population is engaged annually either in going to school or in the service of the schools. Surely in meeting the emergency the Federal Government cannot overlook such an important enterprise affecting the lives of such large numbers of our people.

THE CAUSES OF THE EMERGENCY IN PUBLIC EDUCATION

Enrollments up, expenditures down

The burdens carried by the public schools have steadily increased during recent years, and especially since the period of the depression, but expenditures have taken a sharp decline since 1931 and are still declining.

These facts are strikingly illustrated by chart 2. Starting with the year 1926 as a basis of measurement, it will be seen that the total enrollment in public elementary and high schools has increased by approximately 8 percent and that the high-school enrollment is nearly 50 percent greater now than in 1926.

This last fact is of special importance because the annual cost of educating a high-school pupil is approximately twice as great as the cost of educating an elementary-school pupil. Thus the great increases in enrollment have occurred in the most expensive part of the school system.

HALF BILLION DECREASE

While these school burdens have been increasing, the annual current expenditures have decreased nearly a half billion dollars, or 23 percent since 1928. During this time the expenditures for school buildings and equipment have practically disappeared, being now less than 20 percent of the amount spent in 1926. Expenditures for these purposes have been declining each year since 1926.

When this fact is considered in the light of the increasing enrollments it can be readily seen why classrooms are becoming overcrowded and why children in many places are being housed in temporary buildings.

The facts shown in chart 2 force the conclusion that somewhere the crisis must be reached. That it has already been met is now a fact too well established to be any longer contradicted. (See hearing on Federal Emergency Aid for Education before the House Committee on Education, Feb. 26 to Mar. 1, 1934.)

Decreasing school revenues explained

The reason for the decline in school expenditures and the present financial emergency in public school support is not difficult to find. About 75 percent of the support of public elementary and secondary schools comes from local property taxes and the other 25 percent from other taxes. Local property taxes have greatly declined in amount because assessed valuations have declined and because delinquencies in collections have been heavy. The effect of decreases in assessments and increases in delinquencies on the amount of revenue available for school support is shown in the following table:

Decreases in school revenue since 1932

[Percentage of decrease]

State:	
Alabama	29
Arizona	[1]
Arkansas	29
California	[1]
Colorado	10
Connecticut	14
Delaware	20
Florida	46
Georgia	30
Idaho	[1]
Illinois	20
Indiana	16
Iowa	42
Kansas	39
Kentucky	44
Louisiana	25
Maine	4
Maryland	11

[1] No data.



Chart 1. Number of Employees and Annual Payrolls in Certain Leading Industries and in Education

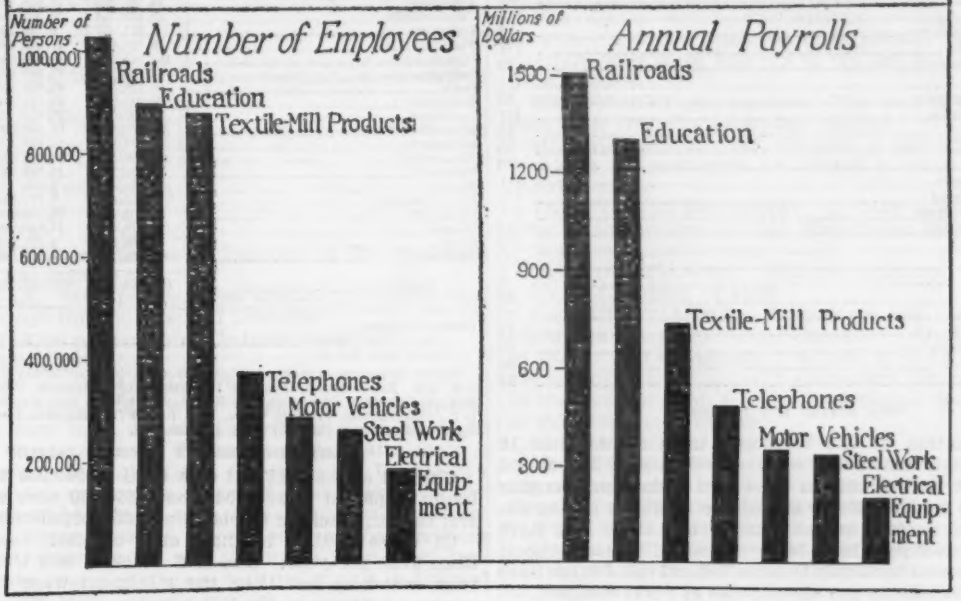
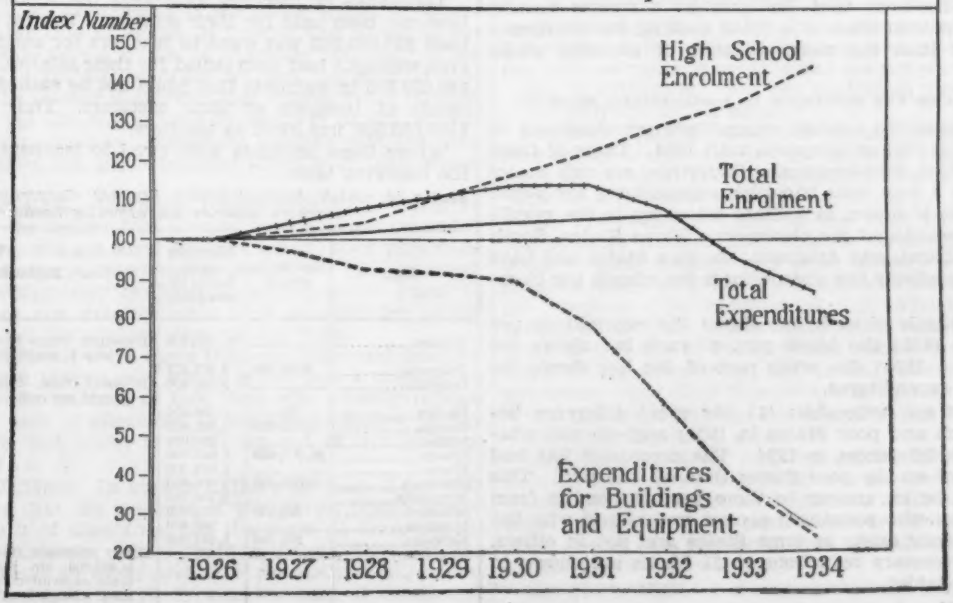


Chart 2. Recent Trends in School Enrolments and School Expenditures



Decreases in school revenue since 1932—Continued

[Percentage of decrease]

States:	
Massachusetts	18
Michigan	(1)
Minnesota	19
Mississippi	49
Missouri	(1)
Montana	30
Nebraska	32
Nevada	[2] 5
New Hampshire	13
New Jersey	(1)
New Mexico	10
New York	(1)
North Carolina	45
North Dakota	(1)
Ohio	15
Oklahoma	25
Oregon	26
Pennsylvania	(1)
Rhode Island	(1)
South Carolina	(1)
South Dakota	30
Tennessee	(1)
Texas	(1)
Utah	9
Vermont	12
Virginia	10
Washington	21
West Virginia	10
Wisconsin	20
Wyoming	28

POOR STATES HIT HARDEST

An examination of the foregoing table shows that 16 States have had reductions in school revenue of 25 percent or more, and that 17 States have had reductions ranging from 10 to 25 percent. Every one of the 16 States having reductions of 25 percent or more in revenue since 1932 have during the school year 1933–34 been enabled to keep schools open for a normal term only because Federal relief funds have been made available to pay the salaries of rural teachers.

Complete data are not available to show the reductions in amounts suffered by all States during the past 4 or 5 years, but data for California, Ohio, and Arkansas are undoubtedly typical of conditions in other States. For example, since 1929 the reductions in assessments of property for taxation have declined 33 percent in Ohio and Arkansas. And in California the decline since 1930 has been 28 percent. Such decreases in assessed valuations, of course, produce corresponding decrease in local revenue for school support. It happens, however, that the greatest decreases usually occur in the poorest areas of a State, making the emergency much graver than the mere statistics of averages would indicate.

THE EFFECTS OF THE EMERGENCY IN PUBLIC-SCHOOL REVENUES

Chart 3 shows the average expenditure per classroom in seven States in 1931 as compared with 1934. Three of these States, New York, New Jersey, and California, are rich States and have for a long time had high expenditures for public schools. Ohio is shown as a State belonging to the middle group of expenditures per classroom. Three States, South Carolina, Alabama, and Arkansas, are poor States and have always had relatively low expenditures for schools per classroom.

The full length of each bar shows the expenditure per classroom in 1931; the black part of each bar shows the expenditure in 1934; the white part of the bar shows the reduction in expenditures.

Two things are noticeable: (1) the great difference between the rich and poor States in 1931; and (2) the relatively greater differences in 1934. The depression has had a graver effect on the poor States than on the rich. This chart should be an answer to those persons coming from wealthy States who seemingly cannot understand why the school emergency exists in some States and not in others. The actual necessary reductions in 21 States are shown in the following table:

[1] No data.

[2] Increase.

Estimated revenue for 1934–35 in 21 States, compared with actual expenditures in 1930 and in 1932

State	Expenditures, 1930	Expenditures, 1932	Estimated revenue, 1934–35
Alabama	$21,521,031	$18,188,209	$7,000,000
Arizona	10,853,262	9,210,787	1,340,000
Arkansas	14,147,293	11,655,163	9,000,000
Connecticut	35,363,754	33,359,232	30,000,000
Delaware	5,071,357	6,356,205	3,488,000
Florida	18,527,846	17,019,536	10,000,000
Illinois	153,318,169	140,085,040	95,000,000
Indiana	62,969,291	57,983,676	50,000,000
Iowa	50,736,526	44,614,725	26,000,000
Kentucky	22,938,922	21,754,564	13,000,000
Louisiana	21,697,628	20,631,463	13,250,000
Massachusetts	85,971,158	86,166,020	67,000,000
Minnesota	51,555,155	49,635,566	40,000,000
Mississippi	17,389,505	18,023,642	9,500,000
Nebraska	27,120,735	24,784,846	16,000,000
Nevada	2,755,034	2,439,172	2,521,700
New Mexico	6,785,636	6,772,041	4,200,000
Oklahoma	32,802,115	28,780,255	19,000,000
Oregon	19,573,288	17,155,429	11,500,000
Utah	11,606,332	9,273,905	8,500,000
Vermont	5,660,229	4,670,189	4,320,000
Total	678,364,256	628,541,755	440,619,700

Percent decrease:

1934–35 over 1929–30	35
1934–35 over 1931–32	30

Source: Estimates of revenue obtained from State departments of education, Feb. 6–10, 1934. Expenditures, 1930, U.S. Department of the Interior, Office of Education. Biennial Survey of Education, 1928–30, vol. 2. Bulletin, 1931, No. 20. Washington, D.C.: Government Printing Office, 1932, pp. 76–77. Expenditures, 1932; advance figure obtained from the U.S. Office of Education.

DRASTIC REDUCTIONS IN TEACHERS' SALARIES

Chart 4 shows that out of a total of 860,000 teachers actually employed in 1933–34, about 450,000 were rural teachers; that is, teaching in places of 2,500 population or less.

Of those 450,000 teachers only one-half received more than $750 per year. One-half received less than $750 per year, which is less than the minimum wage required for common laborers by the N.R.A. codes.

Of those who receive less than $750 per year, about 90,000 receive less than $450 per year, a ridiculously low salary which nobody in America should attempt to defend.

No class of people in this country has made greater sacrifices in times of depression than the rural teachers of America. In hundreds of cases they, and they alone, have kept the schools open.

THOUSANDS OF TEACHERS UNPAID

Thousands of teachers have kept the schools open, and have not been paid for their services. The 1st of March at least $55,000,000 was owed to teachers for salaries, and not even warrants had been issued for their salaries, and at least $48,000,000 in warrants that could not be cashed were in the hands of teachers or their creditors. Thus, more than $100,000,000 was owed to teachers.

Where these amounts were owed to teachers is shown in the following table:

States in which Reconstruction Finance Corporation loans for teachers' salaries are urgently needed

State	Salaries in arrears	Warrants constituting an emergency	Explanations
Arizona		$1,280,000	Discounts range from 10–25 percent. At least ⅓ cannot be cashed at all.
Arkansas	$300,000	2,287,977	
Colorado		2,066,000	Discount rate; 2–50 percent; large amount not cashable at all.
Florida	(1)	1,500,000	
Georgia	2,000,000	1,000,000	
Idaho		200,000	
Illinois	28,000,000	5,000,000	
Maine		2,000,000	
Michigan	1,000,000	2,000,000	
Minnesota		2,350,000	
Missouri	250,000	750,000	
Montana		200,000	
Nebraska	290,000	1,680,000	
New Jersey		(2)	Salary warrants amounting to about $4,400,000 are outstanding. The State superintendent does not estimate what amount can be handled in the regular manner.

[1] Small amount.

[2] Amount unknown.

States in which Reconstruction Finance Corporation loans for teachers' salaries are urgently needed—Continued

State	Salaries in arrears	Warrants constituting an emergency	Explanations
North Carolina	1,500,000	1,000,000	
North Dakota	20,000	2,000,000	
Ohio	16,525,000	3,125,000	
Oklahoma	(1)	6,000,000	Considerably more outstanding warrants.
Oregon		1,500,000	$4,000,000 in warrants outstanding.
Pennsylvania	2,155,000	(1)	Total floating debt, all purposes, about $50,000,000.
South Dakota		2,500,000	
Tennessee	1,000,000	9,000,000	
Washington		400,000	Estimate given was $300,000 to $500,000.
West Virginia	2,000,000	300,000	
Wyoming	2,500	150,000	
Total	55,042,500	48,288,977	

[1] Amount unknown.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent that the gentleman's time be extended 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

THE SITUATION IN OHIO

Mr. FLETCHER. I should like to show on this chart how the States here have decreased anywhere from 10 to 25 percent in their revenues. For some of the States there is no information, but take Ohio, for example. In my own State, Ohio, the assessed valuation of taxable property has decreased about 15 percent since 1932 and about 33 percent since 1929. Since about 75 percent of our school revenue comes from property taxes and 25 percent from other taxable resources, it is obvious that such reductions in assessed valuations have greatly affected school revenues.

Such facts as these prove what our chairman, Mr. DOUGLASS, has so frequently said, namely, that the States must reorganize their entire taxing systems.

The States must put their houses in order so that they will not need the aid of the Federal Government.

Mr. BLANTON. Will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. BLANTON. The gentleman speaks of reorganizing their houses. Congress has within the last 2 weeks granted to Dr. Ballou, superintendent of the school system of Washington, a large sum of money to initiate and install in our school program here a system of character building. When we had that under consideration we took the position that as long as the teacher is all right that system would prosper, but if you get the wrong kind of teachers in the schools there will be no success in character building with the little children. Does not the gentleman agree with that proposition?

Mr. FLETCHER. Of course, I agree with that. But if we do not pay the teachers we already have a salary on which they can live, will not their own characters, their personalities, and efficiency deteriorate? Before we talk so much about the compulsory teaching of patriotism we ought to be consistent and practice some of it ourselves by paying the teachers of the country what we owe them.

Mr. BLANTON. Oh, I agree that our underpaid teachers should receive proper pay; but it is not just a question of pay. Take the teachers of New York who recently refused to take an oath of allegiance to the United States. Every teacher like that ought to be driven out of this country. [Applause.]

Mr. FLETCHER. In answer to the gentleman, I am willing to agree that the teachers of the United States should take the oath of allegiance just the same as Congressmen do; but I think the school-board members who hire the teachers should go along and take the oath of allegiance, too. Why not have everybody take the oath of allegiance? [Applause.]

Mr. BLANTON. Theoretically, every good American has taken it; but for a teacher, who is a public official and who is getting part of his pay from the United States Government, to refuse to take the oath of allegiance to this Government, he is a sorry kind of teacher. He is a traitor to his country, and he ought to be run out of the country.

Mr. FLETCHER. I want to say that I agree with the gentleman from Texas about teachers taking the oath of allegiance, but I do not think that is a matter for legislation by the Federal Government. That is a matter for the States. If the States cannot get teachers to take the oath of allegiance, I do not think the United States Congress should interfere with them and try to tell the States how to run their business.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. FLETCHER] has expired.

Mr. ZIONCHECK. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Washington [Mr. ZIONCHECK]?

There was no objection.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. CHRISTIANSON. I think we are going rather far afield from the matter under discussion. Getting back again to Federal aid of schools, it is true, is it not, that there is not a single dollar actually earmarked for educational aid in the appropriation bill that was passed under suspension of the rules the other day?

Mr. FLETCHER. That is true.

Mr. CHRISTIANSON. There are $48,000,000 set aside in the estimates upon which the appropriations were based, but there is actually not one dollar earmarked.

Mr. FLETCHER. Yes; that is correct.

Mr. CHRISTIANSON. Does the gentleman not think we can afford, as the National Government, to spend at least as much money to save the schools of America as we are spending for road building?

Mr. FLETCHER. I agree with the proposition that we should save the schools.

Mr. CHRISTIANSON. Does the gentleman not also think that if the Members of this House had an opportunity to vote on the Douglass bill they would pass it by three-fourths of the votes of this House?

Mr. FLETCHER. I think there is no question about that. Since the gentleman mentioned the amount as $48,000,000, may I again remind you that there are $55,000,000 owed to teachers now in back pay, without any warrants at all, and $48,000,000 is the amount that has been allocated in back pay with warrants, many of which are not worth a dime?

Mr. ZIONCHECK. Will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. ZIONCHECK. Does not the gentleman feel that as long as the teachers do not get a living wage they cannot teach the children The Star-Spangled Banner with the same patriotic fervor and feeling?

Mr. FLETCHER. I say to you that the children are taught more through their eyes by what they see society doing to their teachers and other victims of the economic situation than they are by all the moralizing we may do in Congress. The children of this Nation are cynical enough now. They will not have much respect for the Congress of the United States which allows their teachers to stand before them every day to talk about the flag and patriotism when their salaries are not paid. [Applause.]

Mr. TRUAX. Will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. TRUAX. What does the gentleman think the children of this country can think of a government that deliberately permits the money lenders to confiscate their farms and their homes? We have it in our power today or any other day to pass legislation that will absolutely stop every foreclosure in this country.

Mr. FLETCHER. I should like to have permission of this House some day to tell the Members of Congress what the children of the United States, as I have found out, really think about what is happening to us in America. I have

taken surveys in schools, colleges, and universities from coast to coast. I have held open forums attended by thousands of the coming citizens of tomorrow and have asked them what they think about many of the vital problems that confront this Nation. You would be surprised to know what they think about Congress and the Government, and about us of the older generation. It would be a good thing to reverse the order and have the adults go to school to the youth for awhile. Adults would learn something that would open their eyes.

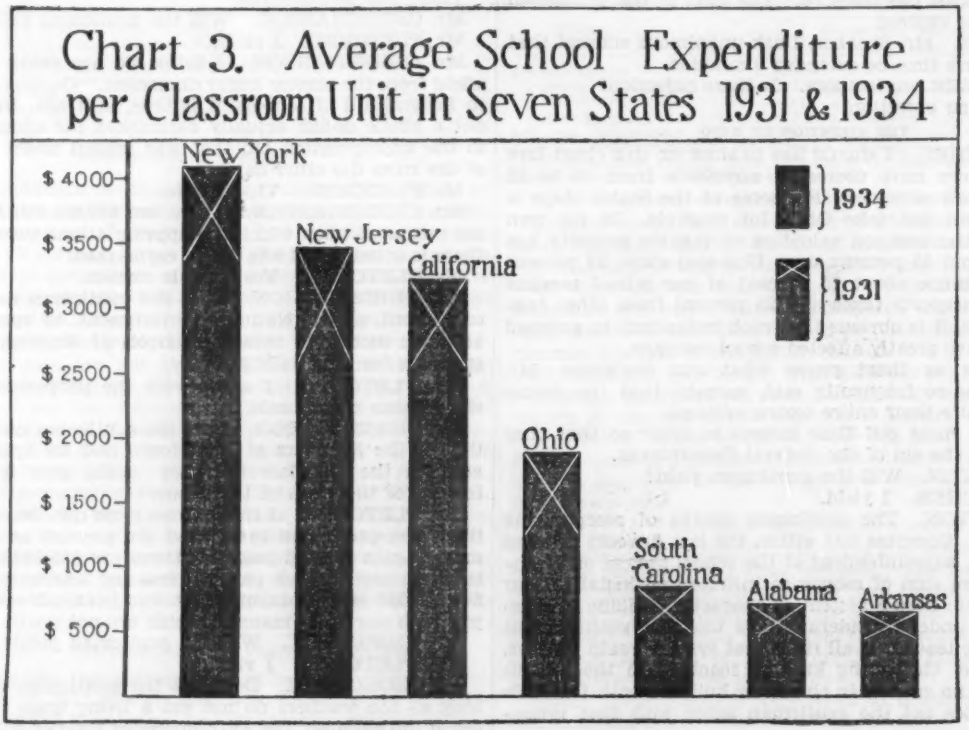
Mr. PEYSER. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. PEYSER. In answer to the gentleman from Texas, permit me to state that the city of New York is in a financial position to pay its school teachers; and it has less crime and communism than any other part of the United States in proportion to population. [Applause.]

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.



Mr. BLANTON. I agree with the gentleman that our teachers are underpaid, woefully underpaid. I am in favor of doubling the salaries of many underpaid teachers. I am one of the many friends and admirers of our able and valuable colleague from Ohio [Mr. FLETCHER] who appreciates the wonderful assistance he has been to education in the United States. I commend him for it; but I am wondering if his speech is now being broadcast into his State and other States.

Mr. TRUAX. We hope it is.

Mr. FLETCHER. I may say to the gentleman from Texas [Mr. BLANTON] that politicians in his section of the country practically gave away to landgrabbers and money changers hundreds of millions of dollars worth of land which, if it had not been squandered by politicians, would now be sufficient to finance all the schools in the vast empire of Texas.

Mr. BLANTON. I agree with the gentleman; I have been fighting them for 40 years in Texas.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. TRUAX. What must the children of our State think of the shortage of school funds brought about because of the refusal of the chief executive of the State to tax wealth, public utilities, and the financial interests of our great State?

Mr. FLETCHER. There is very strong argument in favor of what I know my good friend from Ohio could say on this subject. Really it is treason against the educational future of the children of Ohio or any State that schools should be closed or handicapped for lack of funds.

Mr. TRUAX. I agree with the gentleman.

[Here the gavel fell.]

Mr. McCLINTIC. Mr. Speaker, I ask unanimous consent to address the House for 4 minutes for the purpose of making an announcement.

Mr. BLANTON. Mr. Speaker, reserving the right to object, I hope that when the gentleman from Oklahoma [Mr. McCLINTIC] concludes he will not object to the gentleman from Ohio [Mr. FLETCHER] continuing for 5 minutes, for the gentleman from Ohio [Mr. FLETCHER] is discussing a subject of very great importance, a subject which has not had as much of the time of the House as it should have had.

Mr. McCLINTIC. I may say to the gentleman from Texas that I shall be glad to yield to the gentleman from Ohio [Mr. FLETCHER] in order not to break the continuity of his remarks.

Mr. Speaker, I modify my request and ask that I may be permitted to address the House for 4 minutes at the conclusion of the remarks of the gentleman from Ohio [Mr. FLETCHER].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. McCLINTIC]?

There was no objection.

Mr. BLANCHARD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. FLETCHER] may be permitted to proceed for 5 additional minutes.

Mr. PATMAN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Ohio [Mr. FLETCHER] how much time he desires to complete his subject?

Mr. FLETCHER. As much time as the House cares to give me. I do not take up much of the time of the House and this is a subject which is of great importance and in which the entire Nation is vitally interested. I have not asked for more time. The requests that I be given additional time

have come from Members of the House. If my time has again expired, I shall not ask to continue.

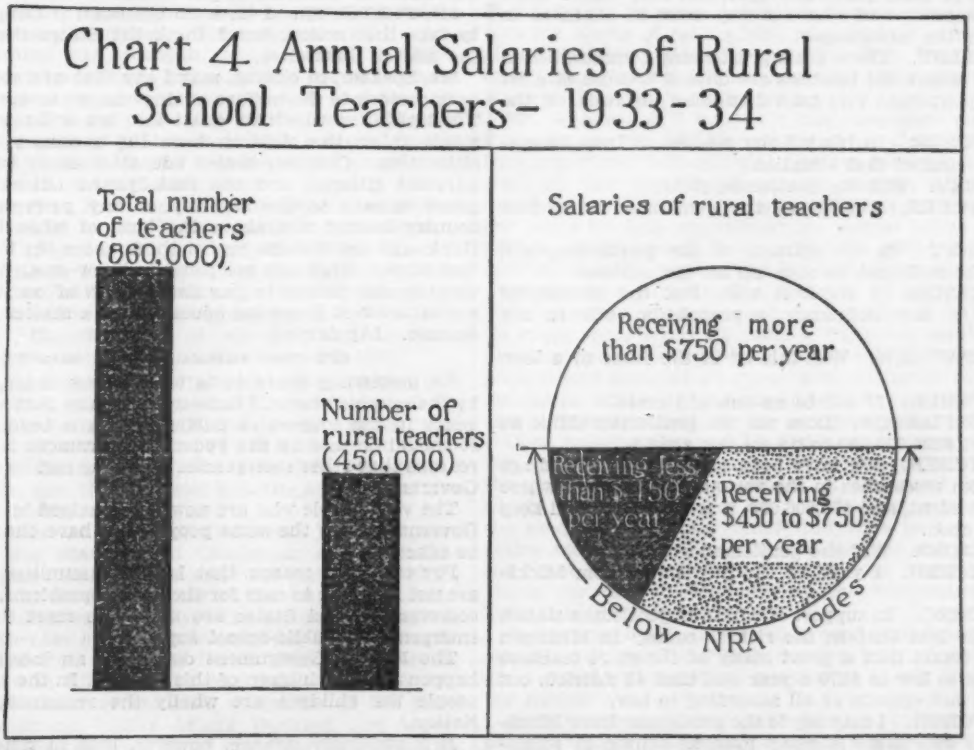
Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the gentleman be allowed to proceed for 10 additional minutes.

Mr. MARTIN of Oregon. Mr. Speaker, reserving the right to object, and I shall not object, I hope we will have a little bit more of facts and just a little less of "hot air." [Applause.]

Mr. FLETCHER. Mr. Speaker, does the gentleman mean to be personal?

Mr. MARTIN of Oregon. No, not at all; I am referring to the interruptions from the floor.

Mr. FLETCHER. I thank the gentleman from Oregon. But I do not object to the questions being asked. The questions from the floor indicate the interest of the Members in this important subject, and I am glad they are showing interest by the questions they are asking.



The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. BLANCHARD. Mr. Speaker, if the gentleman from Ohio will permit, I would like to ask the gentleman from Oregon with regard to the schools of his own State to differentiate between facts and "hot air."

Mr. MARTIN of Oregon. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. MARTIN of Oregon. I want to clear the gentleman from Ohio [Mr. FLETCHER] absolutely of that charge made a moment ago.

Mr. FLETCHER. I thank the gentleman for his courtesy and fairness to me.

Mr. MARTIN of Oregon. I was very much interested in the very able and delightful dissertation the gentleman is giving us on the subject of schools. I think the Members need this information. The hot air I was referring to was the hot air from the floor. [Applause.]

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. FLETCHER. I yield.

Mr. BLANCHARD. I am not going to ask the gentleman a political question at all.

Mr. FLETCHER. The gentleman may ask any question he wishes, and I shall be pleased to try to answer it.

Mr. BLANCHARD. Can the gentleman state whether or not any money has been earmarked for school purposes?

Mr. FLETCHER. I understand not a cent; and I know Mr. DOUGLASS, Chairman of the Committee on Education, who is here listening, will verify this. I feel, however, Mr. Speaker, that we have a chance here now to earmark at least $75,000,000, the amount designated in the bill introduced by the gentleman from Massachusetts, and therefore I make an appeal to the Members to get in touch with their Senators, in view of the information that has been presented to you by means of these graphic charts I have used in this speech today, and persuade them to include in the deficiency appropriation bill the amount of $75,000,000 definitely earmarked so that we can announce to the country that this much money will be available to open our schools.

All our researches show that $75,000,000 provided in the bill of the gentleman from Massachusetts, is absolutely necessary to meet the crisis in education. We should let the country know now what to expect because they must hire their teachers sometime in June, July, or August, and they must know how much money will be available in order to open the schools and keep them open. The Douglass bill makes this possible. With these facts in mind I hope this Congress will unite in a determined effort to see that the amended deficiency appropriation bill is brought back here from the Senate Appropriations Committee with $75,000,000 earmarked for education. We owe it to the youth of America.

Mr. CHRISTIANSON. Does not the gentleman think the House should appeal to the members of its own Rules Committee to bring out the Douglass bill, because without the

authorization which is embodied in the Douglass bill a point of order would be raised against any appropriation being made.

Mr. FLETCHER. Yes.

Mr. O'MALLEY. Will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. Is there some safeguard in this bill, if we pass it, to prevent cities who have dissipated the funds of the taxpayers through bad organization and bad management from getting this money?

Mr. FLETCHER. The bill of the gentleman from Massachusetts and the bill which I introduced to the committee, and all the bills that were seriously considered, include the safeguards to which the gentleman refers. The committee reported favorably the Douglass bill, which designates that the money is to be allocated in accordance with the needs of the States, as shown by the survey. The money will not be allocated to some particular spot, but only where there is great emergency and where money must be allocated in order to keep the schools open.

Mr. O'MALLEY. There are a great many communities in this country where the teachers are unpaid because of a lot of grafting politicians who have dissipated the funds of the people.

Mr. FLETCHER. In his bill the gentleman from Massachusetts anticipated that situation.

Mr. KENNEY. Will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from New Jersey.

Mr. KENNEY. In the opinion of the gentleman, will $75,000,000 be sufficient to open up all the schools?

Mr. FLETCHER. I think it will. But the $48,000,000 designated in the deficiency appropriation bill is not sufficient.

Mr. FITZPATRICK. Will this be in the form of a loan or a gift?

Mr. FLETCHER. It will be an outright grant.

Mr. CHRISTIANSON. Does not the gentleman think we need at least $225,000,000 to do the job right?

Mr. FLETCHER. We have been guided by the findings resulting from researches in the various communities where the need is evident, and $75,000,000, it is estimated, will keep the schools open.

Mr. DONDERO. Will the gentleman yield?

Mr. FLETCHER. I yield to the gentleman from Michigan.

Mr. DONDERO. In support of what the gentleman stated, I may say to him that in the richest county in Michigan it has been found that a great many of the rural teachers are receiving as low as $270 a year and that 41 districts out of 177 could not operate at all according to law.

Mr. FLETCHER. I may say to the gentleman from Michigan that his own State is many millions behind in educational funds.

Mr. KENNEY. Would the gentleman have any objection if the bill were amended to provide that no money should be paid to any teacher who had refused to take an oath to support the Constitution?

Mr. FLETCHER. If the gentleman heard the speech of our chairman, Mr. DOUGLASS, when a similar situation was before us at the time we were considering the Ellzey-George bill to allocate $3,000,000 to vocational education, he will remember that Mr. DOUGLASS specifically opposed that very proposition. Those of us who are following the intelligent and constructive leadership of our very able chairman are anxious that the Federal Government does not interfere with the educational curricula or policy of any State. Therefore, we are opposed to your proposition of Federal interference with the functions of the State.

Mr. KENNEY. Does not the gentleman think it is the business of this Congress to see that everybody throughout the country, and especially those who are rearing our children, support the Constitution of the United States.

Mr. FLETCHER. I am in favor of everyone supporting the Constitution, but we are not here today discussing the question as to whether the Federal Government or the States should handle that proposition. The States themselves ought to have intelligence enough to see to it that every school teacher, and every school board member, takes an oath of office. I am reminded by the gentleman from Indiana to refer to his State in this discussion. Indiana is one of the few States of the Union that has enacted adequate revenue measures for schools. Indiana has a sales tax which created a good bit of disturbance at first, but they are taking care of their educational institutions in Indiana. I do not advocate a sales tax, but I think that some legislative plan should be adopted by the other States to enable them to put their houses in order.

Mr. KENNEY. The gentleman knows, I presume, that there are only 13 States in the Union which require their teachers to take an oath to support the Constitution. The States memorialize Congress quite frequently giving their views, and I think it is up to the Congress to memorialize the States on questions of patriotism.

Mr. FLETCHER. I have no objection if Congress wants to take that action, but I think the States should handle the matter themselves.

Mr. Speaker, in closing, may I say that educators are just as important to the welfare of this country as are legislators. The legislation which we enact into law will not amount to much unless the children have the necessary training in citizenship. Children denied education easily become maladjusted citizens, and the maladjusted citizen is a very grave menace to the stability of any government. This country cannot rise above the level of what the citizens think, and the citizens cannot think above the level of what they know. They are not going to know enough if we continue in our failure to pay the salaries of our teachers. I am in favor of financing education as a matter of national defense. [Applause.]

GIVE EVERY AMERICAN CHILD A CHANCE

By presenting these facts to Congress today, illustrated by the graphic charts, I have tried to show that a real emergency in the support of public schools is beyond question. It should be met by the Federal Government for the same reasons that other emergencies are being met by the Federal Government.

The very people who are now being helped by the Federal Government are the same people who have the children to be educated.

For the same reason that local communities and States are not now able to care for their relief problems, these same communities and States are unable to meet the financial emergency in public-school support.

The Federal Government does have an interest in what happens to the children of this Nation. In the eyes of some people the children are wholly the responsibility of the Nation.

It is strikingly strange, however, that in time of war or national calamity the Federal Government considers the young men, the children of yesterday, the property of the Nation and not of the States.

When soldiers are drafted the Federal Government does not ask whether they come from Maine or Texas, California or South Carolina.

If the Federal Government can afford to waste billions of dollars in killing youth in times of war, then the same Federal Government can afford to invest a few dollars in training and educating youth in times of peace. Does the Nation have any interest in these hundreds of thousands of American youth, many of whom may be denied educational opportunity unless something is done to meet this situation? The answer is obvious.

Then let the Nation protect its interest in the citizens of tomorrow. Let the Federal Government, during the emergency at least, cooperate with the States in seeing to it that sufficient funds are guaranteed to the States, according to their respective needs, to keep the doors of educational opportunity open to every child in America. [Applause.]

The SPEAKER pro tempore. The gentleman from Oklahoma [Mr. MCCLINTIC] is recognized for 4 minutes.

Mr. McCLINTIC. Mr. Speaker, there comes a time in everyone's life when it is necessary to make some important decision, and I refer now to the announcement recently made by my distinguished colleague the Honorable W. W. HASTINGS, Representative in Congress from the Second Congressional District of Oklahoma, to the effect that he is voluntarily retiring to private life at the conclusion of the work of the present session.

Congressman HASTINGS, better known as "Bill" by his friends, is distinctly a product of what is now Oklahoma, having been born in old Indian Territory, and educated in the male seminary, which was conducted by the leaders of the tribe of Indians of which he is an honored member. Afterwards he obtained his law degree from Cumberland University, and, if I am correctly informed, was a classmate of our distinguished floor leader, the Honorable JOE BYRNS, of Tennessee.

The Cherokee Indian race, of which he is a member, originally was moved from the eastern portion of the United States to what was formerly Indian Territory. It has given to civilization many prominent citizens, and among the outstanding Cherokee was Sequoyah, who invented the alphabet that made it possible to translate the sound language into writing. Because of this invention it is said that the Cherokees became better educated and more enlightened than any other tribe of Indians, and as a mark of respect and honor to this great character there is now standing in the Hall of Fame a statue of his likeness.

Congressman BILL HASTINGS has spent the greater portion of his life in service for the Indian people and his Government. Some 42 years ago he first arrived in Washington to assist in the settlement of a controversy that existed between his race and the Federal Government. This agreement resulted in an amendment to the appropriation bill ratifying the so-called "Cherokee-strip agreement", and the same was opened up for settlement on November 16, 1893.

Afterwards he took an active interest in the creation of a Commission, which was known as the "Dawes Commission", that caused to be enrolled some 42,000 members of his tribe. Later, before the Court of Claims, he was successful in bringing about the elimination of the so-called "freedman" from the rolls, and this decision met the approval of the members of his tribe.

In 1907 Indian Territory and Oklahoma Territory were merged into one State, called Oklahoma, and when the Legislature passed the congressional redistricting bill, which was sponsored by me as a Member of the Senate and chairman of the committee, he received the nomination and was elected as a Member of the House from the district that he has represented from the Sixty-fourth Congress up to the present date, with the exception of 2 years.

Congressman HASTINGS has been a Member of the Committees on Education, Indian Affairs, Banking, and Appropriations. No Member has given any finer service to his constituents, the State of Oklahoma, and the Nation, than he. His voluntary retirement from this body takes away the only Member of Indian blood, and, in my opinion, the best informed person in the United States on Indian matters.

As chairman of the Oklahoma house delegation, I want to add a word in the way of a personal tribute for the fine way that he has cooperated with the delegation in looking after every matter in the interest of our great State. When it comes to loyalty, fidelity, integrity efficiency, and hard work, I know of no Member who has so fully measured up to the requirements of a faithful public servant, as he, and it is a source of deep regret, not only to me, but to every Member of the House, that he has decided to end his congressional service.

It is often the case that a constituency does not have a proper appreciation of the fine standing, and the high regard in which a Member is held by his colleagues in the House of Representatives. Oftentimes they are disposed to listen to the cry of selfish individuals, who participate in a campaign of slander and villification, until it is too late to realize that the high position and prestige of the district has gone.

Congressman BILL HASTINGS, in retiring to his home at Tahlequah, takes with him his lovely wife and three children, who have been an inspiration to him all during his services, and I wish to express the hope that in all of their undertakings they will be rewarded with success, happiness, and prosperity.

In conclusion I want to ask that each Member of the Oklahoma delegation be allowed to extend in the RECORD at this point such remarks as he may care to make relative to our distinguished colleague, the Honorable W. W. HASTINGS. [Applause, the Members rising.]

Mr. JOHNSON of Oklahoma. Mr. Speaker, it is a genuine pleasure to add a few words to the splendid tribute just paid our colleague, Congressman W. W. HASTINGS, of Oklahoma. When I first came to Washington and needed help and advice I frequently called on Congressman HASTINGS, and he was never too busy to lend a helping hand. I soon found that "BILL" HASTINGS, as his colleagues from Oklahoma take the liberty of calling him, was the last word on Indian affairs. I have repeatedly said that BILL HASTINGS knows more about Indian affairs than any other man in either House of Congress. [Applause.]

Mr. Speaker, as I believe it has heretofore been stated, Congressman W. W. HASTINGS entered Congress in 1914. Ripe experience had equipped him for his work. For many years he had represented, in one capacity after another, the Cherokee Tribe of Indians, of which he is a member. For years he had represented his people before the committees of Congress, the departments of the Government, and the courts. In this way he became familiar with the legislative and departmental methods of our Government.

Congressman HASTINGS had been active in tribal affairs for many years before he came to Congress, and held many positions under the Cherokee government, including attorney general and national attorney, with authority to represent the nation before the commission which made the final rolls and allotted the lands to the members of his tribe.

Upon entering Congress he first saw service on the Banking and Currency Committee and took an active part in the preparation and enactment of the rural credits bill, which made provision for loans to farmers, repayable upon the amortization plan. Since that time he has taken an active interest in legislation for the farmers and in amending the rural credits bill during the present Congress by providing for the guaranteeing by the Government of the Federal land-bank bonds.

He has been deeply interested in good roads and also in the extension of the Rural Mail Service, both of which are of great benefit to the rural population of our State and of the Nation.

As a member of the Committee on Indian Affairs, he brought to it a rich experience and a knowledge of Indian law and customs, which was valuable not only to the members of the committee, but to the Congress as well.

He has sponsored much legislation in the interest of the Indians, and under his direction jurisdictional bills were enacted by Congress to permit the Indians to submit their claims to the Court of Claims, with the right of appeal to the Supreme Court.

He was a Member of the House during the World War, and the responsibility was his to assist in enacting legislation for the successful prosecution and early termination of the war. He did this whole-heartedly.

During the past 10 years he has been a member of the Committee on Appropriations and has been assigned to two subcommittees—Interior Department and independent offices. His service on this great committee has been of great benefit to our State and Nation.

As a member of the Interior Department subcommittee he has made a study of appropriations for the Indians, including health work and education. Much progress has been made during the last 10 years along these lines, due in a large measure to his assistance and guidance.

As a member of the independent offices subcommittee he has assisted in making appropriations and the enactment of legislation for the soldiers.

He voluntarily retires from Congress and leaves with assurances of the best wishes and good will of each member of the Oklahoma delegation. I am sure I speak the sentiment of every Member of this House when I say that his leaving is a distinct loss to Congress, to the State of Oklahoma, and to the Nation. [Applause.]

Mr. HASTINGS. Mr. Speaker, may I have unanimous consent to proceed for 2 minutes?

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. HASTINGS. Mr. Speaker, this is an unexpected compliment. I very greatly appreciate this expression of confidence and good will on behalf of the Membership of the House.

I was first elected to Congress 20 years ago and saw service under five distinguished Speakers: Clark, Gillette, Longworth, Garner, and the present distinguished Speaker, Rainey.

I have seen service in the House both in the majority and in the minority. It was my privilege to serve during an important period in our history. I have seen service under five Presidents: Wilson, Harding, Coolidge, Hoover, and Roosevelt.

When I entered Congress the World War was raging across the seas. The responsibility was mine to represent a splendid district and a State in part when the World War resolution was passed in April 1917, and I supported all measures which threw our entire resources and man power into the balance for the successful conduct of the war and its early termination.

The privilege was mine to see service in the enactment of the rehabilitation legislation which followed the war, and, of course, I have seen service during the intervening years.

The present Congress has been the most difficult in which I have served. The stock crash ushered the depression upon us in 1929. During the past 16 months I have had the privilege of assisting in the enactment of a great deal of far-reaching legislation, some quite drastic, much of it temporary, some permanent, but all, as we hope, for the purpose of bringing about normal conditions and restoring happiness and prosperity to the people of the Nation.

The result of this and other legislation Congress may enact before adjournment will be left to the future. History in the end will record a true verdict.

My experience in public affairs has been greatly enriched by my association with the able and patriotic Members of this House. I have been accorded most generous consideration by all Members on both sides of the aisle. I want to acknowledge my very deep indebtedness to them. During my service here my relations with the members of my own delegation have been most cordial and intimate. I am under renewed obligations to the dean of the Oklahoma delegation and to each member of it.

With the fall of the gavel upon the adjournment of this Congress, I am voluntarily retiring and am glad to know I am doing this with the good will of the Membership of the House with whom I have served, and in return each of you may rest assured that I go leaving with you not only my very best wishes and highest regards but my very deep affection. I shall always cherish the memory of this occasion. [Applause.]

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. McKEOWN. Mr. Speaker, when the gentleman from Oklahoma [Mr. HASTINGS] leaves the Halls of this Congress, there goes from here the best-informed man on Indian affairs in this country. He is a member of the great Cherokee Nation, and the blood of proud chieftains and Governors flows through his veins. He comes from one of the most illustrious families of the Cherokee Nation. For years he has appeared in Washington as the spokesman for that great intelligent nation.

I knew him in the early days, and I can tell you some wonderful things he has done. When the camp fires of democracy were burning low, when there was no hope of a reward, when we faced the battle of existence as a party he fought with us. Always true to the interests of his people and his State, and so now I say to him, God bless you, we all love you, good-bye. [Applause.]

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, I am pleased to hear all these complimentary remarks made of my colleague from Oklahoma, Mr. HASTINGS; and whether we measure by what he has done, what he has been, and what he will do, I believe he is entitled to all the good things that have been said about him, and I approve of all of them.

I also approve of the splendid idea of saying good things of the living rather than wait until they have passed to the Great Beyond. A poet has well expressed my feeling in the following words:

A rose to the living is more,
Ere the suffering spirit has fled.
A rose to the living is more
Than sumptuous wreaths to the dead.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

Mr. HOWARD. Mr. Speaker, during the past 12 years I have been a member of the Committee on Indian Affairs of this House. During all of these years I have been more or less in constant touch with the distinguished gentleman from Oklahoma, who is now retiring from public life, temporarily, I hope and believe. I may say in passing now to him and to my fellows in the House, that perhaps none of us at this moment deserve more encomiums because of service well performed than does this man WILL HASTINGS.

I refer now particularly to the work he has done for his own Indian people. Nor would I refer to that alone, because this man has been more than an Indian here, he has been just as good a white man as any of the rest of us in the promotion of good legislation for all of the people of our country. [Applause.]

I sincerely trust, Mr. Speaker, that what I have heard along the sidelines may be true, and that in the next 2 years we of the House, and perhaps some of the other body, may have the delightful experience of welcoming him again beneath the dome of our Capitol, to continue further service in behalf of his country. [Applause.]

Mr. SWANK. Mr. Speaker, I am glad to take this opportunity to say a few words concerning the services of my friend and colleague, Congressman WILLIAM W. HASTINGS, of the Second Congressional District of Oklahoma.

Congressman HASTINGS is one of the most industrious and able Members of Congress with whom I have been acquainted during my service here. The House of Representatives is composed of members of various professions—distinguished lawyers who will compare favorably with members of that profession in any State, and even with the members of the Supreme Court itself. In this body we have several distinguished physicians and surgeons whose reputations extend beyond the limits of their own State. We have noted ministers, business men, trainmen, farmers, and members of other professions. In this body you will find experts in many different lines. Therefore, Mr. Speaker, it is a great compliment to have the reputation in this organization of 435 men and women of being the best-informed man on any one subject. It is conceded that Mr. HASTINGS is the greatest authority in the United States upon Indian affairs.

He was reared among the brave and noble Cherokees and is a member by blood of that tribe. In early life he began to familiarize himself not only with Indian customs but with the laws and treaties regulating the affairs of the different

tribes. For more than 40 years he has been in public life and leaves a record worthy of the emulation of any young man. From the great tribe of the Cherokees, who were brave in war and generous in victory, he inherited some of their leading characteristics, namely, absolute sincerity in all his actions, strict attention to his own business, and always a supporter of law and order. After this long service, Congressman HASTINGS is voluntarily retiring from public life to live with his family around his own fireside and among his neighbors and friends.

Mr. Speaker, Congressman HASTINGS has been a great honor to his native State of Oklahoma and to the country. Regardless of who may be sent here to succeed him and how bright and industrious he may be, he will stay here a long time before he will achieve the position of prominence and influence enjoyed by Congressman HASTINGS in the House of Representatives.

DISCUSSES FARM LEGISLATION

Mr. JOHNSON of Oklahoma. Mr. Speaker, as the second session of the Seventy-third Congress draws to a close, I doubt if any Member of this House is wholly satisfied with the accomplishments thus far attained. But inasmuch as this House is composed of 435 Members, representing many divergent views, it is therefore impossible for each Member to secure all the legislation he desires. At this time I desire to discuss several of the achievements and possibly some of the shortcomings of the Congress soon to pass into history.

FARMERS IN DEPTHS OF DESPAIR

Practically every bank in the country was closed on the day Franklin D. Roosevelt was inaugurated President. Business was at a standstill. Our farmers were in the depths of despair. Prices of farm products had fallen to such ridiculously low levels it was hardly worth while to haul anything to market. More than 12,000,000 people were out of work. Women and children were hungry and naked in a land of plenty.

On every side, people were asking, "What will happen next?" The terrible situation demanded immediate and drastic action. Critics no doubt would like to forget that pitiful picture. Extreme Democratic partisans are saying that the depression is over, everybody is prospering, and everything is lovely. Extreme Republican partisans are saying conditions are worse than under the Hoover regime and that the country is fast going to the bow wows. Neither position is fair. Neither statement is a true picture of the real facts. Admitting there have been mistakes, possibly too many of them, it must also be admitted that there has been no lack of action on the part of the President. He has demonstrated that he is not afraid to tackle gigantic tasks nor venture down untrodden paths. [Applause.]

SPECIAL SESSION PASSED 12 CONSTRUCTIVE MEASURES

The special session of Congress called by President Roosevelt met on one of the blackest days in the history of this great land of ours and quickly passed 12 major constructive administration measures to start the new deal recovery program. I am glad to say I supported every one of them, believing the President's program should be given a fair trial. Then came the second session, which up to now has passed some 25 major administration measures.

Frankly, I am disappointed that several other measures I have advocated for years have not yet received favorable consideration and some of which seem doomed so far as the present session is concerned. Among those bills so far ignored are the Frazier-Lemke bill, the Wheeler silver bill, the Thomas-Swank cost-of-production amendment, and a practical, comprehensive, and fair old-age security bill, all of which I have heretofore advocated on the floor of this House and before the respective committees.

RECOVERY OF AGRICULTURE LAGGING

No one pretends to say that economic conditions are what they ought to be and what we hope they will be within the next 12 months. Recovery in agriculture has been lagging. One big reason for that, of course, is that this great industry was neglected for 12 long years by Republican administrations. Not only was it neglected, but it was penalized by tariff laws which increased prices of what the farmer had to buy and gradually shut off foreign markets for farm products by forcing the enactment of retaliatory foreign tariff laws which now may never be repealed or greatly modified by foreign governments.

Prices of farm commodities have not reached the levels we hoped they would and what we have every reason to believe they will be 6 months or a year hence. But when compared with prices that the so-called "Hoover prosperity" regime gave the country, there has been a considerable improvement. We no longer are selling wheat for 25 to 30 cents a bushel and cotton for 4 to 6 cents a pound.

BENEFITS OF AGRICULTURAL ADJUSTMENT ACT

Many criticized the Congress and the President when the Agricultural Adjustment Act was passed, declaring it unconstitutional and un-American. But it must be admitted that it saved the cotton farmer from complete collapse in 1933 and sent millions of much-needed cash into the State of Oklahoma, both in the form of plow-up checks and increased prices of cotton. Congress cannot be criticized for the mistakes made in administering the act.

BANKHEAD BILL DRASTIC 1-YEAR EXPERIMENT

Now a hue and cry has gone up against the President and Congress because of the passage of what is known as the "Bankhead cotton control bill." Frankly, I opposed the bill as a 5-year plan, but supported it, at the President's request, as a 1-year emergency measure. The bill is a drastic effort to save the farmer from 3- to 4-cent cotton this fall. Its sponsors believe it will force in line those big planters of the South who threatened to double or treble their acreage and take advantage of the fact that a majority of the farmers in Oklahoma and the other producing States had agreed to cut their acreage voluntarily. These big planters fought the bill bitterly and are criticizing the President for asking for the bill and for signing it. One of the striking things is that the only person who appeared before the committee opposing the bill was a gentleman from the State of Mississippi who manages a corporation-owned plantation of 48,000 acres, which he said was tilled by about 1,600 share croppers. He revealed that 60 percent of the stock in his corporation was owned in England. Those foreign stockholders care little for their 1,600 tenants, and less for the American farmer. I am sure the gentleman's testimony did more than any one thing to bring about the passage of this bill by a vote of 235 to 105, with every old-guard Republican leader voting against it.

EMERGENCY LEGISLATION INSUFFICIENT

I am convinced, however, that if the farmer is to come into his own, Mr. Speaker, that he must have something more substantial than emergency legislation. Crop reduction and curtailment will not solve the problem. Consumption of all farm commodities must be increased by increasing purchasing power.

Economists tell us that on the day Franklin D. Roosevelt was inaugurated President our debts, public and private, exceeded the total wealth of the land for the first time in our history. That is an alarming fact. Farm indebtedness, in mortgages on real estate, crops, and chattels, accounted for a staggering share of that great load of debt, most of them made when prices of things the farmer has to sell were fairly high. When prices collapsed a vast army of the finest people in the land were driven from their homes by foreclosure. Many others face foreclosure today. They are bankrupt and cannot pay their interest and taxes. One thing the previous administration did not seem to realize is the fact that it is impossible for 5-cent cotton to pay off a mortgage made when cotton was 20 cents a pound.

FARMERS DEMAND SQUARE DEAL

Is it any wonder that our farmers feel they have not had a square deal when they remember that during all this time our Government was providing cheap money through the Reconstruction Finance Corporation to lend to failing banks, mortgage companies, and gigantic corporations? Government loans provided mortgage companies with ready cash to meet their obligations, permitting them to foreclose on

farms and hold the real estate for the advance in prices they knew was coming. I favor legislation to force these mortgage companies to sell their land back to the former owners at the price they paid for it and I also favor exempting homesteads from taxation. Corporation farming is one of the big threats facing our country today.

FAVOR FRAZIER-LEMKE BILL

In this connection, let me remind Members of this House once more than I favor the Frazier-Lemke bill to lend money to farmers at a low rate of interest over a long period of years, permitting them to save their homes and regain their farms. It would permit the tenant farmer to refinance his debts and get out from under impossible burdens so that he can own his own home. It would aid materially in helping fulfill the fondest dreams of thousands of energetic, ambitious, and honest but landless citizens. [Applause.]

This bill is part of the Farmers Union program, a program I have supported loyally during my four terms in Congress. Another bill the Farmers Union advocates is the Wheeler bill to remonetize silver. That, if passed, would help increase the price of farm commodities and permit farmers to pay off their debts with money somewhere near the same value as when the debts were made.

Many leading farmers in every county of the district I represent have endorsed my stand for the Frazier-Lemke bill and the Wheeler silver bill. I am reminded of what a good farmer friend residing at Fletcher, Okla., recently wrote:

We must have cheap money. If the Government can lend money to foreign countries and railroads and corporations at 1 to 1½ percent, I don't see why the farmer can't get it when he has old mother earth for security. We must have a better price for our produce and cheaper money if we are ever to get out of the woods.

LEI'KE-M'KEOWN BILL

This morning I appeared with the Honorable WILLIAM LEMKE and other members of the farm bloc in Congress before the Rules Committee and made a plea for a rule in behalf of a modified Lemke-McKeown bill, recently reported out of the Judiciary Committee. This, of course, is not the Frazier-Lemke bill; but if passed it would bring relief to many distressed farmers who otherwise will face foreclosure of their homes.

The silver bill passed the other day by this House is not altogether satisfactory to me; but if the administration of it is sympathetic, it will put more than a billion dollars of silver into circulation and is certain to raise prices of all farm products, something we must have before we can hope to enjoy any appreciable prosperity. Although the bill as passed was not altogether satisfactory to me, it was far better than nothing.

FEDERAL FUNDS FOR WEAK RURAL SCHOOLS

The depression crippled practically every rural school in the State of Oklahoma. Farmers not only lacked money to buy food and clothing, had no money to pay taxes, but also were unable to keep their schools open. Thousands of children were affected. The Federal Government came to the aid of the so-called "weak" schools in a limited way during the year just closed. But that was not enough. I hope to see educational opportunities equalized for all our boys and girls and the heavy burden for support of the schools lessened. During this session I introduced a measure which would do that, and have been urging $75,000,000 Federal funds for our schools next year. It now seems, however, that this amount may be cut to $48,000,000 for our weak schools next year.

PROPOSED TEXTBOOK CODE

I am also glad that another House resolution I introduced blocked a code proposed by the big textbook companies which would have abrogated existing contracts, sidestepped State laws, and hiked prices generally. Schoolmen who investigated the matter stated before the House Rules Committee that the code, if adopted as proposed, would have cost the people of the country $10,000,000.

VETERANS' CUTS AND FEDERAL SALARIES

Local taxpayers were relieved of additional charity burdens when this Congress voted a measure of relief to some 29,000 disabled World War veterans, cut off and left at the mercy of private charity and local taxpayers by harsh and unreasonable rules of the Veteran's Administration. We provided small monthly compensation for the 29,000 presumptively service-connected veterans, 90 percent of whom are tuberculars or mental cases, with the passage of the much misunderstood independent offices appropriation bill. That bill carried out three of the four points of the American Legion's program for relief of disabled veterans and their dependents. In order to provide relief for these deserving veterans, it was necessary to cut salaries of Members of Congress $500 a year and reduce all Government salaries 5 percent, but I was glad to do that in keeping with my pledge to the people of the Sixth District that I would do everything in my power to see that these disabled veterans got a square deal. The bill, although it provided $9,312,500 for these presumptives, reduced governmental expenses $105,000,000 by continuing Federal salary cuts that otherwise would have expired June 30, 1934.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes; I yield with pleasure.

Mr. PATMAN. I am very much interested in the gentleman's constructive statement. If the gentleman will permit, I should like to say I am sure that the veterans, as well as the farmers, of his State of Oklahoma, appreciate the good work the gentleman is doing and has done in the past for them.

Mr. JOHNSON of Oklahoma. I thank the distinguished gentleman from Texas for his generous compliment.

SHOULD AMERICAN BAYONETS PROTECT INVESTMENTS?

There has been a great hue and cry made by Wall Street income-tax payers and tax evaders about the enormous cost of caring for our helpless and disabled war veterans. The National Economy League, composed largely of war profiteers, did not warn us of the enormous cost of war when we were about to get into the last one. They were strangely silent when the Hoover and prior administrations sent American marines and gunboats into Central America and other foreign lands to protect American investments. I favor protecting our citizens, but I am not one who believes the flag should follow the dollar when it goes off into some foreign land hunting for bigger profits and greater dividends. American exploitation of Central and South America, under the shadow of American bayonets and with the full protection of American battleships, almost wrecked the independent oil industry of America in order to protect the Mellon interests, the Dutch Shell, the Standard Oil, and other Wall Street millionaires who had made investments in those foreign lands.

TREMENDOUS COST OF WAR

All of us know that generations yet unborn will continue for many years to pay the staggering cost of the last war. War should be abolished if for no other reason than the tremendous tax burden that always follows in its wake. No civilized person wants this great country of ours again thrust into the throes of war. Speaking on this subject, February 17, 1932, on the floor of this House I said in part:

Men who have faced machine guns, who have suffered the privations and hardships of war, who have stood in the muddy, filthy, cootie-infested trenches of Flanders Field, Chateau-Thierry, and the Argonne Forest, do not desire another war. They abhor the thought of another armed conflict. The sad memories of the last one to thousands are not only a terrible nightmare but a grim reality. They think of war as heartless military murder. They know, too, that war is utterly useless and seldom settles anything. Mothers, wives, and sisters of our war veterans are more bitter against war. Millions of innocent and helpless children cry out against war.

WOULD ELIMINATE WAR PROFITEERING

For many years I have been insisting that one of the most practical ways of lessening the likelihood of future wars is by conscripting money and materials as well as men in time of war. In my first race for Congress I advocated what is known as the "Universal Draft Act", to eliminate war profiteers, at which time I called attention to the fact that some 30,000 new millionaires were made during the last war, many of whom profiteered to the tune of from 500

to 1,000 percent. The proposed Universal Draft Act was not popular then, as few seemed to care about war profiteers, but we are becoming war conscious now and sentiment has been growing until Members who shunned the universal draft a few years ago are now supporting it enthusiastically. In one of my first speeches made on this subject in Congress, back in 1928, I said, among other things:

If peace is to be maintained in this great land of ours, we must take the profits out of war. We must eliminate the blighting effects of the damnable profiteers who have amassed great fortunes out of war. We must make it plain to our people and the world that property is no more sacred to America than human lives. We must conscript every available resource in this country in case of armed conflict. That will do far more, Mr. Speaker, toward perpetuating the peace of the world than all the peace conferences held in the past decade. Let us eliminate the profits of war, and then, when the other nations follow our example, peace will breathe as fragrantly in the world almost as if the day of redemption had come.

It is a source of much regret to me that this Congress, like preceding Congresses, has ignored not only the proposed universal draft but several other important progressive proposals of far-reaching importance.

FIGHT AGAINST POVERTY WORSE THAN WAR

Believing that those who profited most out of the war and believing also that those who are best able to pay should be taxed more heavily for the expenses of running this great Government that has been so good to them, I did not hesitate to vote during the present session to increase income taxes, especially in the higher brackets. I am glad to say that I was one of the 79 Members of this House who voted for another 10-percent increase, added by the progressives of the Senate after the House had raised income-tax rates to war-time levels. We are now and for the past 2 years have faced conditions that in some respects are worse than war. We are facing a war against poverty, unemployment, and almost universal distress. It takes money to fight a war of that kind. Someone is going to have to pay the bill for the billions we are spending to feed the hungry of the land and provide work for the unemployed. Why not make those best able to pay bear the brunt of the burden?

GOVERNMENT EXPENSES MUST BE CUT

Speaking on this subject of taxation on the floor of the House not long ago I said in part:

But my distinguished and able friend has repeatedly asked the question today, "What do you propose to do about it?" That is a fair question and I propose to answer it. Aside from increasing the surtax, corporation tax, income tax, gift tax, and estate tax I would reenact the excess-profits tax that brought in over $300,000,000 in 1921. Then I would cut expenses of the Government to the bone before calling on the people for additional taxes. I would actually abolish countless commissions and overlapping and useless boards and bureaus. You cannot cut too much there for me. I would cut and slash Federal salaries, especially in the higher brackets. Personally, I would gladly accept a cut of 10 percent, 20 percent, or more in order to do my part to assist the recovery program.

MADE NO EXTRAVAGANT PROMISES

No doubt many of the new Members who came here for the inauguration with various measures they had hoped to have passed immediately have been disappointed because these measures are still languishing in committees. They have been disappointed to find that seniority is everything in the House and that no Member can hope to gain a position of power and influence without serving 8 or 10 years as an apprentice here. I felt that same disappointment keenly when I came here 8 years ago and found I could not get the major committee assignments I felt I deserved because of my many years of previous service in the Oklahoma State Senate. I must say I was more than surprised when I found that a new Member could not even make a motion to adjourn without special permission from the Speaker. Fortunately, however, I had made no wild and extravagant promises in my campaign and had not told the people I would set the world on fire if elected.

HELPED WRITE MUSCLE SHOALS BILL

In touching on the accomplishments of the Seventy-third Congress, I am proud of having had a small part in sponsoring one bill of great national importance—the Muscle Shoals bill. It was my good fortune to be a member of the delegation that went to Muscle Shoals with the President and Senator NORRIS, and to be a member of the subcommittee that wrote the Muscle Shoals bill, one of the first major measures asked for by the President and one that promises to outline a new and far-reaching national policy on the controversial power question.

During the present Congress I have thoroughly enjoyed my work, although my responsibilities, as well as my opportunities for greater service, have increased manyfold. Correspondence is many times as heavy as it was even 2 years ago. More than 100,000 letters have come to my desk since the inauguration of President Roosevelt. It is obvious that the two clerks allowed me under the law could not begin to do the work required in my office. I have, therefore, been glad to employ considerable extra office help at my own expense in order to give prompt and efficient service to the people of the Sixth District.

PEOPLE WILL NOT BE SWEPT OFF FEET

I am proud to have the honor to represent the splendid people of the Sixth District. They have been loyal to me under all circumstances. They have not been swept off their feet by wild charges and insincere statements of those who have sought to destroy me in the past, and they will not do so now. I have an abiding faith in the people. I have remained at my post of duty here, feeling it my patriotic duty to render every possible assistance in helping bring order out of chaos. That is much more important than the reelection of any Member of Congress. I have refused to go home and campaign, even though my friends insisted that I do so, because I have hoped to have an opportunity before the close of this session to vote for the Frazier-Lemke bill, old-age security legislation, and several other progressive measures of so vital importance to the farmers and plain people of America. I feel that it is the solemn duty of each of their true friends to remain at his post here as long as there is any possibility of being of service, either in voting for progressive legislation or in killing bad legislation.

I HAVE KEPT THE FAITH

In closing, let me say that I am proud of the record I have been able to make during my four terms in Congress. The increased majorities given me by the voters of the district have not only been a personal satisfaction to me but have added materially to my influence and power with my colleagues and administration leaders at the National Capital. At any rate, I feel in my heart that I can look my constituents in the face and paraphrase the saying I learned at my dear old mother's knee, "I have fought a good fight; I have kept the faith." And I know the people will keep faith with me. [Applause.]

THE PRIVATE CALENDAR

The SPEAKER pro tempore. The Clerk will call the first bill in order on the Private Calendar.

CONCRETE ENGINEERING CO.

The Clerk called the bill (S. 1540) for the relief of the Concrete Engineering Co.

The SPEAKER pro tempore. Is there objection?

Mr. HOPE. Mr. Speaker, I object.

WESTERN UNION TELEGRAPH CO.

The Clerk called the bill (S. 2139) for the relief of the Western Union Telegraph Co.

The SPEAKER pro tempore. Is there objection?

Mr. TRUAX. Mr. Speaker, I object.

Mr. EAGLE. Mr. Speaker, I object.

MEMBERS OF RESERVE OFFICERS' TRAINING CORPS

The Clerk called the next bill, S. 2688, to validate payments for medical and hospital treatment of members of Reserve Officers' Training Corps and citizens' military training camps.

The SPEAKER pro tempore. Is there objection?

Mr. EAGLE. Mr. Speaker, I object.

CALL OF THE HOUSE

Mr. ZIONCHECK. Mr. Speaker, I suggest the absence of a quorum.

The SPEAKER pro tempore. The Chair will count. [After counting.] Evidently there is no quorum present.

Mr. TRUAX. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 185]

Abernethy	Deen	James	Rich
Adair	De Priest	Jeffers	Richardson
Allgood	DeRouen	Kee	Robertson
Andrew, Mass.	Dickstein	Kelly, Pa.	Sadowski
Andrews, N.Y.	Dirksen	Kennedy, Md.	Schaefer
Arnold	Disney	Kennedy, N.Y.	Sears
Auf der Heide	Dockweiler	Kenney	Seger
Bacon	Douglass	Kurtz	Shoemaker
Beck	Doutrich	Kvale	Simpson
Beiter	Duffey	Lanzetta	Sirovich
Berlin	Dunn	Lea, Calif.	Smith, Va.
Biermann	Edmonds	Lee, Mo.	Smith, Wash.
Boland	Ellenbogen	Lesinski	Smith, W.Va.
Bolton	Eltse, Calif.	Lewis, Md.	Snell
Boylan	Englebright	Ludlow	Snyder
Brennan	Faddis	McCormack	Steagall
Brooks	Fernandez	McDuffie	Stokes
Brown, Ky.	Focht	McLean	Sullivan
Browning	Ford	McLeod	Sumners, Tex.
Buckbee	Frear	Maloney, La.	Swank
Burnham	Frey	Marland	Taber
Caldwell	Fuller	Marshall	Taylor, Tenn.
Cannon, Wis.	Gambrill	Martin, Oreg.	Terrell, Tex.
Carley, N.Y.	Gasque	Millard	Thurston
Carter, Calif.	Gifford	Monaghan, Mont.	Treadway
Celler	Goldsborough	Montague	Waldron
Chase	Goodwin	Montet	Walter
Church	Goss	Muldowney	Weideman
Cochran, Pa.	Granfield	Norton	West, Ohio
Collins, Miss.	Green	O'Brien	Wigglesworth
Connery	Greenway	Oliver, Ala.	Wilcox
Cooper, Ohio	Griffin	Oliver, N.Y.	Williford
Corning	Haines	Parks	Withrow
Crosby	Hancock, N.C.	Parsons	Wood, Ga.
Crowe	Hart	Peavey	Woodrum
Crowther	Healey	Perkins	Young
Cullen	Hess	Peterson	
Cummings	Hoeppel	Prall	
Darden	Huddleston	Reid, Ill.	

The SPEAKER. Two hundred and seventy-four Members have answered to their names. A quorum is present.

On motion by Mr. BYRNS, further proceedings under the call were dispensed with.

AN OUTRAGEOUS ATTACK ON THE POOR MAN'S SOURCE OF SUPPLY—HOW THE NATIONAL RECOVERY ADMINISTRATIN IS USED TO CARRY OUT THE WHIMS OF SELFISH CLIQUES

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mrs. JENCKES of Indiana. Mr. Speaker, I feel I would be neglectful of my duty as a Member of Congress if I failed to call to your attention and the attention of the Congress and the people of the Nation with great emphasis today, to an outrageous proceeding now being fostered by certain persons connected with the National Recovery Administration and certain code authorities. A proceeding, Mr. Speaker, which, in fact, is an outrageous attack upon one of the oldest industries in America, an industry which is a source of supply for the poor man and woman of this Nation—those who toil in the fields and factories of America. I refer to the proposed hearing scheduled for Monday, June 18, in the auditorium of the Department of Commerce Building, at which a little clique of New York union organizers and clothing and dress manufacturers will attempt to lay the foundation for the ultimate destruction of the cotton-garment industry. This industry now gives employment to between 180,000 and 200,000 men and women in 3,800 factories, scattered through 42 States of the Nation, and many of these factories are located in my own State and district of Indiana.

Were it not so serious in its effect upon the men and women of this Nation as a whole, the proposal which is being made by the clique to which I refer would be amusing. It is unfortunate indeed that the National Recovery Administration and the President of the United States should be imposed upon in the manner which I will relate, and I think you will agree when I have outlined to you the facts that it is high time we ponder seriously upon the extent to which an otherwise salutary law may be used for selfish ends.

The 3,800 factories in the cotton-garment industry in America produce work shirts, work trousers, men's and boys' cotton pants, cotton wash dresses, and other items of apparel used by the farmers of this Nation—the toilers of this Nation—the wives and children of our people, upon whom fortune has not bestowed the wherewithal to robe themselves in more princely attire. The industry of which I speak is the industry which sold to that truck driver you see passing the denim overalls he wears. It is the industry which sold to the basement store the cotton wash dress in which the farmer's wife attempts to look her best in the evening of her worried day. It is the industry which places on the miner's back and the iceman's back and the service-station worker's back the work shirt, without which he could not perform the functions of his daily routine. It is the industry which provides the cotton trousers for your youngsters. Its products are worn today by those who make up the bulk of our citizenry, from the men who swing the pick to the men who guide the lathe.

It is the largest industry consuming cotton goods in the world. Upon its successful development in the totality of our industrial life depends largely the welfare of the cotton farmers of the South. I especially invite the attention of my colleagues from the cotton-producing States to this situation.

Can you think of an industry with a wider or more potent influence upon our daily life than the cotton-garment industry?

And yet there are those who are fashioning the destruction of the industry and are attempting to use high-sounding language in connection with the National Industrial Recovery Act to cloak their schemes. But no high-sounding language can successfully obliterate facts.

Leaders of this great industry, after 6 months of daily corridor pacing at the National Recovery Administration Building, finally obtained approval of a code of fair competition on November 17, 1933, having presented their code for approval back in July 1933. The International Association of Garment Manufacturers, which for 25 years has held together in a representative trade association the leading firms of this great industry, fought step by step through all the red-tape mechanisms of N.R.A. to hold the cotton-garment industry in one workable code, and to those leaders and to the cotton-garment code authority this Nation is indebted today for having wiped out the sweatshop or the substandard shop and raised this industry to the dignity of a potent factor in national recovery.

The $3 per week operator, who slaved for 50 hours stitching in the hot summer and cold winter of 1932 has disappeared from American industry.

No power on earth could have brought this about except the intelligent, concentrated effort of the leaders of this industry, working under a code of fair competition, and just when the fruits of 1 year's efforts are being realized, the clique attacks.

One of the outstanding figures in all the deliberations attending the consideration of the cotton-garment code was one, Sidney Hillman, who since the inception of N.R.A. has, with respect to the apparel industry, enjoyed an almost autocratic power as member of the Labor Advisory Board, assigned to the clothing and apparel sections.

Mr. Hillman also enjoys the position of consulting member of the Consumers Board, and is at the same time president of the Amalgamated Clothing Workers of America, a union organization dominating the clothing industry, and located, except negligibly, in the metropolitan area of New York City.

Mr. Hillman as a labor organizer has been one of the most successful in the field. He is a power in that field. He is the power and brains of the Amalgamated Clothing Workers' Union. Without him little is done in the clothing industry, and by that industry I refer to the manufacture of woolen clothing, suits and overcoats. As a result of an

untiring daily activity in the affairs of N.R.A., Mr. Hillman's word in connection with codes affecting apparel is perhaps as powerful in the offices of N.R.A. as it is within the union organizations he dominates and controls. There is nothing in the cotton-garment code today except that to which Mr. Hillman agreed, and much of what was sought to be placed in the cotton-garment code by the leaders of the industry who knew the industry's problem, was eliminated from the code at Mr. Hillman's demand. An able, clever, and intelligent union protagonist, he has naturally grown into a position of importance second to none in N.R.A.

Mr. Hillman's activities are largely centered on consideration of codes now coming under the supervision of Divisional Administrator Sol Rosenblatt, who rose to prominence at N.R.A. through his identification with the motion-picture and theatrical codes, but who now enjoys the supervisory direction, not only of the codes mentioned but also codes including that on burlesque, legitimate drama, circuses, advertising, cleaning and dyeing (what is left of it), the trucking industry, and 40 apparel codes, alphabetically ranging from academic costumes through corsets and brassieres, flags, furs, handkerchiefs, hand bags, millinery, rosebuds, and undergarments.

Under Mr. Rosenblatt, who has had wide experiences and acquaintances in New York, you will find Mr. Morris Greenberg, also from New York, who acts as Special Deputy Administrator in connection with certain cotton-garment matters, a Mr. Farnsworth, and a Mr. Hughes. The latest addition to the staff of Mr. Rosenblatt is a Mr. Edwards, reported to be an ex-New York building contractor; a Mr. Beecroft, who formerly was connected with a New York merchandising house, who went to N.R.A. as an authority on women's dresses; a Mr. Barr and a Mr. Vincent, who was formerly an attorney. Mr. Rosenblatt has the legal counsel, so far as the apparel codes are concerned, of three young lawyers, Messrs. Levi, Raphael, and Barenboim. There are many other aids, assistants, secretaries, and supernumeraries.

Mr. Edwards, who is just assuming his duties, succeeds Dr. Earl Dean Howard, professor at Northwestern University, who is returning to his school, having served at N.R.A. since the inception of the cotton-garment code. He was formerly vice president of the Hart, Schaffner & Marx Co., largely dealing in labor affairs, and has been a very close friend of Sidney Hillman, the labor leader, for a number of years. Dr. Howard's admiration for Mr. Hillman's judgment was an open secret at N.R.A.

It was during Dr. Howard's general supervision of the apparel section that Prof. Lindsey Rogers, of Columbia University, held sway. Professor Rogers was frequently called as an administrator in New York's labor difficulties. He was a friend of both Mr. Howard and Mr. Hillman and was located in an institution of learning within the confines of the island of Manhattan. He was the man whom the N.R.A. picked to take charge of the cotton-garment code. When it was proposed, Professor Rogers conducted the hearing on the code. He, with Mr. Howard, Mr. Hillman, and others mentioned, also had charge at N.R.A. of the men's clothing code set-up for the industry which Mr. Hillman dominates through his union organization. They also heard the dress code set-up for the industry manufacturing the more expensive of women's dresses, exclusive of women's cotton dresses, which industry is largely located within the city of New York and largely dominated by the union organizations of which union Mr. David Dubinsky of New York is the powerful and controlling personality.

It is difficult to keep track of all of these New York figures as they made their entrances and their exits. There was, for instance, Mr. Gitchell, who drifted into the cotton-garment picture about the time Professor Rogers stepped out. Mr. Gitchell came from New York where he was connected with a retail store and he brought with him all the ideals and ideas of New York's humdrum merchandising of business. He still enjoys the position of administration member of the dress code authority, located in New York, and has for some time been acting chairman of that code authority.

And now we come to the bug under the chip. The dress code authority has asked the administration to hold a hearing to find out whether or not cotton wash dresses sold in the house-dress departments of the leading stores of the Nation and in the basements of certain other stores and sold to the wives of the working men and farmers of the Nation may be moved into the dress code from the cotton-garment code so that the New York industry may dominate and control the manufacture of the poor woman's raiment, through the operations of Mr. Gitchell, Mr. Dubinsky, and others in the dress code group.

In passing, I may state that the general counsel of the dress code authority is an able young gentleman from the West who served as counsel for Mr. Gitchell, Dr. Howard, Professor Rogers, and others at N.R.A. before assuming this position with the dress code authority.

The men's clothing code authority—entirely dominated by Mr. Hillman, the friend of Dr. Howard, retiring administrator, and closely identified with the New York clique—has asked the administrator to determine whether all of the cotton pants and all of the lumberjacks, and various other similar items should not be transferred to the men's clothing code, with the result that the industry, which produces cotton garments for the farmers and workmen of America may fall within the complete domination of the wool-clothing industry dominated by Mr. Hillman.

Of course, all of this is not done in a crude manner. It comes about by a proposal of the apparel group that the wages of all of the apparel codes be brought into somewhat of a uniformity.

In other words, the unions dominating the clothing and dress industries now seek to force upon the cotton-garment industry of the Nation the complete domination of that industry by the New York clique.

No thought is given to the fact that such a move would wreck the cotton-garment industry completely and destroy the largest single domestic market for the cotton crop.

No thought is given to the fact that the cheap prices of cotton garments sold to the farmers and workmen of America would be raised to a point where the operation of consumer acceptance would cause cotton garments to disappear entirely from the market and result in wide-spread unemployment.

No thought is given to the fact that it would take approximately 10 or 12 units of production in the cotton-garment industry to equal in value one unit of production in the clothing industry.

The scheme is clearly a New York clique's clever move to force the woolen clothing and the dress industries into positions of complete domination of the apparel business of the Nation to the ultimate extinction of the cotton-garment industry.

It is amazing that so little attention is paid by the general public to this attempt to saddle upon the poor men and women of this Nation a burden of higher-priced apparel in the face of existing conditions. There seems to be a complete indifference to the fact that the prices being paid by the farmers and workingmen of this country for products of the cotton-garment industry have already advanced approximately 75 percent over the prices of 1932 through the operation of the cotton-garment code minimum wages and hour provisions and the additional cost of cotton fabrics resulting through the textile code.

There seems to be a deliberate attempt to keep from the public the fact, for instance, that the cotton pants which the farmers and workmen of this Nation have been buying, have ranged from $1 to $2 through the ups and downs of market prices for years, and that there is now going on a proceeding to force the cotton-garment industry to a point where those prices will forever disappear on the market where such apparel has been previously bought.

One point that is particularly significant is that the cotton-garment industry is the industry to which the prisons of many States turned for the employment of prisoners. For instance, in 1932, prisons produced and sold on the open market approximately 20,000,000 work shirts. Free fac-

tories in that same year produced 62,000,000 work shirts. In the same year prisons produced 7,000,000 work pants, while private manufacturers were disposing of 27,000,000 work pants. The prisons produced large quantities of overalls and other cotton apparel products. It was to meet these prison products that the sweat shop largely grew up in the cotton-garment industry. These prison sales grew up over many years, and during the last 10 years the cotton-garment industry made a bitter fight on prison labor and succeeded in the enactment of certain remedial legislation. During all the time the cotton-garment industry did not receive from either Mr. Hillman's union or from the clothing or dress industry one iota of assistance or one dollar in contribution.

When the clothing code, in which Mr. Hillman was vitally interested, and when the dress code, in which the New York clique was interested, went to Gen. Hugh S. Johnson, there was no mention in the codes of prison labor, but the cotton-garment industry ruled prison labor out of the industry in its code.

Obviously, neither Mr. Hillman, nor the clothing industry, nor the dress industry considered prison competition as a vital factor, but prison competition was threatening to destroy the cotton-garment industry.

Now, however, you will find that the same crowd which saw no objection to prison pants or prison wash dresses suddenly discover a competition to the woolen clothing and dress industry in privately made cotton pants, dresses, and work clothing.

Mr. Hillman has suddenly become a very loud and aggressive opponent of prison labor. Prior to N.R.A. he took no open or active part in any of the National or State movements calculated to stop prison labor.

Another significant little fact may be stated: The question of processing tax on wool as a result of the cotton-processing tax came up a few months ago.

Mr. William Goldman, one of the outstanding clothing manufacturers of the country, located in New York, was appointed head of the research committee of the clothing industry. Mr. Goldman found that there was no competition between cotton and woolen clothing. Yet today the New York clique is attempting to show that the cotton slacks in the poor man's country store threatens the very existence of the sport flannel trousers which the richer gentlemen of the country enjoy during the warm seasons, and the clothing code authority would place the poor man's cotton slacks under the domination of the New York clique producing flannel trousers.

Mr. Speaker, I shall not go further into detail. Much more will be brought out at the hearings. There is only a negligible production of cotton garments in the manufacturing plants of the New York area, dominated by the New York clique, and yet this little group is attempting to use the purposes and policy of the National Industrial Recovery Administration by taking into their jurisdiction and dominance 80 percent of an age-old industry, scattered through 42 States of the United States and who now pay their men and women employees decent wages in comparison to the prices of the products they make. It is unthinkable that this move should succeed.

For the information of the Members of Congress representing districts outside of the city of New York I desire to give you a chart showing the total number of cotton-garment, wash-dress, and pants factories located in the various States of the Union. I appeal to my colleages in these States to become informed concerning the danger threatening the factories and employees in your district.

Location of cotton-garment plants by States

	All cotton-garment factories	Wash-dress factories	Pants factories
Alabama	21		9
Arizona	1		1
Arkansas	9	3	3
California	185	47	45
Colorado	11	2	8
Connecticut	61	17	7
Delaware	20	5	2
District of Columbia	2		1
Florida	8	1	1
Georgia	62	9	30
Illinois	223	66	45
Indiana	85	6	17
Iowa	29	2	12
Kansas	18	2	3
Kentucky	33	30	16
Louisiana	22	1	7
Maine	21	1	14
Maryland	164	13	47
Massachusetts	201	41	60
Michigan	84	6	13
Minnesota	66	5	12
Mississippi	14	2	2
Missouri	120	14	40
Montana	1		
Nebraska	11	2	4
New Hampshire	10	2	5
New Jersey	228	70	61
New York	1,124	166	53
North Carolina	43	1	10
Ohio	113	20	19
Oklahoma	15	1	3
Oregon	17	2	3
Pennsylvania	489	101	76
Rhode Island	8	1	
South Carolina	11		3
Tennessee	63	6	15
Texas	107	10	43
Utah	9	4	3
Vermont	11	3	4
Virginia	37	4	8
Washington	30	7	7
West Virginia	18	4	8
Wisconsin	43	5	11
Total	3,818	682	723

In conclusion, I appeal to Members of the Congress, workers, consumers, and merchants to join in combating this insidious effort to move industries from the small towns to the large metropolitan areas.

I am loyal to the administration of President Franklin Delano Roosevelt, and the new deal, and I intend to continue to be loyal, but I am determined to prevent this grave injustice to a most necessary industry.

APPROPRIATION FOR EMERGENCY CONSTRUCTION OF PUBLIC HIGHWAYS

Mr. CARTWRIGHT. Mr. Speaker, I call up the conference report on the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. CARTWRIGHT]?

There was no objection.

Mr. CARTWRIGHT. Mr. Speaker, before the Clerk reads the statement I ask unanimous consent to make a correction on page 5 of the statement: "$75,000,000" should be "$75,000." I ask unanimous consent to make that correction.

The SPEAKER. Without objection, the correction will be made.

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 5.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 7, 8, 9, 11, 12, 14, 15, 17, 19, 20, 21, 23; and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the words: "in making grants under said section to"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the figures "$30,000,000", as proposed by said amendment, insert the figures "$24,000,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sums of "$100,000,000", which appear twice in said amendment, insert in each instance the sums of "$125,000,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sums of "$10,000,000", which appear twice in said amendment, insert in each instance the sums of "$7,500,000": and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 10. Section 19 of the Federal Highway Act, approved November 9, 1921, is hereby amended to read as follows:

"'SEC. 19. That on or before the first Monday in January of each year the Secretary of Agriculture shall make a report to Congress, which shall include a detailed statement of the work done, the status of each project undertaken, the allocation of appropriations, an itemized statement of the expenditures and receipts during the preceding fiscal year under this act, and itemized statement of the traveling and other expenses, including a list of employees, their duties, salaries, and traveling expenses, if any, and his recommendations, if any, for new legislation amending or supplementing this act. The Secretary of Agriculture shall also make such special reports as Congress may request.'"

And the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the matter inserted in said amendment insert the following:

"SEC. 12. Since it is unfair and unjust to tax motor-vehicle transportation unless the proceeds of such taxation are applied to the construction, improvement or maintenance of highways, after June 30, 1935, Federal aid for highway construction shall be extended only to those States that use at least the amounts now provided by law for such purposes in each State from State motor-vehicle registration fees, licenses, gasoline taxes and other special taxes on motor-vehicle owners and operators of all kinds for the construction, improvement and maintenance of highways and administrative expenses in connection therewith, including the retirement of bonds for the payment of which such revenues have been pledged, and for no other purposes, under such regulations as the Secretary of Agriculture shall promulgate from time to time: *Provided*, That in no case shall the provisions of this section operate to deprive any State of more than one-third of the amount to which that State would be entitled under any apportionment hereafter made, for the fiscal year for which the apportionment is made."

And the Senate agreed to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 15. To provide for the continuation of the cooperative reconnaissance surveys for a proposed inter-American highway as provided in Public Resolution No. 104, approved March 4, 1929 (45 Stat. 1697), and for making location surveys, plans, and estimates for such highway, the Secretary of Agriculture is hereby authorized to expend not more than $75,000 to pay all costs hereafter incurred for such work from any moneys available from the administrative funds provided under the act of July 11, 1916 (U.S.C., title 23, sec. 21), as amended, or as otherwise provided."

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate changing the title of the bill, and agree to the same.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILL. M. WHITTINGTON,
C. MURRAY TURPIN,
CLYDE KELLY,
Managers on the part of the House.

KENNETH MCKELLAR,
CARL HAYDEN,
GEO. MCGILL,
THOMAS D. SCHALL,
LYNN J. FRAZIER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8781) to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of said amendments, namely:

On amendment no. 1: Authorizes $200,000,000, as proposed by the Senate, instead of $400,000,000, as proposed by the House.

On amendment no. 2: Inserts in lieu of the matter proposed by the Senate the words "in making grants under such section to".

On amendment no. 3: Inserts in lieu of the word "such", the words "their highway", as proposed by the Senate.

On amendment no. 4: Provides, as proposed by the Senate, an exception in the following language: "Except that the Secretary of Agriculture, upon request and satisfactory showing from the highway department of any State, may fix a less percentage of the apportionment of such State for expenditure on secondary or feeder roads."

On amendment no. 5: Eliminates, as proposed by the Senate, an allocation of $250,000 in the Virgin Islands, $1,500,000 in Alaska, and $1,000,000 in Puerto Rico.

On amendment no. 6: Strikes out, as proposed by the Senate, $30,000,000 and inserts in lieu thereof, $24,000,000, so as to authorize $24,000,000 instead of $50,000,000, as proposed by the House in said section 2.

On amendments nos. 7 and 8: Includes the survey, construction, and maintenance proposed by the Senate and monuments (including areas transferred to the National Parks Service for administration by Executive order dated June 10, 1933) and national forests, as proposed by the Senate.

On amendment no. 9: Strikes out section 3, as proposed by the House, and inserts section 3, as proposed by the Senate, so as to provide for emergency repair or construction without prior specific appropriation therefor, not to exceed the sum of $10,000,000.

On amendment no. 10: Authorizes an appropriation for Federal highway construction for each of the fiscal years 1936 and 1937 of $125,000,000 in lieu of the $100,000,000 proposed by the Senate, and provides that the sums authorized

shall be available for expenditure for 1 year instead of for 2 years as heretofore.

On amendment no. 11: Authorizes the sum of $10,000,000 for each of the fiscal years 1936 and 1937 for forest highways, as proposed by the Senate.

On amendment no. 12: Authorizes for each of the fiscal years 1936 and 1937 the sum of $2,500,000 for main roads through public lands, as proposed by the Senate.

On amendment no. 13: Authorizes for roads and trails in national parks for each of the fiscal years 1936 and 1937 the sum of $7,500,000, in lieu of the $10,000,000 proposed by the Senate.

On amendment no. 14: Authorizes for each of the fiscal years 1936 and 1937 for Indian reservation roads, $4,000,000, as proposed by the Senate.

On amendment no. 15: Provides that, as proposed by the Senate, the term "highway", as defined in the Federal Highway Act, shall include such main parkways as may be designated by the States and approved by the Secretary of Agriculture as part of the Federal-aid highway system.

On amendment no. 16: Provides, as proposed by the Senate, that the Secretary of Agriculture shall make annual reports hereafter on the first Monday in January instead of on the first Monday in December, as heretofore provided.

On amendment no. 17: Provides that not exceeding one-half of 1 percent shall be used for surveys under both the grants and the Federal aid authorized, the language being the same as carried in section 1 of the bill as it passed the House.

On amendment no. 18: Prevents, in lieu of the amendment as proposed by the Senate, the diversion of motor taxes and gasoline taxes from highway maintenance, construction, and improvement, including the retirement of bonds, to other purposes by depriving the State of not more than one-third of its allocation in the event of such diversion.

On amendments nos. 19 and 20: Merely change the number of the sections.

On amendment no. 21: Provides, in lieu of the amendment as proposed by the Senate, that no deduction shall be made on account of any advances under the Emergency and Relief Construction Act of 1932 for furnishing relief and work relief to needy and distressed people.

On amendment no. 22: Provides, in lieu of the matter as proposed by the Senate, that not more than $75,000,000 from the administrative funds may be expended to pay costs for the continuation of the surveys for a proposed inter-America highway.

On amendment no. 23: Amends by inserting proper number of section. The title to the bill is amended as proposed by the Senate.

WILBURN CARTWRIGHT,
LINDSAY C. WARREN,
WILLIAM WHITTINGTON,
C. MURRAY TURPIN,
CLYDE KELLY,
Managers on the part of the House.

Mr. COCHRAN of Missouri. Will the gentleman yield for a question?

Mr. CARTWRIGHT. I yield.

Mr. COCHRAN of Missouri. In reading the conference report, I notice certain matter to be inserted as section 12. While I do not think it is going to affect my State in any way—because, so far as I know, we are not allocating any of the money that we derive from the tax on gasoline and motor vehicles to any purpose other than road construction and redemption of road bonds—nevertheless it seems to me that in view of the situation confronting some of the States of the Union it would be rather unfair to penalize them, so far as Federal aid is concerned, if they should find it necessary to divert some portion of the money that is collected from the tax on motor vehicles and gasoline to relief purposes. The amendment, in my opinion, goes quite far, because it refers to future laws. If the legislature in the future should change its present law, the existing law, under this amendment, would prevail.

Mr. CARTWRIGHT. This has nothing to do with the present. It only applies to the future, but I wish to remind you that legislation is a matter of give and take, and the conferees of the House could not get everything they wanted.

Mr. COCHRAN of Missouri. If it only deals with the future, why could we not wait for the future before adopting an amendment like this? What is the hurry?

Mr. WHITTINGTON. Will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. WHITTINGTON. Amendment 12, as contained in the report and as agreed to in the conference, is in lieu of an amendment proposed by the Senate. Personally, I opposed the amendment, as I believe the States should be free to act. I believe in State rights; and while I oppose diversion of road funds, I prefer to leave the matter to the States. This bill, however, not only has to do with the appropriation for the current year but this bill authorizes Federal aid for the fiscal years 1936 and 1937. Heretofore, if those funds that are allocated to the States were not matched within 2 years the funds lapsed and became a part of the general appropriation for redistribution among the other States.

Now, it has been thought that if Federal highway construction is to be promoted there should not be in the future any diversion by States of those taxes primarily intended for the maintenance, for the construction of highways, and for retirement of the bonds issued for the purpose of constructing highways. So the conference agreed to the section as it is carried in the report, and the section now provides that no diversion of gasoline tax or motor-vehicle tax shall be made by any legislation passed by any of the States following June 30, 1935, so as to enable the States to match Federal aid for the fiscal years 1936 and 1937. It does not prevent the use of any of those funds for the retirement of bonds or indebtedness, but it enables the States to utilize the funds that may be appropriated by Congress in the future. Not only that, but the amendment also provides that not more than one-third of the funds that are allocated to the States may be lost by such diversion. The whole purpose is to prevent the diversion of funds which the users of the highways intend shall be made available for the maintenance and for the construction of highways.

Mr. COCHRAN of Missouri. But it is evident from what the gentleman says that the thought is in the mind of the committee or whoever is responsible for this that they do not have confidence in the various States to take care of their highways or handle their receipts properly.

Mr. WHITTINGTON. If we did have that confidence and thought the various States could take care of the highways, there would be no necessity for this legislation. It is for the reason that the States are utterly unable to provide for highway construction and maintenance that this bill is being passed with grants of $200,000,000.

Mr. COCHRAN of Missouri. That is the point I make. If it is necessary to divert some of this money to take care of people in a stricken community, we should not penalize them for having done so. If they do divert part of the money under the terms of the amendment, they forfeit part of their Federal aid.

Mr. WHITTINGTON. There is no occasion for that, as funds are otherwise available for such worthy purposes.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. CARTWRIGHT. Certainly, I yield to the gentleman.

Mr. MARTIN of Massachusetts. In this conference report, as I understand it, it calls for the appropriation of $100,000,000 for this year, to which the States will not be obliged to contribute their part.

Mr. CARTWRIGHT. That is true, in part; but the amount is $200,000,000, and not $100,000,000 as stated by the gentleman.

Mr. MARTIN of Massachusetts. After this year it will go back on the basis of other road bills in previous years. Is that the fact?

Mr. CARTWRIGHT. That is partly true, I may say to the gentleman, but you are not taking into consideration that part will be available this year and more later on.



Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. WHITTINGTON. The statement of the gentleman from Massachusetts is partly correct. The bill as it passed the House authorized an appropriation of $400,000,000 for grants to be available until expended. This amount has been reduced to $200,000,000. It may be available in part this year, and it may be available later on. The deficiency bill, as the gentleman recalls, carried only $100,000,000. But at all events the authorization is for half of the amount carried in the House bill. In addition to that, as the gentleman suggests, there is authorization for an appropriation under the Federal highway act for each of the fiscal years 1936 and 1937 of $125,000,000, for Federal aid to be matched 50-50 by the States.

Mr. MARTIN of Massachusetts. Will the gentleman inform the House if there are any other fundamental changes from the way the bill passed the House?

Mr. WHITTINGTON. No; I would say I have referred to the principal changes. The other changes in existing law are substantially in the same form they were carried in the House bill, except under present law all funds must be matched by the States for 1936–37, in 2 years; this has been changed to 1 year. Annual reports are to be submitted in January instead of December, as heretofore. There is an authorization for expending not to exceed $75,000 for surveys for the inter-American highway.

Mr. GLOVER. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. GLOVER. I should like to know for the benefit of the RECORD and for the information of the Members whether or not the provision in the original bill which earmarked 25 percent of the funds for post roads, farm-to-market roads, and roads over which school busses are operated is retained in the bill.

Mr. CARTWRIGHT. It is retained in the bill.

Mr. GLOVER. I thank the gentleman for the information.

Mr. CARTWRIGHT. Mr. Speaker, I yield such time as he may need to the gentleman from Ohio [Mr. JENKINS] to explain the feature of the bill referred to by the gentleman from Arkansas [Mr. GLOVER].

Mr. JENKINS of Ohio. It shall be my purpose to delay the vote on the conference report but a minute or two, to explain the changes to the Jenkins amendment made by the Senate. You will remember I presented an amendment to the original bill which was adopted almost unanimously after considerable of a battle. This is the amendment to which the gentleman from Arkansas referred just a moment ago in his inquiry.

The amendment as adopted by the House carried the mandate that 25 percent of this money must be used for the improvement of school-bus routes, rural routes, and country roads. The previous law carried the language "feeder roads." In some States this was interpreted to mean one thing, and in other States it was interpreted to mean something else. We wanted the intent made clear so there would be no ambiguity about it. So this amendment was adopted.

The Senate changed the amendment a little, and some of the Members will probably be much interested in the change. As far as I am concerned, I think it is all right. This is amendment no. 4, and is my amendment with this language added:

Except that the Secretary of Agriculture upon request and satisfactory showing from the highway department of any State may fix a less percentage for apportionment of such State for expenditure on secondary or feeder roads.

An unsympathetic State highway department in any State might prevent the full 25 percent being used on these secondary roads; but I propose to see to it that in my State the highway department does not get away with such a plan if it attempts it, and I do not think the Department of Agriculture would want to thwart the evident intention of Congress.

It will be seen that if the State director makes a sufficient showing to the Federal Director, and these two officials together conclude that it is not necessary to use this 25 percent for this purpose, then they will not. They should not practice any unfairness in this matter, and I want the RECORD to be proof to all such gentlemen that Congress is accepting this change with the belief that no abuses will be practiced.

It is conceivable that some of the small States—perhaps Rhode Island, for example—might have most of its roads improved. The chances are that in that State there are not many school-bus routes or rural-carrier routes that are not pretty well taken care of at the present time; and in such an instance the 25 percent would not be needed for this purpose. On the other hand, in the larger States there will probably be more need for this money. Discretion is left in these two officials to determine the matter. There is some reason in it for this additional language. But the purpose of Congress is well understood.

I do not want to oppose Senate amendment no. 4. I want to compliment the conferees for getting as much as they did; and I hope the conference report is accepted immediately so that it may be accepted in the Senate yet today, and thereby have the bill ready for the President's signature by Monday.

Mr. WHITTINGTON. Mr. Speaker, will the gentleman yield that I may supplement my answer to the gentleman from Massachusetts [Mr. MARTIN].

Mr. CARTWRIGHT. I yield.

Mr. WHITTINGTON. Mr. Speaker, may I say further in reply to the inquiry of the gentleman from Massachusetts that the $400,000,000 as proposed by the House was reduced to $200,000,000; the $50,000,000 as proposed by the House for forest roads and trails was reduced to $24,000,000, and that authorizations aggregating $24,000,000 for each of the years 1936 and 1937 for roads in forests, parks, public lands, and Indian reservations are carried in the bill. I neglected to include this information in my statement.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. CARTWRIGHT. I yield.

Mr. MOTT. Under the Senate amendment, how much money is made immediately available—$100,000,000 or $200,000,000?

Mr. WHITTINGTON. This bill is not an appropriation at all; it is an authorization. There is none immediately available; but $100,000,000 will be immediately available in the deficiency bill already passed by the House.

Mr. MOTT. I understand that, but the House bill authorized an appropriation of $400,000,000.

The Senate amendment authorized an appropriation of $200,000,000?

Mr. CARTWRIGHT. The gentleman is correct.

Mr. MOTT. How much is immediately available of the $200,000,000—the whole thing or just $100,000,000?

Mr. CARTWRIGHT. Whatever Congress appropriates, and the deficiency bill carries $100,000,000 for this purpose. That is sufficient until the legislatures of the different States and Congress meet again in January.

Mr. MOTT. Then, as a matter of fact, we get just as much through the appropriations bill that was passed here the first of the week, earmarking $100,000,000 of the Public Works fund for roads? We would get just as much through that bill as if we did not pass this bill at all?

Mr. CARTWRIGHT. No; but this provides for a 3-year program.

Mr. MOTT. What is the difference?

Mr. WHITTINGTON. There will be an additional $100,000,000 to appropriate in the future.

Mr. MOTT. Which the Congress at the next session may repudiate. In my opinion, the conferees did not do a very good job.

Mr. CARTWRIGHT. I think we did extremely well under the circumstances. This is even better than the way we originally passed it.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

COMMUNICATIONS ACT OF 1934

Mr. RAYBURN. Mr. Speaker, I call up the conference report on the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes.

Mr. BLAND. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BLAND. I propose to offer a point of order against the report. As I understand the point of order comes after the reading of the report and before the statement.

The SPEAKER. The gentleman is correct.

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

Mr. BLAND. Mr. Speaker, reserving the right to object, if that consent permits me to interpose my point of order before the reading of the statement, I shall not object; otherwise I object.

The SPEAKER. The gentleman may make his point of order before the reading of the statement. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLAND. Mr. Speaker, I interpose a point of order against the report on the communications bill on the ground that the committee of conference has exceeded its jurisdiction by writing into the conference report an express repeal of the Radio Act of 1927, and then in said report by reenacting practically in its entirety the original language of that act with the insertion of new matter; whereas the provisions of existing law so reenacted and the new matter so inserted have not been considered by the committee of the House having jurisdiction of the matter so covered by the conference report and in this way the conference report, if adopted, will enact into law matter highly technical and of great public interest without proper committee consideration. Moreover, the adoption of said report may without due consideration by the House deprive the Committee on Merchant Marine, Radio, and Fisheries, which is a standing committee of this House, of its original and time-honored jurisdiction which it has exercised for many years without question, running back to the inception of radio, which jurisdiction can be secured without further question by sustaining this point of order or by rejecting the conference report.

Mr. RAYBURN. Mr. Speaker, the question of jurisdiction in this matter was determined not only by the Speaker originally in referring this bill, but the Speaker was sustained by a vote in the House when the bill was referred to the Committee on Interstate and Foreign Commerce of the House.

Furthermore, these amendments to the Radio Act were certainly considered by the proper committee in the Senate, because they were considered by the Committee on Interstate and Foreign Commerce, which has always considered radio legislation.

Further than that, and aside from the point of order, but referring to the statement of the gentleman from Virginia with reference to these matters not having been discussed or considered, practically every amendment that the Senate put on was enacted in a bill in the Seventy-second Congress, which was given a pocket veto by the President of the United States.

Mr. BLAND. Mr. Speaker, may I answer the argument of the gentleman from Texas?

Mr. MAPES. Will the gentleman yield for a question?

Mr. BLAND. I yield to the gentleman from Michigan.

Mr. MAPES. I am not quite clear whether the gentleman is making the point of order because of the jurisdiction of the committee of the House or because of the differences in the language of the bill as it passed the two Houses and went to conference.

Mr. BLAND. I am making the point of order for both reasons.

Mr. MAPES. May I ask the gentleman whether it is not true that the Senate bill repealed the Radio Act of 1927 and then reenacted it in substance, so that the matter was actually in conference?

Mr. BLAND. The fact is that the bill originally referred to the Committee on Interstate and Foreign Commerce did not undertake to change the language of the Radio Act. The fact is that the proper committee of the Senate having jurisdiction of this matter did undertake to change and repeal the Radio Act of 1927 and to reenact substantially the same provision. I concede that.

Mr. MAPES. When the gentleman refers to the original bill that went to the Committee on Interstate and Foreign Commerce, is he referring to the House bill?

Mr. BLAND. I am referring to the House bill.

Mr. MAPES. Not the Senate bill?

Mr. BLAND. Not the Senate bill.

Mr. MAPES. When the Senate bill came over to the House and was referred to the Committee on Interstate and Foreign Commerce, did it contain the provision repealing the Radio Act?

Mr. BLAND. Yes.

Mr. MAPES. So that the matter really was in conference as between the two Houses when it went to conference?

Mr. BLAND. The House Committee on Interstate and Foreign Commerce admitted in the argument on the floor that they did not know enough about the Radio Act to undertake to consider those particular provisions.

The point I make is that we are now undertaking to repeal and to reenact a most important act without its consideration by the proper committee of the House.

Mr. MAPES. The gentleman's point, as I understand it, is as he has just stated it and not because the matter was not actually in conference before the conferees as appointed. Is not that correct?

Mr. BLAND. If the fact that this matter was in the Senate bill referred to the committee puts it into conference, it was in conference. I cannot deny that.

Mr. MAPES. I simply wanted to get the gentleman's position.

Mr. BLAND. Yes.

Mr. RAYBURN. I may state further that the House bill did not amend the Radio Act, but it did abolish the Radio Commission and transferred its functions to this new commission.

The SPEAKER. As the Chair understands the matter, the Senate passed a bill proposing to regulate communication, which came over to the House. That bill was referred to the Committee on Interstate and Foreign Commerce, which subsequently reported the bill so that it is too late now to raise a question of order involving jurisdiction.

When the bill was considered in the House an amendment was offered, proposed by the Committee on Interstate and Foreign Commerce, striking out all after the enacting clause of the Senate bill and substituting an entirely new bill, and that amendment was agreed to by the House. The House subsequently passed the bill as amended and sent it back to the Senate, where that body disagreed to the House amendment and asked for a conference. The House agreed to the conference, so that both bills were then in conference.

The question involved in the point of order raised by the gentleman from Virginia has been passed on before, and the Chair reads from volume 5, section 6421, of Hinds' Precedents, as follows:

> Where one House strikes out all of the bill of the other after the enacting clause and inserts a new text and the differences over this substitute are referred to conference, the managers have a wide discretion in incorporating germane matters and may even report a new bill on the subject.

This decision, made by Speaker Colfax, has been followed by Speaker Clark and by other Speakers, and the Chair thinks it applicable to the instant case. The Chair, therefore, overrules the point of order.

The Clerk will read the statement.

The Clerk proceeded to read the statement.

Mr. RAYBURN (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. McFADDEN and Mr. RAYBURN rose.

Mr. McFADDEN. Mr. Speaker, I was on my feet, and I insist that the report be read in full.

Mr. RAYBURN. Mr. Speaker, I submit that the gentleman's request comes too late. The Speaker had already announced there was no objection.

Mr. McFADDEN. I was on my feet seeking recognition, I may say to the gentleman.

The SPEAKER. The gentleman states he was on his feet seeking recognition. The Clerk will read the statement.

The Clerk resumed the reading of the statement.

Mr. MAPES (interrupting). Mr. Speaker, I would like to now renew the request that the further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

"TITLE I—GENERAL PROVISIONS

"PURPOSES OF ACT; CREATION OF FEDERAL COMMUNICATIONS COMMISSION

"SECTION 1. For the purpose of regulating interstate and foreign commerce in communication by wire and radio so as to make available, so far as possible, to all the people of the United States a rapid, efficient, Nation-wide, and world-wide wire and radio communication service with adequate facilities at reasonable charges, for the purpose of the national defense, and for the purpose of securing a more effective execution of this policy by centralizing authority heretofore granted by law to several agencies and by granting additional authority with respect to interstate and foreign commerce in wire and radio communication, there is hereby created a commission to be known as the 'Federal Communications Commission', which shall be constituted as hereinafter provided, and which shall execute and enforce the provisions of this act.

"APPLICATION OF ACT

"SEC. 2. (a) The provisions of this act shall apply to all interstate and foreign communication by wire or radio and all interstate and foreign transmission of energy by radio, which originates and/or is received within the United States, and to all persons engaged within the United States in such communication or such transmission of energy by radio, and to the licensing and regulating of all radio stations as hereinafter provided; but it shall not apply to persons engaged in wire or radio communication or transmission in the Philippine Islands or the Canal Zone, or to wire or radio communication or transmission wholly within the Philippine Islands or the Canal Zone.

"(b) Subject to the provisions of section 301, nothing in this act shall be construed to apply or to give the Commission jurisdiction with respect to (1) charges, classifications, practices, services, facilities, or regulations for or in connection with intrastate communication service of any carrier, or (2) any carrier engaged in interstate or foreign communication solely through physical connection with the facilities of another carrier not directly or indirectly controlling or controlled by, or under direct or indirect common control with, such carrier; except that sections 201 to 205 of this act, both inclusive, shall, except as otherwise provided therein, apply to carriers described in clause (2).

"DEFINITIONS

"SEC. 3. For the purpose of this act, unless the context otherwise requires—

"(a) 'Wire communication' or 'communication by wire' means the transmission of writing, signs, signals, pictures, and sounds of all kinds by aid of wire, cable, or other like connection between the points of origin and reception of such transmission, including all instrumentalities, facilities, apparatus, and services (among other things, the receipt, forwarding, and delivery of communications) incidental to such transmission.

"(b) 'Radio communication' or 'communication by radio' means the transmission by radio of writing, signs, signals, pictures, and sounds of all kinds, including all instrumentalities, facilities, apparatus, and services (among other things, the receipt, forwarding, and delivery of communications) incidental to such transmission.

"(c) 'License' means the holder of a radio station license granted or continued in force under authority of this act.

"(d) 'Transmission of energy by radio' or 'radio transmission of energy' includes both such transmission and all instrumentalities, facilities, and services incidental to such transmission.

"(e) 'Interstate communication' or 'interstate transmission' means communication or transmission (1) from any State, Territory, or possession of the United States (other than the Philippine Islands and the Canal Zone), or the District of Columbia, to any other State, Territory, or possession of the United States (other than the Philippine Islands and the Canal Zone), or the District of Columbia, (2) from or to the United States to or from the Philippine Islands or the Canal Zone, insofar as such communication or transmission takes place within the United States, or (3) between points within the United States but through a foreign country; but shall not include wire communication between points within the same State, Territory, or possession of the United States, or the District of Columbia, through any place outside thereof, if such communication is regulated by a State commission.

"(f) 'Foreign communication' or 'foreign transmission' means communication or transmission from or to any place in the United States to or from a foreign country, or between a station in the United States and a mobile station located outside the United States.

"(g) 'United States' means the several States and Territories, the District of Columbia, and the possessions of the United States, but does not include the Philippine Islands or the Canal Zone.

"(h) 'Common carrier' or 'carrier' means any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, except where reference is made to common carriers not subject to this act; but a person engaged in radio broadcasting shall not, insofar as such person is so engaged, be deemed a common carrier.

"(i) 'Person' includes an individual, partnership, association, joint-stock company, trust, or corporation.

"(j) 'Corporation' includes any corporation, joint-stock company, or association.

"(k) 'Radio station' or 'station' means a station equipped to engage in radio communication or radio transmission of energy.

"(l) 'Mobile station' means a radio-communication station capable of being moved and which ordinarily does move.

"(m) 'Land station' means a station, other than a mobile station, used for radio communication with mobile stations.

"(n) 'Mobile service' means the radio-communication service carried on between mobile stations and land stations, and by mobile stations communicating among themselves.

"(o) 'Broadcasting' means the dissemination of radio communications intended to be received by the public, directly or by intermediary of relay stations.

"(p) 'Chain broadcasting' means simultaneous broadcasting of an identical program by two or more connected stations.

"(q) 'Amateur station' means a radio station operated by a duly authorized person interested in radio technique solely with a personal aim and without pecuniary interest.

"(r) 'Telephone exchange service' means service within a telephone exchange, or within a connected system of telephone exchanges within the same exchange area operated to furnish to subscribers intercommunicating service of the character ordinarily furnished by a single exchange, and which is covered by the exchange service charge.

"(s) 'Telephone toll service' means telephone service between stations in different exchange areas for which there is made a separate charge not included in contracts with subscribers for exchange service.

"(t) 'State commission' means the commission, board, or official (by whatever name designated) which under the laws of any State has regulatory jurisdiction with respect to intrastate operations of carriers.

"(u) 'Connecting carrier' means a carrier described in clause (2) of section 2 (b).

"(v) 'State' includes the District of Columbia and the Territories and possessions.

PROVISIONS RELATING TO THE COMMISSION

"SEC. 4. (a) The Federal Communications Commission (in this act referred to as the 'Commission') shall be composed of seven commissioners appointed by the President, by and with the advice and consent of the Senate, one of whom the President shall designate as chairman.

"(b) Each member of the Commission shall be a citizen of the United States. No member of the Commission or person in its employ shall be financially interested in the manufacture or sale of radio apparatus or of apparatus for wire or radio communication; in communication by wire or radio or in radio transmission of energy; in any company furnishing services or such apparatus to any company engaged in communication by wire or radio or to any company manufacturing or selling apparatus used for communication by wire or radio; or in any company owning stocks, bonds, or other securities of any such company; nor be in the employ of or hold any official relation to any person subject to any of the provisions of this act, nor own stocks, bonds, or other securities of any corporation subject to any of the provisions of this act. Such commissioners shall not engage in any other business, vocation, or employment. Not more than four commissioners shall be members of the same political party.

"(c) The commissioners first appointed under this act shall continue in office for the terms of 1, 2, 3, 4, 5, 6, and 7 years, respectively, from the date of the taking effect of this act, the term of each to be designated by the President, but their successors shall be appointed for terms of 7 years; except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he succeeds. No vacancy in the Commission shall impair the right of the remaining commissioners to exercise all the powers of the Commission.

"(d) Each commissioner shall receive an annual salary of $10,000, payable in monthly installments.

"(e) The principal office of the Commission shall be in the District of Columbia, where its general sessions shall be held; but whenever the convenience of the public or of the parties may be promoted or delay or expense prevented thereby, the Commission may hold special sessions in any part of the United States.

"(f) Without regard to the civil-service laws or the Classification Act of 1923, as amended, (1) the Commission may appoint and prescribe the duties and fix the salaries of a secretary, a director for each division, a chief engineer and not more than three assistants, a general counsel and not not more than three assistants, and temporary counsel designated by the Commission for the performance of special services, and (2) each commissioner may appoint and prescribe the duties of a secretary at an annual salary not to exceed $4,000 per annum. The general counsel and the chief engineer shall each receive an annual salary of not to exceed $9,000; the secretary shall receive an annual salary of not to exceed $7,500; the director of each division shall receive an annual salary of not to exceed $7,500; and no assistant shall receive an annual salary in excess of $7,500. The Commission shall have authority, subject to the provisions of the civil-service laws and the Classification Act of 1923, as amended, to appoint such other officers, engineers, inspectors, attorneys, examiners, and other employees as are necessary in the execution of its functions.

"(g) The Commission may make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for office supplies, law books, periodicals, and books of reference, and for printing and binding) as may be necessary for the execution of the functions vested in the Commission and as from time to time may be appropriated for by Congress. All expenditures of the Commission, including all necessary expenses for transportation incurred by the commissioners or by their employees, under their orders, in making any investigation or upon any official business in any other places than in the city of Washington, shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman of the Commission or by such other member or officer thereof as may be designated by the Commission for that purpose.

"(h) Four members of the Commission shall constitute a quorum thereof. The Commission shall have an official seal which shall be judicially noticed.

"(i) The Commission may perform any and all acts, make such rules and regulations, and issue such orders, not inconsistent with this act, as may be necessary in the execution of its functions.

"(j) The Commission may conduct its proceedings in such manner as will best conduce to the proper dispatch of business and to the ends of justice. No Commissioner shall participate in any hearing or proceeding in which he has a pecuniary interest. Any party may appear before the Commission and be heard in person or by attorney. Every vote and official act of the Commission shall be entered of record, and its proceedings shall be public upon the request of any party interested. The Commission is authorized to withhold publication of records or proceedings containing secret information affecting the national defense.

"(k) The Commission shall make an annual report to Congress, copies of which shall be distributed as are other reports transmitted to Congress. Such report shall contain such information and data collected by the Commission as may be considered of value in the determination of questions connected with the regulation of interstate and foreign wire and radio communication and radio transmission of energy, together with such recommendations as to additional legislation relating thereto as the Commission may deem necessary: *Provided*, That the Commission shall make a special report not later than February 1, 1935, recommending such amendments to this act as it deems desirable in the public interest.

"(l) All reports of investigations made by the Commission shall be entered of record, and a copy thereof shall be furnished to the party who may have complained, and to any common carrier or licensee that may have been complained of.

"(m) The Commission shall provide for the publication of its reports and decisions in such form and manner as may be best adapted for public information and use, and such authorized publications shall be competent evidence of the reports and decisions of the Commission therein contained in all courts of the United States and of the several States without any further proof or authentication thereof.

"(n) Rates of compensation of persons appointed under this section shall be subject to the reduction applicable to officers and employees of the Federal Government generally.

"DIVISIONS OF THE COMMISSION

"SEC. 5. (a) The Commission is hereby authorized by its order to divide the members thereof into not more than three divisions, each to consist of not less than three mem-

bers. Any Commissioner may be assigned to and may serve upon such division or divisions as the Commission may direct, and each division shall choose its own chairman. In case of a vacancy in any division, or of absence or inability to serve thereon of any Commissioner thereto assigned, the chairman of the Commission or any Commissioner designated by him for that purpose may temporarily serve on said division until the Commission shall otherwise order.

"(b) The Commission may by order direct that any of its work, business, or functions arising under this act, or under any other act of Congress, or in respect of any matter which has been or may be referred to the Commission by Congress or by either branch thereof, be assigned or referred to any of said divisions for action thereon, and may by order at any time amend, modify, supplement, or rescind any such direction. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Commission.

"(c) In conformity with and subject to the order or orders of the Commission in the premises, each division so constituted shall have power and authority by a majority thereof to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to it for action by the Commission, and in respect thereof the division shall have all the jurisdiction and powers now or then conferred by law upon the Commission, and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any of said divisions in respect of any matters so assigned or referred to it shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made, or taken by the Commission, subject to rehearing by the Commission as provided in section 405 of this Act for rehearing cases decided by the Commission. The secretary and seal of the Commission shall be the secretary and seal of each division thereof.

"(d) Nothing in this section contained, or done pursuant thereto, shall be deemed to divest the Commission of any of its powers.

"(e) The Commission is hereby authorized by its order to assign or refer any portion of its work, business, or functions arising under this or any other act of Congress or referred to it by Congress, or either branch thereof, to an individual commissioner, or to a board composed of an employee or employees of the Commission, to be designated by such order, for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference: *Provided, however,* That this authority shall not extend to investigations instituted upon the Commission's own motion or, without the consent of the parties thereto, to contested proceedings involving the taking of testimony at public hearings, or to investigations specifically required by this act. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Commission. In case of the absence or inability for any other reason to act of any such individual commissioner or employee designated to serve upon any such board, the chairman of the Commission may designate another commissioner or employee, as the case may be, to serve temporarily until the Commission shall otherwise order. In conformity with and subject to the order or orders of the Commission in the premises, any such individual commissioner, or board acting by a majority thereof, shall have power and authority to hear and determine, order, certify, report, or otherwise act as to any of said work, business, or functions so assigned or referred to him or it for action by the Commission and in respect thereof shall have all the jurisdiction and powers now or then conferred by law upon the Commission and be subject to the same duties and obligations. Any order, decision, or report made or other action taken by any such individual commissioner or board in respect of any matters so assigned or referred shall have the same force and effect, and may be made, evidenced, and enforced in the same manner as if made or taken by the Commission. Any party affected by any order, decision, or report of any such individual commissioner or board may file a petition for rehearing by the Commission or a division thereof and every such petition shall be passed upon by the Commission or a division thereof. Any action by a division upon such a petition shall itself be subject to rehearing by the Commission, as provided in section 405 of this act and in subsection (c). The Commission may make and amend rules for the conduct of proceedings before such individual commissioner or board and for the rehearing of such action before a division of the Commission or the Commission. The secretary and seal of the Commission shall be the secretary and seal of such individual commissioner or board.

"TITLE II—COMMON CARRIERS

"SERVICE AND CHARGES

"SECTION 201. (a) It shall be the duty of every common carrier engaged in interstate or foreign communication by wire or radio to furnish such communication service upon reasonable request therefor; and, in accordance with the orders of the Commission, in cases where the Commission, after opportunity for hearing, finds such action necessary or desirable in the public interest, to establish physical connections with other carriers, to establish through routes and charges applicable thereto and the divisions of such charges, and to establish and provide facilities and regulations for operating such through routes.

"(b) All charges, practices, classifications, and regulations for and in connection with such communication service, shall be just and reasonable, and any such charge, practice, classification, or regulation that is unjust or unreasonable is hereby declared to be unlawful: *Provided,* That communications by wire or radio subject to this act may be classified into day, night, repeated, unrepeated, letter, commercial, press, Government, and such other classes as the Commission may decide to be just and reasonable, and different charges may be made for the different classes of communications: *Provided further,* That nothing in this act or in any other provision of law shall be construed to prevent a common carrier subject to this act from entering into or operating under any contract with any common carrier not subject to this act, for the exchange of their services, if the Commission is of the opinion that such contract is not contrary to the public interest.

"DISCRIMINATION AND PREFERENCES

"SEC. 202. (a) It shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities, or services for or in connection with like communication service, directly or indirectly, by any means or device, or to make or give any undue or unreasonable preference or advantage to any particular person, class of persons, or locality, or to subject any particular person, class of persons, or locality to any undue or unreasonable prejudice or disadvantage.

"(b) Charges or services, whenever referred to in this act, include charges for, or services in connection with, the use of wires in chain broadcasting or incidental to radio communication of any kind.

"(c) Any carrier who knowingly violates the provisions of this section shall forfeit to the United States the sum of $500 for each such offense and $25 for each and every day of the continuance of such offense.

"SCHEDULES OF CHARGES

"SEC. 203. (a) Every common carrier, except connecting carriers, shall, within such reasonable time as the Commission shall designate, file with the Commission and print and keep open for public inspection schedules showing all charges for itself and its connecting carriers for interstate and foreign wire or radio communication between the different points on its own system, and between points on its own system and points on the system of its connecting carriers or points on the system of any other carrier subject to this act when a through route has been established, whether such charges are joint or separate, and showing the classifications, practices, and regulations affecting such charges. Such schedules shall contain such other information, and be printed in such form, and be posted and kept open for public inspection in such places, as the Commis-

sion may by regulation require, and each such schedule shall give notice of its effective date; and such common carrier shall furnish such schedules to each of its connecting carriers, and such connecting carriers shall keep such schedules open for inspection in such public places as the Commission may require.

"(b) No change shall be made in the charges, classifications, regulations, or practices which have been so filed and published except after 30 days' notice to the Commission and to the public, which shall be published in such form and contain such information as the Commission may by regulations prescribe; but the Commission may, in its discretion and for good cause shown, modify the requirements made by or under authority of this section in particular instances or by a general order applicable to special circumstances or conditions.

"(c) No carrier, unless otherwise provided by or under authority of this act, shall engage or participate in such communication unless schedules have been filed and published in accordance with the provisions of this act and with the regulations made thereunder and no carrier shall (1) charge, demand, collect, or receive a greater or less or different compensation for such communication, or for any service in connection therewith, between the points named in any such schedule than the charges specified in the schedule then in effect, or (2) refund or remit by any means or device any portion of the charges so specified, or (3) extend to any person any privileges or facilities in such communication, or employ or enforce any classifications, regulations, or practices affecting such charges, except as specified in such schedule.

"(d) The Commission may reject and refuse to file any schedule entered for filing which does not provide and give lawful notice of its effective date. Any schedule so rejected by the Commission shall be void and its use shall be unlawful.

"(e) In case of failure or refusal on the part of any carrier to comply with the provisions of this section or of any regulation or order made by the Commission thereunder, such carrier shall forfeit to the United States the sum of $500 for each such offense, and $25 for each and every day of the continuance of such offense.

"HEARING AS TO LAWFULNESS OF NEW CHARGES; SUSPENSION

"SEC. 204. Whenever there is filed with the Commission any new charge, classification, regulation, or practice, the Commission may either upon complaint or upon its own initiative without complaint, upon reasonable notice, enter upon a hearing concerning the lawfulness thereof; and pending such hearing and the decision thereon the Commission, upon delivering to the carrier or carriers affected thereby a statement in writing of its reasons for such suspension, may suspend the operation of such charge, classification, regulation, or practice, but not for a longer period than three months beyond the time when it would otherwise go into effect; and after full hearing the Commission may make such order with reference thereto as would be proper in a proceeding initiated after it had become effective. If the proceeding has not been concluded and an order made within the period of the suspension, the proposed change of charge, classification, regulation, or practice shall go into effect at the end of such period; but in case of a proposed increased charge, the Commission may by order require the interested carrier or carriers to keep accurate account of all amounts received by reason of such increase, specifying by whom and in whose behalf such amounts are paid, and upon completion of the hearing and decision may by further order require the interested carrier or carriers to refund, with interest, to the persons in whose behalf such amounts were paid, such portion of such increased charges as by its decision shall be found not justified. At any hearing involving a charge increased, or sought to be increased, after the organization of the Commission, the burden of proof to show that the increased charge, or proposed increased charge, is just and reasonable shall be upon the carrier, and the Commission shall give to the hearing and decision of such questions preference over all other questions pending before it and decide the same as speedily as possible.

"COMMISSION AUTHORIZED TO PRESCRIBE JUST AND REASONABLE CHARGES

"SEC. 205. (a) Whenever, after full opportunity for hearing, upon a complaint or under an order for investigation and hearing made by the Commission on its own initiative, the Commission shall be of opinion that any charge, classification, regulation, or practice of any carrier or carriers is or will be in violation of any of the provisions of this act, the Commission is authorized and empowered to determine and prescribe what will be the just and reasonable charge or the maximum or minimum, or maximum and minimum, charge or charges to be thereafter observed, and what classification, regulation, or practice is or will be just, fair, and reasonable, to be thereafter followed, and to make an order that the carrier or carriers shall cease and desist from such violation to the extent that the Commission finds that the same does or will exist, and shall not thereafter publish, demand, or collect any charge other than the charge so prescribed, or in excess of the maximum or less than the minimum so prescribed, as the case may be, and shall adopt the classification and shall conform to and observe the regulation or practice so prescribed.

"(b) Any carrier, any officer, representative, or agent of a carrier, or any receiver, trustee, lessee, or agent of either of them, who knowingly fails or neglects to obey any order made under the provisions of this section shall forfeit to the United States the sum of $1,000 for each offense. Every distinct violation shall be a separate offense, and in case of continuing violation each day shall be deemed a separate offense.

"LIABILITY OF CARRIERS FOR DAMAGES

"SEC. 206. In case any common carrier shall do, or cause or permit to be done, any act, matter, or thing in this act prohibited or declared to be unlawful, or shall omit to do any act, matter, or thing in this act required to be done, such common carrier shall be liable to the person or persons injured thereby for the full amount of damages sustained in consequence of any such violation of the provisions of this act, together with a reasonable counsel or attorney's fee, to be fixed by the court in every case of recovery, which attorney's fee shall be taxed and collected as part of the costs in the case.

"RECOVERY OF DAMAGES

"SEC. 207. Any person claiming to be damaged by any common carrier subject to the provisions of this act may either make complaint to the Commission as hereinafter provided for, or may bring suit for the recovery of the damages for which such common carrier may be liable under the provisions of this act, in any district court of the United States of competent jurisdiction; but such person shall not have the right to pursue both such remedies.

"COMPLAINTS TO THE COMMISSION

"SEC. 208. Any person, any body politic or municipal organization, or State commission, complaining of anything done or omitted to be done by any common carrier subject to this act, in contravention of the provisions thereof, may apply to said Commission by petition which shall briefly state the facts, whereupon a statement of the complaint thus made shall be forwarded by the Commission to such common carrier, who shall be called upon to satisfy the complaint or to answer the same in writing within a reasonable time to be specified by the Commission. If such common carrier within the time specified shall make reparation for the injury alleged to have been caused, the common carrier shall be relieved of liability to the complainant only for the particular violation of law thus complained of. If such carrier or carriers shall not satisfy the complaint within the time specified or there shall appear to be any reasonable ground for investigating said complaint, it shall be the duty of the Commission to investigate the matters complained of in such manner and by such means as it shall deem proper. No complaint shall at any time be dismissed because of the absence of direct damage to the complainant.

"ORDERS FOR PAYMENT OF MONEY

"SEC. 209. If, after hearing on a complaint, the Commission shall determine that any party complainant is entitled to an award of damages under the provisions of this act, the Commission shall make an order directing the carrier to pay to the complainant the sum to which he is entitled on or before a day named.

"FRANKS AND PASSES

"SEC. 210. Nothing in this act or in any other provision of law shall be construed to prohibit common carriers from issuing or giving franks to, or exchanging franks with each other for the use of, their officers, agents, employees, and their families, or, subject to such rules as the Commission may prescribe, from issuing, giving, or exchanging franks and passes to or with other common carriers not subject to the provisions of this act, for the use of their officers, agents, employees, and their families. The term 'employees', as used in this section, shall include furloughed, pensioned, and superannuated employees.

"COPIES OF CONTRACTS TO BE FILED

"SEC. 211. (a) Every carrier subject to this act shall file with the Commission copies of all contracts, agreements, or arrangements with other carriers, or with common carriers not subject to the provisions of this act, in relation to any traffic affected by the provisions of this act to which it may be a party.

"(b) The Commission shall have authority to require the filing of any other contracts of any carrier, and shall also have authority to exempt any carrier from submitting copies of such minor contracts as the Commission may determine.

"INTERLOCKING DIRECTORATES—OFFICIALS DEALING IN SECURITIES

"SEC. 212. After 60 days from the enactment of this act it shall be unlawful for any person to hold the position of officer or director of more than one carrier subject to this act, unless such holding shall have been authorized by order of the Commission, upon due showing in form and manner prescribed by the Commission, that neither public nor private interests will be adversely affected thereby. After this section takes effect it shall be unlawful for any officer or director of any such carrier to receive for his own benefit, directly or indirectly, any money or thing of value in respect of negotiation, hypothecation, or sale of any securities issued or to be issued by such carrier, or to share in any of the proceeds thereof, or to participate in the making or paying of any dividends of such carrier from any funds properly included in capital account.

"VALUATION OF CARRIER PROPERTY

"SEC. 213 (a) The Commission may from time to time, as may be necessary for the proper administration of this act, and after opportunity for hearing, make a valuation of all or of any part of the property owned or used by any carrier subject to this act, as of such date as the Commission may fix.

"(b) The Commission may at any time require any such carrier to file with the Commission an inventory of all or of any part of the property owned or used by said carrier, which inventory shall show the units of said property classified in such detail, and in such manner, as the Commission shall direct, and shall show the estimated cost of reproduction new of said units, and their reproduction cost new less depreciation, as of such date as the Commission may direct; and such carrier shall file such inventory within such reasonable time as the Commission by order shall require.

"(c) The Commission may at any time require any such carrier to file with the Commission a statement showing the original cost at the time of dedication to the public use of all or of any part of the property owned or used by said carrier. For the showing of such original cost said property shall be classified, and the original cost shall be defined, in such manner as the Commission may prescribe; and if any part of such cost cannot be determined from accounting or other records, the portion of the property for which such cost cannot be determined shall be reported to the Commission; and, if the Commission shall so direct, the original cost thereof shall be estimated in such manner as the Commission may prescribe. If the carrier owning the property at the time such original cost is reported shall have paid more or less than the original cost to acquire the same, the amount of such cost of acquisition, and any facts which the Commission may require in connection therewith, shall be reported with such original cost. The report made by a carrier under this paragraph shall show the source or sources from which the original cost reported was obtained, and such other information as to the manner in which the report was prepared, as the Commission shall require.

"(d) Nothing shall be included in the original cost reported for the property of any carrier under paragraph (c) of this section on account of any easement, license, or franchise granted by the United States or by any State or political subdivision thereof, beyond the reasonable necessary expense lawfully incurred in obtaining such easement, license, or franchise from the public authority aforesaid, which expense shall be reported separately from all other costs in such detail as the Commission may require; and nothing shall be included in any valuation of the property of any carrier made by the Commission on account of any such easement, license, or franchise, beyond such reasonable necessary expense lawfully incurred as aforesaid.

"(e) The Commission shall keep itself informed of all new construction, extensions, improvements, retirements, or other changes in the condition, quantity, use, and classification of the property of common carriers, and of the cost of all additions and betterments thereto and of all changes in the investment therein, and may keep itself informed of current changes in costs and values of carrier properties.

"(f) For the purpose of enabling the Commission to make a valuation of any of the property of any such carrier, or to find the original cost of such property, or to find any other facts concerning the same which are required for use by the Commission, it shall be the duty of each such carrier to furnish to the Commission, within such reasonable time as the Commission may order, any information with respect thereto which the Commission may by order require, including copies of maps, contracts, reports of engineers, and other data, records, and papers, and to grant to all agents of the Commission free access to its property and its accounts, records, and memoranda whenever and wherever requested by any such duly authorized agent, and to cooperate with and aid the Commission in the work of making any such valuation or finding in such manner and to such extent as the Commission may require and direct, and all rules and regulations made by the Commission for the purpose of administering this section shall have the full force and effect of law. Unless otherwise ordered by the Commission, with the reasons therefor, the records and data of the Commission shall be open to the inspection and examination of the public. The Commission, in making any such valuation, shall be free to adopt any method of valuation which shall be lawful.

"(g) Notwithstanding any provision of this act the Interstate Commerce Commission, if requested to do so by the Commission, shall complete, at the earliest practicable date, such valuations of properties of carriers subject to this act as are now in progress, and shall thereafter transfer to the Commission the records relating thereto.

"(h) Nothing in this section shall impair or diminish the powers of any State commission.

"EXTENSION OF LINES

"SEC. 214. (a) No carrier shall undertake the construction of a new line or of an extension of any line, or shall acquire or operate any line, or extension thereof, or shall engage in transmission over or by means of such additional or extended line, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, or operation, or construction and operation, of such additional or extended line: *Provided*, That no such certificate shall be required under this section for the construction, acquisition, operation, or extension of (1) a line within a single State unless said line constitutes part of an interstate line, (2) local, branch, or terminal lines

and exceeding 10 miles in length, or (3) any lines acquired under section 221 of this act: *Provided further*, That the Commission may, upon appropriate request being made, authorize temporary or emergency service, or the supplementing of existing facilities, without regard to the provisions of this section.

"(b) Upon receipt for an application for any such certificate the Commission shall cause notice thereof to be given to and a copy filed with the Governor of each State in which such additional or extended line is proposed to be constructed or operated, with the right to be heard as provided with respect to the hearing of complaints; and the Commission may require such published notice as it shall determine.

"(c) The Commission shall have power to issue such certificate as prayed for, or to refuse to issue it, or to issue it for a portion or portions of a line, or extension thereof, described in the application, or for the partial exercise only of such right or privilege, and may attach to the issuance of the certificate such terms and conditions as in its judgment the public convenience and necessity may require. After issuance of such certificate, and not before, the carrier may, without securing approval other than such certificate, comply with the terms and conditions contained in or attached to the issuance of such certificate and proceed with the construction, acquisition, operation, or extension covered thereby. Any construction, acquisition, operation, or extension contrary to the provisions of this section may be enjoined by any court of competent jurisdiction at the suit of the United States, the Commission, the State commission, any State affected, or any party in interest.

"(d) The Commission may, after full opportunity for hearing, in a proceeding upon complaint or upon its own initiative without complaint, authorize or require by order any carrier, party to such proceeding, to provide itself with adequate facilities for performing its service as a common carrier and to extend its line; but no such authorization or order shall be made unless the Commission finds, as to such extension, that it is reasonably required in the interest of public convenience and necessity, or as to such extension or facilities that the expense involved therein will not impair the ability of the carrier to perform its duty to the public. Any carrier which refuses or neglects to comply with any order of the Commission made in pursuance of this paragraph shall forfeit to the United States $100 for each day during which such refusal or neglect continues.

"TRANSACTIONS RELATING TO SERVICES, EQUIPMENT, AND SO FORTH

"SEC. 215. (a) The Commission shall examine into transactions entered into by any common carrier which relate to the furnishing of equipment, supplies, research, services, finances, credit, or personnel to such carrier and/or which may affect the charges made or to be made and/or the services rendered or to be rendered by such carrier, in wire or radio communication subject to this act, and shall report to the Congress whether any such transactions have affected or are likely to affect adversely the ability of the carrier to render adequate service to the public, or may result in any undue or unreasonable increase in charges or in the maintenance of undue or unreasonable charges for such service; and in order to fully examine into such transactions the Commission shall have access to and the right of inspection and examination of all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, or persons furnishing such equipment, supplies, research, services, finances, credit, or personnel. The Commission shall include in its report its recommendations for necessary legislation in connection with such transactions, and shall report specifically whether in its opinion legislation should be enacted (1) authorizing the Commission to declare any such transactions void or to permit such transactions to be carried out subject to such modification of their terms and conditions as the Commission shall deem desirable in the public interest; and/or (2) subjecting such transactions to the approval of the Commission where the person furnishing or seeking to furnish the equipment, supplies, research, services, finances, credit, or personnel is a person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such carrier; and/or (3) authorizing the Commission to require that all or any transactions of carriers involving the furnishing of equipment, supplies, research, services, finances, credit, or personnel to such carrier be upon competitive bids on such terms and conditions and subject to such regulations as it shall prescribed as necessary in the public interest.

"(b) The Commission shall investigate the methods by which and the extent to which wire telephone companies are furnishing wire telegraph service and wire telegraph companies are furnishing wire telephone service, and shall report its findings to Congress, together with its recommendations as to whether additional legislation on this subject is desirable.

"(c) The Commission shall examine all contracts of common carriers subject to this act which prevent the other party thereto from dealing with another common carrier subject to this act, and shall report its findings to Congress, together with its recommendations as to whether additional legislation on this subject is desirable.

"APPLICATION OF ACT TO RECEIVERS AND TRUSTEES

"SEC. 216. The provisions of this act shall apply to all receivers and operating trustees of carriers subject to this act to the same extent that it applies to carriers.

"LIABILITY OF CARRIER FOR ACTS AND OMISSIONS OF AGENTS

"SEC. 217. In construing and enforcing the provisions of this act, the act, omission, or failure of any officer, agent, or other person acting for or employed by any common carrier or user, acting within the scope of his employment, shall in every case be also deemed to be the act, omission, or failure of such carrier or user as well as that of the person.

"INQUIRIES INTO MANAGEMENT

"SEC. 218. The Commission may inquire into the management of the business of all carriers subject to this act, and shall keep itself informed as to the manner and method in which the same is conducted and as to technical developments and improvements in wire and radio communication and radio transmission of energy to the end that the benefits of new inventions and developments may be made available to the people of the United States. The Commission may obtain from such carriers and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control, such carriers full and complete information necessary to enable the Commission to perform the duties and carry out the objects for which it was created.

"ANNUAL AND OTHER REPORTS

"SEC. 219. (a) The Commission is authorized to require annual reports under oath from all carriers subject to this act, and from persons directly or indirectly controlling or controlled by, or under direct or indirect common control with, any such carrier, to prescribe the manner in which such reports shall be made, and to require from such persons specific answers to all questions upon which the Commission may need information. Such annual reports shall show in detail the amount of capital stock issued, the amount and privileges of each class of stock, the amounts paid therefor, and the manner of payment for the same; the dividends paid and the surplus fund, if any; the number of stockholders (and the names of the 30 largest holders of each class of stock and the amount held by each); the funded and floating debts and the interest paid thereon; the cost and value of the carrier's property, franchises, and equipments; the number of employees and the salaries paid each class; the names of all officers and directors, and the amount of salary, bonus, and all other compensation paid to each; the amounts expended for improvements each year, how expended, and the character of such improvements; the earnings and receipts from each branch of business and from all sources; the operating and other expenses; the balances of profit and loss, and a complete exhibit of the financial operations of the carrier each year, including an annual balance sheet. Such reports shall also contain such information in

relation to charges or regulations concerning charges, or agreements, arrangements, or contracts affecting the same, as the Commission may require.

"(b) Such reports shall be for such 12 months' period as the Commission shall designate and shall be filed with the Commission at its office in Washington within 3 months after the close of the year for which the report is made, unless additional time is granted in any case by the Commission; and if any person subject to the provisions of this section shall fail to make and file said annual reports within the time above specified, or within the time extended by the Commission, for making and filing the same, or shall fail to make specific answer to any question authorized by the provisions of this section within 30 days from the time it is lawfully required so to do, such person shall forfeit to the United States the sum of $100 for each and every day it shall continue to be in default with respect thereto. The Commission may by general or special orders require any such carriers to file monthly reports of earnings and expenses and to file periodical and/or special reports concerning any matters with respect to which the Commission is authorized or required by law to act; and such periodical or special reports shall be under oath whenever the Commission so requires. If any such carrier shall fail to make and file any such periodical or special report within the time fixed by the Commission, it shall be subject to the forfeitures above provided.

"ACCOUNTS, RECORDS, AND MEMORANDA; DEPRECIATION CHARGES

"SEC. 220. (a) The Commission may, in its discretion, prescribe the forms of any and all accounts, records, and memoranda to be kept by carriers subject to this act, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of moneys.

"(b) The Commission shall, as soon as practicable, prescribe for such carriers the classes of property for which depreciation charges may be properly included under operating expenses, and the percentages of depreciation which shall be charged with respect to each of such classes of property, classifying the carriers as it may deem proper for this purpose. The Commission may, when it deems necessary, modify the classes and percentages so prescribed. Such carriers shall not, after the Commission has prescribed the classes of property for which depreciation charges may be included, charge to operating expenses any depreciation charges on classes of property other than those prescribed by the Commission, or, after the Commission has prescribed percentages of depreciation, charge with respect to any class of property a percentage of depreciation other than that prescribed therefor by the Commission. No such carrier shall in any case include in any form under its operating or other expenses any depreciation or other charge or expenditure included elsewhere as a depreciation charge or otherwise under its operating or other expenses.

"(c) The Commission shall at all times have access to and the right of inspection and examination of all accounts, records, and memoranda, including all documents, papers, and correspondence now or hereafter existing, and kept or required to be kept by such carriers, and the provisions of this section respecting the preservation and destruction of books, papers, and documents shall apply thereto. The burden of proof to justify every accounting entry questioned by the Commission shall be on the person making, authorizing, or requiring such entry and the Commission may suspend a charge or credit pending submission of proof by such person. Any provision of law prohibiting the disclosure of the contents of messages or communications shall not be deemed to prohibit the disclosure of any matter in accordance with the provisions of this section.

"(d) In case of failure or refusal on the part of any such carrier to keep such accounts, records, and memoranda on the books and in the manner prescribed by the Commission, or to submit such accounts, records, memoranda, documents, papers, and correspondence as are kept to the inspection of the Commission or any of its authorized agents, such carrier shall forfeit to the United States the sum of $500 for each day of the continuance of each such offense.

"(e) Any person who shall willfully make any false entry in the accounts of any book of accounts or in any record or memoranda kept by any such carrier, or who shall willfully destroy, mutilate, alter, or by any other means or device falsify any such account, record, or memoranda, or who shall willfully neglect or fail to make full, true, and correct entries in such accounts, records, or memoranda of all facts and transactions appertaining to the business of the carrier, shall be deemed guilty of a misdemeanor, and shall be subject, upon conviction, to a fine of not less than $1,000 nor more than $5,000 or imprisonment for a term of not less than 1 year nor more than 3 years, or both such fine and imprisonment: *Provided*, That the Commission may in its discretion issue orders specifying such operating, accounting, or financial papers, records, books, blanks, or documents which may, after a reasonable time, be destroyed, and prescribing the length of time such books, papers, or documents shall be preserved.

"(f) No member, officer, or employee of the Commission shall divulge any fact or information which may come to his knowledge during the course of examination of books or other accounts, as hereinbefore provided, except insofar as he may be directed by the Commission or by a court.

"(g) After the Commission has prescribed the forms and manner of keeping of accounts, records, and memoranda to be kept by any person as herein provided, it shall be unlawful for such person to keep any other accounts, records, or memoranda than those so prescribed or such as may be approved by the Commission or to keep the accounts in any other manner than that prescribed or approved by the Commission. Notice of alterations by the Commission in the required manner or form of keeping accounts shall be given to such persons by the Commission at least 6 months before the same are to take effect.

"(h) The Commission may classify carriers subject to this act and prescribe different requirements under this section for different classes of carriers, and may, if it deems such action consistent with the public interest, except the carriers of any particular class or classes in any State from any of the requirements under this section in cases where such carriers are subject to State commission regulation with respect to matters to which this section relates.

"(i) The Commission, before prescribing any requirements as to accounts, records, or memoranda, shall notify each State commission having jurisdiction with respect to any carrier involved, and shall give reasonable opportunity to each such commission to present its views, and shall receive and consider such views and recommendations.

"(j) The Commission shall investigate and report to Congress as to the need for legislation to define further or harmonize the powers of the Commission and of State commissions with respect to matters to which this section relates.

"SPECIAL PROVISIONS RELATING TO TELEPHONE COMPANIES

"SEC. 221. (a) Upon application of one or more telephone companies for authority to consolidate their properties or a part thereof into a single company, or for authority for one or more such companies to acquire the whole or any part of the property of another telephone company or other telephone companies or the control thereof by the purchase of securities or by lease or in any other like manner, when such consolidated company would be subject to this act, the Commission shall fix a time and place for a public hearing upon such application and shall thereupon give reasonable notice in writing to the Governor of each of the States in which the physical property affected, or any part thereof, is situated, and to the State commission having jurisdiction over telephone companies, and to such other persons as it may deem advisable. After such public hearing, if the Commission finds that the proposed consolidation, acquisition, or control will be of advantage to the persons to whom service is to be rendered and in the public interest, it shall certify to that effect; and thereupon any act or acts of Congress making the proposed transaction unlawful shall not apply. Nothing in this subsection shall be

construed as in anywise limiting or restricting the powers of the several States to control and regulate telephone companies.

"(b) Nothing in this act shall be construed to apply, or to give the Commission jurisdiction, with respect to charges, classifications, practices, services, facilities, or regulations for or in connection with wire telephone exchange service, even though a portion of such exchange service constitutes interstate or foreign communication, in any case where such matters are subject to regulation by a State commission or by local governmental authority.

"(c) For the purpose of administering this act as to carriers engaged in wire telephone communication, the Commission may classify the property of any such carrier used for wire telephone communication, and determine what property of said carrier shall be considered as used in interstate or foreign telephone toll service. Such classification shall be made after hearing, upon notice to the carrier, the State commission (or the Governor, if the State has no State commission) of any State in which the property of said carrier is located, and such other persons as the Commission may prescribe.

"(d) In making a valuation of the property of any wire telephone carrier the Commission, after making the classification authorized in this section, may in its discretion value only that part of the property of such carrier determined to be used in interstate or foreign telephone toll service.

"TITLE III—SPECIAL PROVISIONS RELATING TO RADIO

"LICENSE FOR RADIO COMMUNICATION OR TRANSMISSION OF ENERGY

"SEC. 301. It is the purpose of this act, among other things, to maintain the control of the United States over all the channels of interstate and foreign radio transmission; and to provide for the use of such channels, but not the ownership thereof, by persons for limited periods of time, under licenses granted by Federal authority, and no such license shall be construed to create any right, beyond the terms, conditions, and periods of the license. No person shall use or operate any apparatus for the transmission of energy or communications or signals by radio (a) from one place in any Territory or possession of the United States or in the District of Columbia to another place in the same Territory, possession, or District; or (b) from any State, Territory, or possession of the United States, or from the District of Columbia to any other State, Territory, or possession of the United States; or (c) from any place in any State, Territory, or possession of the United States, or in the District of Columbia, to any place in any foreign country or to any vessel; or (d) within any State when the effects of such use extend beyond the borders of said State, or when interference is caused by such use or operation with the transmission of such energy, communications, or signals from within said State to any place beyond its borders, or from any place beyond its borders to any place within said State, or with the transmission or reception of such energy, communications, or signals from and/or to places beyond the borders of said State; or (e) upon any vessel or aircraft of the United States; or (f) upon any other mobile stations within the jurisdiction of the United States, except under and in accordance with this act and with a license in that behalf granted under the provisions of this act.

"ZONES

"SEC. 302. (a) For the purposes of this title the United States is divided into five zones, as follows: The first zone shall embrace the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Delaware, Maryland, and the District of Columbia; the second zone shall embrace the States of Pennsylvania, Virginia, West Virginia, Ohio, Michigan, and Kentucky; the third zone shall embrace the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Tennessee, Mississippi, Arkansas, Louisiana, Texas, and Oklahoma; the fourth zone shall embrace the States of Indiana, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa, Nebraska, Kansas, and Missouri; and the fifth zone shall embrace the States of Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, and California.

(b) The Virgin Islands, Puerto Rico, Alaska, Guam, American Samoa, and the Territory of Hawaii are expressly excluded from the zones herein established.

"GENERAL POWERS OF COMMISSION

"SEC. 303. Except as otherwise provided in this Act, the Commission from time to time, as public convenience, interest, or necessity requires, shall—

"(a) Classify radio stations;

"(b) Prescribe the nature of the service to be rendered by each class of licensed stations and each station within any class;

"(c) Assign bands of frequencies to the various classes of stations, and assign frequencies for each individual station and determine the power which each station shall use and the time during which it may operate;

"(d) Determine the location of classes of stations or individual stations;

"(e) Regulate the kind of apparatus to be used with respect to its external effects and the purity and sharpness of the emissions from each station and from the apparatus therein;

"(f) Make such regulations not inconsistent with law as it may deem necessary to prevent interference between stations and to carry out the provisions of this act: *Provided, however,* That changes in the frequencies, authorized power, or in the times of operation of any station, shall not be made without the consent of the station licensee unless, after a public hearing, the Commission shall determine that such changes will promote public convenience or interest or will serve public necessity, or the provisions of this act will be more fully complied with;

"(g) Study new uses for radio, provide for experimental uses of frequencies, and generally encourage the larger and more effective use of radio in the public interest;

"(h) Have authority to establish areas or zones to be served by any station;

"(i) Have authority to make special regulations applicable to radio stations engaged in chain broadcasting;

"(j) Have authority to make general rules and regulations requiring stations to keep such records of programs, transmissions of energy, communications, or signals as it may deem desirable;

"(k) Have authority to exclude from the requirements of any regulations in whole or in part any radio station upon railroad rolling stock, or to modify such regulations in its discretion;

"(l) Have authority to prescribe the qualifications of station operators, to classify them according to the duties to be performed, to fix the forms of such licenses, and to issue them to such citizens of the United States as the Commission finds qualified;

"(m) Have authority to suspend the license of any operator for a period not exceeding 2 years upon proof sufficient to satisfy the Commission that the licensee (1) has violated any provision of any act or treaty binding on the United States which the Commission is authorized by this act to administer or any regulation made by the Commission under any such act or treaty; or (2) has failed to carry out the lawful orders of the master of the vessel on which he is employed; or (3) has willfully damaged or permitted radio apparatus to be damaged; or (4) has transmitted superfluous radio communications or signals or radio communications containing profane or obscene words or language; or (5) has willfully or maliciously interfered with any other radio communications or signals;

"(n) Have authority to inspect all transmitting apparatus to ascertain whether in construction and operation it conforms to the requirements of this act, the rules and regulations of the Commission, and the license under which it is constructed or operated;

"(o) Have authority to designate call letters of all stations;

"(p) Have authority to cause to be published such call letters and such other announcements and data as in the

judgment of the Commission may be required for the efficient operation of radio stations subject to the jurisdiction of the United States and for the proper enforcement of this act;

"(q) Have authority to require the painting and/or illumination of radio towers if and when in its judgment such towers constitute, or there is a reasonable possibility that they may constitute a menace to air navigation.

"WAIVER BY LICENSEE

"SEC. 304. No station license shall be granted by the Commission until the applicant therefor shall have signed a waiver of any claim to the use of any particular frequency or of the ether as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise.

"GOVERNMENT-OWNED STATIONS

"SEC. 305. (a) Radio stations belonging to and operated by the United States shall not be subject to the provisions of sections 301 and 303 of this act. All such Government stations shall use such frequencies as shall be assigned to each or to each class by the President. All such stations, except stations on board naval and other Government vessels while at sea or beyond the limits of the continental United States, when transmitting any radio communication or signal other than a communication or signal relating to Government business, shall conform to such rules and regulations designed to prevent interference with other radio stations and the rights of others as the Commission may prescribe.

"(b) Radio stations on board vessels of the United States Shipping Board Bureau or the United States Shipping Board Merchant Fleet Corporation or the Inland and Coastwise Waterways Service shall be subject to the provisions of this title.

"(c) All stations owned and operated by the United States, except mobile stations of the Army of the United States, and all other stations on land and sea, shall have special call letters designated by the Commission.

"FOREIGN SHIPS

"SEC. 306. Section 301 of this act shall not apply to any person sending radio communications or signals on a foreign ship while the same is within the jurisdiction of the United States, but such communications or signals shall be transmitted only in accordance with such regulations designed to prevent interference as may be promulgated under the authority of this act.

"ALLOCATION OF FACILITIES; TERM OF LICENSES

"SEC. 307. (a) The Commission, if public convenience, interest, or necessity will be served thereby, subject to the limitations of this act, shall grant to any applicant therefor a station license provided for by this act.

"(b) It is hereby declared that the people of all the zones established by this title are entitled to equality of radio broadcasting service, both of transmission and of reception, and in order to provide said equality of Commission shall as nearly as possible make and maintain an equal allocation of broadcasting licenses, of bands of frequency, of periods of time for operation, and of station power, to each of said zones when and insofar as there are applications therefor; and shall make a fair and equitable allocation of licenses, frequencies, time for operation, and station power to each of the States and the District of Columbia, within each zone, according to population. The Commission shall carry into effect the equality of broadcasting service hereinbefore directed, whenever necessary or proper, by granting or refusing licenses or renewals of licenses, by changing periods of time for operation, and by increasing or decreasing station power, when applications are made for licenses or renewals of licenses: *Provided*, That if and when there is a lack of applications from any zone for the proportionate share of licenses, frequencies, time of operation, or station power to which such zone is entitled, the Commission may issue licenses for the balance of the proportion not applied for from any zone, to applicants from other zones for a temporary period of 90 days each, and shall specifically designate that said apportionment is only for said temporary period. Allocations shall be charged to the State or District wherein the studio of the station is located and not where the transmitter is located: *Provided further*, That the Commission may also grant applications for additional licenses for stations not exceeding 100 watts of power if the Commission finds that such stations will serve the public convenience, interest, or necessity, and that their operation will not interfere with the fair and efficient radio service of stations licensed under the provisions of this section.

"(c) The Commission shall study the proposal that Congress by statute allocate fixed percentages of radio broadcasting facilities to particular types or kinds of nonprofit radio programs or to persons identified with particular types or kinds of nonprofit activities, and shall report to Congress, not later than February 1, 1935, its recommendations together with the reasons for the same.

"(d) No license granted for the operation of a broadcasting station shall be for a longer term than 3 years and no license so granted for any other class of station shall be for a longer term than 5 years, and any license granted may be revoked as hereinafter provided. Upon the expiration of any license, upon application therefor, a renewal of such license may be granted from time to time for a term of not to exceed 3 years in the case of broadcasting licenses and not to exceed 5 years in the case of other licenses, but action of the Commission with reference to the granting of such application for the renewal of a license shall be limited to and governed by the same considerations and practice which affect the granting of original applications.

"(e) No renewal of an existing station license shall be granted more than 30 days prior to the expiration of the original license.

"APPLICATIONS FOR LICENSES; CONDITIONS IN LICENSE FOR FOREIGN COMMUNICATION

"SEC. 308. (a) The Commission may grant licenses, renewal of licenses, and modification of licenses only upon written application therefor received by it: *Provided, however*, That in cases of emergency found by the Commission, licenses, renewals of licenses, and modifications of licenses, for stations on vessels or aircraft of the United States, may be issued under such conditions as the Commission may impose, without such formal application. Such licenses, however, shall in no case be for a longer term than 3 months: *Provided further*, That the Commission may issue by cable, telegraph, or radio a permit for the operation of a station on a vessel of the United States at sea, effective in lieu of a license until said vessel shall return to a port of the continental United States.

"(b) All such applications shall set forth such facts as the Commission by regulation may prescribe as to the citizenship, character, and financial, technical, and other qualifications of the applicant to operate the station; the ownership and location of the proposed station and of the stations, if any, with which it is proposed to communicate; the frequencies and the power desired to be used; the hours of the day or other periods of time during which it is proposed to operate the station; the purposes for which the station is to be used; and such other information as it may require. The Commission, at any time after the filing of such original application and during the term of any such license, may require from an applicant or licensee further written statements of fact to enable it to determine whether such original application should be granted or denied or such license revoked. Such application and/or such statement of fact shall be signed by the applicant and/or licensee under oath or affirmation.

"(c) The Commission in granting any license for a station intended or used for commercial communication between the United States or any Territory or possession, continental or insular, subject to the jurisdiction of the United States, and any foreign country, may impose any terms, conditions, or restrictions authorized to be imposed with respect to submarine-cable licenses by section 2 of an act entitled 'An act relating to the landing and the operation of submarine cables in the United States', approved May 24, 1921.

"HEARINGS ON APPLICATIONS FOR LICENSES; FORM OF LICENSES; CONDITIONS ATTACHED TO LICENSES

"SEC. 309. (a) If upon examination of any application for a station license or for the renewal or modification of a station license the Commission shall determine that public interest, convenience, or necessity would be served by the granting thereof, it shall authorize the issuance, renewal, or modification thereof in accordance with said finding. In the event the Commission upon examination of any such application does not reach such decision with respect thereto, it shall notify the applicant thereof, shall fix and give notice of a time and place for hearing thereon, and shall afford such applicant an opportunity to be heard under such rules and regulations as it may prescribe.

"(b) Such station licenses as the Commission may grant shall be in such general form as it may prescribe, but each license shall contain, in addition to other provisions, a statement of the following conditions to which such license shall be subject:

"(1) The station license shall not vest in the licensee any right to operate the station nor any right in the use of the frequencies designated in the license beyond the term thereof nor in any other manner than authorized therein.

"(2) Neither the license nor the right granted thereunder shall be assigned or otherwise transferred in violation of this act.

"(3) Every license issued under this act shall be subject in terms to the right of use or control conferred by section 606 hereof.

"LIMITATION ON HOLDING AND TRANSFER OF LICENSES

"SEC. 310. (a) The station license required hereby shall not be granted to or held by—

"(1) Any alien or the representative of any alien;

"(2) Any foreign government or the representative thereof;

"(3) Any corporation organized under the laws of any foreign government;

"(4) Any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country;

"(5) Any corporation directly or indirectly controlled by any other corporation of which any officer or more than one-fourth of the directors are aliens, or of which more than one-fourth of the capital stock is owned of record or voted, after June 1, 1935, by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country, if the Commission finds that the public interest will be served by the refusal or the revocation of such license.

"Nothing in this subsection shall prevent the licensing of radio apparatus on board any vessel, aircraft, or other mobile station of the United States when the installation and use of such apparatus is required by act of Congress or any treaty to which the United States is a party.

"(b) The station license required hereby, the frequencies authorized to be used by the licensee, and the rights therein granted shall not be transferred, assigned, or in any manner either voluntarily or involuntarily disposed of, or indirectly by transfer of control of any corporation holding such license, to any person, unless the Commission shall, after securing full information, decide that said transfer is in the public interest, and shall give its consent in writing.

"REFUSAL OF LICENSES AND PERMITS IN CERTAIN CASES

"SEC. 311. The Commission is hereby directed to refuse a station license and/or the permit hereinafter required for the construction of a station to any person (or to any person directly or indirectly controlled by such person) whose license has been revoked by a court under section 313, and is hereby authorized to refuse such station license and/or permit to any other person (or to any person directly or indirectly controlled by such person) which has been finally adjudged guilty by a Federal court of unlawfully monopolizing or attempting unlawfully to monopolize, radio communication, directly or indirectly, through the control of the manufacture or sale of radio apparatus, through exclusive traffic arrangements, or by any other means, or to have been using unfair methods of competition. The granting of a license shall not estop the United States or any person aggrieved from proceeding against such person for violating the law against unfair methods of competition or for a violation of the law against unlawful restraints and monopolies and/or combinations, contracts, or agreements in restraint of trade, or from instituting proceedings for the dissolution of such corporation.

"REVOCATION OF LICENSES

"SEC. 312. (a) Any station license may be revoked for false statements either in the application or in the statement of fact which may be required by section 308 hereof, or because of conditions revealed by such statements of fact as may be required from time to time which would warrant the Commission in refusing to grant a license on an original application, or for failure to operate substantially as set forth in the license, or for violation of or failure to observe any of the restrictions and conditions of this act or of any regulation of the Commission authorized by this act or by a treaty ratified by the United States: *Provided, however,* That no such order of revocation shall take effect until 15 days' notice in writing thereof, stating the cause for the proposed revocation, has been given to the licensee. Such licensee may make written application to the Commission at any time within said 15 days for a hearing upon such order, and upon the filing of such written application said order of revocation shall stand suspended until the conclusion of the hearing conducted under such rules as the Commission may prescribe. Upon the conclusion of said hearing the Commission may affirm, modify, or revoke said order of revocation.

"(b) Any station license hereafter granted under the provisions of this act or the construction permit required hereby and hereafter issued, may be modified by the Commission either for a limited time or for the duration of the term thereof, if in the judgment of the Commission such action will promote the public interest, convenience, and necessity, or the provisions of this act or of any treaty ratified by the United States will be more fully complied with: *Provided, however,* That no such order of modification shall become final until the holder of such outstanding license or permit shall have been notified in writing of the proposed action and the grounds or reasons therefor and shall have been given reasonable opportunity to show cause why such an order of modification should not issue.

"APPLICATION OF ANTITRUST LAWS

"SEC. 313. All laws of the United States relating to unlawful restraints and monopolies and to combinations, contracts, or agreements in restraint of trade are hereby declared to be applicable to the manufacture and sale of and to trade in radio apparatus and devices entering into or affecting interstate or foreign commerce and to interstate or foreign radio communications. Whenever in any suit, action, or proceeding, civil or criminal, brought under the provisions of any of said laws or in any proceedings brought to enforce or to review findings and orders of the Federal Trade Commission or other governmental agency in respect of any matters as to which said Commission or other governmental agency is by law authorized to act, any licensee shall be found guilty of the violation of the provisions of such laws or any of them, the court, in addition to the penalties imposed by said laws, may adjudge, order, and/or decree that the license of such licensee shall, as of the date the decree or judgment becomes finally effective or as of such other date as the said decree shall fix, be revoked and that all rights under such license shall thereupon cease: *Provided, however,* That such licensee shall have the same right of appeal or review as is provided by law in respect of other decrees and judgments of said court.

"PRESERVATION OF COMPETITION IN COMMERCE

"SEC. 314. After the effective date of this act no person engaged directly, or indirectly through any person directly or indirectly controlling or controlled by, or under direct or in-

direct common control with, such person, or through an agent, or otherwise, in the business of transmitting and/or receiving for hire energy, communications, or signals by radio in accordance with the terms of the license issued under this act, shall by purchase, lease, construction, or otherwise, directly or indirectly, acquire, own, control, or operate any cable or wire telegraph or telephone line or system between any place in any State, Territory, or possession of the United States or in the District of Columbia, and any place in any foreign country, or shall acquire, own, or control any part of the stock or other capital share or any interest in the physical property and/or other assets of any such cable, wire, telegraph, or telephone line or system, if in either case the purpose is and/or the effect thereof may be to substantially lessen competition or to restrain commerce between any place in any State, Territory, or possession of the United States, or in the District of Columbia, and any place in any foreign country, or unlawfully to create monopoly in any line of commerce; or shall any person engaged directly, or indirectly through any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, such person, or through an agent, or otherwise, in the business of transmitting and/or receiving for hire messages by any cable, wire, telegraph, or telephone line or system (a) between any place in any State, Territory, or possession of the United States, or in the District of Columbia, and any place in any other State, Territory, or possession of the United States; or (b) between any place in any State, Territory, or possession of the United States, or the District of Columbia, and any place in any foreign country, by purchase, lease, construction, or otherwise, directly or indirectly acquire, own, control, or operate any station or the apparatus therein, or any system for transmitting and/or receiving radio communications or signals between any place in any State, Territory, or possession of the United States, or in the District of Columbia, and any place in any foreign country, or shall acquire, own, or control any part of the stock or other capital share or any interest in the physical property and/or other assets of any such radio station, apparatus, or system, if in either case the purpose is and/or the effect thereof may be to substantially lessen competition or to restrain commerce between any place in any State, Territory, or possession of the United States, or in the District of Columbia, and any place in any foreign country, or unlawfully to create monopoly in any line of commerce.

"FACILITIES FOR CANDIDATES FOR PUBLIC OFFICE

"SEC. 315. If any licensee shall permit any person who is a legally qualified candidate for any public office to use a broadcasting station, he shall afford equal opportunities to all other such candidates for that office in the use of such broadcasting station, and the Commission shall make rules and regulations to carry this provision into effect: *Provided*, That such licensee shall have no power of censorship over the material broadcast under the provisions of this section. No obligation is hereby imposed upon any licensee to allow the use of its station by any such candidate.

"LOTTERIES AND OTHER SIMILAR SCHEMES

"SEC. 316. No person shall broadcast by means of any radio station for which a license is required by any law of the United States, and no person operating any such station shall knowingly permit the broadcasting of, any advertisement of or information concerning any lottery, gift enterprise, or similar scheme, offering prizes dependent in whole or in part upon lot or chance, or any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes. Any person violating any provision of this section shall, upon conviction thereof, be fined not more than $1,000 or imprisoned not more than 1 year, or both, for each and every day during which such offense occurs.

"ANNOUNCEMENT THAT MATTER IS PAID FOR

"SEC. 317. All matter broadcast by any radio station for which service, money, or any other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the station so broadcasting, from any person, shall, at the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by such person.

"OPERATION OF TRANSMITTING APPARATUS

"SEC. 318. The actual operation of all transmitting apparatus in any radio station for which a station license is required by this act shall be carried on only by a person holding an operator's license issued hereunder. No person shall operate any such apparatus in such station except under and in accordance with an operator's license issued to him by the Commission.

"CONSTRUCTION PERMITS

"SEC. 319. (a) No license shall be issued under the authority of this act for the operation of any station the construction of which is begun or is continued after this act takes effect, unless a permit for its construction has been granted by the Commission upon written application therefor. The Commission may grant such permit if public convenience, interest, or necessity will be served by the construction of the station. This application shall set forth such facts as the Commission by regulation may prescribe as to the citizenship, character, and the financial, technical, and other ability of the applicant to construct and operate the station, the ownership and location of the proposed station and of the station or stations with which it is proposed to communicate, the frequencies desired to be used, the hours of the day or other periods of time during which it is proposed to operate the station, the purpose for which the station is to be used, the type of transmitting apparatus to be used, the power to be used, the date upon which the station is expected to be completed and in operation, and such other information as the Commission may require. Such application shall be signed by the applicant under oath or affirmation.

"(b) Such permit for construction shall show specifically the earliest and latest dates between which the actual operation of such station is expected to begin, and shall provide that said permit will be automatically forfeited if the station is not ready for operation within the time specified or within such further time as the Commission may allow, unless prevented by causes not under the control of the grantee. The rights under any such permit shall not be assigned or otherwise transferred to any person without the approval of the Commission. A permit for construction shall not be required for Government stations, amateur stations, or stations upon mobile vessels, railroad rolling stock, or aircraft. Upon the completion of any station for the construction or continued construction of which a permit has been granted, and upon it being made to appear to the Commission that all the terms, conditions, and obligations set forth in the application and permit have been fully met, and that no cause or circumstance arising or first coming to the knowledge of the Commission since the granting of the permit would, in the judgment of the Commission, make the operation of such station against the public interest, the Commission shall issue a license to the lawful holder of said permit for the operation of said station. Said license shall conform generally to the terms of said permit.

"DESIGNATION OF STATIONS LIABLE TO INTERFERE WITH DISTRESS SIGNALS

"SEC. 320. The Commission is authorized to designate from time to time radio stations the communications or signals of which, in its opinion, are liable to interfere with the transmission or reception of distress signals of ships. Such stations are required to keep a licensed radio operator listening in on the frequencies designated for signals of distress and radio communications relating thereto during the entire period the transmitter of such station is in operation.

"DISTRESS SIGNALS AND COMMUNICATIONS

"SEC. 321. (a) Every radio station on shipboard shall be equipped to transmit radio communications or signals of distress on the frequency specified by the Commission, with apparatus capable of transmitting and receiving messages over a distance of at least 100 miles by day or night. When

sending radio communications or signals of distress and radio communications relating thereto the transmitting set may be adjusted in such a manner as to produce a maximum of radiation irrespective of the amount of interference which may thus be caused.

"(b) All radio stations, including Government stations and stations on board foreign vessels when within the territorial waters of the United States, shall give absolute priority to radio communications or signals relating to ships in distress; shall cease all sending on frequencies which will interfere with hearing a radio communication or signal of distress, and, except when engaged in answering or aiding the ship in distress, shall refrain from sending any radio communications or signals until there is assurance that no interference will be caused with the radio communications or signals relating thereto, and shall assist the vessel in distress, so far as possible, by complying with its instructions.

"INTERCOMMUNICATION IN MOBILE SERVICE

"SEC. 322. Every land station open to general public service between the coast and vessels at sea shall be bound to exchange radio communications or signals with any ship station without distinction as to radio systems or instruments adopted by such stations, respectively, and each station on shipboard shall be bound to exchange radio communications or signals with any other station on shipboard without distinction as to radio systems or instruments adopted by each station.

"INTERFERENCE BETWEEN GOVERNMENT AND COMMERCIAL STATIONS

"SEC. 323. (a) At all places where Government and private or commercial radio stations on land operate in such close proximity that interference with the work of Government stations cannot be avoided when they are operating simultaneously, such private or commercial stations as do interfere with the transmission or reception of radio communications or signals by the Government stations concerned shall not use their transmitters during the first 15 minutes of each hour, local standard time.

"(b) The Government stations for which the above-mentioned division of time is established shall transmit radio communications or signals only during the first 15 minutes of each hour, local standard time, except in case of signals or radio communications relating to vessels in distress and vessel requests for information as to course, location, or compass direction.

"USE OF MINIMUM POWER

"SEC. 324. In all circumstances, except in case of radio communications or signals relating to vessels in distress, all radio stations, including those owned and operated by the United States, shall use the minimum amount of power necessary to carry out the communication desired.

"FALSE DISTRESS SIGNALS; REBROADCASTING; STUDIOS OF FOREIGN STATIONS

"SEC. 325. (a) No person within the jurisdiction of the United States shall knowingly utter or transmit, or cause to be uttered or transmitted, any false or fraudulent signal of distress, or communication relating thereto, nor shall any broadcasting station rebroadcast the program or any part thereof of another broadcasting station without the express authority of the originating station.

"(b) No person shall be permitted to locate, use, or maintain a radio broadcast studio or other place or apparatus from which or whereby sound waves are converted into electrical energy, or mechanical or physical reproduction of sound waves produced, and caused to be transmitted or delivered to a radio station in a foreign country for the purpose of being broadcast from any radio station there having a power output of sufficient intensity and/or being so located geographically that its emissions may be received consistently in the United States, without first obtaining a permit from the Commission upon proper application therefor.

"(c) Such application shall contain such information as the Commission may by regulation prescribe, and the granting or refusal thereof shall be subject to the requirements of section 309 hereof with respect to applications for station licenses or renewal or modification thereof, and the license or permission so granted shall be revocable for false statements in the application so required or when the Commission, after hearings, shall find its continuation no longer in the public interest.

"CENSORSHIP; INDECENT LANGUAGE

"SEC. 326. Nothing in this act shall be understood or construed to give the Commission the power of censorship over the radio communications or signals transmitted by any radio station, and no regulation or condition shall be promulgated or fixed by the Commission which shall interfere with the right of free speech by means of radio communication. No person within the jurisdiction of the United States shall utter any obscene, indecent, or profane language by means of radio communication.

"USE OF NAVAL STATIONS FOR COMMERCIAL MESSAGES

"SEC. 327. The Secretary of the Navy is hereby authorized, unless restrained by international agreement, under the terms and conditions and at rates prescribed by him, which rates shall be just and reasonable, and which, upon complaint, shall be subject to review and revision by the Commission, to use all radio stations and apparatus, wherever located, owned by the United States and under the control of the Navy Department, (a) for the reception and transmission of press messages offered by any newspaper published in the United States, its Territories or possessions, or published by citizens of the United States in foreign countries, or by any press association of the United States, and (b) for the reception and transmission of private commercial messages between ships, between ship and shore, between localities in Alaska, and between Alaska and the continental United States: *Provided*, That the rates fixed for the reception and transmission of all such messages, other than press messages between the Pacific coast of the United States, Hawaii, Alaska, Guam, American Samoa, the Philippine Islands, and the Orient, and between the United States and the Virgin Islands, shall not be less than the rates charged by privately owned and operated stations for like messages and service: *Provided further*, That the right to use such stations for any of the purposes named in this section shall terminate and cease as between any countries or localities or between any locality and privately operated ships whenever privately owned and operated stations are capable of meeting the normal communication requirements between such countries or localities or between any locality and privately operated ships, and the Commission shall have notified the Secretary of the Navy thereof.

"SPECIAL PROVISION AS TO PHILIPPINE ISLANDS AND CANAL ZONE

"SEC. 328. This title shall not apply to the Philippine Islands or to the Canal Zone. In international radio matters the Philippine Islands and the Canal Zone shall be represented by the Secretary of State.

"ADMINISTRATION OF RADIO LAWS IN TERRITORIES AND POSSESSIONS

"SEC. 329. The Commission is authorized to designate any officer or employee of any other department of the Government on duty in any Territory or possession of the United States other than the Philippine Islands and the Canal Zone, to render therein such services in connection with the administration of the radio laws of the United States as the Commission may prescribe: *Provided*, That such designation shall be approved by the head of the department in which such person is employed.

"TITLE IV—PROCEDURAL AND ADMINISTRATIVE PROVISIONS

"JURISDICTION TO ENFORCE ACT AND ORDERS OF COMMISSION

"SEC. 401. (a) The district courts of the United States shall have jurisdiction, upon application of the Attorney General of the United States at the request of the Commission, alleging a failure to comply with or a violation of any of the provisions of this act by any person, to issue a writ or writs of mandamus commanding such person to comply with the provisions of this act.

"(b) If any person fails or neglects to obey any order of the Commission other than for the payment of money, while the same is in effect, the Commission or any party injured thereby, or the United States, by its Attorney General, may

apply to the appropriate district court of the United States for the enforcement of such order. If, after hearing, that court determines that the order was regularly made and duly served, and that the person is in disobedience of the same, the court shall enforce obedience to such order by a writ of injunction or other proper process, mandatory or otherwise, to restrain such person or the officers, agents, or representatives of such person, from further disobedience of such order, or to enjoin upon it or them obedience to the same.

"(c) Upon the request of the Commission it shall be the duty of any district attorney of the United States to whom the Commission may apply to institute in the proper court and to prosecute under the direction of the Attorney General of the United States all necessary proceedings for the enforcement of the provisions of this act and for the punishment of all violations thereof, and the costs and expenses of such prosecutions shall be paid out of the appropriations for the expenses of the courts of the United States.

"(d) The provisions of the Expediting Act, approved February 11, 1903, as amended, and of section 238 (1) of the Judicial Code, as amended, shall be held to apply to any suit in equity arising under title II of this act, wherein the United States is complainant.

"PROCEEDINGS TO ENFORCE OR SET ASIDE THE COMMISSION'S ORDERS—APPEAL IN CERTAIN CASES

"SEC. 402. (a) The provisions of the act of October 22, 1913 (38 Stat. 219), relating to the enforcing or setting aside of the orders of the Interstate Commerce Commission, are hereby made applicable to suits to enforce, enjoin, set aside, annul, or suspend any order of the Commission under this act (except any order of the Commission granting or refusing an application for a construction permit for a radio station, or for a radio station license, or for renewal of an existing radio station license, or for modification of an existing radio station license), and such suits are hereby authorized to be brought as provided in that act.

"(b) An appeal may be taken, in the manner hereinafter provided, from decisions of the Commission to the Court of Appeals of the District of Columbia in any of the following cases:

"(1) By any applicant for a construction permit for a radio station, or for a radio station license, or for renewal of an existing radio station license, or for modification of an existing radio station license, whose application is refused by the Commission.

"(2) By any other person aggrieved or whose interests are adversely affected by any decision of the Commission granting or refusing any such application.

"(c) Such appeal shall be taken by filing with said court within 20 days after the decision complained of is effective, notice in writing of said appeal and a statement of the reasons therefor, together with proof of service of a true copy of said notice and statement upon the Commission. Unless a later date is specified by the Commission as part of its decision, the decision complained of shall be considered to be effective as of the date on which public announcement of the decision is made at the office of the Commission in the city of Washington. The Commission shall thereupon immediately, and in any event not later than 5 days from the date of such service upon it, mail or otherwise deliver a copy of said notice of appeal to each person shown by the records of the Commission to be interested in such appeal and to have a right to intervene therein under the provisions of this section, and shall at all times thereafter permit any such person to inspect and make copies of the appellant's statement of reasons for said appeal at the office of the Commission in the city of Washington. Within 30 days after the filing of said appeal the Commission shall file with the court the originals or certified copies of all papers and evidence presented to it upon the application involved, and also a like copy of its decision thereon, and shall within 30 days thereafter file a full statement in writing of the facts and grounds for its decision as found and given by it, and a list of all interested persons to whom it has mailed or otherwise delivered a copy of said notice of appeal.

"(d) Within 30 days after the filing of said appeal any interested person may intervene and participate in the proceedings had upon said appeal by filing with the court a notice of intention to intervene and a verified statement showing the nature of the interest of such party, together with proof of service of true copies of said notice and statement, both upon appellant and upon the Commission. Any person who would be aggrieved or whose interests would be adversely affected by a reversal or modification of the decision of the Commission complained of shall be considered an interested party.

"(e) At the earliest convenient time the court shall hear and determine the appeal upon the record before it, and shall have power, upon such record, to enter a judgment affirming or reversing the decision of the Commission, and in event the court shall render a decision and enter an order reversing the decision of the Commission, it shall remand the case to the Commission to carry out the judgment of the court: *Provided, however,* That the review by the court shall be limited to questions of law and that findings of fact by the Commission, if supported by substantial evidence, shall be conclusive unless it shall clearly appear that the findings of the Commission are arbitrary or capricious. The court's judgment shall be final, subject, however, to review by the Supreme Court of the United States upon writ of certiorari on petition therefor under section 240 of the Judicial Code, as amended, by appellant, by the Commission, or by any interested party intervening in the appeal.

"(f) The court may, in its discretion, enter judgment for costs in favor of or against an appellant, and/or other interested parties intervening in said appeal, but not against the Commission, depending upon the nature of the issues involved upon said appeal and the outcome thereof.

"INQUIRY BY COMMISSION ON ITS OWN MOTION

"SEC. 403. The Commission shall have full authority and power at any time to institute an inquiry, on its own motion, in any case and as to any matter or thing concerning which complaint is authorized to be made, to or before the Commission by any provision of this act, or concerning which any question may arise under any of the provisions of this act, or relating to the enforcement of any of the provisions of this act. The Commission shall have the same powers and authority to proceed with any inquiry instituted on its own motion as though it had been appealed to by complaint or petition under any of the provisions of this act, including the power to make and enforce any order or orders in the case, or relating to the matter or thing concerning which the inquiry is had, excepting orders for the payment of money.

"REPORTS OF INVESTIGATIONS

"SEC. 404. Whenever an investigation shall be made by the Commission it shall be its duty to make a report in writing in respect thereto, which shall state the conclusions of the Commission, together with its decision, order, or requirement in the premises; and in case damages are awarded such report shall include the findings of fact on which the award is made.

"REHEARING BEFORE COMMISSION

"SEC. 405. After a decision, order, or requirement has been made by the Commission in any proceeding, any party thereto may at any time make application for rehearing of the same, or any matter determined therein, and it shall be lawful for the Commission in its discretion to grant such a rehearing if sufficient reason therefor be made to appear: *Provided, however,* That in the case of a decision, order, or requirement made under title III, the time within which application for rehearing may be made shall be limited to 20 days after the effective date thereof, and such application may be made by any party or any person aggrieved or whose interests are adversely affected thereby. Applications for rehearing shall be governed by such general rules as the Commission may establish. No such application shall excuse any person from complying with or obeying any decision, order, or requirement of the Commission, or operate in any manner to stay or postpone the enforcement thereof, with-

out the special order of the Commission. In case a rehearing is granted, the proceedings thereupon shall conform as nearly as may be to the proceedings in an original hearing, except as the Commission may otherwise direct; and if, in its judgment, after such rehearing and the consideration of all the facts, including those arising since the former hearing, it shall appear that the original decision, order, or requirement is in any respect unjust or unwarranted, the Commission may reverse, change, or modify the same accordingly. Any decision, order, or requirement made after such rehearing, reversing, changing, or modifying the original determination, shall be subject to the same provisions as an original order.

"MANDAMUS TO COMPEL FURNISHING OF FACILITIES

"SEC. 406. The district courts of the United States shall have jurisdiction upon the relation of any person alleging any violation, by a carrier subject to this act, of any of the provisions of this act which prevent the relator from receiving service in interstate or foreign communication by wire or radio, or in interstate or foreign transmission of energy by radio, from said carrier at the same charges, or upon terms or conditions as favorable as those given by said carrier for like communication or transmission under similar conditions to any other person, to issue a writ or writs of mandamus against said carrier commanding such carrier to furnish facilities for such communication or transmission to the party applying for the writ: *Provided*, That if any question of fact as to the proper compensation to the carrier for the service to be enforced by the writ is raised by the pleadings, the writ of peremptory mandamus may issue, notwithstanding such question of fact is undetermined, upon such terms as to security, payment of money into the court, or otherwise, as the court may think proper pending the determination of the question of fact: *Provided further*, That the remedy hereby given by writ of mandamus shall be cumulative and shall not be held to exclude or interfere with other remedies provided by this act.

"PETITION FOR ENFORCEMENT OF ORDER FOR PAYMENT OF MONEY

"SEC. 407. If a carrier does not comply with an order for the payment of money within the time limit in such order, the complainant, or any person for whose benefit such order was made, may file in the district court of the United States for the district in which he resides or in which is located the principal operating office of the carrier, or through which the line of the carrier runs, or in any State court of general jurisdiction having jurisdiction of the parties, a petition setting forth briefly the causes for which he claims damages, and the order of the Commission in the premises. Such suit in the district court of the United States shall proceed in all respects like other civil suits for damages, except that on the trial of such suits the findings and order of the Commission shall be prima facie evidence of the facts therein stated, except that the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings unless they accrue upon his appeal. If the petitioner shall finally prevail, he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit.

"ORDERS NOT FOR PAYMENT OF MONEY—WHEN EFFECTIVE

"SEC. 408. Except as otherwise provided in this act, all orders of the Commission, other than orders for the payment of money, shall take effect within such reasonable time, not less than 30 days after service of the order, and shall continue in force until its further order, or for a specified period of time, according as shall be prescribed in the order, unless the same shall be suspended or modified or set aside by the Commission, or be suspended or set aside by a court of competent jurisdiction.

"GENERAL PROVISIONS RELATING TO PROCEEDINGS—WITNESSES AND DEPOSITIONS

"SEC. 409. (a) Any member or examiner of the Commission, or the director of any division, when duly designated by the Commission for such purpose, may hold hearings, sign and issue subpenas, administer oaths, examine witnesses, and receive evidence at any place in the United States designated by the Commission; except that in the administration of title III an examiner may not be authorized to exercise such powers with respect to a matter involving (1) a change of policy by the Commission, (2) the revocation of a station license, (3) new devices or developments in radio, or (4) a new kind of use of frequencies. In all cases heard by an examiner the Commission shall hear oral arguments on request of either party.

"(b) For the purposes of this act the Commission shall have the power to require by subpena the attendance and testimony of witnesses and the production of all books, papers, schedules of charges, contracts, agreements, and documents relating to any matter under investigation. Witnesses summoned before the Commission shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(c) Such attendance of witnesses, and the production of such documentary evidence, may be required from any place in the United States, at any designated place of hearing. And in case of disobedience to a subpena the Commission, or any party to a proceeding before the Commission, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and documents under the provisions of this section.

"(d) Any of the district courts of the United States within the jurisdiction of which such inquiry is carried on may, in case of contumacy or refusal to obey a subpena issued to any common carrier or licensee or other person, issue an order requiring such common carrier, licensee, or other person to appear before the Commission (and produce books and papers if so ordered) and give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(e) The testimony of any witness may be taken, at the instance of a party, in any proceeding or investigation pending before the Commission, by deposition, at any time after a cause or proceeding is at issue on petition and answer. The Commission may also order testimony to be taken by deposition in any proceeding or investigation pending before it, at any stage of such proceeding or investigation. Such depositions may be taken before any judge of any court of the United States, or any United States commissioner, or any clerk of a district court, or any chancellor, justice, or judge of a supreme or superior court, mayor, or chief magistrate of a city, judge of a county court, or court of common pleas of any of the United States, or any notary public, not being of counsel or attorney to either of the parties, nor interested in the event of the proceeding or investigation. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, as either may be nearest, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and depose, and to produce documentary evidence, in the same manner as witnesses may be compelled to appear and testify and produce documentary evidence before the Commission, as hereinbefore provided.

"(f) Every person deposing as herein provided shall be cautioned and sworn (or affirm, if he so request) to testify the whole truth, and shall be carefully examined. His testimony shall be reduced to writing by the magistrate taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent.

"(g) If a witness whose testimony may be desired to be taken by deposition be in a foreign country, the deposition may be taken before an officer or person designated by the Commission, or agreed upon by the parties by stipulation in writing to be filed with the Commission. All depositions must be promptly filed with the Commission.

"(h) Witnesses whose depositions are taken as authorized in this act, and the magistrate or other officer taking the same, shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"(i) No person shall be excused from attending and testifying or from producing books, papers, schedules of charges, contracts, agreements, and documents before the Commission, or in obedience to the subpena of the Commission, whether such subpena be signed or issued by one or more commissioners, or in any cause or proceeding, criminal or otherwise, based upon or growing out of any alleged violation of this act, or of any amendments thereto, on the ground or for the reason that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that any individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(j) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, schedules of charges, contracts, agreements, and documents, if in his power to do so, in obedience to the subpena or lawful requirement of the Commission, shall be guilty of a misdemeanor and upon conviction thereof by a court of competent jurisdiction shall be punished by a fine of not less than $100 nor more than $5,000, or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

"USE OF JOINT BOARDS—COOPERATION WITH STATE COMMISSIONS

"SEC. 410. (a) The Commission may refer any matter arising in the administration of this act to a joint board to be composed of a member, or of an equal number of members, as determined by the Commission, from each of the States in which the wire or radio communication affected by or involved in the proceeding takes place or is proposed, and any such board shall be vested with the same powers and be subject to the same duties and liabilities as in the case of a member of the Commission when designated by the Commission to hold a hearing as hereinbefore authorized. The action of a joint board shall have such force and effect and its proceedings shall be conducted in such manner as the Commission shall by regulations prescribe. The joint board member or members for each State shall be nominated by the State commission of the State or by the Governor if there is no State commission, and appointed by the Federal Communications Commission. The Commission shall have discretion to reject any nominee. Joint board members shall receive such allowances for expenses as the Commission shall provide.

"(b) The Commission may confer with any State commission having regulatory jurisdiction with respect to carriers, regarding the relationship between rate structures, accounts, charges, practices, classifications, and regulations of carriers subject to the jurisdiction of such State commission and of the Commission; and the Commission is authorized under such rules and regulations as it shall prescribe to hold joint hearings with any State commission in connection with any matter with respect to which the Commission is authorized to act. The Commission is authorized in the administration of this act to avail itself of such cooperation, services, records, and facilities as may be afforded by any State commission.

"JOINDER OF PARTIES

"SEC. 411. (a) In any proceeding for the enforcement of the provisions of this act, whether such proceeding be instituted before the Commission or be begun originally in any district court of the United States, it shall be lawful to include as parties, in addition to the carrier, all persons interested in or affected by the charge, regulation, or practice under consideration, and inquiries, investigations, orders, and decrees may be made with reference to and against such additional parties in the same manner, to the same extent, and subject to the same provisions as are or shall be authorized by law with respect to carriers.

"(b) In any suit for the enforcement of an order for the payment of money all parties in whose favor the Commission may have made an award for damages by a single order may be joined as plaintiffs, and all of the carriers parties to such order awarding such damages may be joined as defendants, and such suit may be maintained by such joint plaintiffs and against such joint defendants in any district where any one of such joint plaintiffs could maintain such suit against any one of such joint defendants; and service of process against any one of such defendants as may not be found in the district where the suit is brought may be made in any district where such defendant carrier has its principal operating office. In case of such joint suit, the recovery, if any, may be by judgment in favor of any one of such plaintiffs, against the defendant found to be liable to such plaintiff.

"DOCUMENTS FILED TO BE PUBLIC RECORDS—USE IN PROCEEDINGS

"SEC. 412. The copies of schedules of charges, classifications, and of all contracts, agreements, and arrangements between common carriers filed with the Commission as herein provided, and the statistics, tables, and figures contained in the annual or other reports of carriers and other persons made to the Commission as required under the provisions of this act shall be preserved as public records in the custody of the secretary of the Commission, and shall be received as prima facie evidence of what they purport to be for the purpose of investigations by the Commission and in all judicial proceedings; and copies of and extracts from any of said schedules, classifications, contracts, agreements, arrangements, or reports, made public records as aforesaid, certified by the secretary, under the Commission's seal, shall be received in evidence with like effect as the originals: *Provided*, That the Commission may, if the public interest will be served thereby, keep confidential any contract, agreement, or arrangement relating to foreign wire or radio communication when the publication of such contract, agreement, or arrangement would place American communication companies at a disadvantage in meeting the competition of foreign communication companies.

"DESIGNATION OF AGENT FOR SERVICE

"SEC. 413. It shall be the duty of every carrier subject to this act, within 60 days after the taking effect of this act, to designate in writing an agent in the District of Columbia, upon whom service of all notices and process and all orders, decisions, and requirements of the Commission may be made for and on behalf of said carrier in any proceeding or suit pending before the Commission, and to file such designation in the office of the secretary of the Commission, which designation may from time to time be changed by like writing similarly filed; and thereupon service of all notices and process and orders, decisions, and requirements of the Commission may be made upon such carrier by leaving a copy thereof with such designated agent at his office or usual place of residence in the District of Columbia, with like effect as if made personally upon such carrier, and in default of such designation of such agent, service of any notice or other process in any proceeding before said Commission, or of any order, decision, or requirement of the Commission, may be made by posting such notice, process, order, requirement, or decision in the office of the secretary of the Commission.

"REMEDIES IN THIS ACT NOT EXCLUSIVE

"SEC. 414. Nothing in this act contained shall in any way abridge or alter the remedies now existing at common law or by statute, but the provisions of this act are in addition to such remedies.

"LIMITATIONS AS TO ACTIONS

"SEC. 415. (a) All actions at law by carriers for recovery of their lawful charges, or any part thereof, shall be begun within 1 year from the time the cause of action accrues, and not after.

"(b) All complaints against carriers for the recovery of damages not based on overcharges shall be filed with the

Commission within 1 year from the time the cause of action accrues, and not after, subject to subsection (d) of this section.

"(c) For recovery of overcharges action at law shall be begun or complaint filed with the Commission against carriers within 1 year from the time the cause of action accrues, and not after, subject to subsection (d) of this section, except that if claim for the overcharge has been presented in writing to the carrier within the 1-year period of limitation said period shall be extended to include 1 year from the time notice in writing is given by the carrier to the claimant of disallowance of the claim, or any part or parts thereof, specified in the notice.

"(d) If on or before expiration of the period of limitation in subsection (b) or (c) a carrier begins action under subsection (a) for recovery of lawful charges in respect of the same service, or, without beginning action, collects charges in respect of that service, said period of limitation shall be extended to include 90 days from the time such action is begun or such charges are collected by the carrier.

"(e) The cause of action in respect of the transmission of a message shall, for the purposes of this section, be deemed to accrue upon delivery or tender of delivery thereof by the carrier, and not after.

"(f) A petition for the enforcement of an order of the Commission for the payment of money shall be filed in the district court or the State court within 1 year from the date of the order, and not after.

"(g) The term 'overcharges' as used in this section shall be deemed to mean charges for services in excess of those applicable thereto under the schedules of charges lawfully on file with the Commission.

"PROVISIONS RELATING TO ORDERS

"SEC. 416. (a) Every order of the Commission shall be forthwith served upon the designated agent of the carrier in the city of Washington or in such other manner as may be provided by law.

"(b) Except as otherwise provided in this act, the Commission is hereby authorized to suspend or modify its orders upon such notice and in such manner as it shall deem proper.

"(c) It shall be the duty of every person, its agents and employees, and any receiver or trustee thereof, to observe and comply with such orders so long as the same shall remain in effect.

"TITLE V—PENAL PROVISIONS—FORFEITURES

"GENERAL PENALTY

"SECTION 501. Any person who willfully and knowingly does or causes or suffers to be done any act, matter, or thing, in this act prohibited or declared to be unlawful, or who willfully and knowingly omits or fails to do any act, matter, or thing in this act required to be done, or willfully and knowingly causes or suffers such omission or failure, shall, upon conviction thereof, be punished for such offense, for which no penalty (other than a forfeiture) is provided herein, by a fine of not more than $10,000 or by imprisonment for a term of not more than 2 years, or both.

"VIOLATIONS OF RULES, REGULATIONS, ETC.

"SEC. 502. Any person who willfully and knowingly violates any rule, regulation, restriction, or condition made or imposed by the Commission under authority of this act, or any rule, regulation, restriction, or condition made or imposed by any international radio or wire communications treaty or convention, or regulations annexed thereto, to which the United States is or may hereafter become a party, shall, in addition to any other penalties provided by law, be punished, upon conviction thereof, by a fine of not more than $500 for each and every day during which such offense occurs.

"FORFEITURE IN CASES OF REBATES AND OFFSETS

"SEC. 503. Any person who shall deliver messages for interstate or foreign transmission to any carrier or for whom as sender or receiver, any such carrier shall transmit any interstate or foreign wire or radio communication, who shall knowingly by employee, agent, officer, or otherwise, directly or indirectly, by or through any means or device whatsoever, receive or accept from such common carrier any sum of money or any other valuable consideration as a rebate or offset against the regular charges for transmission of such messages as fixed by the schedules of charges provided for in this act, shall in addition to any other penalty provided by this act forfeit to the United States a sum of money three times the amount of money so received or accepted and three times the value of any other consideration so received or accepted, to be ascertained by the trial court; and in the trial of said action all such rebates or other considerations so received or accepted for a period of 6 years prior to the commencement of the action, may be included therein, and the amount recovered shall be three times the total amount of money, or three times the total value of such consideration, so received or accepted, or both, as the case may be.

"PROVISIONS RELATING TO FORFEITURES

"SEC. 504. The forfeitures provided for in this act shall be payable into the Treasury of the United States, and shall be recoverable in a civil suit in the name of the United States, brought in the district where the person or carrier has its principal operating office, or in any district through which the line or system of the carrier runs. Such forfeitures shall be in addition to any other general or specific penalties herein provided. It shall be the duty of the various district attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of forfeitures under this act. The costs and expenses of such prosecutions shall be paid from the appropriation for the expenses of the courts of the United States.

"VENUE OF OFFENSES

"SEC. 505. The trial of any offense under this act shall be in the district in which it is committed; or if the offense is committed upon the high seas, or out of the jurisdiction of any particular State or district, the trial shall be in the district where the offender may be found or into which he shall be first brought. Whenever the offense is begun in one jurisdiction and completed in another it may be dealt with, inquired of, tried, determined, and punished in either jurisdiction in the same manner as if the offense had been actually and wholly committed therein.

"TITLE VI—MISCELLANEOUS PROVISIONS

"TRANSFER TO COMMISSION OF DUTIES, POWERS, AND FUNCTIONS UNDER EXISTING LAW

"SEC. 601. (a) All duties, powers, and functions of the Interstate Commerce Commission under the act of August 7, 1888 (25 Stat. 382), relating to operation of telegraph lines by railroad and telegraph companies granted Government aid in the construction of their lines, are hereby imposed upon and vested in the Commission: *Provided*, That such transfer of duties, powers, and functions shall not be construed to affect the duties, powers, functions, or jurisdiction of the Interstate Commerce Commission under, or to interfere with or prevent the enforcement of, the Interstate Commerce Act and all acts amendatory thereof or supplemental thereto.

"(b) All duties, powers, and functions of the Postmaster General with respect to telegraph companies and telegraph lines under any existing provision of law are hereby imposed upon and vested in the Commission.

"REPEALS AND AMENDMENTS

"SEC. 602. (a) The Radio Act of 1927, as amended, is hereby repealed.

"(b) The provisions of the Interstate Commerce Act, as amended, insofar as they relate to communication by wire or wireless, or to telegraph, telephone, or cable companies operating by wire or wireless, except the last provision of section 1 (5) and the provisions of section 1 (7) are hereby repealed.

"(c) The last sentence of section 2 of the act entitled 'An act relating to the landing and operation of submarine cables in the United States', approved May 27, 1921, is amended to read as follows: 'Nothing herein contained shall be construed to limit the power and jurisdiction of the Federal Communications Commission with respect to the transmission of messages.'

"(d) The first paragraph of section 11 of the act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914, is amended to read as follows:

"'SEC. 11. That authority to enforce compliance with sections 2, 3, 7, and 8 of this act by the persons respectively subject thereto is hereby vested: In the Interstate Commerce Commission where applicable to common carriers subject to the Interstate Commerce Act, as amended; in the Federal Communications Commission where applicable to common carriers engaged in wire or radio communication or radio transmission of energy; in the Federal Reserve Board where applicable to banks, banking associations, and trust companies; and in the Federal Trade Commission where applicable to all other character of commerce, to be exercised as follows: '.

"TRANSFER OF EMPLOYEES, RECORDS, PROPERTY, AND APPROPRIATIONS

"SEC. 603. (a) All officers and employees of the Federal Radio Commission (except the members thereof, whose offices are hereby abolished) whose services in the judgment of the Commission are necessary to the efficient operation of the Commission are hereby transferred to the Commission, without change in classification or compensation; except that the Commission may provide for the adjustment of such classification or compensation to conform to the duties to which such officers and employees may be assigned.

"(b) There are hereby transferred to the jurisdiction and control of the Commission (1) all records and property (including office furniture and equipment, and including monitoring radio stations) under the jurisdiction of the Federal Radio Commission, and (2) all records under the jurisdiction of the Interstate Commerce Commission and of the Postmaster General relating to the duties, powers, and functions imposed upon and vested in the Commission by this act.

"(c) All appropriations and unexpended balances of appropriations available for expenditure by the Federal Radio Commission shall be available for expenditure by the Commission for any and all objects of expenditure authorized by this act in the discretion of the Commission, without regard to the requirement of apportionment under the Antideficiency Act of February 27, 1906.

"EFFECT OF TRANSFERS, REPEALS, AND AMENDMENTS

"SEC. 604. (a) All orders, determinations, rules, regulations, permits, contracts, licenses, and privileges which have been issued, made, or granted by the Interstate Commerce Commission, the Federal Radio Commission, or the Postmaster General, under any provision of law repealed or amended by this act or in the exercise of duties, powers, or functions transferred to the Commission by this act, and which are in effect at the time this section takes effect, shall continue in effect until modified, terminated, superseded, or repealed by the Commission or by operation of law.

"(b) Any proceeding, hearing, or investigation commenced or pending before the Federal Radio Commission, the Interstate Commerce Commission, or the Postmaster General, at the time of the organization of the Commission, shall be continued by the Commission in the same manner as though originally commenced before the Commission, if such proceeding, hearing, or investigation (1) involves the administration of duties, powers, and functions transferred to the Commission by this act, or (2) involves the exercise of jurisdiction similar to that granted to the Commission under the provisions of this act.

"(c) All records transferred to the Commission under this act shall be available for use by the Commission to the same extent as if such records were originally records of the Commission. All final valuations and determinations of depreciation charges by the Interstate Commerce Commission with respect to common carriers engaged in radio or wire communication, and all orders of the Interstate Commerce Commission with respect to such valuations and determinations, shall have the same force and effect as though made by the Commission under this act.

"(d) The provisions of this Act shall not affect suits commenced prior to the date of the organization of the Commission; and all such suits shall be continued, proceedings therein had, appeals therein taken and judgments therein rendered, in the same manner and with the same effect as if this act had not been passed. No suit, action, or other proceeding lawfully commenced by or against any agency or officer of the United States, in relation to the discharge of official duties, shall abate by reason of any transfer of authority, power, and duties from such agency or officer to the Commission under the provisions of this act, but the court, upon motion or supplemental petition filed at any time within 12 months after such transfer, showing the necessity for a survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, may allow the same to be maintained by or against the Commission.

"UNAUTHORIZED PUBLICATION OF COMMUNICATIONS

"SEC. 605. No person receiving or assisting in receiving, or transmitting, or assisting in transmitting, any interstate or foreign communication by wire or radio shall divulge or publish the existence, contents, substance, purpose, effect, or meaning thereof, except through authorized channels of transmission or reception, to any person other than the addressee, his agent, or attorney, or to a person employed or authorized to forward such communication to its destination, or to proper accounting or distributing officers of the various communicating centers over which the communication may be passed, or to the master of a ship under whom he is serving, or in response to a subpena issued by a court of competent jurisdiction, or on demand of other lawful authority; and no person not being authorized by the sender shall intercept any communication and divulge or publish the existence, contents, substance, purport, effect, or meaning of such intercepted communication to any person; and no person not being entitled thereto shall receive or assist in receiving any interstate or foreign communication by wire or radio and use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto; and no person having received such intercepted communication or having become acquainted with the contents, substance, purport, effect, or meaning of the same or any part thereof, knowing that such information was so obtained, shall divulge or publish the existence, contents, substance, purport, effect, or meaning of the same or any part thereof, or use the same or any information therein contained for his own benefit or for the benefit of another not entitled thereto: *Provided*, That this section shall not apply to the receiving, divulging, publishing, or utilizing the contents of any radio communication broadcast, or transmitted by amateurs or others for the use of the general public, or relating to ships in distress.

"WAR EMERGENCY—POWERS OF PRESIDENT

"SEC. 606. (a) During the continuance of a war in which the United States is engaged, the President is authorized, if he finds it necessary for the national defense and security, to direct that such communications as in his judgment may be essential to the national defense and security shall have preference or priority with any carrier subject to this act. He may give these directions at and for such times as he may determine, and may modify, change, suspend, or annul them and for any such purpose he is hereby authorized to issue orders directly, or through such person or persons as he designates for the purpose, or through the Commission. Any carrier complying with any such order or direction for preference or priority herein authorized shall be exempt from any and all provisions in existing law imposing civil or criminal penalties, obligations, or liabilities upon carriers by reason of giving preference or priority in compliance with such order or direction.

"(b) It shall be unlawful for any person during any war in which the United States is engaged to knowingly or willfully, by physical force or intimidation by threats of physical force, obstruct or retard or aid in obstructing or retarding interstate or foreign communication by radio or wire.

The President is hereby authorized, whenever in his judgment the public interest requires, to employ the armed forces of the United States to prevent any such obstruction or retardation of communication: *Provided*, That nothing in this section shall be construed to repeal, modify, or affect either section 6 or section 20 of an act entitled 'An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes', approved October 15, 1914.

"(c) Upon proclamation by the President that there exists war or a threat of war of a state of public peril or disaster or other national emergency, or in order to preserve the neutrality of the United States, the President may suspend or amend, for such time as he may see fit, the rules and regulations applicable to any or all stations within the jurisdiction of the United States as prescribed by the Commission, and may cause the closing of any station for radio communication and the removal therefrom of its apparatus and equipment, or he may authorize the use or control of any such station and/or its apparatus and equipment by any department of the Government under such regulations as he may prescribe, upon just compensation to the owners.

"(d) The President shall ascertain the just compensation for such use or control and certify the amount ascertained to Congress for appropriation and payment to the person entitled thereto. If the amount so certified is unsatisfactory to the person entitled thereto, such person shall be paid only 75 percent of the amount and shall be entitled to sue the United States to recover such further sum as added to such payment of 75 percent will make such amount as will be just compensation for the use and control. Such suit shall be brought in the manner provided by paragraph 20 of section 24, or by section 145 of the Judicial Code, as amended.

"EFFECTIVE DATE OF ACT

"SEC. 607. This act shall take effect upon the organization of the Commission, except that this section and sections 1 and 4 shall take effect on July 1, 1934. The Commission shall be deemed to be organized upon such date as four members of the Commission have taken office.

"SEPARABILITY CLAUSE

"SEC. 608. If any provision of this act or the application thereof to any person or circumstance is held invalid, the remainder of the act and the application of such provision to other persons or circumstances shall not be affected thereby.

"SHORT TITLE

"SEC. 609. This act may be cited as the 'Communications Act of 1934.'"

And the House agree to the same.

That the title of the bill be amended to read as follows: "An act to provide for the regulation of interstate and foreign communication by wire or radio, and for other purposes."

SAM RAYBURN,
CLARENCE LEA,
CARL E. MAPES,
CHAS. A. WOLVERTON,
Managers on the part of the House.

C. C. DILL,
E. D. SMITH,
CARL A. HATCH,
JAMES COUZENS,
WALLACE H. WHITE, JR.,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3285) to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the House amendment with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed upon by the conferees are noted in the following outline, except for incidental changes made necessary by reason of the action of the conferees and minor and clarifying changes.

The Senate bill provides in section 2 for the application of the act to the licensing and regulating of all radio stations as provided in the act. The House amendment omits this provision. In view of the action taken by the conferees in respect of title III of the bill, the substitute retains the provision of the Senate bill.

Section 3 (e) of the Senate bill defines "interstate communication" and "interstate transmission." The House amendment contains a corresponding definition but differs from the Senate bill in certain respects. The Senate bill includes communication or transmission from or to the United States to or from the Philippine Islands or the Canal Zone only insofar as it takes place within the United States. The House amendment includes such communication or transmission in its entirety. The Senate bill excludes wire communication between points within the same State which passes through another State or a foreign country, when such communication is regulated by a State commission. The House amendment includes communication or transmission between points within the same State which passes through another State, but does not include such communication or transmission which passes through a foreign country, irrespective of regulation by a State commission. The Senate bill does not include communication or transmission wholly within the same Territory or possession or the District of Columbia. The House amendment includes such communication and transmission, except in the case of the Philippine Islands and the Canal Zone. The substitute adopts the provisions of the Senate definition.

The Senate amendment defines "common carrier" or "carrier" to mean any person engaged as a common carrier for hire in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy. In the House amendment the terms are defined to mean any person engaged in communication by wire or radio as a common carrier for hire. The substitute (sec. 3 (h)) adopts the Senate provision. It is to be noted that the definition does not include any person if not a common carrier in the ordinary sense of the term, and therefore does not include press associations or other organizations engaged in the business of collecting and distributing news services which may refuse to furnish to any person service which they are capable of furnishing, and may furnish service under varying arrangements, establishing the service to be rendered, the terms under which rendered, and the charges therefor.

The Senate bill provides for a Federal Communications Commission of five commissions with terms of 6 years. The House amendment provides for 7 commissioners with terms of 7 years. The substitute adopts the House provision.

Section 4 (f) of the Senate bill provides for appointment and salaries of officers and employees of the Commission. The House amendment contains a somewhat similar provision, which is retained in the substitute, except that it reduces the maxima of the salaries of the chief counsel and chief engineer from $10,000 to $9,000 per annum and of the directors of divisions from $8,000 to $7,500 per annum, following the Senate bill in both cases. It also fixes the salary of the secretary of the Commission at a maximum of $7,500, as provided in the Senate bill.

Both the Senate bill and the House amendment provide for publication of the Commission's records and proceedings, but the Senate bill authorizes the Commission to withhold publication of such records or proceedings as contain secret information affecting the national defense. The House amendment omits this authorization. The substitute adopts the Senate provision.

The Senate bill provides for two designated divisions of the Commission and fixes the jurisdiction of these divisions and of the Commission over the various subjects of the bill. The House amendment follows the provisions of section 17 of the Interstate Commerce Act, as amended, and provides that the Commission may fix its own divisions (not in excess of three) and make its own assignment of work thereto, and may assign certain of its work to individual commissioners or boards of employees. The substitute adopts the House provision.

Title II of the Senate bill and of the House amendment relate to the regulation of common carriers. The only substantial differences between the House amendment and the substitute are found in sections 214 and 220.

Section 214 of the Senate bill (requiring a certificate of public convenience and necessity for construction, operation, or extension of lines) exempts from the requirements of the section lines within a single State unless such lines constitute part of an interstate line. The House amendment qualifies the words "interstate line" by the word "additional." The substitute adopts the Senate provision. The Senate bill also exempts local, branch, or terminal lines not exceeding 10 miles in length. The House amendment omits the 10-mile limitation. The substitute restores the limitation. The House amendment adds an exemption of wires or cables added to existing pole lines or conduits or other structures constituting established routes. In view of the provision in both the Senate bill and the House amendment, under which the Commission, upon request, may authorize the supplementing of existing facilities without regard to the provisions of section 214, the substitute omits the House provision. The House amendment also excepts lines acquired under section 221 (relating to consolidation of telephone companies). The substitute retains this provision.

Section 220 (j) of the Senate bill (relating to accounts and depreciation charges) authorizes the Commission to investigate and report to Congress upon the desirability of legislation authorizing the Commission to except the carriers of any particular class or classes in any State from the requirements of the section and permitting State commissions to prescribe their own percentage rates of depreciation and systems of accounts for carriers. The House amendment (sec. 220 (h)) specifically authorizes the Commission to except carriers of any particular class or classes in any State and provides (in sec. 220 (j)) that the section shall not limit the power of the State commissions to prescribe percentage rates of depreciation or to require the keeping of accounts. The substitute adopts the House provision as to exception of particular classes of carriers and a modified provision for investigation and report to Congress as to the need for defining or harmonizing Federal and State authority in respect of other matters to which the section relates.

The Senate bill abolishes the Federal Radio Commission and repeals the Radio Act of 1927, but in effect reenacts it in title III, eliminating certain matter no longer effective, and adding certain provisions, most of which are taken from H.R. 7716, Seventy-second Congress, which passed both Houses but was pocket vetoed. Title III of the House bill abolishes the Federal Radio Commission but transfers its functions under the Radio Act of 1927 to the new Commission. Title III of the substitute adopts the provisions of the Senate bill, except that most of the changes from existing law which were not contained in H.R. 7716 have been omitted.

The provisions of the Radio Act of 1927 relating to judicial review have been included in title IV, with certain changes, and those for taking over stations in time of war are in title VI, and so far as they change existing law will be explained below. The other differences between the substitute and the Radio Act of 1927, except where the changes are insubstantial or are for purposes of clarification or of elimination of temporary provisions which no longer serve any purpose, are listed below.

Sections 301, 302 (a), 304, 306, 309, 313, 314, 315, 317, 318, 319, 320, 321, 322, 323, 324, 325 (a), 326, 327, 328, and 329 are, respectively, substantially identical with the following sections of the Radio Act of 1927: 1, 2, 5, 8, 11, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 29, 30, 35, and 36.

Section 302 (a) follows closely section 2 of the Radio Act, Section 302 (b) follows H.R. 7716 in removing the Territories and possessions from the zones for which equality of broadcasting facilities is prescribed.

Section 303 combines sections 4 and 5 of the Radio Act with the additions hereafter noted. Section 303 (f) adds the requirement of a public hearing in cases involving changes in the frequency, authorized power, or times of operation of any station. This was contained in H.R. 7716. Section 303 (g) directs the Commission to study new uses for radio and to encourage the more effective use of radio in the public interest. Section 303 (q) requires the painting or illumination of radio towers which constitute a menace to air navigation. This was contained in H.R. 7716.

Section 305 is copied from section 6 of the Radio Act, except that the provision for taking over a station in time of war is transferred to section 606 (c).

Section 307 (a) and (b) through the first proviso are taken from section 9 of the Radio Act, as amended. The second proviso authorizing additional licenses for stations not exceeding 100 watts of power when they will not interfere with the efficient service of other licensed stations, was taken from H.R. 7716. This proviso is substituted for that in the Senate bill which would permit additional noninterfering stations regardless of power.

Section 307 (c) directs the Commission to study the proposal that Congress by statute allocate fixed percentages of broadcasting facilities to particular types of nonprofit programs or to persons identified with particular kinds of nonprofit activities.

Section 307 (d) follows part of section 9 of the Radio Act with the addition taken from H.R. 7716, that the Commission in granting an application for the renewal of a license shall be governed by the same considerations which affect the granting of original applications. The provision of the Senate bill which reduces the maximum terms of broadcasting licenses from 3 years to 1 year, and the maximum for other licenses from 5 years to 3 years, is not included.

The substitute bill agreed to in conference omits the paragraph of the Senate bill no. 307 (f), which carried a new provision requiring the Commission to distribute broadcasting licenses so that no one licensee or organization of licensees should exercise dominant control over the broadcasting facilities of any locality.

Section 308 follows section 10 of the Radio Act as proposed to be modified by H.R. 7716, which added the requirement that modifications and renewals of licenses may be granted only upon written application. This is the present practice of the Radio Commission. The two provisos in subsection (a) permit the Commission to issue temporary licenses for stations on vessels or aircraft in cases of emergency.

Section 310 (a), dealing with limitation on foreign holdings and transfer of licenses, is adapted from section 12 of the Radio Act as proposed to be modified by H.R. 7716, with additional limitations as to foreign ownership.

Section 12 of the Radio Act provides that radio station licenses may not be granted or transferred to any corporation of which any officer or director is an alien or of which more than one-fifth of the capital stock may be voted by aliens, their representatives, a foreign government, or a company organized under the laws of a foreign country. The Senate bill changes this provision by making the restriction apply also where one-fifth of the capital stock is owned of record by the designated persons and altering the words "may be voted" to "is voted." The substitute (sec. 310 (a) (4)) adopts the language of the Senate bill.

Section 12 of the Radio Act, restricting alien control of radio station licenses does not apply to holding companies.

The Senate bill, adapted from H.R. 7716, provides that such licenses might not be granted to or held by any corporation controlled by another corporation of which any officer or more than one-fourth of the directors are aliens or of which more than one-fourth of the capital stock is owned of record or voted, after June 1, 1935, by aliens, their representatives, a foreign government, or a corporation organized under the laws of a foreign country. The substitute (sec. 310 (a) (5)) adopts the Senate provision with an addition stating that the license may not be granted to or held by such a corporatoin if the Commission finds that the public interest will be served by the refusal or the revocation of such license.

Section 310 (b) is substantially section 12 of the Radio Act modified as proposed by H.R. 7716. The section relates to transfer of radio licenses. As in H.R. 7716 the authority to approve or disapprove such transfers is extended to cover transfer of stock control in a licensee corporation. The present law is also modified to require the Commission to secure full information before reaching decision on such transfers.

Section 311 is based upon section 13 of the Radio Act, modified to leave the Commission discretion in refusing licenses where the applicant has been adjudged by a court to be guilty of a violation of the antitrust laws but where the judgment has not extended to the revocation of existing licenses.

Section 312 (a) is based on section 14 of the Radio Act modified as proposed by H.R. 7716 to reduce from 30 to 15 days the period within which a licensee may take exception to the Commission's action in revoking his license. The Senate provision authorizing the Commission to suspend licenses is omitted from the substitute.

Section 312 (b) amplifies the Radio Act along the lines proposed by H.R. 7716 by providing for the modification of station licenses and construction permits in cases where the Commission finds such action in the public interest.

Section 315 on facilities for candidates for public office is the same as section 18 of the Radio Act. The Senate provisions, which would have modified and extended the present law, is not included in the substitute.

Section 316 provides that no person shall broadcast by means of any radio station any information concerning any lottery, gift enterprise, or similar scheme offering prizes dependent in whole or in part upon lot or chance. This is not in the present law, but was included in H.R. 7716.

Section 325 (b) and (c) are designed to give the Commission control of all studios or apparatus in the United States used in connection with a broadcasting station in a foreign country for the purpose of furnishing programs to be transmitted back into the United States. The House Committee on Merchant Marine, Radio, and Fisheries has, during the present session, favorably reported a bill, S. 2660, containing provisions similar to these two paragraphs.

Section 326 prohibits censorship, and is the same as section 29 of the Radio Act.

The Senate bill—section 402—for the purposes of cases involving carriers, carries forward the existing method of review of orders of the Interstate Commerce Commission, and, in the main, for "radio" cases carries forward the existing method of review of orders of the Federal Radio Commission; but in "radio" cases involving affirmative orders of the Commission entered in proceedings initiated upon the Commission's own motion in revocation, modification, and suspension matters, review is to be by the method applicable in the case of orders of the Interstate Commerce Commission. The House provision contains a similar provision as to cases involving carriers, but leaves the present section 16 of the Radio Act of 1927, as amended, applicable in all radio cases. The substitute adopts the Senate provision.

Section 405 of the Senate bill, relating to rehearings by the Commission, contained a proviso limiting to 20 days the time within which applications for rehearing of radio cases under title III may be made and providing that such application may be made by any party or any person aggrieved or whose interests are adversely affected. The House amendment omitted the proviso. The substitute adopts the provision of the Senate bill.

Section 410 (a) of the Senate bill provides for joint boards of members of commissions of States affected by or involved in a particular proceeding, to which the Commission may refer such proceedings. The House amendment omits this provision. It is retained in the substitute.

The House amendment contains a provision, similar to one contained in the Senate bill, transferring all appropriations and unexpended balances of appropriations available for expenditure by the Federal Radio Commission to the Federal Communications Commission. The substitute retains the House provision modified to insure that such appropriations and unexpended balances of appropriations will be available for expenditure by the Federal Communications Commission for any and all objects of expenditure authorized by the bill, in the discretion of the Commission and without regard to the requirement of apportionment of the Anti-Deficiency Act of February 27, 1906.

Section 606 (c) and (d) of the Senate bill authorizes the President in time of war or public peril to take over wire and radio offices and stations and to give just compensation therefor to persons entitled thereto. The House amendment omits these provisions. The substitute conforms to the House bill by adopting the present provisions of sections 6 and 7 of the Radio Act of 1927, as amended, which do not apply to wire communications.

The committee of conference recommends that the title of the bill read as follows: "An act to provide for the regulation of interstate and foreign communication by wire or radio, and for other purposes."

SAM RAYBURN,
CLARENCE LEA,
CARL E. MAPES,
CHAS. A. WOLVERTON,
Managers on the part of the House.

Mr. RAYBURN. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND. Mr. Speaker, it is not customary for me to ask for the rejection of a conference report, I do so very reluctantly on this occasion, particularly, as this report comes from a committee presided over by such a distinguished friend of mine as the gentleman from Texas; but I believe the situation that presents itself on this conference report is one that deserves serious consideration.

The Senate has undertaken to repeal the Radio Act of 1927, which was framed with the greatest care, most meticulous attention being given to every word and every expression that is contained in that act. They do the useless or futile thing, so far as radio is concerned, of repealing the law and then reenacting the same law.

Now, the question might arise, What difference does it make? It may make a most material difference in a new set-up.

Under the Radio Act of 1927 there have been handed down judicial decisions, there have been interpretations, and there has been a coordinating of radio. If we repeal this act, with a new set-up, without a study by the Communications Commission, there is no man on this floor who can tell what the effect of this repeal is.

In order to secure the continuance of this act you have to vote down this conference report.

Has the matter been considered by a committee of this House? I mean no reflection on the distinguished gentlemen of the Interstate and Foreign Commerce Committee, but they conceded themselves upon this floor 1 week ago that they knew nothing about radio, and they said that they believed the wise thing to do—and it was a wise judgment on their part—was to set up a communications commission which could study the law and find out just what ought to be done. They thought it wise then to continue the law as it is at the present time, simply transferring the powers and functions of the Radio Commission to the communications commission; but under the dulcet persuasion of the Senate committee, which is the only committee that has

considered this particular legislation, and surrendering to the charm which has been exercised by the distinguished Members of the Senate who are on that committee, our friends, who are usually so very persistent, found themselves writing into the law provisions that they, themselves, had conceded they knew nothing about.

I submit that in as delicate an art as the radio art, and with its effect upon the public and the public interests involved, the conference report ought to be rejected. The result would simply be that the committee would go back, these new provisions would be struck out out, and the bill would be returned as it was written by the House. The bill then would set up the communications commission and permit the communications commission to study this most delicate art. That commission would report to what extent the Radio Act of 1927 should be amended.

I mean no reflection upon my friends on the Interstate and Foreign Commerce Committee.

They did not have the time to go to the bottom of this matter; they had most important matters to consider. Radio has always been in the Committee on Merchant Marine, Radio, and Fisheries, and, as I said some time ago, why should this one ewe lamb be taken away? Leave it where it can be studied by that committee; and, gentlemen, do not repeal an act that may materially affect your interests.

Mr. RAYBURN. I yield 5 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Speaker, we have a situation where we are passing most important legislation on the say-so of the Senate which has never been considered by the House of Representatives. We have been called rubber stamps of the Government, but we have never passed 20 pages of a radio act, repealing the existing radio law on the recommendation of the Senate without a single Member of the House who knows anything about radio giving the slightest consideration to it. Why should we be errand boys for the Senate Committee on Commerce to wipe out the old Radio Act and enact a brandnew radio act, a very important measure, without the slightest consideration by any committee or any individual in the House of Representatives.

When this bill was introduced here there was not a change made in the radio law. It merely created a commission and vested the control and administration of the radio law in a communications commission instead of the Radio Commission.

At that time the question was raised whether the jurisdiction over that bill, the communications bill, belonged to the Radio Committee or the Interstate Commerce Committee. It was asserted and emphasized by the Chairman of the Committee on Interstate and Foreign Commerce that there was no change in the bill with respect to the substantive radio law, and that seemed to be the compelling reason why the bill was referred to the Committee on Interstate and Foreign Commerce rather than to the Committee on Merchant Marine, Radio, and Fisheries.

Now, the conferees have written into the bill at the behest of the Senate a radio law consisting of 20 pages—page 20 to page 38 in the conference report.

Why is the House asked to accept the Senate say-so in this radio legislation? Why should not the House in the preservation of its dignity send back the conference report and eliminate the substantive radio act; as my chairman from Virginia says, let the Communications Committee study the law and recommend changes in the law that are desirable to be made, and let the House committee having jurisdiction consider that question and report with respect thereto and, after debate on the floor, enact the law as the House in its dignity ought to do? [Applause.]

Mr. RAYBURN. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. MCFADDEN].

Mr. MCFADDEN. Mr. Speaker, this legislation comes as the result of a message by the President to the Congress. Simultaneously with the delivery of that message there was delivered to the Committee on Interstate and Foreign Commerce, of the House, and a similar committee of the Senate, a draft of the particular legislation which was recommended in the message. The Interstate and Foreign Commerce Committee of the House had never had jurisdiction over the question of radio. The Merchant Marine, Radio, and Fisheries Committee had, and has grown up with the growth of radio in the United States. Under this direction in the message of the President, jurisdiction for the consideration of this message was transferred to the Interstate and Foreign Commerce Committee, who were engaged to the full limit in the consideration of other measures that were being forced through the House under great pressure—the securities bill, railroad legislation, and stock-exchange control legislation. It is only fair to say that which we all know, and the members of that committee know, that they did not have time to fairly consider this bill. Apparently it was not thought necessary that we should carefully consider it, because it was generally understood that this bill was going to be written and perfected in conference, which has been done; and notwithstanding the assurance of the chairman, Mr. RAYBURN, that was given to this House, that there was nothing in the House bill that affected the present radio law—and by that statement he was giving the House assurances that nothing in this bill was to change existing law——

Mr. RAYBURN. O Mr. Speaker, the gentleman does not undertake to say that I said there would not be anything in the conference report.

Mr. MCFADDEN. No; I did not say that, but the gentleman was in close enough touch with this general situation to know in advance practically what was to be done in conference. So here we find ourselves in the predicament of considering one of the most important bills that could possibly come before this House, without any consideration on the part of the House, putting it through here in a few minutes. It is a fair example of what we may expect under the administration of this communications law, where we have consolidated all matters of communication in one commission. That applies to telephone and telegraph, radio, national and international, one of the most important parts of government. I say to the House that which I believe: That this bill was written, or at least the controlling and important part of it, in conformity with the wishes of the people who control this industry, and propose to control it as a monopoly, to control public sentiment in the United States, to control it now immediately for political purposes as part of the administration in control, and eventually use it as an international control for the dissemination of information leading toward the destruction of constitutional government in the United States. The passage of this bill is quite in harmony with the regulation that is taking place in Canada, with the regulations of communications that is taking place in Great Britain. It is all tied in together. We have as much of an international finger in this as we have in our financial affairs. I point out to the Membership of the House that this bill is being jammed through under the authority of the administration for these very purposes.

Mr. RAYBURN. Mr. Speaker, I did not intend to detain the House at all, but the gentleman from Pennsylvania [Mr. MCFADDEN] as usual has his alarmer at work. In answer to his statement about this bill being put through under the spur of the administration, I remind him that the minority members of the Committee on Interstate and Foreign Commerce, who I think are as wise and patriotic as he or any other Member of the House, signed this report, and that the report is a unanimous report from that conference committee. Also, practically every change in the Radio Act made by this bill was passed in a bill through both the House and the Senate, which went to President Hoover and there met with a pocket veto. As far as jamming legislation through the House is concerned, I introduced a bill to create this commission in the early part of 1933, and the question has been up before the committee and the country ever since. This bill has been in the committee for several weeks. We took it up and had thorough hearings, we had thorough consideration of the bill that passed the House. The Senate and the House in a former Con-

gress considered title III of this bill, and we were assured by the Senate conferees that these amendments were practically every one contained in that bill.

Mr. LEHLBACH. Mr. Speaker, will the gentlemen yield?

Mr. RAYBURN. Yes.

Mr. LEHLBACH. The communications bill introduced by the gentleman or drafted by the gentleman in 1933, and the bill that was reported from the committee unanimously in this session of Congress, did not contain substantive radio legislation.

Mr. RAYBURN. No.

Mr. LEHLBACH. That is what we are complaining about. We are enacting a law dictated by the chairman which we have never considered.

Mr. RAYBURN. And we claim that this legislation has already been passed by both the House and the Senate.

Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. RAMSPECK].

Mr. RAMSPECK. Mr. Speaker, I join with my colleague from Virginia [Mr. BLAND] and my colleague from New Jersey [Mr. LEHLBACH] in opposition to this conference report. Every Member of this House, perhaps, has in his district a radio station or several of them. Millions of dollars have been invested in those plants, and we are proposing here in this conference report to wipe out the law under which those stations have been established, or to wipe out everything that has gone heretofore and reenact it under an act which we are asked to pass here in a few minutes and which we have had no opportunity to examine. No committee of the House which has given study or thought to radio legislation has had an opportunity to consider this matter.

It seems to me it is unwise, it is unjust to our people back home, to enact legislation of such far-reaching effect in this manner. Radio stations, under the best conditions, lead a very uncertain life. The Commission has authority to take them off of the air on very short notice. I do not think we ought to place in jeopardy the investments of our people back home by enacting legislation in this manner. I think if we are going to reenact the radio law, which I think is unnecessary, it ought to be considered by the committee of this House which has jurisdiction of it, upon which committee there are Members who have given years of study to that subject.

For that reason I expect to vote against the adoption of the conference report, and I hope it will be rejected. [Applause.]

The SPEAKER. The time of the gentleman from Georgia [Mr. RAMSPECK] has expired.

Mr. RAYBURN. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I see nothing unusual in this situation. Of course there are always differences between the Senate and the House to be ironed out in every conference. Otherwise, there would be no occasion for the appointment of a conference committee. The Senate bill referred to the Committee on Interstate and Foreign Commerce, repealed, in effect, the existing radio law, and at the same time it reenacted all of the material provisions of that act.

Mr. BLAND. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BLAND. Has the House had an opportunity to consider what are the material provisions of that act that are repealed?

Mr. MAPES. Yes; it did when the bill was in the House. Instead of following the action of the Senate in that respect, the House did this: It left the existing law intact but established a new communications commission. It does not seem to me there was any great difference in principle in the action of the two bodies in that respect. The Senate specifically repealed the Radio Act, but reenacted it, or the pertinent part of it, in express terms. The House, instead of reenacting it, left it as it was and created this new commission.

Mr. BLOOM. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. BLOOM. Does not this new bill give the right to radio companies to sell power? I see in two of these sections where it gives the radio company the right to sell and transmit power. Does the gentleman know whether the conferees ever took up that subject?

Mr. MAPES. To what language does the gentleman refer?

Mr. BLOOM. If the gentleman will turn to page 109–A.

Mr. MAPES. I should like to complete my general statement first. If the gentleman will withhold that question for a moment, I would appreciate it. I should like to complete my general statement, and then we can come back to his question.

Mr. BLOOM. I shall be pleased to do that.

Mr. MAPES. As I was saying there was not such a material difference between the action of the House and the Senate as some would be led to believe from the discussion this afternoon. In conference the Senate conferees accepted the House provision for a new commission, and the House conferees accepted the work of the Senate on this radio provision or made it the basis upon which an agreement was reached. There is nothing in this bill under the radio title of importance which has not been considered by the Committee on Merchant Marine, Radio, and Fisheries of the House of Representatives, and which has not passed both the House and Senate at different times.

Mr. LEHLBACH. Will the gentleman yield for a question right there?

Mr. MAPES. Just let me proceed a little further, if you please.

The whole matter is set up in the report of the conference on page 47, in the paragraph at about the middle of the page:

> The Senate bill abolishes the Federal Radio Commission and repeals the Radio Act of 1927, but in effect reenacts it in title III, eliminating certain matter no longer effective and adding certain provisions, most of which are taken from H.R. 7716, Seventy-second Congress, which passed both Houses but was pocket vetoed. Title III of the House bill abolishes the Federal Radio Commission, but transfers its functions under the Radio Act of 1927 to the new commission. Title III of the substitute adopts the provisions of the Senate bill, except that most of the changes from existing law which were not contained in H.R. 7716 have been omitted.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. LEHLBACH. Will the gentleman give the gentleman another minute so that I may ask him a question?

Mr. RAYBURN. I yield the gentleman 1 additional minute.

Mr. LEHLBACH. Will the gentleman yield?

Mr. MAPES. I yield.

Mr. LEHLBACH. The statement which has just been read says it reenacts, in effect, leaving out certain matters that are no longer necessary and putting in some other general provisions. Has any Member of the House conference committee examined the old law and the new law that is proposed in order to ascertain just what differences there may be, and if they have not, has any other Member of the House who knows anything about it had that opportunity?

Mr. MAPES. Of course, the conferees went over every provision of this new matter and passed upon it, exercising their best judgment in regard to it. Our judgment may not have been as good as the judgment of the members of the Radio Committee would have been, but we were confronted with this legislation and had to exercise such judgment as we had.

Mr. LEHLBACH. How could reading a new bill give you any idea how it changed the old law that you did not know and had not read?

The SPEAKER. The time of the gentleman from Michigan [Mr. MAPES] has again expired.

Mr. RAYBURN. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, in some not distant Congress social legislation will hold first place on the calendar. I have hastily thrown together some thoughts on social legislation which reflect the experiences and obser-

vations of a good many years, the benefits of which, if any, I desire to pass on to Members of the House.

Congress lacks a social consciousness. Congress lacks a social consciousness because the country lacks it. The country lacks it because conditions did not call for it. Pioneering does not produce social consciousness.

Now the pioneer has passed from the picture. All frontiers have been taken. Development and exploitation of seemingly inexhaustible natural resources are at an end. The hard lessons of necessity, being ground in by permanently changed conditions, will inculcate a social consciousness. The day of every fellow for himself, the devil take the hindmost, is gone.

I was struck by the statement of British delegates to an American Federation of Labor convention at Cincinnati some 3 years ago, that England was 40 years ahead of the United States in social legislation. England was 40 years ahead of the United States in social legislation because it was 140 years ahead of it in the development of the conditions which make social legislation necessary.

Dubbing the rugged individualist a ragged individualist is more than a wisecrack. If I were a cartoonist, I have in mind some sketches of present-day rugged individualism. In industry the rugged individual is a man with cap in hand standing before a steel-barred gate on which is the sign "No Men Wanted." The rugged individual in agriculture may be expressed by a sheriff's sale in the barnyard. Rugged individualism in business shows the corner grocer being swept into the gutter by a chain-store janitor. The series might be completed by a birdseye view of the greatest armies in history—the armies of unemployment and relief.

The workers are clamoring for social legislation. They are clamoring for it because the great change struck them first. I have seen this movement grow. I remember when the locomotive engineer looked down upon the fireman at his side and the conductor upon the brakeman, and all of them upon the humble worker on the track, and all of these upon the miner as a man of another world, and all of these upon the underpaid, overworked white-collar man in the office and the store as a man who did not enter into their lives at all. I have seen all of this change. I have seen a growing solidarity, the development of a State of consciousness I hesitate to name, class consciousness. The rail workers no longer pick up their daily papers and note with indifference the troubles in the steel industry or the mining industry or that the garment workers or the clerks are having clashes in the struggle for economic existence. Each class has come to realize, has been made to realize, that the interest of each is the concern of all.

I remember when there was no demand for unemployment insurance and old-age pensions because there was no unemployment and no old age in industry. Now unemployment is chronic, wide-spread, and permanent, and a man at 45 is too old to get a job. Think of that, you comparatively young Members of Congress sitting here, you are too old to get a job. We have had that issue right here in Government, the throwing out of experienced workers in the prime of life to make place for boys and girls. Government is just as merciless as private industry. Only the fear of the ballot and political influence prevent it from just as ruthlessly discarding gray hair.

I had to get gray myself before I made a very important discovery. It was the discovery that there is only one kind of human nature in the world, that there is not one kind of human nature owning railroads and another kind operating them, that there is not one kind of human nature owning mines and another kind digging in them, that there is not one kind of human nature on Wall Street and another kind on Main Street. There is only one kind of human nature and it is a pretty ornery kind, a pretty selfish kind, a not too honest kind. There is an old saying that you cannot change human nature. It will do what is permitted it. You can only change systems. You can only make new rules of the game.

In America the time for change has come, the day of reckoning has come. Half the people live in want and the other half live in fear. There is no assurance for the morrow anywhere. If you lose your job, you are the crippled wolf in the pack. If your hair turns gray, you are one mouth too many at the table. Even if you are young and strong and willing, you must wait until another falls in the ranks and you can tear him from his place. It is a terrible picture, and it is called civilization.

The purely political-minded statesman is just as antiquated as the worker with gray hair. If it is too late for him to become social-minded, he must be replaced by the statesman who is social-minded. There is nothing spectacular about social legislation. It is lacking in the dramatic qualities of party politics and party issues. You are merely disturbed by the thought that it is here. You wish every man had a job at good wages, and that if he was thrown out of it he would get unemployment insurance, and that if he got too old to work at it he would be pensioned off. But you do not know what to do about it. So the days go by with the labor bills and the insurance bills and the pension bills lagging on the calendar, genuine disturbances to the congressional mind, but no action.

As sure as I stand here and utter these words, this social legislation will be first on the calendar. This has just been forecast in the greatest message which the President has thus far sent to Congress. Two short paragraphs in this great message stand out above all the utterances which have ever come from the White House bearing upon the social and economic lives of the people of this country. I quote them here:

> Among our objectives I place the security of the men, women, and children of the Nation first.
>
> This security for the individual and for the family concerns itself primarily with three factors: People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours.

The President promises a program now in preparation for presentation to the next Congress to start the Nation on the road to these great objectives. These objectives must be reached if our civilization is to be worthy of the name. If every deserving man and woman could be made secure against a sense of actual want, it would be an achievement exceeding the sum of all other achievements in government. Just the assurance that there was no poorhouse over the hill. Just the assurance that they would not some day be dependent upon the cold charity of the world. This is what social legislation means, and the statesman of tomorrow must be a man who has the mind to comprehend and the heart to execute this program.

Mr. RAYBURN. Mr. Speaker, I yield such time as he may desire to the gentleman from Iowa [Mr. WILLFORD].

Mr. WILLFORD. Mr. Speaker, as a member of the Committee on Merchant Marine, Radio, and Fisheries, I have listened while this bill has been both cussed and discussed over quite a period of time. We have listened attentively to the explanation of this bill by the chairman of this great committee, the gentleman from Virginia, Mr. BLAND; we have taken the concensus of opinion of the members of this committee and have arrived at the conclusion expressed in the House bill. I believe, however, that more time should be given to a thorough study and consideration of this subject. We had before the committee men who had spent their entire time since its discovery in the study of radio.

I recognize the fact of controversial theory of freedom of speech. However, I believe that a more general version should be given this meaning; and a right to give our views in speech on radio or in the press should be more liberal, as I believe is the right that we are all entitled to and a liberty guaranteed by our Constitution in amendment no. 1, passed during the first session of Congress, September 25, 1789. My attempt is not to make a judicial basis on which to judge freedom of speech, but I wish to apply it to our modern life, in which views, regardless of their nature, should

have the right to be brought before our people for their judgment and opinion. As a member of the House Radio Committee, this freedom of speech is a serious consideration. In a news periodical in which the Radio Commission intimated it was not unlawful to allow liquor advertisements to be put on the air but that if any of the stations did advertise liquor they would have difficulty in renewing their licenses, as radio stations must make application for a new one every 6 months—this, in my opinion, is unfair. The Commission, in my judgment, should either state it is unlawful for such advertising or it is lawful. I believe the individual station owners and their respective communities are much concerned over the morals of their people, and, as a matter of fact, it is the listeners and the public themselves that will primarily make the rule by which radio stations and press will follow. This happens to be just one example that has clearly struck me as not being fair. All of us, as individuals, are much concerned with the welfare of our own country and our own communities, but a small percent would attempt to bring before its listeners or readers anything with the intention of degrading our morals. I believe, however, there are subjects, regardless of nature, which should be reviewed by the people and their opinion expressed, as knowledge prevents disaster.

It is unfortunately true that the lack of knowledge on subjects leads us into despair and discouragement. We can guide ourselves only by facts and our collective opinions. The people of this country and of the world are privileged to listen to all problems by the wonderful systems of communications, radios, periodicals, and newspapers. The United States, especially, can proudly say that nearly every home in this country has either radio, newspapers, or magazines for their enjoyment and education. By this means of communication, problems of a nation can be quickly presented to them for their opinion and consideration. The press fortunately has enjoyed a broad freedom in which they can advocate or bring to the people their views in editorials and in columns, by various writers. I believe this same privilege should be extended to the radio stations of these United States without any political hatchet ready to sacrifice them if their principles are not pleasing. I do believe that regulation is necessary in all things. However, mere words written or spoken must be judged from several angles and especially from a point of view as to who makes these statements and for what purpose. The right of free speech and printed words can hardly exist without mechanical facilities, whether it is writing a letter, newspapers, publications, or radio. Therefore, I deem it necessary to liberalize the scope in which newspapers, magazines, and radio deal without political curtailment or foreign pressure brought to bear to print or broadcast the opinions expressed by individuals. It might be well to bear in mind the Virginia declaration made in 1786, which was several years before the first amendment to the Federal Constitution. The declaration was—

> The State of Virginia had no right or authority over the opinion of any source and should not be involved in any manner or interfere until actual injury had resulted.

This significant amendment has a great bearing in favor of liberalized freedom of speech and press. And if you will recall when the Federalist Party was defeated and Thomas Jefferson became President of the United States he pardoned every man convicted under the alien and sedition law, as he believed that any person had a right to his own opinion and expression. It is my opinion that the radio and newspapers are two of the greatest mediums that the human race has ever had an opportunity of availing themselves of for an interchange of opinion and expression of thought. Therefore, the radio and press should be protected from any interference for our own welfare and education. Fortunately, the value of press and radio are as informatives of the Nation, as has been demonstrated by our President, Franklin D. Roosevelt, who has taken his problems, his plans for the present and future, before the people by personally talking over the radio and interviewing the press reporters who give the American people the information as to the progress of our Government.

I do not personally believe there should be any rivalry between radio broadcasting and the newspapers of this country. They are both serving the people in their respective ways, and I truly believe that they themselves realize they can work hand in hand with a profit to themselves and a direct benefit to this Nation. As a member of the Radio Committee, I am vitally interested in the future of our radio broadcasts, and with this I have in mind the relationship of the newspapers of this country. These two cannot ever be replaced by any substitute. I do not for one moment uphold any unscrupulous broadcaster or newspaperman who deliberately, by direct intent, incites trouble or maliciously attacks a principle or person without foundation of facts; but the truth should never be suppressed, as by that we can best see our mistakes. With what little knowledge and experience I have had in the world I shall always be the defender of free speech of the radio and newspaper. I do not believe that the system of the Radio Commission of a 6-month license is adequate protection or encouraging to the present-day broadcaster. I believe these licenses should be issued for 3 to 5 years and should be inviolable except where charges of malicious intent or violation of such rules that are equitable in fairness of radio broadcasters is violated. I believe radio broadcasters should have the privilege of expressing their views editorially, as newspapers do, and they should not be suppressed by quiet threats or the impossibility of renewal of licenses or any other way that is used against an unfriendly or disliked broadcaster. I am positive in my statement when I say I do not believe that our Radio Commission is responsible for even intent upon this procedure. However, I believe their rules and regulations could be changed for better protection in the interest of radio. In my opinion, the suppression of radio broadcasters as has been used in the past is not fair and equitable. About 4 years ago the Radio Commission issued licenses for 90 days only, and then, on January 1, 1931, Congress allowed the Commission to issue licenses for a 3-year limit. However, the Radio Commission only raised their license limit from 90 days to 6 months, and then every broadcaster had to make application for a renewal. The sad part of this, in my estimation, is that there has been some unscrupulous dealings in the matter of applications, as it is the privilege of any station to make application for a frequency held by another station every 6 months, which would cause an expensive hearing and would cost the broadcaster whose license had been asked for from $500 to $2,000, and if someone with malicious intent and sufficient money should make application every 6 months to someone in the industry that he did not like, it would finally wear him out. This has been done, and I shall do everything I can do to correct this evil.

The radio broadcaster today must be extremely careful in his statements, he must be generous and diplomatic, because if he should say something that was distasteful to authority, he would be censured. He also must be careful not to express any pointed opinion of his own, as the public would quickly take it up, and radio, like no other field, is either praised or condemned instantly. The speaker must present his problem in a generous and even temper. He must present the problem and let the audience be the judge. The listening public will not tolerate continuous propaganda, and even sponsors of programs have found it advisable to be very brief and make simple statements regarding their products—yet they have found that the greatest results have been in these simple statements. There is no doubt, in my mind, that discrimination has taken place when opposite views were presented. This evil should be corrected and freedom of the air should be available to anyone. We must have, if you please, rules and regulations governing our methods and procedure. Let us not, however, put strict censorship on the press or radio. Let us be generous and restrict censorship so that freedom of opinion can be expressed without punishment. It is my purpose as a member of the Radio Committee to acquaint myself with as many facts as possible and

at all times work in the interest of our system of education by radio and newspaper.

Mr. BLOOM. Mr. Speaker, will the gentleman yield?

Mr. RAYBURN. I yield.

Mr. BLOOM. I wish someone would answer the question I asked the gentleman from Michigan with reference to the term "energy" as it is used throughout this bill, particularly on pages 109 and 111 where the specific language is carried—

Communication by wire, or radio, or in radio transmission of energy.

Now, is not energy power? And if energy be power, are owners of stations to be permitted to transmit power without further regulation?

Mr. RAYBURN. This is the definition used by people who know something about the business, and they say it must be in the act in order to make the act effective.

Mr. BLOOM. I have studied this question for 20 years; I know something about it.

Mr. RAYBURN. I shall be pleased to yield the gentleman some time if he wishes to explain it.

Mr. BLOOM. Mr. Speaker, I am not asking the gentleman to yield me time; I am asking only that the gentleman answer the question or have someone else answer it.

Mr. RAYBURN. There must be some energy or there could not be transmission of radio programs. Certainly it does not involve the question of the transmission of power as such.

Mr. BLOOM. I understand that; but the language specifically includes the transmission of energy, and energy is power. There is no getting away from that. Now, I do not object to transmitting power, but how is that power going to be regulated and sold, where is it to come from, and where is it to go?

Mr. RAYBURN. I do not think the gentleman need have any fear of this definition.

Mr. BLOOM. My question is prompted out of 20 years' experience with the subject.

Mr. RAYBURN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, we have not been able to do it in this session, but I am hopeful that the next Congress will fairly and justly reallocate wave lengths, channels, and power so that broadcasting stations may be granted to and equitably distributed throughout the various districts of the United States. Due consideration must be given to each congressional district. Under the present system the big cities have gobbled up all of the important stations, wave lengths, channels, and power.

Mr. WILLFORD. I thought Dr. Brinkley had all the power.

Mr. BLANTON. He has more than 15 congressional districts in Texas all put together. But his station is just across the Rio Grande River in Mexico.

Mr. LEHLBACH. I am in sympathy with the gentleman. Will he yield for a question?

Mr. BLANTON. I yield to the gentleman from New Jersey.

Mr. LEHLBACH. Does not the gentleman realize that a revision of existing radio laws in the next Congress, desirable as it may be, will be precluded if we enact a new radio law by accepting this conference report?

Mr. BLANTON. Nothing will be precluded, and everything will be possible, if a majority of the Members of this House in the next Congress set their heads and concertedly work together, with a determined purpose to fairly and justly distribute and reallocate stations, wave lengths, channels, and power. All obstacles can be overcome, and anything they want done can be done by a determined majority.

KFYO MOVED FROM BRECKENRIDGE TO ABILENE

In an article criticizing the Radio Board, written by Arthur Sears Henning, dated May 11, 1934, he said:

KFYO, a Lubbock, Tex., broadcasting station, became involved in some unpleasantness with its radio audience. There was complaint of the character of its programs, emanating chiefly from churchmen, it appears. An application for its facilities was made by interests desiring to establish a station at Abilene, Tex.

This application was about to be granted by the Commission when Congressman THOMAS L. BLANTON (Democrat), of Texas, intervened to save KFYO from being put off the air. BLANTON marshaled an array of Methodist and Baptist Church pastors to repudiate the complaints against KFYO. Mr. BLANTON asserted that the whole complaint when boiled down was that T. E. Kirksey, owner of KFYO, had permitted a singer to broadcast the Volga Boatman song.

Congressman BLANTON won out, and KFYO still is on the air. The Texas Congressman stated that he was representing Mr. Kirksey merely in the relationship of Congressman and constituent and without pay.

In his article Mr. Henning got woefully mixed up on his facts. KFYO first was located at Breckenridge, owned by T. E. Kirksey. He unfortunately made many enemies, and he was besieged from all sides in efforts to run him out of business. Being my constituent, I helped him procure the necessary permit, and he moved KFYO to Abilene. He continued to make enemies. He was harassed in and out of court. Civil suits were brought against him, some for money he did not owe. Criminal charges were preferred against him. My son, a practicing lawyer, represented Kirksey and KFYO as attorney in all their trials and tribulations, devoting much time and attention to Kirksey's legal business covering a period of several years. He has not yet received any pay. All he has to show for his hard work is an unpaid note and mortgage.

Attempt after attempt was made by several parties to take Kirksey's KFYO away from him. Charge after charge was preferred against him at Washington. On several occasions Kirksey was forced to come to Washington at great expense and bring witnesses with him to save his plant. I protected him because he was my constituent, and I could not escape the conclusion that he was being persecuted. I helped him produce sufficient evidence before the Radio Commission to convince them that the charges against him were unjust, and they refused to cancel his permit. On account of his enemies Mr. Kirksey was forced to move his KFYO station to Lubbock, which is not in my district, and it is now no longer my duty to look after him as my constituent, he now being in the Lubbock district. Two well-known Baptist ministers came all the way to Washington to testify for Kirksey, and to refute the charges made against him and his KFYO station.

ALL HONEST MEN HATE INJUSTICE

Some of the big monopoly-controlled radio stations persecute men in public life, whose actions they cannot control, just as monopoly-controlled newspapers persecute them. If it were not for the CONGRESSIONAL RECORD the big radio and the big press could ruin any man in Congress. They could misrepresent his every act. Were it not for the CONGRESSIONAL RECORD, the big press would defeat and put out of Congress every man it could not control, and you would then have a Congress of serfs, irresponsive in every way to the interests of the people.

MILLARD COPE AND HIS SWEETWATER REPORTER

In my speech on April 17, 1934, I called attention to the very unfair and malicious attacks Millard Cope carried in his Sweetwater Reporter against me. Cope is a mere hireling employed to edit and run the paper. It is owned by Houston Harte, of San Angelo, and his associates. Harte is a fine fellow, a good citizen, and a first-class newspaperman, but his time is taken up in running his San Angelo Standard, a reputable daily. He sent Cope to Sweetwater, depending on his running a creditable paper, fair and just to everybody. When Houston Harte becomes convinced that Cope is allowing personal prejudice and spleen to control him, and that it is bringing the Reporter into disrepute, he is going to require a change in policy.

COPE'S UTTER DISREGARD OF TRUTH

Sweetwater friends have sent me a copy of the Reporter for Sunday, May 20, 1934, and from Cope's unreliable editorial in it. I quote:

The same Congressmen who a few weeks ago voted successfully to raise their own salaries $1,000 a year have now voted to cut down the taxes on their own incomes.

The Congressman from our own district voted for the measure, passed over the President's veto, under the title of a bill to restore

compensation to disabled veterans; massing selfish interest of increasing own salaries under the label of veterans' legislation.

If Millard Cope has one spark of manhood left in his breast, he will publicly apologize to me in his paper, for broadcasting the above malicious lies, after I produce the proof that both of his statements are unquestionably false.

PRESIDENT'S RIGHT-HAND BOWER

As Chairman of the great Ways and Means Committee, which handles all revenue matters, Hon. ROBERT L. DOUGHTON is the President's right-hand bower in the House on all taxation. I wrote him the following letter on June 6, 1934:

WASHINGTON, D.C., *June 6, 1934.*

Hon. ROBERT L. DOUGHTON, M.C.,
Chairman Ways and Means Committee,
House of Representatives.

DEAR BOB: As your position makes you in my judgment the real administration leader of President Roosevelt in this Congress, I would highly appreciate it if you would kindly give me a definite answer to the following questions:

(1) Is it not a fact that the law making a 15-percent cut in the salary of Government employees, including Congressmen, expires on July 1, 1934, and that it required a new act of Congress to prevent full restoration of all salaries on that date?

(2) Is it not a fact that by the passage of the independent offices appropriation bill, over the President's veto, Congress prevented the full restoration of salaries on July 1, 1934?

(3) Is it not a fact that had Congress not passed such act over the President's veto, the salaries of all Congressmen would be fully restored on July 1, 1934, and that by passing such act over the President's veto, we prevented our salaries from being fully restored on July 1, 1934?

(4) Is it not a fact that the new revenue act you recently passed reduces the income tax that all citizens in the United States with incomes up to $20,000 pay? And that there was no discrimination made for or against any citizens in that class, but all were treated alike? Please answer the above categorically.

With kind regards, I am
Your friend,

THOMAS L. BLANTON.

The following day, he wrote me this reply:

COMMITTEE ON WAYS AND MEANS,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 7, 1934.

Hon. THOMAS L. BLANTON,
House of Representatives, Washington, D.C.
Washington, D.C.

DEAR TOM: I answer the questions asked in your letter of June 6 as follows:

(1) Yes.
(2) Yes.
(3) Yes.
(4) Yes; the income tax is slightly lower on net incomes not in excess of $20,000, where the income is principally earned income or interest income. In the case of individuals having the greater part of their income from dividends and partially tax-exempt interest, the income tax is somewhat higher.

With my best wishes, I am
Yours very sincerely,

R. L. DOUGHTON.

In order that the answer may follow each question, and be better understood, I will now quote them in proper place:

BLANTON'S QUESTIONS AS ANSWERED BY CHAIRMAN DOUGHTON

Question 1. Is it not a fact that the law making a 15-percent cut in the salary of Government employees, including Congressmen, expires on July 1, 1934, and that it required a new act of Congress to prevent full restoration of all salaries on that date?

Answer 1. Yes.

Question 2. Is it not a fact that by the passage of the independent offices appropriation bill, over the President's veto, Congress prevented the full restoration of salaries on July 1, 1934?

Answer 2. Yes.

Question 3. Is it not a fact that had Congress not passed such act over the President's veto, the salaries of all Congressmen would be fully restored on July 1, 1934, and that by passing such act over the President's veto, we prevented our salaries from being fully restored on July 1, 1934?

Answer 3. Yes.

Question 4. Is it not a fact that the new revenue act you recently passed reduces the income tax that all citizens in the United States with incomes up to $20,000 pay? And that there was no discrimination made for or against any citizen in that class, but all were treated alike? Please answer the above categorically.

Answer 4. Yes; the income tax is slightly lower on net incomes not in excess of $20,000, where the income is principally earned income or interest income. In the case of individuals having the greater part of their income from dividends and partially tax-exempt interest, the income tax is somewhat higher.

PASSING BILL OVER VETO PREVENTED RESTORATION OF PAY CUTS

Every posted person in the United States knows that all cuts in Government salaries, both for Senators and Congressmen, as well as for the other 800,000 Government employees, expires by law July 1, 1934. To prevent the full salaries from being restored, it required a law to be passed by Congress before July 1, 1934, continuing the cuts that the President did not want restored. And, as stated by Chairman DOUGHTON, if Congress had not passed said bill over the President's veto, all salaries would be restored in full on July 1, 1934. Therefore, Millard Cope and his Sweetwater Reporter owe an apology for misrepresenting Congress.

The Washington Herald for Tuesday, October 17, 1933, carried the following front-page item:

BLANTON IS OPPOSED

Representative BLANTON, of Texas, declared his opposition to restoring full salaries. His reply follows:

"It is my belief that Government salaries have been entirely out of proportion to salaries received for like work in private positions.

"American citizens are tired of being taxed to pay Government employees $3,000 to $10,000 a year, some of whom until recently were granted 30 days' vacation on full pay, no work on Sundays, numerous holidays, and generous retirement pay."

The Washington papers and the CONGRESSIONAL RECORD from that day to the passage of said bill over the President's veto show that I maintained that same position in all debates and interviews, and by my vote on all issues.

By passing said bill over the President's veto we restored to the rolls 29,000 tubercular and insane veterans whose condition was undoubtedly the result of their service, and who would have been thrown upon charity had we not cared for them. And we also did justice to Spanish American veterans, their widows, and to our World War veterans, all of whom otherwise would have been done a grave injustice.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD and to incorporate therein some documents and excerpts I should like to include.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey [Mr. KENNEY].

Mr. KENNEY. Mr. Speaker, this bill contains a section the provisions of which prohibit the broadcasting of the advertisement of any lottery or information regarding the drawing or awarding of any prizes of a lottery. I am in accord with this section of the bill because I believe that radio announcers should not be permitted to advertise the lotteries of other countries which already drain the United States of hundreds of millions of dollars, sent yearly by our citizens to other nations.

Yet this section of the bill presents a situation which may be regarded as an oddity. Indeed, while it may not give rise to a conflict of laws, it does, nevertheless, appear to result in an inconsistency of laws. The newspapers are large users of the radio. They broadcast their news over the radio not only every day but many times during each day. Under this bill they may not give information in reference to lotteries, and yet a bill was passed by the House the other day, sponsored by the gentleman from Michigan [Mr. MUSSELWHITE], which permits newspapers to announce in their columns the results of drawings and lotteries conducted by fraternal, benevolent, charitable, and similar organizations.

A noted Frenchman has said that the Americans are the most inconsistent people in the world. He said: "They take a little whisky to make it strong; a little water to make it weak; a little lemon to make it sour; a little sugar to make it sweet; then they say, 'Here's to you', and they drink it themselves."

We may be inconsistent, but we are true Americans, and as true Americans, I reiterate that sometime soon, we in this body shall pass my bill authorizing a national lottery. [Applause.]

Mr. RAYBURN. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

The question was taken; and on a division (demanded by Mr. RAMSPECK and Mr. LEHLBACH) there were—ayes 58, noes 40.

Mr. RAMSPECK. Mr. Speaker, I object to the vote on the ground there is not a quorum present, and I make the point of order that a quorum is not present.

Mr. MARTIN of Massachusetts. May I ask the majority leader if this is the last bill we are to take up today?

Mr. RAMSPECK. Mr. Speaker, I withdraw the point of no quorum.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

FEDERAL STOCK EXCHANGE LEGISLATION

Mr. MILLIGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. MILLIGAN. Mr. Speaker, the Congress has now acted with finality on the bill providing for the regulation of stock exchanges through a Federal agency to be set up for that purpose. As the bill has received the President's approval, it is appropriate and pertinent that a few remarks should be made with respect to the all-important basic principle involved in the legislation.

It is likely that the debate here and the discussions elsewhere as well have centered more largely on matters of detail than they have on the prime object which is sought by the legislation. This was natural, and it was necessary in a sense, for all of us here are human; otherwise this would not be a representative body. The result is that out of a great amount of hard work and considerable turmoil there emerges a measure that attains an unusual degree of perfection in form without sacrifice of principle.

There is a saying—perhaps trite, but true—that all legislation is the result of compromise; and we have discovered that often the essential paths of compromise are tortuous and difficult of understanding. If my experience of 13 years in the House of Representatives has brought me anything in the way of legislative or parliamentary wisdom, it goes naturally and quickly to the proposition that in the absence of the spirit of compromise our work here, that which we produce here, becomes faulty and futile and misses the spirit of democracy. The stock-exchange regulation bill exemplifies this point.

The bill has undergone many changes since it was first laid before the Interstate and Foreign Commerce Committee. But the changes, may I say, have been such as not to hamper legitimate business transactions. From the main purpose behind the legislation, there has been no swerving and no temporizing. It is a good bill. The country is to be congratulated. The committee, especially its accomplished chairman, the gentleman from Texas [Mr. RAYBURN], and the House are entitled to all the encomium which comes with the successful culmination of a very important public service.

It was inevitable that the Congress should take up and legislate upon the question of stock-exchange regulation at the present session. The imperativeness of this manifested itself with great clearness on March 4, 1933, when the President in his inaugural address declared that in America "there must be an end to speculation with other people's money." I have a vivid recollection of that moment. It was historic. The vast assemblage in front of the Capitol, quiet to the point of solemnity in its eagerness to miss not a single word of the impressive utterances of the new Chief Executive, suddenly burst into a roar of applause and acclaim that was carried to every nook and corner of the land. The incident was one of reassurance to a people on the ragged edge of despair; everywhere in the Nation there was a renewal of courage; and there was a renewal, too, of faith in the Government at Washington.

The bill which just now has been approved finally by the two branches of Congress is a practical fulfillment of the promise made by Mr. Roosevelt that there must be an end to speculation with other people's money—an end to Wall Street gambling with the capital and credit of the country.

How many of us, I wonder, in the mass of detail, in the bombardment of an organized propaganda unprecedented in its magnitude and influence—how many of us lost at times the true perspective, the true significance of what it all was about?

Speculating with other people's money! Who were the "other people" in this respect? They were all the people of the Nation. For it is so obvious that it hardly requires mentioning that in the 1929 debacle in the New York stock market there was not a single person among our population whose fortunes were not adversely affected by what a comparative few were permitted to do with the capital and credit of the entire country.

In the Interstate and Foreign Commerce Committee we worked on this legislation for 9 weeks before it was brought to the floor of the House. We learned many things during those weeks. We learned, for instance, that the constantly increasing aggregate of demand loans, or loans to brokers trading in the stock market, had reached the monstrous total of more than $7,500,000,000 during the months leading up to the crash in October 1929, which resulted in the economic structure of the country crumbling to the earth.

That is a large aggregation of wealth, whether represented by actual capital or by credit, or by both capital and credit. The entire issuance of money in the United States is but $13,452,311,018, according to a Treasury Department statement of March 31, 1934, and of this amount only $5,393,689,530, inclusive of amounts held in bank vaults of member banks of the Federal Reserve System, is in circulation. The amount actually in circulation, of course, is much less, probably being not more than $3,000,000,000. Yet brokers were permitted to utilize as much as $7,500,000,000 in credit based upon this circulation in their stock-market operations during the so-called "golden era" of the Coolidge and Hoover administrations.

But that is not all. If $7,500,000,000 were actually loaned to brokers, at exorbitant rates of interest of course, how much more capital and credit were there being held in New York and elsewhere against possible further demands of the speculators, if their requirements and their powers of absorption and the wheels of fortune should give them opportunity to continue availing themselves of other people's money?

This question probably never will be satisfactorily answered. One thing we do know, however, is that the country was practically drained dry of its financial resources. The suction was so great, as I have indicated, that it took its toll from the pockets of every man, woman, and child in the country, no matter how high or low their station, and no matter whether they were conscious or not of the disaster which was being heaped upon them.

We know that the money was taken out of agriculture. We know that it was taken out of commerce. We know that it was taken out of industry. Upon the country was laid an economic waste. Generations yet to come will still be suffering before the wreckage can be entirely cleared away. We were told during the hearings that $50,000,000,000 is a conservative estimate of the loss alone in the value of corporate securities.

We are approaching another of our biennial seasons of politics in the United States. A congressional campaign is near at hand. Already we are hearing the argument made by those who are opposed to the Democratic administration that what the country needs is a return to the halcyon days of 1921 to 1931—the reputed golden era. Well, perhaps there was prosperity of a kind during that period; but it was prosperity with tinsel trappings. It was built upon nothing that was substantial. Eventually it collapsed, as all things must collapse which are upon insecure foundations.

The late Paul Warburg was one of America's greatest financiers. His reputation as a far-seeing banker and patriot was world-wide. In 1928, while Mr. Coolidge was President and Mr. Hoover was Secretary of Commerce, Mr. Warburg solemnly warned the Government at Washington that the boom—" the prosperity ", so called—was unsound and unsafe. About this time Senator GLASS, of Virginia, considered by many the ablest authority on finance in our public life, severely criticized the administration of the Federal Reserve Board, which he had helped to create, for its failure to take a hand in the situation and curb the flow of the financial strength of the country to the channels of Wall Street speculation. None of us will ever forget the statements repeated over and over again by our now Secretary of State, Cordell Hull, as a Member of the House and later as a Member of the Senate, to the effect that the foundations of the whole business were rotten. Mr. Hull was then and is now one of the most thorough student of economics in the public life of this or any other nation.

Those in control of our Government at that critical period paid no attention to these eminent authorities. Had they done so, the serious consequences of the cataclysmic crash of 1929 might have been in a measure averted.

After he had left the White House in 1929, Mr. Coolidge, in an article which he prepared for the Saturday Evening Post, said that toward the end of his administration, in 1927 and 1928, he had felt that the diversion of the financial strength of the country from the usual channels of business had reached an alarming stage. But President Coolidge did nothing about it. Mr. Hoover, as a member of the Coolidge Cabinet, must have shared in this feeling of alarm, but neither did he do anything to stem the tide before or after his induction into the Presidency on March 4, 1929.

Later on, however, Mr. Hoover, as President, did take cognizance of the situation. The crash, it will be recalled, occurred in October 1929. On December 2, 1930, more than a year afterward, the President transmitted his second annual message to the Congress in which he spoke of " a speculative period which diverted capital and energy into speculation rather than constructive enterprise " and said that " these particular dislocations have generally readjusted themselves."

In the early 1850's there was a Know-Nothing Political Party in this country, and it called itself by its right name; from 1921 to 1931 there was again a Know-Nothing Party, which was also a do-nothing party, and it called itself Republican.

Please get this: Addressing themselves to the identical proposition, Mr. Hoover said that " these particular dislocations have generally readjusted themselves " and did nothing; while Mr. Roosevelt, at the moment of his inaugural, declared in tones that penetrated to the far corners of the country, that " there must be an end to speculation with other people's money " and set himself and his administration and the Congress resolutely to the accomplishment of that purpose.

Only a few days ago Arthur M. Hyde, of my State, who was Mr. Hoover's Secretary of Agriculture, spoke before the Missouri Republican Club of Kansas City. It was a long speech, filled with many lamentations. Mr. Hyde resents very bitterly the action of the voters when, in 1932, they declared themselves for a new deal.

Starting his speech, Mr. Hyde remarked: " This is not a new era; it is only another depression." One hundred percent wrong on his first two statements of fact was Mr. Hyde. Two times at bat, two times struck out.

This is a new era, only Mr. Hyde does not recognize it yet. He is sour on the subject, like Jeremiah of old. Why fool yourself, Mr. Hyde? It is the beginning of a new era, but it is the same old depression—the one you should know a great deal about, for you were a member of the do-nothing administration that added to its momentum by taking the stand that " these particular dislocations have generally readjusted themselves."

Mr. Hyde set up quite a few straw men, which he fought furiously in his speech. Here is an example:

Is liberty safe—

He asked—

when $3,000,000,000 deftly extracted from the savings of the people * * * is set up in the hands of an appointed official to be used, without accounting until after the next Presidential election, to speculate in the market for bonds and foreign exchange?

Of course, there is no situation or condition in the governmental operations at this time which would warrant an interrogation or statement so utterly assinine as that one. However, granting for sake of argument that the former Secretary of Agriculture has precariously hit a nail on the head, I submit that it would still be better to turn $3,000,000,000 over to an official, a sworn representative of the people, for the purposes mentioned than it was to turn over practically the entire credit of the Nation to a group of Wall Street speculators to make merry with while the rest of the country was plunged into an economic abyss.

There are in the United States approximately 130,000,000 people. At the time the speculative orgy was at its height, there were only 1,300,000 separate trading accounts in the establishments of the broker-members of the New York Stock Exchange. Do you realize what that means? It means that 0.01 part of the population of the country was permitted to use at least $7,500,000,000 of the capital and credit of the people of the United States for gambling purposes in the stock market.

I agree heartily with Mr. Hyde when he says that—

Any program which takes half of the value of the widow's insurance policy, of the worker's wage, of the small investments of the thrifty, is a dishonest program.

I agree with him when he says that. It is a pity he didn't think of it 5 or 6 or 7 years ago.

And I agree with him, too, when he says " there are only a few millionaires." If I recall the figure correctly, and I am sure I do, in the days of Coolidge and Hoover 15 percent of the country's population controlled 90 percent of the country's wealth, while 85 percent of the population controlled only 10 percent of the country's wealth. Truly it is a sad contemplation.

Let me paint a graphic picture of our country as it was turned over to the Democrats on March 4, 1933, a year and three months ago. I shall do this in the words of President Roosevelt, who in his inaugural address said:

Values have sunk to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of trade; the withered leaves of industrial enterprise lie at every side; farmers find no markets for their produce; the savings of many years in thousands of families are gone. More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

There is the picture truthfully portrayed as it existed a little more than a year ago. Mr. Hyde calls it " only another depression."

Mr. Roosevelt went on to say that—

The rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure and abdicated.

True, they have tried—

Continued the President—

but their efforts have been cast in the pattern of an outworn tradition * * *. They know only the rules of a generation of self-seekers * * * they have no vision, and when there is no vision the people perish.

It is unthinkable that a people would go back to the conditions which produced the situation described in the President's words. Yet that is what the Republican Party is asking them to do.

NECESSITY FOR THE ENACTMENT OF THE FRAZIER-LEMKE BILL

Mr. WHITE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. WHITE. Mr. Speaker, 145 Members of this House, conforming to the rules for discharging a committee from

further consideration of a bill and to bring the measure to the floor for consideration and passage, have signed the petition to bring in the Frazier-Lemke farm mortgage bill. This bill is the most important and constructive piece of legislation that has been introduced at this session of Congress. The legislatures of 24 States, half of the Union, have asked Congress to pass this legislation. As one of the signers of the petition to bring this bill before the House, I ask for its consideration.

Much legislation designed to relieve the depressed financial condition of the country has been passed by the House at this session. In the Public Works bill we have provided for outright grants of 30 percent to communities for the construction of Public Works projects. We have passed the law guaranteeing bank deposits, with all the uncertainty and risk connected with bank management. We have passed a law that permits banks to create—print—money by depositing Government bonds as security under this arrangement. This new bank money is loaned to the public at current rates of interest at the same time the bank is collecting interest on the deposited bonds. The Government is loaning its credit to the banks free. It is financing other industries, including railroads, steamship companies, and financial institutions, at rates of interest in many cases no higher than the rates proposed under this bill. These measures, we are told, are necessary in the recovery program which is designed to restore prosperity.

Let me point out to you, Mr. Speaker, that any permanent prosperity in this country must rest upon the prosperity of our basic industries. Price is the index to prosperity. Good prices bring good times for the farmers. Good times for the farmers bring good times for business and the country everywhere.

Our problem is to create and put a volume of money, cash, in circulation sufficient to the needs of business and as a means to raise the price of commodities above the cost of production and at the same time devise and put a plan into operation that will relieve the farmer of the impossible burden of mortgage under which he is struggling and waging a losing fight, seeing the homes and the accumulations of a lifetime swept away by bankruptcy in every community.

If our business structure and our institutions are to endure, relief from this impossible condition must come quickly. Mr. Speaker, this problem is met and can be solved by the passage of the Frazier-Lemke bill. Every farm organization in this country—including those of Idaho—the State and local granges, have petitioned Congress, and the petitions have been placed upon the Speaker's desk, for the passage of this legislation.

Let us take up this bill and give careful consideration to its provisions, amending it if necessary to make it practicable, feasible, and workable. Let us give the country this constructive piece of legislation, so that the farmers may be relieved of their desperate situation, their homes and farms safeguarded, and the prosperity of the country restored.

LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. HARLAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia.

The SPEAKER. The Chair cannot recognize the gentleman for that purpose. The Chair understood the gentleman had a unanimous-consent request to submit.

Mr. HARLAN. Mr. Speaker, I call up the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. ZIONCHECK and Mr. O'MALLEY objected.

INLAND WATERWAYS CORPORATION ACT

Mr. WHITE. Mr. Speaker, I call up the bill S. 2347, to amend the Inland Waterways Corporation Act, and ask unanimous consent that it may be immediately considered by the House.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. ZIONCHECK. Mr. Speaker, I object to the unanimous-consent request.

Mr. BANKHEAD. Was there an objection to the request of the gentleman from Idaho [Mr. WHITE]?

Mr. ZIONCHECK. Yes; I objected.

Mr. BANKHEAD. Will the gentleman withhold his objection?

Mr. ZIONCHECK. Yes; I reserve the right to object.

Mr. BANKHEAD. Mr. Speaker, there are rather distressing circumstances in connection with the request of the gentleman from Idaho.

Mr. ZIONCHECK. I know the circumstances.

Mr. BANKHEAD. This is a bill for the consideration of which the Committee on Rules has granted a rule. It is a very short bill, and the matter can be disposed of in a few minutes. The gentleman from Idaho [Mr. WHITE] has been waiting day after day to have the rule called up. The House knows of the unfortunate and tragic death of his colleague Mr. Coffin. The gentleman from Idaho [Mr. WHITE] will be appointed on the committee to attend the funeral, which will probably necessitate his absence for the remainder of the session. I hope under the circumstances no objection will be made. This is a very minor matter and we can dispose of it in a few minutes.

The SPEAKER. Is there objection to the request of the gentleman from Idaho?

Mr. O'MALLEY. Mr. Speaker, reserving the right to object, is this the inland-waterways bill?

Mr. BANKHEAD. Yes.

Mr. ZIONCHECK. It covers the issuance of a certificate of convenience and necessity.

Mr. O'MALLEY. This is a bill which was on the Consent Calendar, and I objected to it about a month and a half ago.

Mr. ZIONCHECK. Yes.

Mr. O'MALLEY. Mr. Speaker, I reserve my objection so that the gentleman may explain the bill.

Mr. ZIONCHECK. Mr. Speaker, I also reserve my objection for the same purpose.

Mr. WHITE. Mr. Speaker, what is proposed to be done by this bill is to amend the Inland Waterways Corporation Act by simply adding two words. After the word "warrior" we add the words "Columbia" and "Snake." This will include the Columbia and Snake Rivers within the provisions of the act, which will permit the Interstate Commerce Commission to grant joint rail and water rates to apply to navigation upon the Columbia and Snake Rivers.

These rates will benefit the shippers and communities of the large country tributary to this great river system of the Northwest, particularly the people of Idaho, Washington, and Oregon, where much of the freight tonnage destined for joint water and rail shipment will originate.

The Columbia and its tributary, the Snake River, constitute the third greatest waterway in the United States. Navigation upon these rivers dates back to 1861, during the gold rush to Idaho. Improvements began at tidewater many years ago. Later, when the country tributary to these rivers became settled and the wonderfully fertile farms began to produce an abundance of wheat, steamboats were placed on the river to handle this business. Soon the needs of this transportation and the improvement of the river was recognized. As a result, canals and locks were built by the Government at Cascade and Celilo Falls. Steamboats now navigate the river as far as Lewiston, Idaho.

Water transportation on this great river system is only in its infancy. More than 6,000 grain growers of the interior Northwest are in need of cheap and economical water transportation to tidewater markets. They realize that unless they are supplied with cheaper freight transportation rates to place their products at shipside, they cannot continue to produce. When we consider that normally 60 per-

cent of the grain production of the Pacific Northwest must move to export to find a market, it is easy to understand how vital it is that our grain growers have a reasonable charge for moving their product to shipside.

Besides the product of the immense farming territory already developed, tributary to this river system, we have the timber and mining resources of one of the greatest undeveloped areas of the United States comprised in Idaho and eastern Washington and Oregon. On both sides of the Snake River is located what is considered one of the richest mineral districts of the North American continent. Because of inadequate transportation facilities and excessive freight charges this area is largely dormant until our rivers can handle this traffic to tidewater cheaply.

In this area there are known deposits of cinnabar, antimony, iron ore, arsenic, tungsten, vanadium, beryllium, tin, coal, phosphate rock, gypsum, parite salt, talc, sulphur, alum, copper ore, lead, zinc, gold, and silver, all awaiting development and low-cost transportation.

In timber resources alone we have in the Government-owned national forest, tributary to the lower Snake River, 34,033,476,000 feet of merchantable grades of timber, other than white pine, that has no market value because of prohibitive cost of transporting this timber to market. There is also standing on the Clearwater and Selway National Forest 1,458,000,000 feet of white-pine timber and 2,024,521 cedar poles, also Federal owned. In addition to this, there is eighteen and one-half billion feet of State and privately owned timber of the same specie and on the same watershed, all making a grand total of 55,000,000,000 feet of timber. Without considering future growth, this great reserve of timber will supply 1,500,000 tons of traffic annually for the next 50 years. The existing all-rail rate on lumber to eastern markets from this area is 87 cents a hundred pounds, about $20 per thousand feet. The rate by all-water route would be about $10.50.

The excessive charge which our producers and shippers are forced to pay to reach market with their products is only a part of the problem. These excessive freight rates tend to dam back and restrict the free movement of commerce. In the eastern part of the United States, where a very large and ever-increasing volume of traffic is moving over joint rail-water and rail-water-rail routes, worth-while savings are passed on to shippers far removed from water carriers. The importance of this proposed development is not to divert traffic from rail lines—traffic which they are now moving—but to move the timber, lime rock, granite, clays, and minerals and other dormant resources that cannot be processed and marketed profitably with existing transportation and facilities and charges.

As early as 1920 Congress recognized the necessity of coordinating rail-water and other mediums of transportation.

In the Transportation Act of 1920 they established a definite policy "to foster and preserve in full vigor both rail and water transportation." At the same time they set up machinery to bring about closer cooperation and coordination of rail and water carriers.

In 1928 the Dennison Act was passed. This was a long forward step in forcing coordination of rail and water movement of our national internal commerce. This has resulted in the establishment of many joint rail-water and rail-water-rail routes in the eastern part of the United States and a very large freight over these routes.

It has been amply demonstrated that waterways are the only competing medium which return more revenue to the railroads than it takes away from them by furnishing a medium by which raw material may be collected cheaply. Waterways develop a large demand for transport of high-tariff freight which the railroads handle. We need coordination of rail and water carriers. The building up of the great New York Central Railway system, between New York City and Chicago, which has always been subject to the closest possible competition from water carriers on the Hudson River-Erie Canal-Great Lakes, is a striking example that waterways do not hurt the railroads. Many other similar examples could be cited.

Mr. McDUFFIE. Mr. Speaker, will the gentleman yield?

Mr. WHITE. Yes.

Mr. McDUFFIE. I am wondering if there is any commerce now on the Snake River.

Mr. WHITE. In certain stages of water the boats ply between Lewiston and on out to Portland.

Mr. McDUFFIE. How many miles is that?

Mr. WHITE. One hundred and fifty miles or more.

Mr. McDUFFIE. That is a seasonal movement entirely, is it not?

Mr. WHITE. On part of the river, but on the lower part of the river it is open to navigation at all times.

Mr. McDUFFIE. For how many miles?

Mr. WHITE. For over 100 miles. The Celilo Canal has been built by the Government to accommodate water transportation on that river at a cost of several million dollars.

Mr. ZIONCHECK. The lower part of the river is more than 100 miles.

Mr. WHITE. My understanding from the records I have consulted is that the Celilo Canal is a little more than 100 miles from Portland up the river.

Mr. McDUFFIE. Is there navigation above that canal?

Mr. WHITE. There is navigation all the way up to Lewiston, Idaho.

Mr. McDUFFIE. I have not read the bill, and the question I wanted to ask the gentleman is this: This legislation is simply permissive, is it not?

Mr. WHITE. Permissive, and does not do a thing but broaden the Waterways Act to include these two rivers. We do not change the law otherwise.

Mr. McDUFFIE. But it costs a lot of money to provide equipment to operate on these rivers, and I am wondering where the money is coming from in order to provide the equipment necessary for the Government to extend its activities on these rivers.

Mr. WHITE. We are not putting the Government into the business at all. This is a rate-making proposition, and is intended to improve the status of these rivers.

Mr. McDUFFIE. The Government is already in the business, for that matter, on the Mississippi and Warrior Rivers.

Mr. WHITE. Yes.

Mr. McDUFFIE. The Government has spent vast sums of money in providing its own equipment to operate on those rivers, and I am wondering where the equipment is coming from and whether or not this legislation proposes that the Government buy equipment to operate boats on these two rivers.

Mr. WHITE. Not at all.

Mr. MARTIN of Oregon. It does not do that. Great improvements are now being made on the Columbia River at the Bonneville Dam.

Mr. McDUFFIE. But you cannot have any commerce until you have these improvements.

Mr. MARTIN of Oregon. This bill is simply permissive. Right now, for 50 miles above the Celilo Canal, there are enormous quantities of wheat being shipped out by boats to the elevators in Portland.

Mr. ZIONCHECK. Does the gentleman object to that?

Mr. MARTIN of Oregon. That is what we are in favor of. We want to reduce the cost on the shipment of every bushel of wheat in the inland empire of Washington, Oregon, and Idaho by reducing freight rates.

Mr. McDUFFIE. If the gentleman will yield just a moment, as I understand, you cannot obtain joint water and rail rates without having the Government put its boats on this river. Is that the point?

Mr. MARTIN of Oregon. No; not at all. We do not want a cent of appropriation. We simply want permission, if conditions justify it, or when they do justify it, so that if the Inland Waterways Corporation wants to go on this river, just as it did on the Warrior River, it may do so. This is simply permissive and there is no compulsion in the matter.

Mr. ZIONCHECK. A certificate of convenience and necessity will be required to operate on the river under this act.



Mr. MARTIN of Oregon. It will require that.

Mr. ZIONCHECK. In order that no one else may operate on the river, they would have to show a public necessity, just as they do upon roads for stage lines and things of that nature.

Mr. MARTIN of Oregon. Yes.

Mr. ZIONCHECK. Would it be for the benefit of the farmers if there were not ample competition between the boat companies or the barge lines?

Mr. MARTIN of Oregon. There will be that competition.

Mr. ZIONCHECK. I do not see that in the bill, and the practice has not shown it.

Mr. MARTIN of Oregon. I think the bill does show it.

Mr. O'MALLEY. Mr. Speaker, will the gentleman from Idaho yield?

Mr. WHITE. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. This bill was up for consideration when we were considering the Consent Calendar and I objected to it.

Mr. MARTIN of Oregon. You did not understand it.

Mr. O'MALLEY. The gentleman from Idaho has the floor.

This provides for a certificate of convenience which is an absolute monopoly, as it has worked out before with the Inland Waterways Corporation, for shipping on this river; and is not the object of this bill not to get the Inland Waterways Corporation to operate on the river but to provide the people in that section with an excuse for coming to the Government to get the Government to develop this river?

The regular order was demanded.

Mr. ZIONCHECK. Mr. Speaker, I object.

TO REGULATE THE BUSINESS OF LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. HARLAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia.

The SPEAKER. The Clerk will report the title of the bill.

The Clerk read the title of the bill.

Mr. MARTIN of Massachusetts. Mr. Speaker, I reserve the right to object.

Mr. HARLAN. Mr. Speaker, I will say to the gentleman that the only thing there is in this bill is to give to the people of the District of Columbia the protection, with the same laws that they have in New York, Ohio, New Jersey——

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. HARLAN. I yield.

Mr. MARTIN of Massachusetts. I want to say to the gentleman that this bill consists of 133 pages, and I am not going to let it go through at this late hour of the day. I object.

ONE YEAR OF AGRICULTURAL ADJUSTMENT ADMINISTRATION

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing an address by the Speaker of the House on June 9, 1934, over the National Broadcasting hook-up on the Farm and Home hour.

The SPEAKER. Without objection, it is so ordered.

Mr. ARNOLD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following radio address of Hon. HENRY T. RAINEY, Speaker of the House of Representatives, on June 9, 1934:

Fortunately for the country we have had 1 year of the Agricultural Adjustment Administration. On the 4th day of March in 1933 farm conditions were proceeding rapidly toward chaos. Farmers were losing their farms. All the way from Pennsylvania to Utah an agrarian revolution was in progress. Wherever sheriffs' sales were advertised, or sales under foreclosure, or chattel-mortgage sales, grim-faced farmers assembled and said, "No man will buy here today", and usually these statements were effective. We were proceeding rapidly toward chaos.

The perpetuity of a republic depends, first of all, upon the approval of the people who live on the land, and the approval of this class of the population is of prime importance.

In the restoration of agriculture to its proper position we have been compelled to resort to new and unusual and drastic remedies for the reason that the situation was new and unusual and required the application of remedies of this character. The program has just now commenced to work.

In all the cotton-growing States there is marked improvement. In all the tobacco sections there is marked improvement, and in those States which are fortunate enough today to be both cotton- and tobacco-producing States people have commenced to forget the depression and to look forward with renewed confidence and hope.

In the corn-hog States payments to corn-hog farmers who have adjusted their production are now commencing and will proceed with rapidity, and we can soon expect, also, a marked improvement in the corn-hog States. The unprecedented drought has been broken, and out in the drought sections farmers look forward with greater hope than they had a few days ago.

Rental and benefit payments to cotton and tobacco producers and corn and hog producers now total over $19,000,000. Six hundred and twenty thousand contracts from cotton growers have been received and are recorded, and of this large number over 211,000 have been approved and released for disbursement. The distribution of checks for cotton contracts has proceeded rapidly in Alabama, Arkansas, Arizona, California, Florida, Georgia, Kentucky, and in all the cotton States, totaling, up until the present time, over $9,000,000. Checks have been written for over 18,000 cotton producers, and the distribution proceeds now rapidly.

Growers of tobacco in the tobacco States are now receiving their checks which will amount on the 91,000 contracts now completed to over $7,000,000.

Already over 13,000 checks, representing a total of over $2,000,000, have gone out to contracting corn and hog producers in Iowa, Michigan, and Minnesota, and in the other corn-hog States a distribution will soon commence. There has already been a partial release of corn upon which 45 cents per bushel has been loaned, and this policy has had the effect of insuring for the corn farmers a proper price for the corn they produced last year.

In the drought-stricken areas a purchase of surplus cattle by the Agricultural Adjustment Administration has already been started, and 134 counties in 4 States have been named as being in the emergency area and additions to this area will be made as rapidly as necessary. The condition of the drought-stricken areas of the country would have been desperate indeed without the Agricultural Adjustment Administration program.

The drought has given for wheat producers a new meaning to the cash payments made by the Agricultural Adjustment Administration. These payments were primarily intended as a reward to farmers who voluntarily reduced their wheat acreage. They are now serving throughout the drought stricken areas as a crop insurance. Fortunately, payments are made on the basis of past averages of production, and those farmers who have signed contracts with the Government will receive the amounts due them under their contracts even though their crops are absolutely destroyed. This feature of the recovery program has been given outstanding importance. As Mr. Davis, the Administrator of the Agricultural Adjustment Administration, stated, and I quote from his statement, "the feature of the Agricultural Adjustment Administration as applied to farmers in the drought stricken areas has given them a hitherto unattainable degree of protection from misfortune on a higher and juster plane than that of charity."

Under our program we are taking out of cultivation rapidly marginal farm land in order to better balance production and demand, but the primary purpose as defined in the act itself is to restore the pre-war parity of 1909–14, between the goods the farmer is compelled to buy and the prices he receives for his commodities, and already we are approaching that much-desired goal. Prices of industrial goods affected by the National Recovery Administration have moved forward more rapidly than farm prices have moved forward, but with the present acreage-reduction program in operation and with the other relief measures in operation which have already been started, farm prices ought to move forward more rapidly than they have in the past.

The farmers of the country have been patient and patriotic. The condition which confronts farmers today requires an exercise of real patriotism. The fight against depression is difficult indeed. The battles in which we are engaged now are more important even than the battles of the World War and they are harder to fight.

There are no khaki-clad soldiers marching now, no bands playing. Flags are not flying as they were during war times, and this makes the present warfare against depression more difficult than a war which can be fought out on battlefields. We have won our wars always. The war against the depression which has been prevailing for years we will win also, and the farmers are contributing and will continue to contribute their full share.

In all the corn-hog States the payment of the premiums made possible by the processing taxes will soon commence. The increased prices the corn-hog signers get in the open market represent a part only of the total income which they will receive from their 1934 hog production. If the market price of a hog that will weigh 225 pounds should be around $10 a head when a contract signer disposes of his spring pigs, this will represent only about two-thirds of his actual gross returns. By February he will have received $5 a head in additional returns, less the local administrative costs. The benefit payments he receives under the adjustment plan are just as real as if it were all paid out directly to the farmer at the time of sale and expressed in a higher price for his hogs as the Agricultural Extension Service of the University of Illinois makes plain.

The processing tax produces the funds for the benefit payments. The Illinois University Agricultural Extension Service, in the

studies it has made, points out that the processing tax which has been in effect since November 5 has had the result that the packers in Chicago have actually paid from $1.06 to $2.83 per hundredweight more from week to week from November 5, 1933, to April 21, 1934, than was paid during the corresponding weeks of 1932–33. When the processing tax was being gradually stepped up from 50 cents to $2.25 per hundredweight during the winter a more moderate increase was registered than for the corresponding weeks a year earlier.

The extension service of the University of Illinois has rendered most valuable service. In this connection they say, "Farmers, however, should not conclude from these facts that the price of hogs today would be higher by the amount of the tax, if no tax had been levied. On the contrary, the sum of the open-market price of hogs, plus the tax now, undoubtedly exceeds substantially what the open-market price of hogs would have been had no tax been levied."

We are face to face, however, with the fact that in levying processing taxes upon hogs we are up against the Chicago packers, a conscienceless trust, and held to be that kind of an organization by the Supreme Court of the United States. They now have in operation a direct-marketing plan which enables them to fix the price of hogs. They are operating now on a cost plus basis and are making money while the farmers are selling their hogs at less than cost. The reimbursements the contract hog-corn farmers will soon receive will overcome their losses, but that amount added to the cash price they are receiving will not equal the amount they ought to have received. Thousands of farmers have signed contracts agreeing to refrain from direct marketing.

At some future time, when I have the opportunity, I may go on the radio to discuss direct marketing. There can be no permanent recovery of hog prices until direct marketing is abolished or substantially modified. We are trying to get through Congress now market propositions which will give to the Secretary of Agriculture more power than he now possesses to regulate and control direct marketing. It will add to the powers he now has the injunction power which is important indeed.

This bill is being held up by the cattlemen who do not really market direct, but who hope to do it in the future. Whenever they commence to market direct to the extent that hog farmers are marketing direct they will find, I predict, that it will not work, but that is really too long to wait. I am hoping that in the days immediately ahead of us we will get more assistance from the Department of Agriculture than we have been getting in forcing through the Congress of the United States these direct marketing regulations.

THE TARIFF BILL

We have just passed through Congress a nonpartisan tariff bill, a bill which provides for lowering of tariffs by reciprocal arrangements, in order to again restore international trade and give back to farmers a part of the markets they have lost for wheat and for pork products. This plan has been considered for a long time. It was first suggested by a Republican President. It is being put in operation now during the administration of a Democratic President.

During the three administrations preceding the present administration our tariffs were unconscionably increased. We expected to continue selling farm products and manufactured products abroad, while we refused to accept in return the products of other countries. Practically all American economists warned against these policies. The nations of Europe protested most vigorously and called our attention to the fact that they could pay for our products only by sending us in exchange their own products. We ignored the warning.

As a result retaliatory tariffs were established against us. This country, mechanized as no other country ever was mechanized before, was compelled to transfer a part of its capital to other countries and to build their branch plants and manufacture in other countries, using their raw material and their labor, the goods we had been manufacturing here in mass production, using our own labor and our own raw material, and the flight of American capital still continues. Tariffs of other countries have been raised until they are now higher than ours, and the first effect of these policies was to exclude from foreign markets the products of our farms.

Foreign trade has practically vanished from the seas. We always produced enormous farm surpluses which we were compelled to market abroad. That market has now been destroyed. It will be difficult indeed to restore it, even in part, but under this bill which has now passed we propose to attempt to restore it, and we hope that some success will accompany our efforts.

In the meanwhile, we must content ourselves with being a smaller America. For a time we must produce less on our farms, and we are now taking land out of cultivation. During the World War we increased our cultivated acreage by forty or fifty million acres. We are now planning to take that much out of cultivation by methods which are now in operation. For a time we must produce principally for ourselves. It is much more difficult by tariff adjustments to build up a lost market than it is by tariff increases to destroy it.

The benefit payments which are being made now to farmers, and will be made in increasing amounts, are not charged against the Treasury of the United States. They are financed by processing taxes. Already the increased buying power of producers of farm products has had a splendid result and is reflected in industrial recovery throughout the country.

We have started in the right direction. A splendid beginning has been made. The program has commenced to work out. Already 3,000,000 farmers have joined production-control associations and as a voluntary experiment this action of the farmers is historic and dramatic. There is nothing in history which will compare with the planned farm production now started. A patriotic cooperation on the part of farmers will bring about the anticipated results. Failure to cooperate and the defeat of the present plans would take us back to where we were on the 4th day of March 1933 and this must not happen.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted:

To Mr. DEEN, for an indefinite period, on account of illness in family.

To Mr. DURGAN of Indiana, for June 11, 12, and 13, on account of urgent business.

To Mr. FULLER, for today, on account of illness in family.

To Mr. MCKEOWN, for 10 days, on account of important business.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 870. An act for the relief of L. R. Smith;

S. 1173. An act for the relief of Gladding, McBean & Co.;

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933;

S. 2898. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd against the United States;

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law;

S. 3237. An act to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929;

S. 3502. An act authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.;

S. 3521. An act to facilitate purchases of forest lands under the act approved March 1, 1911;

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington; and

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

JOINT RESOLUTION AND BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President for his approval a joint resolution and bills of the House of the following titles:

On June 8, 1934:

H.J.Res. 340. Joint resolution to harmonize the treaties and statutes of the United States with reference to American Samoa;

H.R. 311. An act for the relief of Martin Henry Waterman, deceased;

H.R. 1405. An act for the relief of the Yosemite Lumber Co.;

H.R. 2035. An act for the relief of Jennie Bruce Gallahan;

H.R. 2287. An act for the relief of Warren Burke;

H.R. 2692. An act for the relief of Lula A. Densmore;

H.R. 2748. An act for the relief of A. C. Francis;

H.R. 2749. An act for the relief of E. B. Rose;

H.R. 3167. An act for the relief of Sue Hall Erwin;

H.R. 3353. An act to provide a preliminary examination of Stillaguamish River and its tributaries in the State of Washington with a view to the control of its floods;

H.R. 3354. An act to provide a preliminary examination of Snohomish River and its tributaries in the State of Washington with a view to the control of its floods;

H.R. 3362. An act to provide a preliminary examination of the Nooksack River and its tributaries in the State of Washington with a view to the control of its floods;

H.R. 3363. An act to provide a preliminary examination of Skagit River and its tributaries in the State of Washington with a view to the control of its floods;

H.R. 3423. An act for the relief of Benjamin Wright, deceased;

H.R. 3768. An act to change the name of the retail liquor dealers' stamp tax in the case of retail drug stores or pharmacies;

H.R. 3992. An act for the relief of C. A. Betz;

H.R. 4272. An act for the relief of Annie Moran;

H.R. 4541. An act for the relief of George Dacas;

H.R. 4932. An act for the relief of Judd W. Hulbert;

H.R. 4962. An act for the relief of Joseph B. Lynch;

H.R. 5175. An act to provide a preliminary examination of the Green River, Wash., with a view to the control of its floods;

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 5597. An act to afford permanent protection to the watershed and water supply of the city of Coquille, Coos County, Oreg.;

H.R. 5636. An act for the relief of Jose Ramon Cordova;

H.R. 5665. An act authorizing the control of floods in the Salmon River, Alaska;

H.R. 5780. An act for the relief of Lt. H. W. Taylor, United States Navy;

H.R. 5823. An act to authorize the purchase by the city of McMinnville, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 5935. An act for the relief of Oscar P. Cox;

H.R. 6246. An act granting 6 months' pay to Annie Bruce;

H.R. 6847. An act providing for the acquisition of additional lands for the naval air station at Hampton Roads Naval Operating Base, Norfolk, Va.;

H.R. 6890. An act for the relief of Mrs. Pleasant Lawrence Parr;

H.R. 7028. An act for the relief of Mrs. Joseph Roncoli;

H.R. 7185. An act to authorize the purchase by the city of Forest Grove, Oreg., of certain tracts of public lands and certain tracts revested in the United States under the act of June 9, 1916 (39 Stat. 218);

H.R. 7299. An act to authorize the Post Office Department to hold contractors responsible in damages for the loss, rifling, damage, wrong delivery, depredation upon, or other mistreatment of mail matter due to fault or negligence of the contractor or an agent or employee thereof;

H.R. 7360. An act to establish a minimum area for the Great Smoky Mountains National Park, and for other purposes;

H.R. 7367. An act for the relief of Sarah Smolen;

H.R. 7653. An act to authorize the establishment of the Ocmulgee National Monument in Bibb County, Ga.;

H.R. 7759. An act to amend the law relating to timber operations on the Menominee Indian Reservation in Wisconsin;

H.R. 8234. An act to provide a preliminary examination of the Paint Rock River in Jackson County, Ala., with a view to the control of its floods;

H.R. 8541. An act to provide for the enrollment of members of the Menominee Indian Tribe of the State of Wisconsin;

H.R. 8562. An act to provide for a preliminary examination of the Connecticut River with a view to the control of its floods and prevention of erosion of its banks in the State of Massachusetts;

H.R. 8779. An act to authorize the Secretary of Agriculture to adjust claims to so-called "Olmstead lands" in the State of North Carolina;

H.R. 8927. An act to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes;

H.R. 9064. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind.;

H.R. 9141. An act granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County in the State of Alabama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge and approaches thereto across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, District of Columbia, organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia, as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia;

H.R. 9313. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.; Stat. 506, sec. 2139; U.S.Rev.Stat., sec. 241, title 25, U.S.C.),

H.R. 9392. An act to reclassify terminal railway post offices;

H.R. 9400. An act to exempt from taxation certain property of the American Legion in the District of Columbia;

H.R. 9430. An act to provide a preliminary examination of the Cowlitz River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9431. An act to provide a preliminary examination of Chehalis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9432. An act to provide a preliminary examination of the Lewis River and its tributaries in the State of Washington, with a view to the control of its floods;

H.R. 9433. An act to provide a preliminary examination of Columbia River and its tributaries in the State of Washington, with a view to the control of its flood waters;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington;

H.R. 9567. An act to extend the times for commencing and completing the construction of a bridge across the Missouri at or near Brownville, Nebr.;

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain, and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.;

H.R. 9694. An act to amend the Emergency Railroad Transportation Act, 1933, approved June 16, 1933;

On June 9, 1934:

H.R. 3214. An act to compensate the Post Office Department for the extra work caused by the payment of money orders at offices other than those on which the orders are drawn;

H.R. 5334. An act to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226);

H.R. 6675. An act to authorize the acknowledgement of oaths by post-office inspectors and by chief clerks of the Railway Mail Service;

H.R. 7082. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356);

H.R. 7098. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239);

H.R. 7213. An act to provide hourly rates of pay for substitute laborers in the Railway Mail Service and time credits when appointed as regular laborer;

H.R. 7317. An act to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party; and

H.R. 7711. An act to permit postmasters to act as disbursing officers for the payment of traveling expenses of officers and employees of the Postal Service.

THE LATE REPRESENTATIVE COFFIN

Mr. WHITE. Mr. Speaker, it becomes my sad duty to announce to the Members of the House that my colleague, TOM C. COFFIN, from the Second District of Idaho, passed away yesterday at 5 o'clock as the result of an accident which happened on the Capitol Grounds.

By the death of Mr. COFFIN we have lost one of our valuable Members in the House of Representatives. As a new Member, he has made an enviable record for effective work in support of the great recovery program formulated and being carried into operation by the present administration. By his devotion to the interests of our people and by his industry and application to his duties at the Capitol he has made a record which will endear him to the people of Idaho and will be cherished with increasing appreciation as time passes.

I desire further to announce to the House that there will be funeral services at the Lee Funeral Home, Stanton Park, tomorrow afternoon.

Mr. Speaker, I send to the desk the following resolution:

The Clerk read the resolution as follows:

House Resolution 427

Resolved, That the House has heard with profound sorrow of the death of the Honorable THOMAS C. COFFIN, a Representative from the State of Idaho.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provisions of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

The resolutions were agreed to.

The SPEAKER appointed the following committee: Mr. WHITE, Mr. MOTT, Mr. SCRUGHAM, and Mr. HARTER.

The Clerk read the further resolution, as follows:

Resolved, That as a further mark of respect the House do now adjourn.

ADJOURNMENT

Accordingly (at 3 o'clock and 9 minutes p.m.) the House, as a further mark of respect, adjourned until Monday, June 11, 1934, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

498. A letter from the Chairman and Acting Secretary of the Reconstruction Finance Corporation, transmitting its report covering its operations for the first quarter of 1934, and for the period from the organization of the Corporation on February 2, 1932, to March 31, 1934, inclusive (H.Doc. No. 399); to the Committee on Banking and Currency and ordered to be printed.

499. A letter from the Acting Secretary of War, transmitting a copy of Resolution No. 617, of the Provincial Board of Cagayan, Philippine Islands, expressing gratitude for the enactment of Public, No. 127, Seventy-third Congress, the new Philippine Independence Act; to the Committee on Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. WILSON: Committee on Flood Control. H.R. 9670. A bill to provide a preliminary examination of the Willamette River and its tributaries in the State of Oregon with a view to the control of its floods; without amendment (Rept. No. 1927). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 3396. An act to amend the act of January 30, 1897 (29 Stat. 506, sec. 2139; U.S.Rev.Stat., sec. 241, title 25, U.S.C.), transferring certain jurisdiction from War Department to the Department of the Interior; without amendment (Rept. No. 1928). Referred to the House Calendar.

Mr. KELLER: Committee on the Library. S. 3533. An act to amend the act entitled "An act creating the Mount Rushmore National Memorial Commission and defining its powers and purposes", approved February 25, 1929, and for other purposes; without amendment (Rept. No. 1929). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MONTET: Committee on Military Affairs. H.R. 2571. A bill for the relief of George Tatum; without amendment (Rept. No. 1926). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAY: A bill (H.R. 9894) to establish the Breaks of Sandy National Park in Virginia and Kentucky; to the Committee on the Public Lands.

By Mr. MOTT: A bill (H.R. 9895) authorizing the Chief of Army Engineers to use material dredged from the channels of the Columbia River for the purpose of strengthening the dikes and levees along said river; to the Committee on Rivers and Harbors.

By Mr. CARTWRIGHT: A bill (H.R. 9896) for the utilization of the recreational areas of the United States by a national parkway on a 200-foot right-of-way connecting the national parks; to the Committee on Roads.

By Mr. RANKIN: Resolution (H.Res. 426) to provide for the expenses of conducting the investigation authorized by House Resolution 409; to the Committee on Accounts.

By Mr. McREYNOLDS: Joint resolution (H.J.Res. 368) providing for membership of the United States in the International Labor Organization; to the Committee on Foreign Affairs.

By Mrs. GREENWAY: Joint resolution (H.J.Res. 369) to amend "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign

commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934; to the Committee on Agriculture.

By Mr. WOODRUM: Concurrent resolution (H.Con.Res. 45) to print and bind the proceedings in Congress and in Statuary Hall upon the acceptance in the Capitol of the statues of George Washington and Robert E. Lee, presented by the State of Virginia; to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CLAIBORNE: A bill (H.R. 9897) for the relief of Gertrude Becherer; to the Committee on Claims.

By Mr. DE PRIEST: A bill (H.R. 9898) to authorize the presentation to Thomas M. Dent, Jr., of a Distinguished Service Cross; to the Committee on Military Affairs.

By Mr. MOTT: A bill (H.R. 9899) authorizing and directing the Secretary of the Treasury to reimburse Carrol D. Ward for the losses sustained by him by reason of the negligence of an employee of the Civilian Conservation Corps; to the Committee on Claims.

By Mr. TRAEGER: A bill (H.R. 9900) for the relief of Lt. Col. Russell B. Putnam, United States Marine Corps; to the Committee on Claims.

By Mr. WOODRUM: Resolution (H.Res. 425) for the relief of Rosemonde E. Lafferty; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5084. By Mr. RUDD: Petition of the Progress Shoe Co., Brooklyn, N.Y., opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5085. Also, petition of the Chamber of Commerce of the State of New York, favoring a further study of the Wagner bill; to the Committee on Labor.

5086. Also, petition of the Brooklyn Real Estate Board, opposing the passage of the new Wagner disputes bill; to the Committee on Labor.

5087. Also, petition of the Chamber of Commerce of the State of New York, opposing the passage of the silver legislation; to the Committee on Coinage, Weights, and Measures.

5088. Also, petition of open-shop section of the New York Employing Printers Association, opposing the Wagner disputes bill; to the Committee on Labor.

5089. By the SPEAKER: Petition of the Citizens Association of Takoma, D.C.; to the Committee on the District of Columbia.

5090. Also, petition of W. E. Clark and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

SENATE

MONDAY, JUNE 11, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Saturday, June 9, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Black	Bulkley
Ashurst	Bankhead	Bone	Bulow
Austin	Barbour	Borah	Byrd
Bachman	Barkley	Brown	Byrnes
Capper	George	Lonergan	Robinson, Ind.
Caraway	Gibson	Long	Russell
Carey	Glass	McCarran	Schall
Clark	Goldsborough	McGill	Sheppard
Connally	Gore	McKellar	Shipstead
Coolidge	Hale	McNary	Smith
Copeland	Harrison	Metcalf	Steiwer
Costigan	Hastings	Murphy	Stephens
Couzens	Hatch	Neely	Thomas, Okla.
Cutting	Hatfield	Norbeck	Thomas, Utah
Davis	Hayden	Norris	Thompson
Dickinson	Hebert	Nye	Townsend
Dill	Johnson	O'Mahoney	Tydings
Duffy	Kean	Overton	Wagner
Erickson	King	Patterson	Walcott
Fess	La Follette	Pittman	Walsh
Fletcher	Lewis	Reynolds	Wheeler
Frazier	Logan	Robinson, Ark.	White

Mr. LEWIS. I announce that the Senator from California [Mr. MCADOO] is detained from the Senate by illness, and that my colleague the junior Senator from Illinois [Mr. DIETERICH], the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS] are necessarily detained. I ask that this announcement may stand for the day.

I wish further to announce that the Senator from Idaho [Mr. POPE] is absent in attendance on the funeral of the late Representative COFFIN, of Idaho.

Mr. HEBERT. I wish to announce that the Senator from New Hampshire [Mr. KEYES] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

I also wish to announce that the senior Senator from Pennsylvania [Mr. REED] is absent on account of illness.

I ask that these announcements may stand for the day.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

PAYMENTS OF JUDGMENTS AND DEFICIENCY AND SUPPLEMENTAL ESTIMATES

The VICE PRESIDENT laid before the Senate four communications from the President of the United States, transmitting, pursuant to law, the following matters, which, with the accompanying papers, were severally referred to the Committee on Appropriations and ordered to be printed:

Deficiency estimate of appropriation for the District of Columbia for the fiscal year 1933, for judicial expenses, in the amount of $390 (S.Doc. No. 209);

List of judgments rendered by the Court of Claims which have been submitted by the Attorney General through the Secretary of the Treasury and requiring an appropriation for their payment, under the War Department, $62,306.10 (S.Doc. No. 212);

Deficiency estimate of appropriation for the fiscal year 1932 in the sum of $70.70, and a supplemental estimate of appropriation for the fiscal year 1935, in the sum of $50,000, amounting in all to $50,070.70, under the Department of Justice (S.Doc. No. 211); and

Two supplemental estimates of appropriations for the Civil Service Commission, for the fiscal year 1935, in total amount of $340,000 (S.Doc. No. 210).

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The VICE PRESIDENT announced his signature to the following enrolled bills and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 870. An act for the relief of L. R. Smith;

S. 1173. An act for the relief of Gladding, McBean & Co.;

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock

land banks, and for other purposes", approved May 12, 1933;

S. 2898. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd against the United States;

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law;

S. 3237. An act to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929;

S. 3502. An act authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.;

S. 3521. An act to facilitate purchases of forest lands under the act approved March 1, 1911;

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington; and

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by the Provincial Board of Agusan, P.I., protesting against the imposition of an excise tax on coconut oil imported to the United States from the Philippine Islands, which was referred to the Committee on Finance.

He also laid before the Senate a telegram in the nature of a memorial from the New York Plate Printers Union, Local No. 58, signed by its secretary, O. Ernest Knoblock, of Brooklyn, N. Y., remonstrating against the printing of bank notes for the Government of Cuba by the Bureau of Engraving and Printing, which was referred to the Committee on Printing.

He also laid before the Senate the memorial of the Committee of Three, elected by the recent Veterans National Rank and File Convention assembled at Fort Hunt, Va., and Washington, D.C., remonstrating against the alleged action on the part of officials at the Capitol in escorting J. R. Wholley, a member of the above-mentioned committee, from the Capitol Building, which was referred to the Committee on Rules.

He also laid before the Senate a telegram in the nature of a petition from Amon G. Carter, of Forth Worth, Tex., praying for the prompt enactment of pending oil-control legislation providing regulation for the petroleum industry, which was ordered to lie on the table.

He also laid before the Senate letters from officers of the Southern Pecan Shelling Co., Erler Manufacturing Co., and San Antonio Broom Factory, all of San Antonio, Tex., remonstrating against the passage of the bill (S. 2926) to equalize the bargaining power of employers and employees, to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, and also the enactment of proposed amendments to the Agricultural Adjustment Act, which were ordered to lie on the table.

Mr. CAPPER presented petitions, numerously signed, of sundry citizens of Topeka, Kans., praying for the enactment of old-age pension legislation, which were ordered to lie on the table.

Mr. COPELAND presented a resolution adopted by the board of directors of the Twenty-ninth Ward Cooperative Savings & Loan Association, Brooklyn, N.Y., protesting against the formation or establishment of competitive savings and loan associations authorized and sanctioned by the Government, which was referred to the Committee on Banking and Currency.

He also presented a resolution adopted by the Immigration Restriction League, Inc., of New York City, N.Y., protesting against the enactment of legislation loosening immigration restrictions, which was referred to the Committee on Immigration.

He also presented a resolution adopted at a council meeting of the chiefs of the Six Nations of the Iroquois Confederacy, assembled at the Onondaga Indian Reservation, N.Y., protesting against the passage of the so-called "Wheeler-Howard Indian welfare bill", on the alleged ground that the said bill impairs and violates the treaties of the United States with the Six Nations, which was referred to the Committee on Indian Affairs.

He also presented a resolution adopted by the Woman's Christian Temperance Union of Ithaca, N.Y., favoring the passage of House bill 6097, providing higher moral standards for films entering interstate and foreign commerce, which was referred to the Committee on Interstate Commerce.

He also presented a resolution adopted by the convention of the National Women's Trade Union League of America, favoring the passage of the bill (S. 1842) to amend sections 211, 245, and 312 of the Criminal Code, as amended, relating to birth control, which was referred to the Committee on the Judiciary.

He also presented a resolution adopted by the Central Delegate Committee of the Nassau County (N.Y.) Socialist Party, favoring the passage of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

He also presented a petition of sundry citizens of Port Byron, N.Y., praying for the passage of Senate bill 3231, providing for the pensioning of railroad employees, which was ordered to lie on the table.

He also presented a memorial of sundry citizens of New York City, N.Y., remonstrating against the adoption of certain paragraphs of Senate bill 3266, proposing to amend the Railway Labor Act, approved May 20, 1926, etc., which was ordered to lie on the table.

He also presented a resolution adopted by the Parent-Teacher Association of the Seaman Avenue School, Freeport, N.Y., endorsing the investigation by a Senate committee of the activities of manufacturers of arms and munitions, which was ordered to lie on the table.

He also presented a resolution adopted by the Central Delegate Committee of Nassau County, N.Y., endorsing the investigation by a Senate committee of the activities of arms and munitions manufacturers, which was ordered to lie on the table.

He also presented a resolution adopted by the Architectural Sculptors and Carvers' Association of New York City, N.Y., favoring the passage of the so-called "Connery bill", providing a 30-hour work week, which was ordered to lie on the table.

SURVEY OF NATIONAL CONDITIONS

Mr. FLETCHER presented a letter from John Carey, assistant to the vice president of the Church Life Insurance Corporation, New York City, which was ordered to lie on the table and to be printed in the RECORD, as follows:

CHURCH LIFE INSURANCE CORPORATION,
New York, June 6, 1934.

Hon. DUNCAN U. FLETCHER,
Senate Office Building, Washington, D.C.

MY DEAR SIR: You will, I think, be interested in the enclosed pamphlet which sets forth the results of a recent survey of national conditions made by this corporation.

The questionnaires were sent to leading clerical and lay officials throughout the Protestant Episcopal Church. Among those who replied are many of the Nation's leaders in business, industry, and transportation. Ninety-two percent of the questionnaires returned report that general business conditions are on the upward trend, while 74 percent of those reporting improvement pronounce the trend a decided one.

I hope that this survey may be of interest to you. If you would like to have other copies I should be glad to send them to you.

Sincerely yours,

JOHN CAREY,
Assistant to the Vice President.

REPORTS OF COMMITTEES

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (H.R. 8544) making receivers

appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations, reported it with an amendment and submitted a report (No. 1372) thereon.

Mr. STEPHENS, from the Committee on the Judiciary, to which was referred the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, reported it with amendments and submitted a report (No. 1377) thereon.

Mr. BACHMAN, from the Committee on Military Affairs, to which was referred the bill (H.R. 3084) authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif., reported it without amendment and submitted a report (No. 1373) thereon.

Mr. SHEPPARD, from the Committee on Commerce, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo. (Rept. No. 1374); and

H.R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky. (Rept. No. 1375).

Mr. HARRISON, from the Committee on Finance, to which was referred the joint resolution (S.J.Res. 135) to amend the Settlement of War Claims Act of 1928, as amended, reported it with amendments and submitted a report (No. 1376) thereon.

Mr. BARKLEY, from the Committee on the Library, to which was referred the concurrent resolution (S.Con.Res. 21) establishing a joint committee to investigate the question of participation by the Government in the Centennial of the Independence of the Republic of Texas, reported it without amendment.

ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 9th instant that committee presented to the President of the United States the following enrolled bills:

S. 1358. An act to provide for the improvement of approaches to the National Cemetery and the Confederate Cemetery at Fayetteville, Ark.;

S. 3041. An act to effectuate the purpose of certain statutes concerning rates of pay for labor, by making it unlawful to prevent anyone from receiving the compensation contracted for thereunder, and for other purposes;

S. 3211. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.;

S. 3540. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933; and

S. 3640. An act granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. KING:

A bill (S. 3775) to credit the tribal funds of the Indians of the Uintah and Ouray Reservation with certain amounts heretofore expended from tribal funds on irrigation works of the Uintah and Ouray Reservation, Utah; to the Committee on Indian Affairs.

By Mr. DILL:

A bill (S. 3776) granting a pension to Jacob R. Stiltner; to the Committee on Pensions.

By Mr. ROBINSON of Indiana:

A bill (S. 3777) to correct the military record of William Grubbs; and

A bill (S. 3778) to correct the military record of Lowell Ostrander; to the Committee on Military Affairs.

By Mr. McCARRAN:

A bill (S. 3779) to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934; to the Committee on the Judiciary.

By Mr. WHITE:

A bill (S. 3780) for the relief of persons engaged in the fishing industry; to the Committee on Commerce.

By Mr. FRAZIER:

A bill (S. 3781) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat.L. 602), by adding a new section thereto, to be known and designated as "section 8"; to the Committee on Indian Affairs.

AMENDMENT OF BANKING ACT OF 1933—AMENDMENT

Mr. WALCOTT submitted an amendment intended to be proposed by him to the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, which was ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, communicated to the Senate the intelligence of the death of Hon. THOMAS C. COFFIN, late a Representative from the State of Idaho, and transmitted the resolutions of the House thereon.

THE TARIFF—ADDRESS BY SENATOR HARRISON

Mr. CLARK. Mr. President, I ask unanimous consent to insert in the RECORD an address delivered on Friday last over the radio on a Nation-wide network by the Senator from Mississippi [Mr. HARRISON] on the subject of the tariff.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE ADMINISTRATION'S NEW TARIFF POLICY

As is quite well understood by everyone, partisans all too often play politics in an election year with important administration proposals. A party candidate must have some issues, some platform on which to run; and if he is not big enough to be constructive, then he may well be destructive. If he cannot praise, he presumes to condemn; if he cannot build, he connives to tear down; if he lacks a message of hope, he delivers one of fear; if he cannot advocate a program of national and international cooperation, he seeks to promote national and international discord, distrust, and hostility.

In the recent consideration of the administration's tariff policy no exception was made. But a large majority of the Congress this week brushed aside politics and passed through both the Senate and the House legislation providing for reciprocal tariff agreements. The bill in all probability will be signed by the President tomorrow, thus completing another step in his program.

Since the inauguration of President Roosevelt the people of the United States have demonstrated a keen and ever-increasing interest in the affairs of Government. This interest is more than a mere awakening of public consciousness; it is a realization of public participation, public responsibility, and public power. The average American citizen is no longer content to follow blindly; he wants to know where he is going.

For these reasons—believing as I do that the American public not only desires but demands information on matters of national policy—I readily accepted the gracious invitation of the Columbia Broadcasting Co. to undertake a brief analysis of the President's tariff program. We need go no further back than the Smoot-Hawley Tariff Act of 1930 to sketch the background for the present pitiful picture of our foreign trade. That act, the epitome of selfishness and greed, the perfection of political philandering, the sacrificial altar upon which the unprotected many were offered up for the appeasement of the false god of the fanatical few—that act, I say, was one of economic slaughter. By that act our Government established such inordinately high and inexcusable tariff duties upon many products that our markets were in effect closed. Stated in another way, we notified the world of our willingness to sell and our refusal to buy. And the notice was accepted with a vengeance.

Almost overnight the nations of the world began to shift their tariff rates, to enact new tariff restrictions, and to enter into reciprocal trade agreements. So swift and so devastating was the retaliation against us, so ruthlessly established were the trade quotas, cartels, and other restrictions to commerce that the United

States toppled from its dominating position in international trade and in the fall disrupted and shattered her entire economic machinery.

The trade war against us has not abated, but, rather, seems to be waging with added force. In 1933, 150 of these trade agreements were consummated, and at this time in 1934 they are still being made.

It is true, of course, that since 1929 world trade generally has declined. But proportionately our loss last year was greater than that of any other one of the 11 leading commercial countries. Last year, in fact, the trade of Germany, France, and Great Britain showed an increase in exports. But the loss to the United States continued, so that in 1933, for the first time since the World War, Great Britain's foreign trade exceeded our own.

So far as our Government is concerned, the startling story of our international trade is told in the figures, which show that it dropped from more than nine and one-half billion dollars in 1929 to a trifle more than $3,000,000,000 last year. We have, in effect, lost just two-thirds of our foreign trade. And yet the do-nothings express amazement and condemnation at the thought of any effort by a Democratic administration to get back some part of a six and one-half billion dollar loss!

They say, for instance, that since our foreign trade in recent years has accounted for the sale of only about 10 percent of our total production, while the domestic markets have absorbed 90 percent, we are fighting for a niggardly fraction—a mere drop in the bucket. Let us briefly examine this contention. How does it stand up as applied to specific commodities like wheat, lard, cotton, tobacco, petroleum, automobiles, and machinery? These are among our principal export products, and the 10-percent average loss becomes a 40-, a 50-, or a 75-percent actual loss to them. Destroy the export market for automobiles and you destroy millions of workers dependent on that industry. Or, to view this contention from another angle: What 10 percent of the income of a farmer or a business man represents production costs and what 10 percent represents profit? It makes a vast lot of difference whether the 10 percent is at the bottom or at the top. If the salable output of every ranch, farm, mine, and factory could be increased by 10 percent, what a blessing it would be for every person in this country. It would mean increased employment, increased returns, and would find its repercussions in a more prosperous condition in every trade and counting center in the country. Everyone who is doing me the honor to listen in appreciates that a 10-percent increase in sales—not just in production, mind you—may mean the difference between profit and loss, between operating and closing down, between prosperity and bankruptcy.

And now, permit me to summarize the method by which we seek to restore the United States to its proud position in world commerce. The legislation just passed by the Congress has as its purposes to assist in the restoration of the American standards of living, in overcoming domestic unemployment, and in increasing the purchasing power of the American public, by expanding foreign markets for our surplus products.

With these objects in mind the President is authorized to enter into reciprocal trade agreements with any other nation. In such agreements the President is authorized to raise or lower existing tariff duties by as much as 50 percent. The power to enter into these agreements expires after 3 years. However, it is possible, by mutual consent, to prolong or extend the period of operation, so that a satisfactory agreement might be continued indefinitely.

There is nothing radical or particularly new in this plan. Reciprocal trade agreements have been advantageously used, under various congressional acts, almost from the beginning of our history as a nation. In more modern times, powers similar to that conferred in the present legislation were given to President Harrison in 1890 and to President McKinley in 1897. Changing conditions have, of course, required changing legislation. Under recent acts, particularly those of 1922 and 1930, the President was given broad power over tariff rates, but he could act only after investigations and reports by the Tariff Commission. These investigations have been so prolonged that often the conclusions were out-of-date by the time they were arrived at. Of eight reports made in April of this year, for instance, the time consumed averaged about 19 months. Obviously, some speedier method had to be devised, and that has been taken care of. The President must, before acting, consult the Tariff Commission, the Department of State, the Department of Commerce, and may avail himself of any other government agency or department. But he is not required to sit with folded hands for month after month, awaiting a report which may be out-of-date when it reaches him.

Interested parties will be publicly notified of the intention upon the part of our Government to negotiate any such trade agreement and may present their views, protests, objections, or approval. Counsel, advice, and cooperation are desired.

In the consideration of this legislation in the Senate the two hardest drives against the proposal were on amendments which would have, first, excluded agricultural products, and, second, required that these agreements be submitted by the President for congressional ratification. Both of these propositions were decisively defeated. To remove agricultural and horticultural products from consideration by the President in negotiating these reciprocal trade agreements would be, in the first place, gross discrimination between agriculture and industry generally. Secondly, because of the very character of our country and the genius of our people, we produce more surplus agricultural products than we do industrial products. When markets abroad cannot be obtained for the sale of our surplus agricultural products, the effect is felt, not only by every other industry in America but by every person in the country. It so happens that there are innumerable paper tariffs on agricultural products which are wholly ineffective. Authority to negotiate concessions from foreign countries to the advantage of our country in these ineffective paper tariff duties should not be denied. Above all else, I would point out that the strongest and most persistent efforts made by this administration have been in behalf of agriculture; and it is unreasonable to imagine that this administration, so bent upon aiding agriculture, would use its power to injuriously affect it.

There is not an effective tariff duty on a single agricultural product that will be reduced by the President in any reciprocal trade agreement that he might conclude with any foreign country. President Roosevelt, in his Baltimore speech during the Presidential campaign of 1932, said:

"I know of no effective excessively high tariff duties on farm products. I do not intend that such duties shall be lowered. To do so would be inconsistent with my entire farm program, and every farmer knows it and will not be deceived."

If the contention had prevailed in the Senate that these agreements, having been concluded, should be approved by the Congress, the delay that necessarily would have been occasioned and the uncertainty that would then have attached would have precluded us from obtaining worth-while concessions and advantages. If we are to win back our strong position in international trade, we must employ the same weapons that other governments are employing and must be in a position to wield them as swiftly and as effectively as do our competitors.

The reciprocal trade policy is one among the many great and constructive moves of this administration. It deserves the cooperation of every interest and industry in this country. If it is successful, which is our dream and hope, it will prove to be one of the great factors in our economic recovery.

THE FLETCHER-RAYBURN ACT

Mr. FLETCHER. Mr. President, I present a radio address of Charles H. Meyer, of the New York bar, entitled "The Fletcher-Rayburn Act", which I ask may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE FLETCHER-RAYBURN ACT

By Charles H. Meyer, of the New York Bar

One day in the year 1790, in the old city of New York, a group of 10 or 12 business men met under a large buttonwood tree in Wall Street to make the first public market for securities in the United States. There weren't many securities in which they could trade—a small issue of Government bonds, the stocks of two or three newly organized banks—and that was all.

Others soon joined these brokers in their daily meetings, and after some 27 years of outdoor trading, indoor space was rented to house their activities.

Thus was born the New York Stock Exchange. Today, with its 1,375 members, who trade in hundreds of different issues, it is the nerve center of a vast system which makes it possible almost instantly to buy or sell a security any place in the land.

The growth of the New York Stock Exchange and of other stock exchanges has been enormously valuable in the development of the Nation's resources and industries. Nevertheless, along with the growth of these exchanges certain conditions have arisen which, in the interests of the public as a whole and of investors in particular, seem to require corrective regulation. To regulate these conditions Congress has passed the Fletcher-Rayburn Act, technically known as the Securities Exchange Act of 1934.

The principal objects of the act are threefold: First, to prevent excessive speculation; second, to prevent market manipulation and other improper practices; and third, to prevent undue secrecy in the affairs of corporations whose securities are publicly owned. I shall discuss briefly how the act seeks to achieve each of these objects.

First, as to excessive speculation. Let us recall the hectic years ending in the crash of 1929, when every butcher, baker, and candlestick maker put every penny he could beg or borrow in the stock market. Not satisfied with buying stocks he had the money to pay for, he bought on margin. If he had $1,000, he would buy $5,000 worth of stock, paying his broker the $1,000 and borrowing from the broker the remaining $4,000. The broker, in turn, would borrow part or all of the $4,000 from his bank. The bank was glad to lend it, because interest rates on money loaned for stock-market speculation was much higher than on money loaned for use in business. Everybody wanted to speculate, and the plentiful supply of funds for that purpose made it easy for them to do so. The result was that prices of securities were bid up far beyond their true worth—and then came the crash.

The Fletcher-Rayburn Act seeks to prevent a repetition of that era of speculation by limiting the money available for trading on margin. The act authorizes the Federal Reserve Board, a Government agency, to restrict the amount of credit which a broker may extend to a customer. For the guidance of the Board, the act provides that under normal circumstances a broker may not lend a customer more than certain specified percentages of the cost of the stock. These percentages vary from a maximum of 75 percent to a minimum of 55 percent, and are so worked out that when stock prices are high the requirements are more rigid than when prices are low. The percentages specified in the act, however, are

not inflexible, but may be increased or decreased by the Board as the public interest may demand. Moreover, in order to avoid any possibility of deflation at the present time, the margin requirements have been made inapplicable to existing margin accounts, if not used to evade the act, until July 1, 1937.

With the idea of further limiting the funds available for speculation, the act prohibits brokers, with certain exceptions, from borrowing money except from banks which are members of the Federal Reserve System. In this way the Federal Reserve Board is given control of the funds which can be loaned for stock-market operations. In the exceptional cases where, for the sake of convenience, brokers are allowed to borrow from others, safeguards are provided in order that the control of the Federal Reserve Board may not be impaired.

We come now to the question of market manipulation. It is the aim of the act to free security markets from artificial price fluctuations which have little relation to the true value of the security, but which are created by market operators for their personal profit. You have all heard of pools. They operate somethink like this: A group of men will acquire a large quantity of a particular stock, or, more frequently, they will acquire an option to buy a large quantity of the stock at around the prevailing price. They will then endeavor to enhance the price of the stock on the market in order that they may sell at a profit. This is sometimes done by large purchases and sales, principally between members of the pool themselves, at increasing prices, to create the impression in the public mind that a great demand for the stock is developing. These operations sometimes are accompanied by the circulation of rumors of various kinds which are calculated to arouse public appetite for the stock in question. In flagrant cases tipster sheets and other devices have been employed. The stock goes up. The public comes in and buys, and the pool sells. After its stock is completely sold, the pool discontinues its activities and divides its profits among its members. The public is left with the stock, which usually then recedes to its normal level.

These practices the stock exchanges have been unable adequately to curtail, largely because the principal offenders have not been exchange members but outside groups or operators. Now, however, market manipulation is banned by the act which specifically prohibits so-called "matched orders", fictitious or wash sales, the enhancing or depressing of prices to induce others to buy or sell, the spreading of false or misleading information, and the disseminating of information regarding pool activities.

Certain other practices, although frequently used in manipulation, have not been entirely forbidden because they often have legitimate uses, but have been subjected to regulation by the newly created Securities and Exchange Commission. These include the use of options, pegging or stabilizing prices, short sales, and stop-loss orders, all practices which are well understood in stock-market circles.

The act also subjects to regulation the activities of brokers who are engaged in the business of buying and selling securities both for customers and for themselves, in order that their conflicting interests may not injure the interests of their customers. Among other things, they must notify their customers of the particular capacity in which they are acting—that is, whether as brokers or as principals—and they may not carry on margin any new security in the distribution of which they participated for a period of 6 months. The Securities and Exchange Commission is authorized to make special rules limiting trading by stock-exchange members for their own account, whether on or off the floor of the exchange, by specialists, who specialize in transactions in a particular stock and make a market in that stock, and by dealers in odd lots, that is, in lots less than 100 shares.

Let us now consider the elimination of secrecy in the affairs of corporations whose securities are publicly held. The act endeavors to make available to all investors sufficient information to enable them to act intelligently in deciding what and when to buy and sell. For this purpose every corporation whose securities are listed on an exchange is required to file reasonably full information as to its affairs and keep the information up to date by annual and quarterly reports. In the filing of these reports due care is taken to protect trade secrets and processes. In order to discourage the improper use of confidential information by insiders for their own benefit, every officer and director and every stockholder who owns more than 10 percent of a company's stock is required to report his stock holdings and to keep the report of his holdings up to date. Furthermore, if any such officer, director, or 10-percent stockholder makes any profit by selling any stock of his company within 6 months of the time when he bought it, he is required to turn over the profit to the company.

These are some of the law's high spots. Several means have been devised to insure its enforcement. To violate it is a penal offense punishable by a maximum of $10,000 fine and 2 years' imprisonment, or, if the offender is a stock exchange, by a maximum fine of $500,000. There are also civil penalties. A person who illegally manipulates the market is liable for losses of investors who buy securities which are affected by the manipulation. A corporation filing a false or misleading report, as well as its officers, directors, and accountants who are responsible for filing it, may be liable for the losses of investors who purchase the corporation's securities in reliance on the report.

All stock exchanges, except small ones which may be exempted, are required to be registered. For violation of the act their registration may be revoked or suspended by the Securities and Exchange Commission. Their rules are subject to alteration at the Commission's instance. Securities which are listed on exchanges must likewise be registered. For violation of the act by listed corporations, or for failure to file required reports, the registration of a security may be revoked or suspended. Members of exchanges who violate the act are subject to expulsion, suspension, or other discipline.

Some have expressed the belief that the act may destroy the business of brokers and dealers in securities, and may detrimentally interfere with the business of corporations whose securities are publicly owned. This belief seems to me to be unwarranted, and to be founded largely on unfamiliarity with the act. Of course, much will depend on the rules which will be laid down by the Securities and Exchange Commission and by the Federal Reserve Board, which, between them, are vested with the administration of the act. I see no reason to fear, however, that anything in these rules or anything in the act will make it necessary for an honorably conducted business to be discontinued or radically curtailed. Nevertheless, it seems quite clear that every person whose business is in any way affected by the act can carry it on in safety only if he makes a thorough study and analysis of the act.

Investors, on the other hand, for whose protection the act was passed, should not feel that the act insures them against stock market losses. It does not even attempt to do this. It attempts merely to assure them an honest deal.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. KING obtained the floor.

Mr. ROBINSON of Arkansas. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Arkansas?

Mr. KING. Certainly.

Mr. ROBINSON of Arkansas. There is an agreement for an equal division of time between the two sides of the Chamber between now and 3 o'clock. I ask unanimous consent that the time of this side of the Chamber be controlled by the Senator from Nevada [Mr. PITTMAN] and the time on the other side of the aisle be controlled by the Senator from Oregon [Mr. MCNARY].

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. How much time does the Senator from Nevada yield to the Senator from Utah?

Mr. PITTMAN. Mr. President, the Senator from Utah has announced that he will take an hour.

The VICE PRESIDENT. The Senator from Utah is recognized for 1 hour.

Mr. KING. Mr. President, the measure before us is an important monetary-reform measure. Devout followers of monometallism confess to disappointment over the result of the efforts to force the gold standard upon the world. There is almost universal feeling that the present monetary and fiscal policies of governments have failed to meet their demands or the needs of the people themselves. Many who were apostles of the gold standard have abandoned their faith in its monetary competency and are searching for some financial and monetary system that will aid in relieving the world from economic, industrial, and financial collapse.

The students of finance and monetary questions seem to be groping in the dark as to the course to be pursued in order that stable monetary policies may be devised and maintained.

Repeating, it is manifest that an attempt to chain the world to the gold standard has brought disaster to nations and ruin to hundreds of millions of people.

The world has made great progress in science, and the forces of nature have been made the servants of the people for their advancement and profit in multitudinous ways. But with all these developments there has been unsatisfactory progress in meeting the fiscal and monetary needs of the people. Much has been written about money and the science of money, but there is still bewilderment and confusion, if not profound ignorance, in regard to this important question, so vital to the welfare of the people and the integrity of governments.

The age of barter belonged to primitive peoples, but even they learned that if progress were to be made, some system of exchange, some standard of value, some circulating medium must be found; and little by little instruments to facilitate trade and commerce were devised, and higher forms of civilization were assured. It has become axiomatic that

money in the broad sense in which it is usually applied is a powerful factor in the progress and development of communities and nations. It is a civilizing agency, the importance of which has been demonstrated as the centuries have passed.

As an example of the importance of money one need only challenge attention to the rise and fall of nations. The Roman Empire is a classical example of this fact. It has been stated that Rome's advancement was in part measured by the gold and silver that came to her treasuries and were put into circulation among the people. The equivalent of nearly $2,000,000,000 of these precious metals were carried into trade and commerce, and met the monetary and financial needs of individuals, Provinces, and Rome itself, when the Empire was at its zenith. As the golden and silver treasures from within and without her borders were poured into her Provinces and into the seat of the Empire, trade and commerce were developed, industries were established, peoples of different races were brought into closer contact, a spirit of independence and courage and hope quickened the minds and hearts of the people, and life took on new meaning.

Later, however, when these monetary treasures were dissipated and lost, so that within the boundaries of the Empire there remained less than two hundred million, the intellectual, moral, and industrial gains of centuries were largely lost and millions of people were enveloped in darkness.

Historians, publicists, financial experts—all essay the task of exploring what many regard as the great mystery—money. Many thousands of volumes have been written to elucidate this subject and in advocacy of monetary and financial policies the various writers deemed important contributions to the solution of the problem which many regarded as insoluble. In our own day, we have financial experts, monetary reformers, professors of the science of money, theorists, pragmatists, and an unlimited number of pseudo-philosophers whose knowledge of the subject is as defective as was the chemical knowledge of the alchemists of old.

That the world today is sick from monetary maladies is conceded; and many nostrums have been administered which have aggravated the situation, if they did not speed the hour of dissolution of the patient. That the financial system of our own Government, since the demonetization of silver, has proven unsatisfactory, I think few will dispute.

The founders of the Republic wrote into the Constitution words indicating that gold and silver were to be the basic moneys of the new Republic. The Constitution takes cognizance of these metals. They were known to Washington, Hamilton, and Jefferson, as well as to the colonists. The Spanish silver dollar was a visitor in every home in the colonial period, as well as in the early days of the Republic. The relation between silver and gold, the ratio which they bore to each other for monetary purposes, the purchasing power of each, their importance as measures of value as stores of wealth—all these matters were understood by the founders from Hamilton and Robert Morris down to the humblest in the land. With the valuable lessons learned from the pages of experience, our fathers gave to the American people a sound and honest monetary system which was adequate for the young Republic and for succeeding generations.

But I shall recur to this matter later. For the present I desire to invite attention to the measure before us, and to the message of the President of the United States which accompanied its presentation to the Congress.

Preliminarily, may I say that various measures have been introduced in this and preceding Congresses upon the postulate that the gold-standard policy of our Government was inadequate to meet its requirements or the needs of the people. Since the demonetization or the destandardization of silver in 1873, there has been an almost unbroken volume of protest against gold monometallism and against financial policies written into the laws of our country. Political battles have been fought over the money question; but, notwithstanding the defeats of those who believed in a broader metallic base, and the restoration of silver to its proper monetary status, the question has not been regarded as settled by millions of American citizens.

In this Congress measures have been introduced in both branches, some calling for the remonetization of silver at a ratio of 16 to 1; some providing for the addition of silver to the monetary stocks of the country and making it coequal with gold.

Since the demonetization of silver by act of Congress in 1873 attempts have been made from time to time to have silver restored to its proper monetary status, but the single gold standard forces circumvented all efforts and united with the gold monometallists in all parts of the world to destroy silver as basic money and force the single gold standard upon the peoples of all countries.

With the defeat of the Democratic Party in 1896, it was believed that the single gold standard was forever riveted upon the American people, but there were millions of American citizens who were not satisfied with the monetary policy which then was adopted for this Republic and insisted that there should be a return to the bimetallic policy adopted by Hamilton and the founders of the Republic.

During the past 3 years, resolutions and measures have been offered in both Houses of Congress for the purpose of awakening the American people to the imperative necessity of broadening our metallic base by making silver basic money. Three years ago I offered a resolution challenging attention to the inadequacy of the gold standard, and requesting the President of the United States to call an international conference for the purpose of securing an international agreement looking to the remonetization of silver.

At a number of international conferences held during the past 3 years, the so-called "silver question" has been the subject of serious consideration. At the Economic Conference held in London in 1933, the silver question occupied an important place upon the agenda. I think it has been generally conceded that the gold standard was not meeting the monetary demands of the world and that steps must be taken to increase the use of silver for monetary purposes.

An agreement was entered into by some of the most important nations there participating, which called for an important change in their attitude toward silver for monetary purposes.

The Democratic Party at the convention which nominated Mr. Roosevelt for the Presidency declared in effect in favor of the rehabilitation of silver. Mr. Roosevelt during the campaign took cognizance of the growing demands for legislation looking to the restoration of silver to its former monetary status, and since his election he has given evidence of his belief in the importance of legislation looking to the attainment of that end.

By the act of May 12, 1933, the President was authorized by proclamation to fix the weight of the gold dollar in grains nine-tenths fine, and also to fix the weight of the silver dollar in grains nine-tenths fine, at a definite fixed ratio in relation to the gold dollar, at such amounts as he finds necessary from his investigation to stabilize domestic prices or to protect the foreign commerce against the adverse effect of the depreciated foreign currencies; and he was also authorized by proclamation to provide for the unlimited coinage of such gold and silver at the ratio so fixed. Not since silver was demonetized has a Chief Executive of the Nation evinced so sincere a desire for legislation for the rehabilitation of silver as has President Franklin D. Roosevelt.

In dealing with the so-called "silver question" he has exhibited that high quality of courage which has characterized his treatment of economic, industrial, and other questions which have engaged his attention. President Roosevelt has not been terrified by the threats of the gold monometallists, or frightened because of the menacing attitude of the reactionaries who have opposed his policies, and attempted to thwart the plans which he has formulated to lift our country out of the depression and to bring again prosperity to the American people. He found our financial

system inadequate to meet the needs of the people, and he has inaugurated measures, the object of which has been to increase the purchasing power of the people and to aid them in escaping from the valley of darkness and depression into which they were plunged by unsound and, indeed, disastrous economic, industrial, and financial policies.

He found our own Nation overwhelmed with debt, and the world bowed beneath financial obligations which many believe will never be discharged.

During the past 2 or 3 months there have been frequent conferences by Members of the House and Senate looking to the enactment of legislation that would strengthen the metallic base upon which rests the currencies and credits of our country.

As might be expected, there were divergent views as to the kind of legislation to be enacted. It was found that with the entrenched forces battling for the gold standard, there would be difficulty in securing legislation which many desired. There were some sincere and ardent bimetallists who believed that an international agreement was necessary in order to secure the highest and best monetary results. Others believed that the United States alone could successfully maintain bimetallism. There were others who believed that the ultimate goal of genuine bimetallism could only be reached by progressive measures, including the addition of silver to the monetary stock of the Government. Several months ago, a number of Senators met for the purpose of discussing the so-called "silver question", and adopted a resolution which, in substance, declared in favor of bimetallism. Later, other conferences were held by these Senators, at one of which a committee of seven was selected, of which I had the honor to be chairman, to confer with the President and Treasury officials and Members of the House and the Senate with a view of agreeing upon some measure which might be enacted into law during the present session of Congress. This committee earnestly addressed itself to the task before it. I am betraying no confidence in stating that the President freely discussed with members of the committee the various suggestions and propositions submitted, and evinced a sincere desire to cooperate in securing legislation that would improve our monetary system and materially increase the monetary metallic stock of our country. At the final meeting between the committee and the President and the Secretary of the Treasury and Mr. Oliphant, the legal adviser of the Treasury Department, a proposed bill was presented and discussed, and an understanding reached that it would be submitted by the President for consideration by the Congress.

Within a few days thereafter the President sent to Congress a most important message accompanying the bill which passed the House and is now before the Senate for action. In the President's message, he refers to the London Conference and the approved agreement on silver which has been ratified by all governments party to the same. Under that agreement, a larger use of silver for monetary purposes is contemplated; and, as the President indicates, silver has assumed a more important place in the monetary structure of this and other countries. Following the London agreement, the President, as is stated in his message, adopted measures "which laid the foundation on which we are organizing a currency system that will be both sound and adequate. It is a long step forward, but only a step."

Mr. President, this statement by the President indicates that the administration is proceeding in the work of organizing a currency system that will be sound and adequate. It is apparent that the President does not consider our present monetary system adequate to meet the needs of the American people.

The President further adds in his message:

> As a part of the larger objectives, some things have been clear. One is that we should move forward as rapidly as conditions permit in broadening the metallic base of our monetary system and in stabilizing the purchasing and debt-paying power of our money on a more equitable level. Another is that we should not neglect the value of an increased use of silver in improving our monetary system. Since 1929, that has been obvious.

Permit me to add at this point that undoubtedly the President associates the debacle in 1929 with the inadequacy of the gold standard to meet the commercial demands of the people and the monetary requirements of both the Government and the people.

The President further adds that—

> Some measures for making a greater use of silver in the public interest are appropriate for independent action by us.

May I say to my friends who are insisting upon an immediate measure for bimetallism that the President obviously contemplates that this measure, when enacted, will be supplemented by others, either by the United States acting independently or by an international agreement with respect to the remonetization of silver.

He suggests increasing the proportion of silver in the abundant metallic reserves back of our paper money, and refers to the fact that this policy was initiated by the proclamation of December 21, 1933—

> bringing our current domestic production of silver into the Treasury, as well as placing this Nation among the first to carry out the agreement on silver which we sought and secured at the London Conference.

He further adds:

> We have since acquired other silver in the interest of stabilization of foreign exchange and the development of a broader metallic base for our currency.

The President further suggests that it will be helpful to have legislation broadening the authority for the "further acquisition and monetary use of silver."

It is manifest that the President is not satisfied with the monetary or financial policy of the Government, and that he is desirous of giving to silver a more important position in our monetary system and of placing it alongside gold as a basis for the support of our currencies and credits. He is not seeking Executive authority for the acquisition of silver merely for use as subsidiary coin; but the message indicates his belief that it should be acquired to strengthen our metallic base, to increase the amount of our monetary stocks, and to augment our circulating medium, so important in commercial transactions and in all functions discharged by basic or standard money.

Mr. President, we are not engaged in a futile undertaking. Neither the President nor those supporting this measure are indulging in idle gestures. The question before us is one of profound significance. I might say that the policy with respect to silver, and which this measure is designed to carry into effect, inaugurated by President Roosevelt, is epochal, and the beneficent effects flowing therefrom will not be confined to this Nation, but will bear fruits throughout the world. The contribution of our Government to the establishment and maintenance of a better and more just financial and monetary system will also promote the welfare of all peoples. A sound financial policy in this or in any other great nation will have important repercussions in all nations. The effect of monetary policies of a nation cannot be restricted. They will reach and affect other countries. Notwithstanding the follies of peoples and nations, their selfishness and provincialism, their efforts to isolate themselves and to ignore the fact that humanity has interests in common, the moral, spiritual, and progressive forces operating in the world frustrate such purposes and make for increased cooperation among communities and nations. A wise and sound monetary system in the United States will have its effect throughout the world. Its example will influence other governments, and its successful efforts to devise and maintain sound financial policies will have a profound influence among all nations.

I stated that the policy of the President, as indicated by the message and the steps which he has taken as Chief Executive, were so important as to be denominated epochal. They are a challenge to the sufficiency of the monetary system of the world today. They are a plea for the reconstruction of these systems. They are an appeal to reason and are calculated to compel statesmen to reexamine the basis of their monetary and financial systems with a view

to discovering their imperfections and weaknesses, in order that there may be developed and maintained sounder and more just systems which, in their operations, will not crush and devour individuals and communities as have financial systems of the past, and even of the present. With the peoples and governments of the world bowed beneath colossal debts, with increasing deficits and mounting burdens of taxation, with declining prices of commodities, with mortgages which are chains of bondage unpaid and unpayable, it is imperative that in this and other lands there should be a resolute purpose to meet this desperate and appalling situation by measures, national and international in their operations, that will not only ameliorate the situation but will also open the gates to individual, national, and international financial freedom.

I shall recur to this subject later in my remarks, however. For the moment, I desire briefly to consider the bill before us.

There has developed some opposition to the bill before us, but in the main it came from supporters of the single gold standard—the gold monometallists. Of course I make no criticism of those who are satisfied with the gold standard, although I invite their attention to the fact that it has been abandoned by nearly all nations of the world. Even Great Britain, supposed to have been the impregnable financial fortress of the world, with the foundations of the fortress laid deep in gold, was compelled to surrender, and to confess that gold was not sufficient to meet her monetary requirements. I may say in passing that Mr. Keynes, who a few years ago was a protagonist of the gold-standard fallacy, now confesses it is insufficient, and argues for a regulated currency. He recently wrote:

> The periods when the supply of gold was such as to make it capable of serving the needs of the world's principal medium of currency have been rare and intermittent. If any metal is to make this claim on the basis of long historical experience, it must be silver, not gold.

Our own Government, with the crashing of thousands of banks, and the sweep of financial distress carrying ruin and calamity to individuals and communities in every part of our land, was compelled to depart from the gold standard, and later it devaluated gold. Then followed the inauguration of a policy the objective of which is the broadening of the metallic base of our monetary system, and the stabilizing of the purchasing and debt-paying power of our money on a more equitable level, by restoring silver to the exalted station which it occupied until 1873.

Mr. President, this bill declares a national policy, and that declaration is a pledge that the policy will be executed. It is not a temporary measure; it is not a temporary policy, but a national policy, permanent in character.

Section 2 declares it to be the policy of the United States that a proportion of silver to gold in the monetary stocks of the United States should be increased with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver.

I repeat, this is a declaration of a permanent policy—not an emergency or temporary undertaking. The policy declares that the objective is not merely to make but also to maintain silver as one-fourth of the monetary value of our stocks of precious metals. Past legislation robbed silver of its high position, and enthroned gold as the sole basic metal in the monetary stocks of the Government.

It may not be inappropriate to refer to the declaration of the policy declared by Congress on March 1, 1893, which is still a part of the law of the land. That law reads:

> It is hereby declared to be the policy of the United States to continue the use of both gold and silver as standard money, and to coin both gold and silver into money of equal intrinsic and exchangeable value, such equality to be secured through international agreement, or by such safeguards of legislation as will insure the maintenance of the parity of value of the coins of the two metals, and the equal power of every dollar at all times in the markets and in the payment of debts. And it is hereby declared that the efforts of the Government should be steadily directed to the establishment of such a safe system of bimetallism as will maintain at all times the equal power of every dollar coined or issued by the United States, in the markets and in the payment of debts.

This declaration of policy made in 1893 was reaffirmed by the unrepealed act of Congress on March 1, 1897, and again by the unrepealed act of Congress on March 14, 1900.

But the bill now before the Senate does not end, as these prior enactments have, with a mere declaration of policy, important as that may be. It proceeds in section 3, both to "authorize and direct" the Secretary of the Treasury to make the purchases of silver necessary to effectuate this policy. That is mandatory legislation.

I may say that in the discussions which culminated in the bill before us it was unanimously agreed that the provision for this purchase of silver should be mandatory in character, and I am privileged to state that, notwithstanding some of the newspaper reports to the contrary, the Secretary of the Treasury, and Mr. Oliphant, his assistant, were hospitable to suggestions made by the committee calling for a broad, comprehensive measure that would contain mandatory premium for the purchase of silver to be added to our monetary stock.

While the bill leaves some discretion in the executive branch of the Government as to the time at which, and the amounts of which silver shall be bought for the purpose of carrying out the declared policy of the Government to increase the use of silver, as a part of the reserves back of our currency, nevertheless the bill solemnly declares that it is a fixed policy of the United States to have and maintain one-fourth of the monetary value of its monetary stocks in silver. These provisions of the bill give silver the same status, prestige, monetary power, virtue, authority and validity as that possessed by gold. If gold (using the term employed by some Senators and others) is basic or primary money, then silver is also made primary money, and silver and gold linked together constitute the foundation or base upon which rests currencies, as well as the credits of the country.

Mr. President, this is a long step forward in the restoration of the monetary system which was established by Hamilton and maintained until 1873.

Section 3 not only authorizes but directs the Secretary of the Treasury to purchase silver at home or abroad for present or future delivery with any direct obligations, coins or currency of the United States authorized by law, or with any funds in the Treasury not otherwise appropriated, in order that the one-fourth of the monetary stocks of silver shall be secured.

There has been considerable discussion by Senators and others interested in monetary legislation, as to whether legislation for the purchase of silver should be directory or mandatory. The language of this section leaves no room for doubt. It is mandatory in character and is an obligation resting upon the Secretary which he may not escape.

It is true, as I have indicated that there is some limited discretion as to the times when silver is to be purchased, but it is mandatory that purchases shall be made, and that the declared policy of the Government shall be carried out. No one can doubt that if this bill shall be passed, solemnly declaring as a fixed policy of the United States, that the executive branch of the Government will fail to diligently and in all good faith carry out such policy so expressed.

Mr. President, I am privileged to state that not only the President of the United States has said that he will enthusiastically address himself to the execution of the terms of the bill, but the Secretary of the Treasury has stated that he, too, is enthusiastically supporting the bill, and in all of its implications will diligently and faithfully carry its terms into effect.

It is obvious that if the Treasury, in the acquisition of silver, were required to purchase certain quantities of silver at certain times and in definite amounts, the Government would be at the mercy of speculators, not only here, but in London and in the Orient. We know that there have been gold speculators and persons who have speculated in silver. There have also been speculators in agricultural commodities; and not infrequently the public has been the victim of unscrupulous individuals who have made enormous profits in their immoral and illegal operations. During the Civil

War there were speculators and gamblers in gold, and there were individuals so unpatriotic that when Lincoln and others were trying to save the Union, they conspired and confederated to make profits by speculating in the Treasury notes which Congress had issued. The low price to which the so-called "greenbacks" fell, was in part due to the deliberate, not to say criminal, speculative movements, carried out by these unpatriotic citizens. Obviously, wisdom dictates that there shall be some discretion given the executive branch of the Government in this matter. In view of the mandate and the policy, we must trust it to carry out the same.

Section 3 provides that when the stated proportion of silver has been secured, or when the market price of the same passes its present monetary value of $1.29 per ounce, purchases shall cease. The propriety of this provision is so manifest that it needs no elaboration. I might add, however, that any price up to $1.29 per ounce may be paid for silver in foreign markets and in the United States, after the present surplus in the United States has been dealt with. The section also provides that purchases of silver situated in continental United States on May 1, 1934, shall be made at a price not in excess of 50 cents a fine ounce. That provision is for the purpose of meeting a situation which many believe justifies its enactment. Undoubtedly there is silver within continental United States which has been purchased for speculative purposes at prices much less than 50 cents an ounce. If, by Government action, a limitation is placed upon these transactions, and profits are made therefrom, it is believed that the profits so made should be taxed, and provision is made in the bill to meet conditions of this kind.

Under this view it is proper that a reasonable limitation should be placed upon the price which may be paid for present accumulations of silver in this country, but it is to be noted that any price up to $1.29 per ounce can be paid for silver in foreign markets as well as in this country after such present accumulations are dealt with. Should the price of silver rise above $1.29 per ounce, the result would be that silver dollars would be melted down to the great detriment of the public interest. For that reason section 4 of the bill authorizes the Secretary to sell silver when its market price exceeds its monetary value of $1.29 per ounce or when the stocks of silver are greater than 25 percent of the stocks of gold and silver.

Section 4 is a necessary and proper complement to the preceding sections. It provides that so long as the market price of silver exceeds its monetary value, that is, $1.29 an ounce, or the monetary value of the stocks of silver is greater than 25 percent of the monetary value of the stocks of gold and silver, the Secretary of the Treasury with the approval of the President, and subject to provisions of section 5, may sell any silver acquired under the act for present or future delivery, at such rates and at such times and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest. The language of the section is clear and needs no explanation. The purpose of the act being to acquire silver for monetary stocks and at a price not exceeding the monetary value, then it necessarily follows that authority should be given to dispose of silver in order that the situation provided in the bill may be maintained.

Section 5 contains provisions of major importance. Section 3 authorizes and directs the purchase of silver, but section 5 makes it mandatory, that there shall be issued and put into circulation against all silver bought under the authority of this proposed legislation, silver certificates in a face amount not less than the cost of all silver so purchased. This means that the currency of the Nation must necessarily be expanded to the full extent of the market value of all silver purchased under the act. The important words in the section are that the Secretary is "directed to issue * * * not less than." In addition to this mandatory provision, the Gold Reserve Act of 1934 authorizes the issuance of silver certificates against any silver in the Treasury from whatever source derived, and under that law, unaltered by this bill, if any certificates are issued they must be issued on the basis of $1.29 per ounce.

It is to meet the mandatory provisions of this bill that one-fourth of the monetary stocks shall be silver, that the Government will be required to purchase more than a billion ounces of silver. Payment will be made for the same by the issuance of silver certificates which, as the bill provides, shall be legal tender, and have all the validity and qualities of gold certificates or any other money, specie, or currency of the Government.

Indeed, the section guarantees that silver certificates shall be just as good as any coin or currency of the United States. Ample silver reserves must be maintained back of these silver certificates, at the present statutory rate of $1.29 per ounce. They are made redeemable in standard silver dollars, and, as I have stated, will be made legal tender not merely for all debts, public and private, but also for all public charges, taxes, debts, and dues. This is the legal-tender provision now applicable to all forms of our money, and is reproduced, so to speak, in the measure before us.

The suggestion has been made that silver certificates should be issued on the basis that they would be redeemable in an amount of silver which a gold dollar would buy at the then current market price of silver.

I do not subscribe to this view. It seems to me that it would be a most unfortunate admission of the superiority of gold as a yardstick of value; it would disturb the present status of half a billion of silver certificates now outstanding, and it would add absolutely nothing to the standing or value of silver certificates either in the United States or in foreign countries. It has been suggested that it would lessen the demand for gold and thus relieve the strain upon gold reserves. I do not regard that position as sound. Even though silver certificates were made redeemable in the amount of silver purchasable at its current market price with a gold dollar, no holder of a silver certificate would have any reason for taking advantage of this statutory privilege.

So long as there are world markets in silver, the provision would be a complete nullity. The suggestion it seems to me, overlooks an elementary and inescapable fact. Any holder, foreign or domestic, could take his silver certificates into the open market and obtain the same quantity of silver for the same, that he could get from the United States Treasury. There would be therefore, no occasion for the holder to go to the Treasury with silver certificates in order to exchange them for silver. The silver in the Treasury is money the same as gold, performing all the functions that gold performs; it is a reserve the same as gold, for any silver certificates issued and outstanding. Certificates issued in payment for such Treasury silver, as I have stated, constitute genuine money, not token money, but real, lawful money of the United States which, in the hands of creditors or debtors is as good as gold certificates or any coin or currency issued by the Government of the United States.

I repeat that any suggestion that the market price of silver should be used in determining whether or not one-fourth of the monetary stocks is in silver, is subject to the fundamental objection that it degrades the status of silver from that of a monetary metal to that of a mere commodity. Market price necessarily means dollar value in gold. To evaluate our monetary stocks of silver at its market price means to measure its value in gold and hence to treat it as any other commodity in such evaluation.

If the suggestion is made with the thought that it would require the purchase of more silver in order to attain 25 percent, it probably overlooks the fact that it would not increase by 1 ounce the amount of silver which would have to be bought, if in the course of such purchases, silver reaches a market price of $1.29 an ounce.

Mr. President, I hazard the opinion, and it is a conviction, that under the operation of this bill the price of silver will steadily rise until it reaches $1.29 an ounce before we have attained the one-fourth of silver stock for which the bill calls.

This bill provides for the redemption of silver certificates in standard silver dollars, which means redemption in silver

on the basis of its monetary value—that is, statutory price—of $1.29 per ounce. This provision gives silver certificates the full status of money. They have all the legal tender attributes that all other forms of United States coin or currency have, and the Government is bound at all times to maintain their purity with all other coin and currency. This is the basis on which over half billion of silver certificates that are now outstanding have been issued.

The situation is different for gold because, except in London, there is no effective open market for gold bullion. Hence the central banks or the mints are the only convenient places for obtaining gold bullion at a standard price. Not only would the suggested provision fail to accomplish the end sought by those proposing it, but it would have numerous unfortunate results: Thus (1) as I have suggested, it would bring into question the status of the half billion of silver certificates which are now outstanding and concerning which no question has ever been raised. A silver dollar is worth what it states upon its face; not its bullion value. If suggestions made by some critics of this bill were carried out the result would be that the silver dollar would have a valuation for bullion purposes, not a valuation for monetary purposes; (2) it would decrease the amount of silver certificates which could be issued against silver owned by the Government; (3) it would be a step backward because the whole tendency today is away from making currency redeemable in bullion except for shipment abroad in settlement of international balances; and finally, (4) to repeat, to measure the monetary value of silver in gold, as this suggestion proposes, would constitute an unfortunate admission of superior merit of gold as a yardstick of value. In addition such a redemption provision would introduce a multitude of administrative difficulties in determining and providing the needed silver reserves which would shift from day to day and from hour to hour. We have never had a form of money redeemable in a fluctuating quantity of precious metal.

I stated that the suggestion that the redemption of silver certificates in silver, meets the whole point involved in the rehabilitation of silver. The core of that problem is making silver worth in the silver markets of the world $1.29 per ounce which is what the law of this land declares to be its monetary value.

It also fails to take cognizance of the purpose and language of the bill, that silver is made a part of our monetary stocks, and as I have stated, is with gold, the foundation upon which rests currencies and credits.

This measure goes straight to the heart of the problem, because it provides for the purchase of silver in quantities designed to restore the metal to its proper place in the markets and commerce of the world. That it will accomplish that result I verily believe. All who are interested in the restoration of silver to its proper place in our monetary system and in broadening the base of our entire monetary structure, must, I believe, reach this conclusion.

This bill seeks to put silver in its proper place. When silver has again attained its monetary value, the first thing to be done will have been accomplished.

Section 6 of the bill provides important reserve instrumentalities, should they be needed for the protection of the public interest in the execution of the silver policy declared in this proposed legislation. The Secretary of the Treasury is authorized, with the approval of the President, to investigate, regulate, or prohibit by means of license or otherwise, the purchase, importation, or exportation of silver, and of contracts whenever necessary to prevent a frustration of the policy announced in this measure. That will be, in my opinion, effective to prevent attempts among silver holders to dictate the terms under which silver purchases by the Government are made.

Section 7 is equally important. It gives the Executive authority power to take over the excess stocks of silver in this country upon payment of just compensation. It is important that this authority be among the implements which the Executive authority may use, if required, in the process of making the policy of this legislation an actuality. While the bill lacks none of the vigor necessary for the purpose in hand, it is drawn with commendable restraint. Thus, it provides for the acquisition of existing silver stocks in this country by voluntary sale to the Government, if they can be obtained in that manner, but further provides for their acquisition by eminent domain if that should become necessary in the public interest.

I wish to say a word about the part of the bill providing for a tax of 50 percent on profits accruing from dealing in silver. The quantities of silver which would have to be purchased in carrying out the policy of this act are of such magnitude that large profits would accrue to some speculative holders of this metal, as its market price approached its monetary value of $1.29 an ounce. Unless some of our gold is released for the purchase of silver or is otherwise disposed of, over a billion and a third ounces of silver will have to be purchased. The total floating supply of silver in this country, not required for industry, is probably about 150,000,000 ounces, and the total excess of silver which has come on the world markets during recent years from the debasement of the currencies of other nations, has been estimated at about three-quarters of a billion ounces. Much of this has probably disappeared as precious metals do. Therefore, the probable available supplies of silver are such that purchases of silver of the magnitude contemplated by this proposed legislation cannot be made without a rise in its world price that will result in substantial profits to speculative dealers in this metal. And, since this increase in value would result from governmental action, it is only right and just that a portion of the profits realized should be paid into the public treasury.

In his message of May 24, the President stated that—

> There should be a tax of at least 50 percent on the profits accruing from dealing in silver.

Section 8 of the bill seeks to carry out the President's recommendation. An examination of this impost, its purpose and affects, its incidence and burdens, its advantages and disadvantages, as a part of our monetary plan presented, warrants the conclusion, I believe, that it is a proper and just feature of this program.

As indicated, the primary object which is sought to be accomplished by this proposed legislation is the improvement of our monetary system through the broadening and strengthening of its metallic base. Its purpose, likewise, is to increase the circulating medium and to that extent, increase commodity prices and contribute to increased industrial and commercial activity.

This measure seeks to develop further the monetary uses of silver, the result of which must be improved business conditions. Undoubtedly the enactment of this measure will stimulate the domestic mining industry with the consequent increase in employment in that industry and in other industries which are directly or indirectly associated with it.

There is one group to which I have referred which will be affected by this provision; a group that neither produces silver nor consumes it, but deals in silver. This group seeks only a profit resulting from the success or failure of the efforts of others, from the action or inaction of the Government, in fact, from all the chances or mischances of life. These are the speculators. It is they who have guessed, perhaps shrewdly, that the Government would take steps similar to those indicated in this bill and are ready to glean, without effort, large profits. It is believed by many that under these circumstances they should not be the sole beneficiaries of their speculative activities.

There were many in the House of Representatives, as I am advised, when this bill was under consideration, who believed that the entire profits of these speculators should inure to the benefit of the Government. The tax seeks to deal in a fair way with this situation through governmental action.

Undoubtedly the price of silver will be enhanced. In that event silver and the contracts for its delivery would be bought and held by those who perhaps never saw a silver mine, nor even purchased silver for industrial purposes.

They have been content to permit the Government to make a profit for them.

It would seem that this is an unearned increment in which the Government is warranted in sharing.

The tax in this bill is levied upon "all transfers of any interest in silver bullion", but does not extend to transfers by deposit or delivery to the United States Mint under proclamation by the President, nor to transfers in compliance with any Executive order issued pursuant to section 7. Whom does it reach? The American producer will have no tax to pay, for the President's proclamation of December 21, 1933, permits all domestically mined silver to be deposited at the mints. Under the provisions of this bill, industry will pay no tax for the use of silver because only the profits on the sale of silver bullion are taxed. Only the speculator, or at most, the speculator and the middleman—the broker—will be forced to pay a tax. They will, of course, collect their commissions and will have a profit over and above the tax, equal to the amount of the tax.

It is argued by some that this tax will injure the silver market in the United States. It will tend to limit excessive and improper speculation, but not legitimate and proper market transactions.

If there had been legitimate efforts made to prevent the gambling and orgy of speculation in 1926, it would have been advantageous to the American people. The bill before us attempts to place silver, like gold, under governmental control, and henceforth, like gold, to affect it with a major public interest. Dealings in silver, like dealings in gold, should be primarily the Government's business; at any rate they should not be the speculator's business.

If the President and Secretary of the Treasury, in their efforts to carry out the policy established by this bill, were to be placed at the mercy of the silver speculators, it might interfere with the execution of the policy herein declared. Silver is not to be merely something on which traders may make a profit, but an instrument by the use of which a wise government may improve the condition of all the people.

I might add that there is need of revenue in view of the magnitude of governmental expenditures. The revenue which will be derived from this tax provision will, perhaps, not be great, but it will come, as I have indicated, from profits produced by governmental action, not from human effort and labor.

Mr. President, I have a chart here which I wish Senators would examine. I think it demonstrates that the tax provision of the bill will not injuriously affect the so-called "silver market" in the United States, but, on the contrary, will have a most salutary effect in the stabilization of prices and prevention of violent fluctuations which so often occur when gamblers and speculators intrude themselves into the business and industrial life of the people. An examination of this chart indicates that there was considerable speculation in the buying of silver futures, as indicated by these irregular lines [exhibiting], but when the President's message was announced, as indicated by the black arrow upon the chart, it shows that the silver market was not destroyed, as some may claim, but it was steadied, and the sales and purchases of silver became more uniform. Prior to that time, there were irregular purchases and evident speculation, which undoubtedly were injurious to many people.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Does the Senator from Utah yield to the Senator from Colorado?

Mr. KING. I yield.

Mr. COSTIGAN. In view of the endorsement by the able Senator from Utah of the tax feature of the pending bill, may I ask him whether he has made any calculation as to the probable purchases of silver under the bill which will or may accrue to the benefit of speculators?

Mr. KING. Mr. President, I have heard various figures stated, but my information is not sufficiently definite to justify my submitting figures with a certificate as to their accuracy. Undoubtedly, there will be several hundred million ounces of silver purchased.

Mr. COSTIGAN. Has the Senator incorporated in his informative address any statement as to the maximum amount of silver which the Treasury Department or the Executive branch of the Government will be directed to purchase under the provisions of the bill?

Mr. KING. Mr. President, in my opinion—and that is the opinion of the Treasury Department—the Treasury will purchase approximately 1,300,000,000 ounces of silver, and that will be the basis of the issuance of silver certificates.

Mr. COSTIGAN. Those purchases will be made, will they not, in order to bring about the proportion called for by the pending bill, as compared with the present proportion of silver to our basic metallic supply?

Mr. KING. Undoubtedly, and I may add, in reply to my friend from Colorado, that there may be some difficulty in obtaining 1,300,000,000 ounces of silver, but, of course, in the sincere effort to carry out the provisions of this bill and to purchase this quantity, silver is bound to rise until, as I stated a few moments ago, silver will reach $1.29 an ounce, the old historic value; and when that day shall come bimetallism will have arrived.

Mr. FESS. Mr. President, does the Senator plan to insert this graph in the RECORD?

Mr. KING. If I could, under the rule, I should be glad to do so.

Mr. FESS. If the Senator will permit me, I asked to have a graph printed in connection with what I had to say on this question a few days ago, but the Printer called me up and said that it could not be printed without the consent of the Joint Committee on Printing. I think that it is important to have this graph inserted in the RECORD.

The PRESIDING OFFICER. The Chair will state that he is advised, in order to have the graph printed in the RECORD, the consent of the Joint Committee on Printing will first have to be obtained.

Mr. KING. I will ask unanimous consent to have it inserted in the RECORD providing, under the rules of the Senate, it may be printed.

Mr. President, the draft of the bill carefully exempts from taxation the users of silver for industrial and similar purposes, and leaves tax-free newly mined silver now being disposed of to the Government under Presidential proclamation, with a further and more general provision exempting from this tax legitimate producers of silver who market their metal as it is produced, to whomever they may in the future sell it.

Mr. President, this bill constitutes but one part of the firm and orderly policy of the administration with reference to silver and other monetary matters. The President's message, and particularly the latter part of it wherein he refers to making both gold and silver, on some coordinated basis, a standard of monetary value, challenges our attention. This is an explicit reference to a reversal of the action so disastrous to silver which was taken when in 1873 it was demonetized, or, more accurately, destandardized by the party then in power. This, as I have stated, is an epoch-making pronouncement in our monetary history. I call particular attention to the significance of the following declaration in the President's message:

* * * to arrive at that point.

That point, I may say, being the use of both gold and silver as a yardstick of value—

We must seek every possibility for world agreement, although—

Now mark these words—

it may turn out that this Nation will ultimately have to take such independent action on this phase of the matter as its interests require.

No wonder, Mr. President, that the adherents of the gold standard see in Mr. Roosevelt a friend of silver, a friend of the monetary system which was adopted by the fathers of the Republic. His message indicates a purpose to carry out a policy that will achieve the object to which I have referred.

Again President Roosevelt said in his message:

The ebb and flow of values in almost all parts of the world have created many points of pressure for readjustments of internal and international standards. At no time since the efforts of this Nation to secure international agreement on silver began in 1878 have conditions been more favorable for making progress along this line.

The final sentence of the message is:

* * * such an agreement would constitute an important step forward toward a monetary unit of value more equitable and stable in its purchasing and debt-paying power. * * *

I submit to the Senate that that is a statement of an unshaken purpose to move forward vigorously to a monetary structure more just and equitable in the evaluation of commodities and in the liquidation of debts. This message sounds the same note as that struck by the President in his radio address to the people of the United States on October 22, 1933, when he announced an orderly purpose and plan to restore commodity prices. The present bill is but a part of that plan. The language used on that occasion needs repeating:

* * * Finally, I repeat what I have said on many occasions, that ever since last March the definite policy of the Government has been to restore commodity price levels. The object has been the attainment of such a level as will enable agriculture and industry once more to give work to the unemployed. It has been to make possible the payment of public and private debts more nearly at the price level at which they were incurred. It has been gradually to restore a balance in the price structure, so that farmers may exchange their products for the products of industry on a fairer exchange basis. It has been and is also the purpose to prevent prices from rising beyond the point necessary to attain these ends. The permanent welfare and security of every class of our people ultimately depends on our attainment of these purposes. * * * Obviously, and because hundreds of different kinds of crops and industrial occupations in the huge territory that makes up this Nation are involved, we cannot reach the goal in only a few months. We may take 1 year or 2 years or 3 years. * * * No one who considers the plain facts of our situation believes that commodity prices, especially agricultural prices, are high enough yet.

* * * Some people are putting the cart before the horse. They want a permanent revaluation of the dollar first. It is the Government's policy to restore the price level first. I would not know, and no one else could tell, just what the permanent valuation of the dollar will be. To guess at a permanent gold valuation now would certainly require later changes caused by later facts.

* * * When we have restored the price level, we shall seek to establish and maintain a dollar which will not change its purchasing and debt-paying power during the succeeding generation. I said that in my message to the American delegation in London last July. And I say it now once more.

The President in his message to the American people, which I have just quoted, reiterated a monetary policy that is a fixed part of the administration's program for dealing with the depression. When what he said on that occasion is read with what was stated in his message to the Congress on the gold bill and again in his message transmitting this bill to Congress, it becomes abundantly clear that both this bill and also the steps which he says are now under way to exhaust the possibility of international agreement on an improved standard of monetary value, are but two parts of a broad plan for the restoration of values destroyed by the depression, and for improving the monetary system under which our people work and live.

There is a growing conviction in many parts of the world that the gold standard has failed to meet the needs of the people and that silver must be restored to its former monetary status. As an evidence of this statement I invite the attention of the Senate to a manifesto issued by an organization in Great Britain, the members of which are among the leading statesmen, financiers, and industrialists of that country.

The manifesto declares in favor of the reintroduction of silver into the world's monetary system. It further states that as a first step the central banks might be authorized to keep a percentage of their—

metallic currency reserves in silver, which would then become freely available for payment of international differences as well as in support of domestic currency reserves. The metallic basis of credit would thus be expanded and the level of commodity prices raised and kept higher and more constant than would be possible with gold alone.

The association further declares that it is its opinion that if as a result of an agreement between the British Empire and the United States and the cooperation of the French Republic—

silver were reintroduced into the monetary system of the world the present depression would end and prices could be rendered comparatively stable on their higher level.

Mr. President, I ask that the manifesto of this association be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. KING. Mr. President, earlier in my remarks I referred to a bill which I had offered in the Senate providing for bimetallism. That bill is pending before the Committee on Banking and Currency. I ask that at the conclusion of my remarks it be inserted in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. KING. Mr. President, recently there have been a number of issues of the London Financial Times devoted to a discussion of the silver question. Some of the leading statesmen and industrialists of Great Britain contributed to the issues of the paper referred to. Among the persons referred to are: Sir Hugo Cunliffe-Owen, Bt., Sir Henri W. A. Deterding, Lord Hunsdon, Sir William Dampier, the Right Honorable L. S. Amery, M.P., Sir Robert Horne.

In these articles these distinguished British statesmen and industrialists discuss the importance of the rehabilitation of silver. They make it clear that the plan proposed in the bill under consideration rests upon a sound basis and if carried into execution will prove of inestimable benefit, not only to the people of the United States, but of all countries. With the limited time at my disposal, I shall not have time to read from the articles referred to, but ask unanimous consent to have excerpts from the same inserted in the RECORD without reading, at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. KING. Mr. President, before action is taken upon the bill, I shall have an opportunity to further discuss this important measure. It will, I am sure, receive the approval of the Senate. That it will prove of incalculable benefit to the people of the United States and, indeed, to the people of other countries, I have no doubt.

[From manifesto by the Silver Association]

The increasing strain placed upon our gold reserves from various causes drove this country to abandon the gold standard on September 21. This action has modified the situation by setting free the pound sterling to find that natural level which corresponds to a balance of trade. But it is inevitable that the question of the reestablishment of a metallic basis for credit should be discussed, and the silver association suggests that the advantages of employing silver should be carefully considered.

The importance that attaches to monetary systems, and in particular to price changes consequent on modifications of national and international monetary systems, has long been recognized. The voluminous records of half a dozen Royal commissions on the subject in the last 40 years testify to the difficulties with which successive generations of statesmen and administrators have been confronted in the task of adjusting the problems to which monetary changes have given rise, and the social and political disturbances which have followed in the wake of attendant economic complications. The world is now suffering from a catastrophic fall in prices ascribable, among other factors, to a shortage of gold arising largely from maldistribution. Owing to the war and its consequences, the United States of America and France have become world creditors. By means of high tariffs they refuse payments in goods, and they are not relending to the debtor countries. They have thus accumulated 60 percent of the world's stock of monetary gold, and, if war debts and reparations stand unmodified, this drain of money will continue. That which is left is not enough to carry the credit needed by the rest of the world, and prices have fallen catastrophically. The new creditor nations, holding contracts to be paid in gold, have thus lowered the value of their debtors' exports and left them no gold in which to pay. Even Great Britain has been forced to suspend payment in gold. The consequent fall in the value of the pound sterling, while producing some financial losses, has temporarily improved certain aspects of our trade position to the extent that it is stimulating exports and checking imports.

A DIMINISHING QUANTITY

The connection between war debts and tariffs, the maldistribution of gold and the present world depression, is becoming more



clearly understood and remedial measures are under active consideration. It must, however, be borne in mind that, while the world's production of goods demands increasing currency and credit, the new gold available to meet monetary needs is likely, as the Macmillan report points out (par. 144–145), to be a diminishing quantity.

There is indeed a school of economists who dispute the necessity for a metallic basis. They point to the fact that already gold and silver coins are largely dispensed with as a circulating medium, that the sole use of our gold reserve today is to enable the country to meet obligations in its international balance of payments; they contend that a stable level of prices is more important than stable exchanges, and could be secured by the adjustment of credit in the light of index numbers based on commodities. Others think that, at the present time, the best course is to work for an economic league of those nations which will accept the pound sterling as the basis of their currency, with no link to gold or silver. It is, of course, conceivable that mankind may in time cease to demand a metallic basis for currency and credit, but those who, in the words of Mr. Francis W. Hirst (The Times, Nov. 6), "believe a metallic anchorage is indispensable, have to consider very carefully whether we can return to gold, and if so, on what terms; or whether a gold and silver basis (bimetallic or symmetallic) would be preferable."

The Silver Association holds that the world's monetary psychology still demands that currency and credit should rest upon tangible metallic substances possessing intrinsic, universally recognized value, easily stored, and easily transported. Experience shows that without such basis confidence in times of crisis gives way to panic and inflation becomes all too likely. The Silver Association is further convinced that if the need for a metallic basis be accepted the easiest and quickest way of restoring confidence, raising values, and stabilizing them when raised would be to widen the metallic basis of currency and restore confidence in silver, especially in the East, by reintroducing it into the world's monetary system. The question of silver is intimately bound up with the welfare of India and China. The facts that neither country exports silver to pay for its imports, that both normally have favorable trade balances, and that the amount of silver which each imports annually is determined by its trade surplus rather than the price at which the metal is offered do not invalidate the contention that both countries have suffered from the heavy fall in the value of silver which has taken place since 1928.

THE INDIAN PEASANT

India, which until recently was on a gold-bullion and is now on a sterling basis, invests, and has for centuries invested, much of its savings in silver. The popular sense of well-being is to a considerable extent dependent upon the value of such savings, and this dependence is rendered none the less real by the fact that a large proportion of the savings is frozen—that it takes, in other words, the form of hoards or ornaments. The realizable value of hoards and ornaments has been saved from catastrophic depreciation only by the imposition of an import duty on silver. Consequently the peasant who formerly enjoyed a comfortable feeling of prosperity and security now feels very much less certain of his position.

China uses silver in all her transactions, not only as a store, but also as a measure of value. Her people reckon prices in terms of dollars and taels and expand or contract their purchases of foreign goods in accordance with the number of dollars or taels which they must give for them. Many foreign goods, no doubt, still represent luxuries to Chinese buyers, and the hardship of deprivation ought not to be exaggerated. But some of the goods are no longer classifiable as luxuries. In the coastal regions they form part of the standard of life and affect the cost of living materially. In any case, diminished import of certain classes of goods, whether describable as luxuries or necessities, has contributed to the stagnation of the trade of the United Kingdom and of other countries. Similar considerations apply to Persia, which is not on the gold standard. At the sixth plenary meeting of the League of Nations, held on September 10, His Excellency M. Ala, the delegate of Persia, said:

"In addition to the main causes of the crisis to which previous speakers have referred, there is one to which the League's attention has not been sufficiently drawn. I refer to the loss in purchasing power of countries having a monometallic—a purely silver—currency, among which is Persia. To remedy this state of affairs it will be necessary to institute, through the technical services of the League, an exhaustive inquiry into the question of silver, the revalorization of which, with the effective cooperation of all countries concerned, would appear to be advisable."

It is no reply, either to oriental buyers or to western manufacturers and shippers, to say that the diminished importation of the goods in question is small in comparison with the more general decrease which has occurred in the trade of gold-using countries. For the resulting dislocation, increased by uncertainty as to the future of silver, has been serious, whether estimated in relation to the number of persons involved or to the economic, social, and, therefore, political consequences of the dislocation.

The fall in the value of silver has not been due to overproduction by the mines, nor is it explainable solely as part of the general fall in commodity values. The annual production has never equaled the effective demand. The progressive shortage from 1920 to 1930, inclusive, has totaled about 308,000,000 ounces. A surplus has been created only by the action of governments in throwing on the market some 408,000,000 ounces of demonetized metal. During the last 3 years over 200,000,000 ounces have thus been sold, chiefly by the Governments of India and French Indo-China. The natural tendency of silver to fall in value in sympathy with other primary commodities has thus been accentuated and accelerated by governmental policy. Alike in India, China, and Persia confidence in silver has been undermined, and so long as mistrust continues—as it must do while there is a prospect of further sales—we cannot expect those countries either to share fully in, or to contribute towards, a trade revival. If, on the other hand, confidence in silver were to be restored in those countries, and the rest of the world, which has suffered more than they have, supplied with an increased metallic basis for its currency and credit, there would be an immediate and world-wide recovery from the present depression, accompanied by a much more assured outlook in respect of the future than restored values based on gold alone could furnish.

SELF-REGULATING

There is no reason to fear that a moderate increase in the value of silver would lead to a great increase in available supplies. About three-quarters of the present production of silver is incidental to the processes of refining lead, copper, and zinc, and is consequently almost unaffected by changes in the price of silver itself. The fact that its production varies with the world demand for these base metals gives silver, as a currency basis, the advantage of being in a measure self-regulating, the supply of currency varying proportionately to the demand made upon it by the state of industry. Nor does experience suggest that a rise in price would bring hoarded silver into the market. On the contrary, the higher the price the less the Indian peasant is forced to surrender to the money lender when crop failure or other difficulties compel him to clear his debts. To the argument that a rise in the price of silver would injure the Chinese peasant by lowering the export price of crops which he has grown with borrowed dollars, it may be replied that, if the gold price of such crops also rose (a probable consequence of the restoration of silver to the world's monetary system), the peasant would suffer no harm. Indeed, he would probably be benefited. Not the least of his troubles at the present time is his inability to grow crops for export at a remunerative figure. Hence the fall in exports which the Chinese customs returns for 1930 show, a fall which is reflected in the customs returns of India and Persia.

To the further objection that banks with silver liabilities covered by gold assets would be seriously perturbed by a rise in silver, and that an abrupt change in the value of the currencies of China and Hong Kong would result in dislocation of business, it may be replied, first, that most banks operating in eastern countries hold silver assets against silver liabilities and gold assets against gold liabilities, and, secondly, that the risk of dislocation would be greatly lessened once it was known that the purpose in view was stabilization. China and Persia have shown in the past ability to adjust themselves to various higher levels; what has so often upset the calculations of Chinese and Persian merchants has been the lack of stability of exchange rates.

FIRST STEPS

The Silver Association urges that prompt consideration should be given to the suggestion that His Majesty's Government, with the support, if possible, of the Dominions, should convene or agree to participate in an international conference on silver, with a view to its reintroduction into the world's monetary system. As a first step the central banks might be authorized to keep a percentage of their metallic currency reserve in silver, which would then become freely available for payment of international differences as well as in support of domestic currency reserves. The metallic basis of credit would thus be expanded, and the level of commodity prices raised and kept higher and more constant than would be possible with gold alone.

In addition to the advantage of expanding the metallic basis of credit there would be the further benefit to be derived, from the point of view of trade, from a system based on the use both of gold and silver at a fixed ratio, which would have the advantage of avoiding exchange fluctuations between the gold- and silver-using halves of the world. There is not a trader, western or eastern, who does not deplore the instability which characterizes exchange rates. The world is, moreover, much better equipped to fix and maintain a ratio between gold and silver than it was when a bimetallic system was discontinued. Speaking at the American Chamber of Commerce on September 26, Lord D'Abernon said:

"The clear objective for New York and London must be the restoration of general prices to the level of 1929. * * * Both inflation and deflation are bad; what is wanted is stability."

The Silver Association is convinced that an immensely powerful group of communities such as the British Empire and the United States of America can do much to mitigate the worst effects of world-wide monetary fluctuations, and, indeed, to bring those fluctuations under control. Complete international agreement is, perhaps, in present circumstances impossible; nothing, however, is more likely to assist it than agreement between the British Empire and the United States of America with the cooperation of the French Republic. It is the opinion of the Silver Association that if, as a result of such agreement, silver were reintroduced into the monetary system of the world, the present depression would end and prices could be rendered comparatively stable on their higher level.

The executive committee of the Silver Association includes, besides Sir Robert Horne, M.P. (chairman), the Right Hon. L. S. Amery, M.P., Mr. T. D. Barlow, Lord Barnby, Mr. Clive Baillieu, Mr. D. G. M. Bernard, Mr. R. Boothby, M.P., Mr. Colin D. Brodie, Mr. J. S. Bruce, Mr. John Buchan, M.P., Sir G. Clarke, Sir H. Cunliffe-Owen, Lord D'Abernon, Sir W. Dampier, Mr. J. F. Darling, Lord Desborough, Mr. J. H. Grey, Lord Greenway, Mr. S. S. Hammersley, M.P., Col. F. L. Harden, Lord Hunsdon, Mr. H. D. C. Jones, Mr. F. A. Lauder, Sir James Leigh-Wood, Lord Lloyd, Lt. Gen. Sir G. Macdonogh, Sir Bernard Mallet, Mr. P. E. Marmion, Mr. S. F. Mayers, Mr. H. E. Moon, Sir Roland Nugent, Sir John Power, Mr. W. Maxwell Reekie, Mr. H. Rothbarth, Mr. E. Raymond Streat, Mr. E. W. D. Tennant, Mr. J. S. Wardlaw-Milne, M.P., and Mr. J. Wild. Mr. E. M. Gull and Sir A. T. Wilson are honorary secretaries of the association, whose office is at 99 Cannon Street, E.C. 4.

A bill to establish a bimetallic system of currency, employing gold and silver, to fix the relative value of gold and silver, to provide for the free coinage of silver as well as gold, and for other purposes

Be it enacted, etc., That the proportional value of silver to gold in all coins which are by law current as money within the United States shall be as 16 to 1, according to quantity in weight of pure silver or pure gold; that is to say, every 16 pounds weight of pure silver shall be of equal value in all payments with one pound weight of pure gold, and so in proportion as to any greater or less quantities of the respective metals.

SEC. 2. There shall be free coinage of both gold and silver, at the ratio fixed in this act, subject to the conditions and limitations now provided by law with respect to the coinage of gold; and all the laws of the United States relating to such coinage or to recoinage, exchange, or conversion of coins, bars, or bullion of gold, shall apply equally, so far as practicable, to silver.

SEC. 3. The dollar consisting of 25.8 grains of gold nine-tenths fine, or of 412.8 grains of silver nine-tenths fine, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

SEC. 4. The weight of the silver dollar shall be 412.8 grains troy of standard silver; the weight of the half dollar shall be 206.4 grains; the weight of the quarter dollar shall be 103.2 grains; and the weight of the dime shall be 41.28 grains.

SEC. 5. Subsection (b) of section 43 of the Agricultural Relief Act of May 12, 1933, except the last sentence of paragraph (1) thereof, as amended, is repealed; and all orders, regulations, and other action taken pursuant thereto inconsistent with the provisions of this act relating to the free coinage of gold and silver and establishing a ratio between gold and silver are hereby rescinded.

SEC. 6. The Secretary of the Treasury, with the approval of the President, is authorized to make rules and regulations for carrying out the provisions of this act.

FACTORS PERTAINING TO CREDIT—SILVER

SILVER AND THE ECONOMIC CRISIS—A SUGGESTED PRACTICAL SOLUTION

By Sir Hugo Cunliffe-Owen, Bt.

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What, then, are the causes of our economic and financial troubles? Put very briefly, they are the appreciation of gold in gold-standard countries and the depreciation of silver in silver-standard countries. In our own country we are today suffering severely also from our policy—unique now in the world—of free imports, but I am concerned rather with general world forces than with those peculiar to Great Britain.

It is a common observation that in the past 2 years the world has been afflicted by a fall in commodity prices almost incredibly severe and universally recognized as disastrous. In speaking thus of "the world" we ignore the important fact that a very large part of its trade is transacted on a monetary basis differing materially from our own. The fall in commodity prices is common to all gold-standard countries, but no such fall has occurred in China, that vast potential market for British goods, which still operates on a complex-silver standard.

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The responsibility of the western world for this catastrophic devaluation of savings, leading to all kinds of economic and social evils, cannot be evaded. Some economists are in the habit of attributing the recent slump in commodity prices to the unprecedentedly rapid increase in the world's output of raw materials and finished goods. Whether this be true or not of most commodities, it is certainly not true of silver, the output of which has been steady for many years past. The fact is that the whole weight of influence of the western world has been thrown into the scale in favor of gold as a sole monetary metal, and against the maintenance of silver in its age-old position as a basis of values in the east. This is clearly to be seen in our own policy regarding India, which has imposed a gold standard in the teeth of expert opposition, as well as in the steady movement of country after country away from silver towards gold. Ancient habit, however, is difficult to change, and it is impossible by ruthless government fiat to transform the conception of monetary value in countries like China or India. It is the action of the gold-standard world, in attempting to impose its policy and its monetary ideas on the east, that is principally, if not wholly, responsible for the disastrous fall in the value of silver.

The reactions of this development on the trade of the west, particularly of our own country, require no elucidation. Not only has the fall in silver impaired the power of the east to buy our goods, but it has enabled—indeed, forced—them to sell their manufactured products, in competition with our own, at prices so low as to oust our goods from important neutral markets. Self-interest alone, leaving aside altogether any question of equity or humanitarianism, demands that the west should realize its responsibility, and that the more powerful gold standard countries should regard it as their inescapable duty to ensure at least the maintenance of a minimum price for silver. Action along this line would directly assist in restoring prosperity, not only to silver-using countries like India and China, but also to silver-producing countries like Mexico, whose capacity for buying others' products has been ruinously depleted. The immediate result would be a market revival in the trade of the gold standard world.

A PRACTICAL SOLUTION

This duty—and it is nothing less than a duty—so far from being difficult would be comparatively easy to perform. It does not require the establishment of world-wide bimetallism, whatever the merits may be of that system. It can be done by a far simpler means. The principal producers—mainly, in order of importance, Mexico, the United States, Canada, and Peru—and the principal sellers—among whom the Indian Government is predominant—if brought together, might be relied upon to agree, for example, that they would not sell silver for export below a definite price, say 2 shillings per ounce, which minimum might perhaps be gradually raised as conditions improved. There would be little or no risk of increased production of silver in consequence of such a plan, for silver is produced mainly as a by-product of other metals, and the output is not in excess of normal consumption. The fall in the value of silver is not attributable to excessive and growing production; the difficulty has arisen from attempts to dispose of stocks arising from wide-spread demonetization and debasement of token currency. A scheme for maintaining the gold price of silver would arrest the trend away from silver standards towards gold, and set up a demand for silver in the east, which in course of time would absorb existing stocks and reestablish confidence in the ancient standard of half the world.

To the process of clearing existing stocks the gold standard countries could make a valuable contribution. The light-hearted abandonment of silver as a standard in India has been accompanied by severe dimunition of the quantities used even in token coin. We ourselves have reduced the silver content of our tokens, and similar action, in the direction either of a larger content of alloy or of the substitution of a different metal, has been widespread. A restoration even of the pre-war composition of silver coinable in western Europe would go a considerable way toward absorbing the existing stocks of silver.

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What more desirable, therefore, than that the demands for gold which arise from countries which by established usage prefer a different metal should be reduced to the lowest possible level? The restoration of silver as a dependable more stable store of value would go far to minimize the growing demands from the east for the metal which the west has endowed with a monopoly of monetary rights.

Clearly, it is to the advantage of the west, equally with the east, to act, and to act quickly. The fall in the value of silver must be arrested at once and a substantial and sustained recovery brought about. The new Government could scarcely act more wisely, in dealing with causes rather than symptoms, than by calling forthwith a conference of the western nations to consider the plight of silver and to produce a plan for its rehabilitation in the practical esteem of the whole world.

GOLD AS TRADE DESTRUCTOR—"MAKE THE WORLD INDEPENDENT OF IT"

[By Sir Henri W. A. Deterding, managing director of the Royal Dutch Combine]

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The last 12 years have shown in an ever-increasing degree that gold (elevated and reinforced more and more as a monopoly of measure) has been not only a cruel but a stupid master; created to be a servant of trade, it has been allowed to become the destructor of trade.

We have now arrived at the sad picture that all things which are necessary for life and comfort—namely, food and materials of every kind and description—are for a great part unsalable, and the only thing that people seem to be after is "gold." If it were the other way round, and all things which are necessary for life stood at a good price, and gold (being for practical purposes confined to cellars) almost worthless, the position would be more logical.

Still, this is the impasse at which we have arrived by using as a standard and a sole measure a metal which is not to be found in sufficient quantities to satisfy all the demand for it, and, secondly, which has been cornered by two countries.

Everybody seems to be at their wits' end how to end this crisis, but the most obvious way—that is, to make the world independent of gold—seems not to be considered seriously by many. Still, that is the only possible way unless gold should be found in very much larger quantities in some place or other in the world.

That there are some countries who, having all the gold they want and more, would be against creating a necessary competitor of gold as a standard, is natural, but it is unnatural that other countries would be willing to strengthen this impossible dictatorship of gold still further.

A VICIOUS CIRCLE

If we give the matter careful thought and use a little bit of imagination we should find that if this present position goes on unchecked, prices of all commodities will become still lower and lower, consumers getting poorer and poorer, thus being starved of even buying sufficiently of these commodities, and all that would be left in the world would be "gold", in some cold, deep cellars, invisible even to the world. Even now there are egotists who propose destroying wheat and cotton; if they would propose to do away with gold (a useless article for consumption) they would show more wisdom.

The world's progress demands that the dictatorship of gold be abolished in the shortest possible time. Surely, as confidence in the production of all commodities gets more and more shaken by their fall in prices, the bulk of gold must go on increasing in the cellars where there is such an abundance of it already. Is this progress? It may be the ideal of the miser, but it cannot be the ideal of the workers of the world.

During the war we had not only wheat as the sole food reserve of the country; we had stand-bys in other cereals, and will those who pin their sole faith on gold neglect to have a stock of the next useful stand-by—namely, silver!

I am sure that the same countries who are now anxious to ruin themselves in trying to get rid of their stocks of silver in a market devoid of buyers will become the most anxious buyers of that metal themselves in a time not far distant.

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STABLE STANDARD OF VALUE—EXISTING DANGEROUS POSITION

By Lord Hunsdon

I think that The Financial Times is rendering a public service in promoting a discussion of bimetallism in its columns, because the opinion of the city on currency questions will certainly carry weight, and, in view of the dangerous position which now exists, it is not likely to be influenced by prejudice either for or against the system.

The case for bimetallism, or at all events for a consideration of that system, has been placed before the public in "The Times" recently by many influential people, without eliciting any reply, and as bimetallism had been the currency system of the world from the dawn of commerce up to 1873, it appears to me that if gold monometallists have anything to say in defense of the present system—which is a modern experiment—it is up to them to say it now or to allow the case to go against them by default.

Speaking for myself, and, I think, for other bimetallists, we do not imagine that bimetallism would cure all the evils from which this country and the world are now suffering.

It would not, for instance, prevent the United States of America from stopping the purchase of goods from us by her tariffs or prevent us from purchasing goods from her and having to pay for them in metallic money.

It would not stop parties in the State from bribing the electorate wholesale by pensions, doles, and other social services.

It would not, in fact, mean a return to complete sanity, but what it would do would be to give the world a more stable standard of value, a par of exchange between gold and silver-using countries, greater purchasing power to China, and would restore value to the silver hoards of India and consequently produce an atmosphere in that country favorable to our continued occupation. Above all, it would raise prices and enable individual debtors and debtor countries to fulfill their engagements, and, if speedily introduced, would give the world a breathing space to set its house in order.

The present position is that our budget does not balance, that we cannot collect our debts, that our taxation is heavier than that of any other country, and finally, that a flight from the pound is threatened owing to the loss of our former credit, which evil a rise in bank rate by itself is obviously incapable of checking.

It seems fair, then, to ask monometallists: What is your remedy?

BEST METHOD OF EXPANDING CREDIT—MONETARY INSUFFICIENCY HANDICAP

By Sir William Dampier, Sc.D., F.R.S.

The financial crisis is due to causes partly national and partly international.

The immediate cause of the economic troubles from which the world is suffering is the continued fall of the general average level of prices—the rise in the commodity value of money. Owing to this change, all fixed or semifixed charges become more and more burdensome. Profits vanish, inroads are made on capital, then the wheels of industry stop. Industrial depression, in turn, lowers prices further; the whole process becomes cumulative.

So far, there is, I think, no difference of responsible opinion. It is when we push the analysis further and seek the causes of the fall in prices that argument begins. Some fix their eyes on commodities and talk about overproduction. Others think only of money, and point to the shortage of gold or to its maldistribution. The truth, as usual, lies between. Price is the sum of money in cash or credit we pay for a unit of goods or services, and the average level of prices depends both on the amount of currency and credit in circulation and on the amount of commodities available for the world's trade. Prices can be lowered either by an increase in the stock of goods or a decrease in the supply of money, and raised either by restricting output or by increasing the amount of money and credit or its velocity of turnover.

OUTPUT RESTRICTION DANGEROUS

Deliberate restriction of output is dangerous, as the history of rubber shows. Moreover, it tends to prevent that growth in wealth on which all economic progress ultimately rests. If we want to put up the level of world prices, we must look to the other factor, and increase our store of money and credit. But we must also somehow get them into circulation.

The first reform needed to produce a rise in world prices, a reduction in the value of money, is the cancelation of international war debts or the facilitation of relending operations. Secondly, an expansion of credit is necessary, so that trade, as it revives, shall not be checked by monetary insufficiency.

The first is obviously an international problem and cannot be solved unless the new creditor countries will forego their war debts or learn London's habit of foreign lending. The second is equally, though less obviously, international also. No one country can lower the value of its currency without putting up its internal prices compared with those of other countries, thus destroying its export trade and risking the great danger of run-away inflation. And the effect on world prices will be small and long delayed. But, if all the chief nations agree, reform would be easy.

Accepting the present international gold standard, the central banks could guarantee each other in raising the ratio of credit to reserves. This would be effective once trade revived, but would do little or nothing to start a revival. In a perfectly reasonable world there would be no need for a metallic basis for our currency. Credit could be created or withdrawn so as to keep the price-level, as shown by an index number, approximately constant. But experience shows that a metallic basis gives to currency a security partly real and partly psychological. There is probably enough gold to carry the world's present business at a higher level of prices were not that gold badly distributed and partly useless. But the yearly output of gold is likely to diminish, and, in default of action, a further fall in prices will follow.

SILVER'S REMONETIZATION AND CREDIT

For all these reasons, I am inclined to think that a remonetization of silver is the best method of expanding the world's credit, and diminishing slightly and slowly the commodity value of its various currencies—that is, of putting up the average price level of world commodities with no fear of dangerous inflation. This policy would have the additional advantage of restoring the purchasing power of India and China and other silver-using and silver-producing countries.

The stock of silver in the world is large and could readily be increased. This would tend to keep the supplies of money in step with business, and, therefore, prices constant.

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CALAMITOUS FALL IN PRICE—PURELY ARTIFICIAL ORIGIN

By the Right Honorable L. S. Amery, M.P.

The terrible economic crisis from which the whole world is suffering today is, in the main, a monetary crisis. Its direct cause is the progressive shortage of gold as compared with the world's needs for currency. That shortage has been due, in part, to the actual insufficiency of the world's new gold production to keep up with the total increase of production. In its last acute phase it has mainly arisen from the locking up of nearly three-quarters of the world's gold supply in two countries, France and the United States.

The consequent disastrous rise in the price of gold as compared with goods has been aggravated by a no less disastrous fall in the price of silver over the last three years, a fall of from 26d an ounce to about 13d an ounce. That the value of the only medium of purchase of the 400 million inhabitants of China and of the accumulated savings of the 350 million inhabitants of India has been halved has inevitably affected the rest of the world.

MARKET IMPOVERISHMENT

It has added to the difficulties of our manufacturers by the impoverishment of two markets already among the most important in the world and of immense capacity for absorbing overproduction elsewhere if only they were allowed to expand instead of being artificially contracted. It has helped to force down raw material prices yet further by what is in effect involuntary dumping. The indirect reactions of this situation in agrarian discontent, sedition, and boycott in India and in civil war in China have struck a further heavy blow at the prosperity of the world as a whole and of this country and of Lancashire in particular. It is, I believe, no exaggeration to say that until the price of silver is restored there is no chance of the solution of the Indian political crisis or of the establishment of an efficient Government in China.

What has caused this calamitous fall in the price of silver? The answer is misguided Government action. The fall in silver has been purely artificial. Since the war the production of silver from the mines has never equalled the demand. In fact, over the whole period 1920 to 1930 the demand has exceeded the commercial supply by some 328,000,000 ounces. But over that

same period governments have dumped some 408,000,000 ounces on the market, partly, like the British Government, as a result of debasing their silver coinage, but even more, like the Indian and French Indo-Chinese Governments, in pursuance of the policy of selling their silver currency reserves in order to acquire gold and get on to a gold standard. It is the sale of 200,000,000 ounces since 1927, chiefly by the two Governments last mentioned, which has been the main cause of the recent break in price.

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The advantage gained by a mere increase in the commodity price of silver would be greatly enhanced if silver could be introduced into the currency system of the gold standard world to expand its shrinking supply of gold. That need not involve bimetallism in the ordinary sense of the word. It would be quite enough if the leading central banks were authorized to keep a percentage, say, 15 percent, of their metallic currency reserve in silver at the market price. Action on these lines would afford, I believe, by far the quickest and most immediately effective remedy to the whole world crisis.

The permanent remedy of a situation which if left unremedied may destroy our civilization should, in my opinion, also include some definite incorporation of silver with gold, at a fixed ratio, in the world's metallic exchange medium and as an element in world currency.

THE WORLD'S MONETARY PROBLEMS—MODERN EXPERIENCE MUST GUIDE

[By the Right Honorable Sir Robert Horne, G.B.E., K.C., M.P.]

There never was a time when it was more necessary for all economic theories and financial methods to be reviewed in the light of modern experience. So many rule-of-thumb methods have broken down; so many orthodox beliefs have failed in practice, that it is incumbent upon everyone to examine the foundations upon which his opinions and action are based. Among the questions that now clamor for fresh judgments are the problems connected with the monetary systems of the world. The fact that Great Britain has now been forced to suspend the application of the gold standard to our transactions, and that the operation of this well tried and famous system has brought about such amazing dislocations in the world, produces, by itself, a sufficient upset in people's minds to induce reflection and creates a readiness to revise opinions which had long appeared to be settled beyond controversy.

Among the problems which are now pressing themselves upon thoughtful minds, the silver question has recently assumed high importance. An expert in finance, who not many months ago said to me that he regarded the silver question as a chose jugee, told me last week that he was now convinced that the matter should be taken up afresh. The bimetallists at the end of last century who were defeated by the discovery of the vast gold resources of the Rand are once more taking up the cudgels in favor of a view which they never abandoned and which, as they will tell you, has been justified and confirmed by the course which events have taken. Much of the world's financial trouble and the startling events of recent days could have been avoided, as they will assure you, if only silver had not been deprived of the position which, up till 1873, it held in some of the important currencies of the world. For myself, coming to a fresh consideration of the problem after a lapse of many years, I am inclined to agree substantially with their view.

Our country has for some weeks been preoccupied with the task of balancing our national budget. Behind this duty lies, as nearly everyone acknowledges, the necessity of creating a favorable balance of trade. When the latter object has been achieved, our domestic position will be reinforced and our prospects of welfare greatly improved.

THE PARALYSIS OF WORLD TRADE

But even after these things have been done, there is no chance of enduring prosperity for any country unless certain things happen which affect in common all the nations of the world. The Macmillan committee has recently investigated with surpassing care the conditions which have caused the paralysis of world trade and the distressful condition of unemployment which affects every country. The conclusion at which these distinguished experts arrived ought constantly to be kept in mind by everybody who is seeking a solution for the adversity from which humanity is at present suffering. They find the core of the malady to lie in the catastrophic fall in commodity prices which has taken place in recent years, and they make it plain that, unless something can be done by which these will be raised, a serious disaster will be caused to all countries of the world alike.

"The avoidance," they say, "of such an event should be a prime object of international statesmanship. Our objective should be, insofar as it lies within the power of this country, to influence the international price level, first of all to raise prices a long way above the present level and then to maintain them at the level thus reached with as much stability as can be managed. We recommend that this objective be accepted as the guiding aim of the monetary policy of this country."

There will be few who will refuse to accept this considered judgment. The spectacle of the primary producers of the world attempting to meet debts contracted when their produce was twice as valuable in the market as it is now will be sufficient to convince even the most skeptical. Cast your eye over the primary producers of the world—in Australia, in New Zealand, in South America, in the Malay Peninsula, in the tea and sugar-producing areas—and you will witness the blight which has been caused by the terrible fall in price levels. Look again at the unemployment in the great manufacturing districts of Britain and Germany and America and you will see the effect of the inability of the commodity-producing countries to purchase manufactured goods. When, however, we talk of low commodity prices, the fact that they are depressed to such an extent in the case of the whole range of primary articles of production suggests that it is the standard of value which has gone up in relation to the things which it measures. A moment's reflection confirms this view when it is seen that gold, in which the debts of the world have in the main to be paid, has become more and more the particular possession of the two great creditor nations of the world and is scarce in every other country. The problem, therefore, which the Macmillan committee sets is in another aspect that of getting down the value of gold.

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The value of silver, like that of any other commodity, is measured in terms of gold. Silver, however, is more than a commodity, because in China and Mexico it forms the monetary currency, and in India, although that great community is now on a gold bullion standard, silver forms the reserve for 85 percent of the currency. An increase in the price of silver would, by itself, have an appreciable effect in mitigating the high price of gold and would thus effect some augmentation on the general level of commodity prices.

BANK OF ENGLAND VIEWS

To make this plain I need only quote a passage from the evidence which was given by the Governor of the Bank of England, Mr. Montagu Norman, and Sir Charles Addis, a member of the court, before the committeee on Indian currency in the year 1926. In their joint evidence they made the following statement:

"I think that one also has to bear in mind the interaction between gold and silver prices. There is a reaction upon gold prices when an extreme fall or rise takes place in the value of silver, which is none the less serious because it is indirect and not very apparent on the surface. The consequential changes in prices generally and in trade conditions which would be produced; the disturbance to the world's economic peace and confidence; the interference with the long-established social habits of the people of India in the use of silver; the shock to the reliance of a great country like China upon silver as a medium of currency and a common store of value, could not fail to have important effects upon the gold prices of countries in Europe and, indeed, in America."

All the troubles which these two distinguished bankers predicted have occurred. The result of the change in India to a gold bullion standard, coupled with the resolution to sell on the market a vast portion of the store of rupees which the Indian Government possesses, has artificially depressed the price of silver to a greater degree than that of other commodities; has injuriously affected the purchasing power of nearly a thousand millions of the world's population in India and China; and has reacted upon the gold prices of staple articles of production. These ill effects have been intensified by the sale of large quantities of demonetized silver by Indo-China, which, in the spring of last year, adopted a gold bullion standard. If by some action on the part of Governments the price of silver could be restored to some moderate level, it would seem reasonable to suppose that, in addition to the incentive which would be given to purchases by India and China, a beneficial result would be attained in connection with the general level of gold prices.

Mr. McNARY. Mr. President, the Senator from West Virginia [Mr. HATFIELD] will now occupy 1 hour of the time allotted to those on this side of the aisle.

Mr. HATFIELD. Mr. President, by my votes here I have expressed my interest in the American silver producer and the American silver miner, but I am not so much concerned about the Asiatic.

From the very beginning a great deal of mystery has enshrouded this administration's succession of maneuvers with American money.

Only a few days ago the able Senator from Nevada [Mr. PITTMAN], one of our distinguished envoys to the ill-fated World Trade Conference last June at London, solemnly informed us that 2,500,000,000 ounces of silver are hoarded in the walls of huts and underground in China, and that probably 5,000,000,000 to 6,000,000,000 ounces of silver are contained in the bracelets, necklaces, earrings, bangles, and other jewelry of the women of India.

For that reason, said Mr. PITTMAN—page 9210 of the CONGRESSIONAL RECORD, May 22, 1934—there is very little likelihood that this silver would ever come into the world market to disturb the dreams of those who would ride us out of the depression in a magic silver chariot.

Upon this sweeping assumption, Mr. President, the able Senator from Nevada, if I read his remarks correctly, had the confidence to base a silver rehabilitation plan which would intimately affect not only our whole monetary system but our whole economic system and, in turn, every household in America.

I, of course, do not pretend to have any profound knowledge of the Chinese character, except to note in passing that those who have had business dealings with Chinese importers and exporters usually credit them with a considerable degree of financial acumen, in addition to exceptional courtesy and a high standard of integrity.

Similarly, with regard to the women of India, I must admit that my acquaintance with their habits of mind is indeed meager. I can only state in this connection that I do not wholly share the Senator from Nevada's seemingly simple faith that when the price of silver begins to rise, through the manipulation of governments, that all of this 7,500,000,000 to 8,500,000,000 ounces of silver is going to remain in hoarding in China or in India.

Mr. President, I make this statement with full knowledge of the fact that under the Pittman silver agreement the Government of India is pledged not to dispose of, by sale, more than 140,000,000 ounces of silver during the period of 4 years, commencing January 1, 1934, and that the Government of China shall not sell silver resulting from demonetized coins for a period of 4 calendar years, commencing January 1, 1934.

Certainly no such phenomena can be said to have accompanied the skyrocketing of the price of domestic gold in our country. Of course, before we began to offer the extraordinary price of $34 an ounce for gold, instead of the former price of $20.67, nearly all of the gold in our country had been drawn out of the hands of its citizens and impounded by the Government.

Nevertheless, if current reports are a criterion, the so-called "old gold"—that is, gold in watches, trinkets, jewelry, and so forth—is being daily melted and thrust on the market at swollen prices.

So does it not seem somewhat utopian for the able Senator from Nevada [Mr. PITTMAN] to imagine that the citizens of China, with all the wisdom of the ages behind them, and possibly harder pressed by adversity than we are, or that the women of India, having all their wealth in silver trinkets, will act any differently when they see opulence beyond their wildest dreams thrust upon them from far-off America? Regardless of Government edicts, will not the market be glutted with this vast hoard of silver?

Is it not incredible to stake our Nation's destiny on the whim or caprice of the women of India? In a similar situation I can well imagine American housewives selling even their silver plate!

Mr. President, I had hoped that never again would this Nation be torn with dissension over silver as it was in the closing decades of the last century and the early part of the present one. Then, as now, a sorely stricken people were led to believe that the introduction of more silver into our currency would cure all of our troubles.

It is stated that the Government must utilize silver in order to enlarge its metallic reserves so as to be able to print a larger amount of paper money. The relatively low amount of money now in circulation—between $5,000,000,000 and $6,000,000,000—is pointed to as justifying such statements, although, as everyone knows, the bulk of our business transactions are concluded by means of bank checks.

However, when it is considered that our stock of gold has been artificially revalued so that what was formerly worth, roundly, $4,000,000,000 is now held to be worth $7,500,000,000, it can clearly be seen that there is no necessity whatever for remonetizing silver on this plea.

This $7,500,000,000 of gold, on the new basis of valuation, is sufficient for the issuance of at least $18,000,000,000 of gold-backed currency on the basis of 40-percent gold reserve, the present lawful requirement; but should the reserve requirement be reduced to 25 percent, as the able Senator from Nevada once suggested, it would be sufficient to issue Federal Reserve notes of considerably more than $25,000,000,000. This is far more than the amount of notes that the Senator from Nevada proposes to issue on the silver that he would have our Government buy.

If the issuance of more metal-backed currency is the touchstone of prosperity, why did not those in charge of the management of our currency issue it many months ago?

Mr. President, I am not here undertaking to defend or condone in any way this revaluation of gold, which is an unwarranted, outrageous, and dishonorable piece of business, the kind of legerdemain that hitherto has been reserved to governments tottering on the brink of disaster.

I merely wish to cite the fact that whenever the Government chooses it may lawfully issue at least $25,000,000,000 of gold-backed Federal Reserve notes, or approximately five times the amount of such notes at present in circulation.

To enter upon a discussion as to why this amount of gold-backed money is not now in circulation, flowing into every city, town, and hamlet in the land, would require more time than is now at my disposal. It is enough to state that, in my opinion, were it not for the Government's grotesque attempt to manage the hitherto private affairs of its 125,000,000 citizens—a management that is now bereft of resources after a year of conspicuous but ineffective experimentation—such a flow of gold-backed money, redeemable at the will of the possessor, might even now be quickening the economic life of our tormented people, bringing light and hope to the faces that have been darkened by 4 years of suffering and adversity.

Mr. President, to allege that more silver is needed in order to issue more metal-backed paper money is the rankest kind of sophistry.

Since the creation of additional paper money obviously cannot be the reason for this sudden reversion to silver, we, perhaps, must look elsewhere, perhaps across the seas, for the true solution of the mystery.

With the indulgence of the Senate I shall proceed to disclose what might lead to an astonishing international intrigue that seemingly from the beginning has fascinated the present administration, or possibly springs from a desperation that is all the more intense because so many elegant theories have been shattered on the hard rocks of the grim actualities of a war-tortured world.

How insidiously, Mr. President, has the word "nationalization" crept into our national lexicon! That, as is well known, was for a long time a sort of euphemism used to conceal the expropriation by governments of the people's property. We spoke of Russia's nationalization of the land, meaning, of course, that its Soviet Government had seized the land and converted it to its own use; and the same condition, Mr. President, is to be found in America today, where the Government of the United States is reclaiming lands.

When the gold in this country was first impounded, the word "nationalization" was not used. Now, however, with the lapse of time, we find high officials referring to the nationalization of gold, and now to the nationalization of silver, as if this were some naturally patriotic process instead of a species of brigandage on a grand scale.

While in quest of the inner motives for the unprecedented step of the seizure and impoundment of all gold, the repudiation of the letter of our gold bonds, the subsequent devaluation of gold, and the present reliance on what to all practical purposes is an inconvertible fiat money, it will be necessary to review briefly the events of the year that followed the somewhat hysterical hundred days.

Far-reaching laws having been hastily enacted at this memorable session of the Congress for domestic revival, our Government turned with a great deal of pomp and panoply of state to the world trade conference about to assemble at London.

In vain did I point out in this Chamber last year that the two programs, the domestic and the foreign, were wholly antagonistic. Mine was as a voice crying in the wilderness when I stated that if the Government chose to regiment the farms, factories, and the mines of this Nation it must shield its economic creation with an invulnerable protective tariff; that we could not reduce tariffs in conformance with the wishes of our European and other debtors and at the same time ask the farmers, miners, and industrialists of the Nation to submit to Government dictation. It was decreed that the expedition to London should proceed.

Something of the mystery connected with the various maneuvers of the administration in relation to the Nation's gold stocks was soon cleared away by the report, seemingly authentic, that it would be proposed by the Secretary of State, Cordell Hull, at London that the United States share its gold with destitute foreign nations.

It was stated that the coverage of the United States Federal Reserve currency will be reduced from 40 to 25 percent in order to release about $2,000,000,000 of American gold in pursuance of the scheme. Furthermore, it was indicated that the United States Federal Reserve System would be officially linked with the Bank for International Settlements at Basel or to a new institution affiliated with this so-called "world bank." Thus the United States would become a member of a financial league of nations.

No more daring abrogation of the sovereignty of the United States had been suggested since the late President Wilson came home from Versailles with article X of the Covenant of the League of Nations. This scheme would yield up American gold as backing for an international currency, and, while intended as a stabilization move, in effect would make the United States responsible for the integrity and stability of all the motly European currencies, ranging from the Polish zloty to the Yugoslavian dinar. Apparently the principal reason for the maneuver was that many nations, excepting France and England, which have the largest gold stocks in their history, have no gold, while the United States has plenty.

Why the United States should have been precipitately taken off the gold standard, when it then had gold stocks sufficient for the emission of $7,000,000,000 Federal Reserve currency, nearly twice as much as is now extant, has never been explained. It was not necessary for the Government to take such a radical step, and it was apparently contrary to the speeches and pledges of President Roosevelt.

Three days before the election Mr. Roosevelt said:

> The business men of the country, battling hard to maintain their financial solvency and integrity, were told in blunt language at Des Moines, Iowa, how close an escape this country had some months ago from going off the gold standard. But, that, my friends, as has been clearly shown since, was a libel on the credit of the United States.

In praising Senator GLASS' stand for sound money, the then candidate for the Presidency also said:

> It is worthy of note that no answer has been made to the magnificent philippic of Senator GLASS the other night, in which he showed how unsound this position was. And, I might add, Senator GLASS made a devastating challenge that no responsible government would have sold to the countries securities payable in gold if it knew that the promise—yes, the covenant—embodied in those securities was as dubious as the President of the United States claims it was.

Here the man who was later elected President boldly acclaimed the gold clause of the United States bonds as a sacred covenant between the people who bought the bonds and their Government. He denounced as libelous the statement that the United States was in danger of going off the gold standard. But the subsequent events proved otherwise.

Early in March, by means of a manipulation of the press, it was made to appear that the President actually had ordered all people to yield up their gold. Glaring, awe-inspiring headlines stampeded many citizens into giving up small gold nest eggs, in many cases representing the savings of a lifetime.

The actual order against gold hoarding was not issued until April 5, 1933, requiring all persons, with certain exceptions, to yield up their gold. The constitutionality of this procedure was at once attacked, the dissenters including such notable persons as former Senator James A. Reed, of Missouri, who said the Constitution had been made into "a scrap of paper." When the dead line arrived on May 1, 1933, it was found that nearly $500,000,000 of gold was still in hiding, and since then it was revealed by the Treasury that more than 1,000 persons had defied their Government, although the President's proclamation had branded them as statutory criminals.

Then came the President's sensational gold exporting embargo order of April 20, 1933, officially taking the country off the gold standard and placing an embargo on all exports, with certain exceptions. One of these exceptions was that the Secretary of the Treasury, in his discretion, could allow the export of gold held in trust for the Bank of International Settlements. This bank was set up originally for the handling of German reparations; but, under the plan since rumored, it would become a superworld bank, with the central banks of all nations directly or indirectly tributary to it.

The mystery of the President's gold hoarding and embargo maneuvers only deepened. It was explained that the maneuver had been necessitated by depreciated foreign currencies. But that statement did not seem consistent because the Democratic leadership was publicly committed to lower tariffs. The effect of the gold-embargo order, depreciating the American dollar on foreign exchange, was to elevate the tariff. Foreign nations, which formerly enjoyed a tariff advantage of 35 to 50 cents off the American dollar, no longer had that advantage, because our dollar was sinking to their level and soon sold at 81 cents, the lowest since 1879, in comparison with the French gold franc. When we went off the gold standard the French 15-percent surtax automatically went into effect overnight against our imports based on our depreciated money.

Mr. President, early in 1932 I had proposed a similar automatic surtax against depreciated foreign currencies, because these currencies were enabling foreign nations to filter through and under our tariff wall with goods paid for in debased foreign moneys. My amendment was defeated. So it could scarcely be said a year later, with any degree of consistency, that the gold-embargo order was necessitated by depreciated foreign currencies. Had the administration desired to lower our tariffs, as pledged in their platform, one of the best ways to have accomplished it without legislation would have been to continue on the gold standard, for with the manipulation of degraded foreign money Europeans, as well as Asiatics, were finding a ready access to our markets, so much so that manufacturers and industrial workers were complaining that they could not operate their plants against such competition.

What, then, was the real reason for the hasty gold-embargo order of April 20? No one knows, except that it was then strongly indicated that those in control of the proposed superbank at Basle, as the prospective citadel of a financial league of nations, had something to do with it. Since all gold has been seized and impounded the United States Treasury has been turning over to the Federal Reserve System all the gold that it legally could, swelling the System's reserves far beyond the normal requirements.

The mystery grew deeper when the President, on May 26, 1933, caused the Congress to enact a joint resolution making all forms of American currency legal tender, whether gold-backed money or greenbacks, and repudiating the gold clause of the United States bonds.

The gold-repudiation resolution had several effects. It affected about $100,000,000,000 of domestic debts that hitherto were required to be paid in gold. It reduced the $11,000,000,000 of foreign war debts owed to the United States, as well as the $15,000,000,000 long- and short-term debts owed by foreign nations to American private financiers, so that, instead of $26,000,000,000, we have reduced the foreign debt to some $15,000,000,000. All these foreign obligations were to be paid in gold, but our Government, by dishonoring its own bonds, opened the way for them to pay in depreciated American currencies.

The basic problem of putting 12,000,000 to 15,000,000 persons back to work remained unchanged, because the administration had avoided a decision on the great major issues, which, until they are decided rightly, cannot restore confidence to informed leaders of American opinion. These issues are the tariff and the war debts. Thus, cancelationists of foreign debts won a partial victory, because our Government accepted defaults or token payments as a prelude to further cancelation of these debts through the medium of silver.

The United States Government had about $11,000,000,000 invested abroad as a result of the war. Private American investors had about $15,000,000,000 invested in foreign lands, making a total of $26,000,000,000. The carrying charge on

these debts amounts to about $1,000,000,000 a year. If that $1,000,000,000 was to be paid us in foreign goods, it meant that the United States must sustain an enormous annual adverse balance of trade.

This was the issue that rocked the London Conference. It is the issue which the administration, as yet, has not mustered up the courage to face, because the administration so far has floundered between a policy of outright protectionism of American industry, which would seem to be demanded by the Gargantuan industrial, agrarian, and transportation machines which the Government is undertaking to manage, and lowered tariffs which would permit our European debtors to pay off at the expense of the American workingman and taxpayer.

There were for a time signs that the administration, confronted by the demand of industrialists, who said they could not run their plants without protection, had veered to protectionism, which has been the historic American bulwark of peace and plenty. The President had the power of embargo. He might have, by virtue of his dictatorship, embargoed each and every foreign product that sought to enter the American market. But for more than a year, and not until Great Britain had set the example, did he choose to exercise that power.

The London Conference of 1933 was adjourned with a fine show of high-sounding platitudes about bilateral, quadrilateral, and multilateral tariff pacts, and universal most-favored-nation treaties, whilst America seemed safe and solid in self-containment and self-contentment behind a sturdy tariff wall.

As to the war debts, they, unfortunately, are still with us. There were three methods whereby our foreign debtors hoped to avoid payment. One was by outright cancelation. The second was by lowering the American tariff, which would mean nothing else than that the debt would be amortized at the expense of the American workingman. The third hope was by manipulation of currency and exchange.

Mr. President, world trade for many years has played a comparatively insignificant part in American prosperity, notwithstanding the school of economic theory, who maintains that world trade represents the difference between prosperity and disaster. The American market, the greatest free-trade area in the world, has always been nine times more important to us than our world trade, for at its peak, in 1929, it amounted to only 10 percent of our national business, and would have been much less than 10 percent but for the fact that foreign buyers were using the money they had borrowed from us.

Charts of the Nation's economy, covering long periods of years, show that when business is good under a high tariff, we actually buy more from Europe, while under a low tariff our domestic trade is reduced or destroyed. For 16 years the American domestic market has averaged a total of $64,000,000,000 a year. Here are the figures:

1909	$28,000,000,000
1914	33,000,000,000
1919	68,000,000,000
1920	74,000,000,000
1921	54,000,000,000
1922	60,000,000,000
1923	71,000,000,000
1924	71,000,000,000
1925	78,000,000,000
1926	80,000,000,000
1927	79,000,000,000
1928	82,000,000,000
1929	85,000,000,000
1930	70,000,000,000
1931	52,000,000,000
1932	45,000,000,000

Mr. President, I wish to insert in the RECORD a tabulation showing the money in circulation outside of the Treasury and Federal Reserve banks in the 5 years ending with 1929, and at certain dates since that year.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TOTAL CURRENCY IN CIRCULATION

June 30, 1925	$4,734,000,000
June 30, 1926	4,835,000,000
June 30, 1927	4,745,000,000
June 30, 1928	4,797,000,000
June 30, 1929	4,746,000,000
June 30, 1930	4,522,000,000
June 30, 1931	4,822,000,000
Dec. 31, 1931	5,646,000,000
June 30, 1932	5,695,000,000
Dec. 31, 1932	5,674,000,000
Jan. 31, 1933	5,644,000,000
Feb. 28, 1933	6,545,000,000
Mar. 8, 1933 (peak)	7,538,000,000
Mar. 31, 1933	6,319,000,000
June 30, 1933	5,720,000,000
Nov. 30, 1933	5,742,000,000
Apr. 30, 1934	5,367,000,000

Mr. HATFIELD. Mr. President. It is interesting to note that less money was in circulation during the 5-year period preceding the depression than in the period following the depression. In fact, the peak was reached March 8, 1933.

In prosperous times trade is carried on by means of bank credit, and not actual currency; but when the banks begin to restrict credit, as always happens in depression periods, currency is taken from the vaults of the banks by depositors and used in commerce and trade when credit is denied. The table I have just had inserted in the RECORD bears out this statement. No matter how much money is placed in circulation, it will flow back into the vaults of the banks and bank checks and bank credit used as a circulating medium. Therefore, what the country needs is not more money in circulation, but a sound currency system which will give confidence to the people, and also an extended bank credit to enable business to develop in a normal way without fear of inflation or any of the unsound theories and experiments that have arisen and have been placed in practice by this administration.

At this point I ask to have inserted in the RECORD a table showing the stocks of money in the United States and the amount in circulation.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Stock of money in United States	In circulation	
		Amount	Per capita
1800	$28,000,000	$25,500,000	$4.99
1860	442,102,000	435,407,000	13.85
1865	1,180,197,000	1,083,541,000	31.18
M'KINLEY PROSPERITY			
1900	2,366,220,000	2,081,231,000	27.28
ROOSEVELT PROSPERITY			
1906	3,109,380,000	2,774,000,000	32.77
TAFT PROSPERITY			
1912	3,701,965,000	3,335,220,000	34.87
WAR PROSPERITY			
1920	8,158,496,000	5,467,589,000	51.39
COOLIDGE PROSPERITY			
1924	8,840,542,000	4,815,208,000	42.64
1928	8,118,091,000	4,796,626,000	39.97
HOOVER PROSPERITY			
1929	8,538,796,000	4,746,297,000	39.06
DEPRESSION			
1930	8,308,564,000	4,521,988,000	36.71
1931	9,079,625,000	4,821,933,000	38.86
1932	9,004,505,000	5,695,171,000	45.63
1933, June	10,078,416,000	5,720,764,000	45.51

NOTE.—A majority of economists agree, and it can be seen from the figures given above, that the amount of money in circulation has very little to do with prosperity. If prosperity depended upon currency in circulation it would be easy to maintain prosperity. More important than the amount is the velocity of the money in circulation. From the per capita figures above it may be noted that the amount for each person did not decrease during depression years, but in fact was above some of the prosperous periods the country enjoyed.

Mr. HATFIELD. Mr. President, at its peak, in 1929, all world trade, which, of course, included our share of it, amounted to no more than $68,000,000,000. It has now shrunk to the pitifully low level of $12,000,000,000, not be-

cause of our high tariff but because American capital has ceased to finance the impoverished exchequers of Europe. They hve been impoverished not so much by the war debts as they have by reason of their excessive expenditures for armaments, which amount, in the case of four leading powers alone, to $2,000,000,000 a year.

Our share of world trade was small because of the American standard of living. If we want to reduce our standard of living to that of Europe and Asia, we can obtain a lion's share of the world trade. By lowering our tariff we could admit a lot of sweat-shop and pauper-wage foreign commodities into our market. To meet such competition American manufacturers would have to slash wages. We do not want to do that, nor would the American people stand for any such course. It was only when they were tortured by the misery of the depression, which partly grew out of the strangulation of European trade by punitive European tariffs, and the impoverishment of war, that our people would consent to or even listen to any appeal for lower tariffs.

While we have reduced the obligations due us by foreigners some $10,000,000,000, we have added this $10,000,000,000 to the backs of American taxpayers. But I fear that the course will now be otherwise, for according to the proposal of Senator PITTMAN at London in 1933, we are to reduce the gold backing of our Federal Reserve currency from 40 to 25 percent and replace the remaining 25 percent of gold with 20 percent of silver. That process, it is estimated, would give American silver producers a subsidy of $250,000,000, or enough to absorb their total output for the next 5 years.

Mr. President, I here ask leave to have printed as a part of my remarks the text of the Senator from Nevada's amazing proposal.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

PITTMAN'S SILVER PROPOSAL

LONDON, June 19.—The text of the resolution dealing with gold and silver presented to a committee of the World Economic Conference today by Senator KEY PITTMAN, of Nevada, follows:

"Whereas confusion exists in the field of international exchange; and

"Whereas it is essential to world recovery that an international monetary standard should be reestablished: Now, therefore, be it

"*Resolved*, That all the nations participating in this conference agree:

"1. That it is in the interests of all concerned that stability in the international monetary field be attained as quickly as practicable.

"2. That gold should be reestablished as the international measure of exchange values.

"3. That the use of gold should be confined to its employment as cover for circulation and as a medium for settling international balances of payment. This means that gold either in coin or bullion will be withdrawn from circulation.

"4. That in order to improve the workings of a future gold standard, a uniform legal minimum gold cover for the currencies of various countries which shall adopt the gold standard shall be established, and that this legal minimum reserve shall be lower than the average of present reserve requirements.

"5. That central banks of various nations be requested to meet at once in order to consider adoption of such a uniform minimum reserve ratio, and that a metal cover of 25 percent be recommended for their consideration.

"And further,

"Whereas silver constitutes an important medium both in international and domestic exchange for a large proportion of the world's population; and

"Whereas the value of this purchasing medium has been impaired by governmental action in the past; and

"Whereas it is necessary that the confidence of the east should be restored in its purchasing medium, which can only be done if the price of silver is restored to an equilibrium with commodity price levels: Now, therefore, be it

"*Resolved*, That—

"1. An agreemnt be sought between the chief silver-producing countries and those countries which are large holders or users of silver to limit arbitrary sales upon the world market.

"2. That all nations agree to prevent further debasement of their subsidiary silver coinages.

"3. That all nations agree to remonetize their subsidiary coinages up to a fineness of at least 800, when, and if consistent with their respective national budget problems.

"4. That it be recommended to central banks that they agree that 80 percent of their metal cover shall be in gold and 20 percent shall be optionally in gold or in silver, provided that silver is obtainable at or below a price to be agreed upon as corresponding to the general commodity price level and that governments agree to modify their respective laws to this effect."

Mr. HATFIELD. The most amazing part of this program as reported is that it is intended to earmark for the Bank of International Settlements at least $425,000,000 of impounded American gold in order that the world bank may issue an international currency. That would be an astonishingly simple way to solve the problem of the war debts and thus refurbish the straitened credit of Europe at the expense of America. We then would be paid with international paper money, backed by $425,000,000 of gold wrested from the American people, who are denied at present the right to possess a single gold coin. The rest of the support for this paper money would be European paper promises, such as we already have and which have been dishonored and repudiated by nearly everyone of the borrowers.

This is feared by many observers to be the true explanation of all the incredible monetary maneuvers of the administration and its necessity for obtaining absolute power over the Nation's gold and the Nation's industrial activities.

Mr. President, there seemingly is abundant proof in the press and in official and semiofficial utterances for the statement that from the beginning the administration has dallied with schemes to link our Federal Reserve Banking System to the Bank for International Settlements at Basel, Switzerland. Should I be in error in this surmise, I should gladly welcome an explanation for the varied monetary maneuvers which, from time to time, have agitated this Nation and, indeed, the whole world for the past year or more.

Mr. President, at this point I desire to insert as part of my remarks some excerpts from official documents, as well as reports from the press in relation to our monetary program.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[From the text of the President's gold-hoarding order of Apr. 5, 1933]

SEC. 2. All persons are hereby required to deliver, on or before May 1, 1933, to a Federal Reserve bank or a branch or agency thereof, or to any member bank of the Federal Reserve System, all gold coin, gold bullion, and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following:

(C) GOLD COIN AND BULLION EARMARKED OR HELD IN TRUST FOR A RECOGNIZED FOREIGN GOVERNMENT OR FOREIGN CENTRAL BANK OR THE BANK FOR INTERNATIONAL SETTLEMENTS

[From the text of the President's Executive order covering the exporting of gold, Apr. 20, 1933]

SECTION 1. Until further order, the earmarking for foreign account and the export of gold coin, gold bullion, or gold certificates from the United States, or any place subject to the jurisdiction thereof are hereby prohibited, except that the Secretary of the Treasury in his discretion and subject to such regulations as he may prescribe, may issue licenses authorizing the export of gold coin and bullion (a) earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.

[From the New York Herald Tribune of Sunday, June 4, 1933]

On March 1, or 2 days before the Nation-wide banking holiday became effective, the monetary gold stock of the United States was $4,344,000,000. But of this amount only $2,892,000,000 was in the possession of the Federal Reserve, the remainder being with the Treasury and with the public. First, the administration took steps to get the public's gold back in the Federal Reserve where it could be used to support the Nation's currency and credit structure, instead of being used by the public as a store of value, and now the Treasury's gold is being herded into the System.

How much has been accomplished in the drive to fortify the Federal Reserve's gold holdings is shown in the fact that on March 1, the Treasury and the public had 33.42 percent of the Nation's gold, while on May 31 they had only 18.74 percent of it. When the gold stocks of this country reached their highest level in history on September 16, 1931, at $5,015,000,000, the Federal Reserve's gold represented only 69.12 percent of the total * * *.

Of the $4,311,000,000 of gold coin and bullion which comprised the monetary gold stock of the United States on April 30, the Treasury held $3,228,770,124; the Federal Reserve, $747,173,509; and the public, $334,823,033. The System, however, was really making use of, and including in its own reserves, most of the gold which was described as held in Treasury. Thus the Treasury held on deposit $1,665,000,000 of the System's gold as reserves against its note issue and deposits.

The Treasury had $1,265,000,000 of gold in trust against a like amount of gold certificates. But, as the Federal Reserve had $942,000,000 of these gold certificates and the public had $323,000,000, the amount of gold immobilized in this connection was only the latter figure. As the gold certificates come back from circulation and find their way to the Federal Reserve, they are included in the System's gold reserves. The amount of gold certificates retired from circulation and added to the System's gold since September 1931 was $714,000,000 at the end of April.

The two other principal amounts of gold held by the Treasury are the $156,039,088, as the prescribed reserve behind the $346,681,016 of greenbacks, and the $1,207,500 Treasury notes of 1890 and the $142,343,151 in its general fund. At the end of April, therefore, the Treasury really had only about $300,000,000 of gold which might be added to the Federal Reserve's holdings. Until there is a change in the law, however, the gold behind the greenbacks could hardly be handed over to the System, and there is a definite limit beyond which the gold in the general fund cannot fall until the law is changed.

Included in the general fund is chiefly the Federal Reserve's gold redemption fund, which must amount to 5 percent of that portion of the System's notes not covered by gold. Often in practice, however, the amount exceeds 5 percent. In May the gold redemption fund declined $18,000,000, but even after that reduction the fund was about $10,000,000 larger than it needed to be. By cutting the fund down and keeping gold rather than currency in the trust funds against national-bank notes, Postal Savings, and Federal Reserve bank notes, the Treasury can contribute importantly to the upbuilding of the System's gold holdings. * * *

The evidence lately afforded that the Treasury is turning in as much of its gold to the Federal Reserve as the law will permit it to do is welcomed in local banking circles as a sign that at last a start is being made toward ending the old cumbersome arrangement of having part of the country's gold with one agency and part with another. * * *

In practically all civilized countries, with the exception of the United States, the bank of issue has the nation's gold and has complete charge of the currency. In this country the Treasury, the Federal Reserve, and the national banks all emit currency.

[From the New York Times of May 5, 1933]

BASEL, SWITZERLAND, May 4.—The abandonment of the gold standard by the United States imperils the position of the two American members of the World Bank Board, Gates W. McGarrah, the president, and his alternate, Leon Fraser. And it raises even more the question of whether the Board's informal decision to elect Mr. Fraser to succeed Mr. McGarrah can be consummated on Monday, the day of the annual bank meeting and triennial election of officers and members of the Board.

The difficult situation originates from the fact that the statutes restrict the Bank's members to countries on the gold standard except the founders—for whom such a restriction was thought superfluous—and the fact that the Hoover administration refused to allow the Federal Reserve to belong to the World Bank.

Washington's attitude resulted in the special provision in the statutes giving the Board the option to elect two American members. The idea, which gained Washington's tacit approval, was to assure at least de facto contact, and Messrs. McGarrah and Fraser, since the election in 1930, have been considered by insiders as the Federal Reserve's representatives.

[From the New York Times of May 9, 1933]

BASEL, May 8.—Unshaken faith in the gold standard and in political and economic, as well as financial, internationalism as one way out of the depression permeated Gates W. McGarrah's third annual report as president of the Bank for International Settlements at the general assembly here this afternoon.

The assembly, comprising the governors of all important central banks in Europe, thereupon, on the proposal of Vilem Pospisil, Governor of the Bank of Czechoslovakia, unanimously approved the Board's July resolution, which affirmed that "the gold standard remains the best available monetary mechanism." The annual report made it clear, however, that the bank was aiming to restore not the old system but a reformed gold standard.

Many took as a commentary on the American attitude toward the gold clause in American loans the passage in Mr. McGarrah's report, saying: "More and more, monetary experiences have demonstrated that the true use of gold in the modern world is to serve as a medium of international payment when exchanges or international balances are adverse", and inviting the central banks to combat the "conception that the gold is properly employable as a store of wealth or that its primary object is to assure internal convertibility of notes so that all who will may hoard gold coin."

[From the joint communique issued by the President and Signor Guido Jung, Italian Minister of Finance, May 6, 1933]

We are in agreement that a fixed measure of exchange values must be reestablished in the world, and we believe that this measure must be gold.

[From the New York Herald Tribune of Sunday, June 4, 1933]

BASEL.—Monetary and economic restrictions increased in 1932. The false dawn of the August pick-up in Wall Street gave place to darkness deeper than ever, which culminated in the complete paralysis of the American banking system and the abandonment of gold by the dollar.

Against this gloomy background of world-wide disaster the Bank for International Settlements' third annual report was written. One of its salient features was that it urged "general restoration of a reformed gold standard without further delay." This appeared less than a month after the United States had left gold.

A "reformed" standard, as the bank sees it, will be one under which will be assured:

1. General redistribution of gold.
2. Lowering of the coverage ratio and abandonment of the use of gold in coinage or to insure internal convertibility of notes.
3. Fuller powers for central banks and greater freedom from internal political pressure.
4. Abandonment of nationalistic fiscal policies.
5. Increased cooperation between central banks based on more complete information on international monetary trends.

[From the New York Times of Sunday, June 4, 1933]

By Edwin L. James

* * * The monetary problem ties up directly to the gold problem. A few countries have 80 percent of the world's gold. The United States and France have over half of it. We have 40 percent backing of our currency, the British have 27 percent, and so on. It is reported that Washington is now considering the possibilities of a greater spread of the world's gold. It has not been stated how Washington thinks this could be worked out. There are obvious difficulties in the way of a creditor nation distributing its gold, since it does not mean to give it away.

The problem naturally recalls the idea of the centralization of the world's gold in one place; for example, the International Bank of Basle, with the issuance of certificates of deposit which could be used as backing for currencies. It is reasoned that in the same way that an ordinary bank can use its deposits several times over in financial or domestic business, so the International Bank could effect a greater use of the world's gold supply in financing currencies of the individual nations and in promoting world trade. There is also the old suggestion of some form of international money to be used in world trade, such money retaining its relation to gold regardless of fluctuations in national moneys.

It is interesting to note that the three great trading countries, Great Britain, the United States, and France, are all committed to gold. Neville Chamberlain said in Commons, Friday, that gold must be the stabilizing standard, and our own money is still legally on a gold basis, since the gold law of 1900 has not been repealed. If these countries can now or later fix a gold relation for their moneys the rest of the world will follow suit.

[From the New York Times of June 2, 1933]

RESPREAD OF GOLD TO BE URGED BY UNITED STATES AT LONDON PARLEY—CENTRAL BANK COOPERATION FOR REDISTRIBUTION IS LIKELY TO BE ASKED—25-PERCENT NOTE COVER ON PLAN—ONE-FIFTH OF METAL VALUE COULD BE IN SILVER—BACKING WOULD BE DROP FOR US—DELEGATES WORK ON SHIP—SECRETARY HULL CALLS MEETING TO ORGANIZE TEAMWORK FOR SPEED IN CONFERENCE NEGOTIATIONS

WASHINGTON, June 1.—Gradual redistribution of the world's gold through the cooperation of central banks and a world-wide 25-percent coverage for currency in circulation probably will be proposed at the London Economic Conference by the United States delegates, it was revealed here today.

Disclosure of the plan was made in conversations of Pedro Torrea, the Chilean delegate to the conference, and Benjamin Torres, the Chilean chargé d'affaires, at the State Department.

It is understood that both President Roosevelt and the State Department have discussed the proposals in some detail with the Chilean representatives. The concentration of 80 percent of the world's gold in five countries is regarded as one of the principal obstacles to the immediate return of a universal free-gold standard.

Of the 25-percent note coverage to be suggested, it is understood, central banks would be authorized to hold one-fifth in silver and the balance in gold.

The 25-percent coverage would be a decrease for the United States, which still maintains a legal 40 percent coverage, but would mean an increase for nearly all other countries. The ultimate disposition of the surplus stock in the Federal Reserve banks, the difference between the present ratio of about 68 percent against notes and deposits and the projected 25-percent ratio, is as yet undefined in the American plan.

At the present time the Federal Reserve System has about $3,300,000,000 worth of notes and bank notes actually in circulation. The told stock on hand, held exclusively against these notes, amounts to about $2,880,000,000. If the 25-percent ratio were adopted by the United States a gold stock of about $826,000,000 would be sufficient for legal coverage, thus presumably releasing $2,000,000,000 to other uses.

Should the silver plan also be adopted, one-fifth of the $826,000,000, about $165,000,000, could be replaced by silver and that amount of gold likewise released.

This theoretical surplus of gold would be predicated on the assumption that no further increase in the note circulation would be authorized. Under the present 40-percent coverage the gold stocks of $2,800,000,000 would permit a note issue of $7,000,000,000. At a 25-percent coverage ratio this amount of gold would protect notes up to more than $11,000,000,000.

The uncertainties contained in the American gold plan, it is thought here, can only be ironed out by international agreement in London. If such agreement is not forthcoming, it is predicted that one of the immediate tasks of the administration will be a final formulation of its monetary policy along strictly nationalistic lines advocated by Assistant Secretary Moley.

[From the New York Herald Tribune of June 4, 1933]

HULL ADVOCATES RESUMPTION OF FOREIGN LOANS—FORMING OF SPECIAL AGENCY TO FLOAT CREDITS SAFELY STUDIED BY DELEGATION

ABOARD S.S. "PRESIDENT ROOSEVELT," (at sea), June 3.—At a press conference today preceding another meeting of the American delegates to the World Economic Conference, Secretary of State Cordell Hull made a plea for resumption of foreign lending by the United States. He admitted that there was some "natural prejudice" in America against foreign loans, but insisted that losses on domestic bonds had exceeded by far the losses on foreign issues.

Secretary Hull hopes to encourage the resumption of international movements of capital through reduction of trade barriers and creation of world confidence by successful action at the economic conference. Formation of a special credit institution to promote the supplying of credit where urgently needed is one plan under study.

It has been suggested that such an institution could be linked with the Bank for International Settlements at Basle, but the world bank's connection with German reparations is a drawback. What governmental support Washington would give to an international credit institution is also questionable, and foreign suggestions of a governmental guaranty of such an institution's borrowings have not been acceptable.

The international credit bank which has been suggested would be designed to restart the world's economic machine by providing initial financing, contingent upon progress at the economic conference in the direction of reducing impediments to trade.

"Of the $17,000,000,000 of American foreign loans", Secretary Hull said today, "the losses in the depths of the panic were $9,000,000,000. At least $50,000,000,000 of domestic paper in the form of securities were issued with only water behind them and based on no physical values. Sound loans anywhere would be beneficial on the part of a country with large surpluses."

Mr. HATFIELD. Mr. President, I ask that as part of my remarks, the text of the silver treaty, which the Senator from Nevada [Mr. PITTMAN] brought back from London, be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The silver treaty is as follows:

TEXT OF SILVER AGREEMENT

LONDON, July 22.—The text of the agreement on monetary silver, signed tonight by eight nations attending the World Economic Conference, is as follows:

Memorandum of agreement entered into by the delegates of India, China, and Spain as holders of large stocks or users of silver and of Australia, Canada, the United States, Mexico, and Peru as the principal producers of silver at the Monetary and Economic Conference held in London, July 1933.

Whereas at the meeting of subcommission 2 (permanent measures) of the Monetary and Financial Commission of the Monetary and Economic Conference held Thursday, July 20, 1933, the following resolution was unanimously adopted:

"*Be it resolved to recommend to all governments parties to this conference*—

"A. That agreement be sought between the chief silver-producing countries and those countries which are the largest holders or users of silver with a view to mitigating the fluctuations in the price of silver, and that other nations not parties to this agreement should refrain from measures which could appreciably affect the silver market;

"B. That governments parties to this conference shall refrain from new legislative measures which would involve further debasement of their silver coinage below a fineness of 800/1000;

"C. That they shall substitute silver coins for low-value paper currency insofar as the budgetary and local conditions of each country will permit;

"D. That all provisions of this resolution are subject to the following exceptions and limitations;

"Requirements that such provisions shall lapse April 1, 1934, if the agreement recommended in paragraph A does not come into force by that date; and in no case shall they extend beyond January 1, 1938;

"The governments may take any action relative to their silver coinage they deem necessary to prevent the flight or destruction of their silver coinage by reason of the rise in the bullion price of silver content in their coin above the normal or parity value of such silver coin; and

"Whereas the Governments of India and Spain may desire to sell a certain portion of their silver holdings, and it would be to their advantage that of the countries which are large producers of silver should absorb silver as herein provided to offset such sales; and

"Whereas it is to the advantage of the large producing countries named in article II (Australia, Canada, the United States, Mexico, and Peru) that the monetary sales of silver from monetary stocks should be limited as herein provided; and

"Whereas it is to the advantage of China that the sales from monetary stocks of silver be offset by the purchases as herein provided with a view to its effective stabilization;

"Now, therefore, it is agreed between the parties hereto:

"A. That the Government of India shall not dispose by sale of more than 140,000,000 fine ounces of silver during the period of 4 years commencing January 1, 1934. Disposals during each calendar year of the said 4-year period shall be based on an average of 35,000,000 fine ounces per year, it being understood, however, that if any year the Government of India shall not dispose of 35,000,000 fine ounces the difference between the amount actually disposed of and 35,000,000 fine ounces may be added as additional disposals in subsequent years.

"Provided further that the maximum amount disposed of in any year shall be limited to 50,000,000 fine ounces.

"B. Notwithstanding anything previously stated in this article, it is understood that if the Government of India should after the date of this agreement sell silver to any government for the purpose of transfer to the United States Government in payment of war debts, such silver shall be excluded from the scope of this agreement.

"C. Provided, however, that when the total of disposals referred to in paragraph A, above, plus the sales referred to in paragraph B above by the Government of India under this agreement shall amount to 175,000,000 fine ounces, the obligation of the parties hereto shall cease.

"II

"That the Governments of Australia, Canada, the United States, Mexico, and Peru during the existence of this agreement shall not sell any silver and shall also in the aggregate purchase or otherwise arrange for the withdrawing from the market 35,000,000 fine ounces of silver from the mine production of such countries in each calendar year for the period of 4 years commencing with the calendar year 1934. Said governments undertake to settle by agreement the share in said 35,000,000 fine ounces which each of them shall purchase or cause to be withdrawn.

"III

"That the silver purchased and withdrawn in accordance with article II above shall be used for currency purposes (either for coinage or for currency reserves) or be otherwise retained from sale during the said period of 4 years.

"IV

"That the Government of China shall not sell silver resulting from demonetized coins for a period of 4 calendar years commencing January 1, 1934.

"V

"That the Government of Spain shall not dispose by sale of more than 20,000,000 fine ounces of silver during the period of 4 years commencing January 1, 1934.

"Disposals during each calendar year of the said 4-year period shall be based on the average of 5,000,000 fine ounces per year; it being understood, however, that if, in any year, the Government of Spain shall not dispose of 5,000,000 fine ounces, the difference between the amount actually disposed of and 5,000,000 fine ounces may be added as additional disposals in subsequent years; provided further, that the maximum amount to be disposed of in any year shall be limited to 7,000,000 fine ounces.

"VI

"That the governments concerned will exchange all such information as may be necessary with regard to measures to fulfill the provisions of this memorandum of agreement.

"VII

"That it is understood that, subject to the provisions of article VIII, the undertakings of each party to the present memorandum are conditional upon the fulfillment of the undertakings of every other party thereto.

"VIII

"That this memorandum of agreement is subject to ratification by the governments concerned. Instruments of ratification shall be deposited not later than April 1, 1934, with the Government of the United States. It shall come into force as soon as the ratifications of all the governments concerned are received before April 1, 1934.

"Notice by any government that affirmative action necessary to carry out the purposes of this agreement has been taken will be accepted as an instrument of ratification. Nevertheless, if one or more of the governments enumerated in article II fail to ratify by April 1, 1934, the agreement shall come into force at that date if other governments mentioned in article II which have ratified notify the other governments which ratify that they are prepared to purchase or cause to be withdrawn an aggregate amount of silver mentioned in article II.

"The Government of the United States is requested to take such steps as may be necessary for the purpose of the conclusion of this agreement."

In witness whereof, the undersigned have signed the present memorandum of agreement. Done at London this 22d day of July 1933 in a single copy, which shall be deposited in the archives of the Government of the United States.

S. M. BRUCH, *Australia.*
EDGAR N. RHODES, *Canada.*
W. W. YEN, *China.*
KEY PITTMAN, *United States.*
GEORGE SCHUSTER, *India.*
EDUARDO SAUREZ, *Mexico.*
F. TUDELA, *Peru.*
L. NICOLAU D'OLIVIER, *Spain.*

Mr. HATFIELD. Mr. President, more significant, perhaps, than any of the foregoing items may be the following dispatch from London by the Associated Press dated July 27, 1933:

COX SEES BIG ROLE FOR WORLD BANK—CALLS INSTITUTION VALUABLE MEANS FOR DEALING WITH INTERNATIONAL DEBTS

LONDON, July 27.—The Bank for International Settlements was upheld by James M. Cox, of Ohio, in a final address at the plenary session of the World Economic Conference today as providing a valuable means of dealing with the problem of international indebtedness and future extension of international credits.

Speaking as the president of the conference's monetary commission, the former Ohio Governor said that "We can easily foresee an entirely new order created by the Bank for International Settlements", which is in Basel, Switzerland.

"Of course, it can have no arbitrary powers in these matters", Mr. Cox said. "Its services are simply available if desired. If credits are to flow only to sound bases, the ultimate interests of the debtor will be advanced and unsound loans will be an exception. * * *"

No detailed outline of the part the Bank for International Settlements may play was given by Mr. Cox, but he said it would be an instrument of great value, and "It is my opinion that the Bank for International Settlements will, through its close contacts, give just the service necessary to keep the matter moving to a constantly improving status."

Mr. President, there is no need for me to dwell on the predilection of Mr. Cox for international alliances and entanglements. It is a matter of history that Mr. Cox, as the Democratic candidate for the Presidency, went before the Nation in 1920 and championed the cause of the League of Nations. Hence it is in no way surprising that Mr. Cox reappears as the apostle of closer financial relations with the so-called "World Bank" at Basel, which, if not an adjunct of the League of Nations, is at present dominated by the same international group that dominates the League of Nations.

The question here is, Has the World Bank—as Mr. Cox suggested—"kept the matter moving to a constantly improving status", so that with but little information given to the rank and file of the American people we are now on the verge of entering upon a financial league of nations susceptible of a havoc almost as great as that which actual entry into the League would entail to the United States?

I do not profess to forecast the financial horoscope of an administration whose monetary policy seems to shift with each veering wind in the world commercial picture. But it is clear that the Senator from Nevada is still dangling before our eyes the picture of a redistribution or, better said, the "central control" of the world's gold, and presumably of the world's silver, for a few days ago—May 22, 1934, page 9215, CONGRESSIONAL RECORD—in this Chamber Senator PITTMAN informed us:

Mr. PITTMAN. There is the problem of gold redistribution which, of course, is in the mind of everyone. Exactly when that will be worked out so that it will be safe to part with the gold, and it will be known that there will be no danger of loss, the redistribution of gold must take place, and in connection with that redistribution there must then be more or less a redistribution of silver. It is totally impossible for us now, at least for me, to visualize ahead what may happen to both gold and silver in the next few years; but the purpose or intent of the President is clearly in mind, and I think no one whatever doubts it.

As to the purpose of the President that we may assume, I suppose, was indicated in his statement to the Congress of that same day—May 22:

However, because of the great world supply of silver and its use in varying forms by the world's population, concerted action by all nations, or at least a large group of nations, is necessary if a permanent measure of value, including both gold and silver, is eventually to be made a world standard.

To arrive at this point we must seek every possibility for world agreement, although it may turn out that this Nation will ultimately have to take such independent action on this phase of the matter as its interests require.

The success of the London Conference in consummating an international agreement on silver which has now been ratified by all the governments concerned makes such further agreement worth seeking * * *. Accordingly, I have begun to confer with some of our neighbors in regard to the use of both silver and gold, preferably on a coordinate basis, as a standard of monetary value.

Such an agreement would constitute an important step forward toward a monetary unit of value more equitable and stable in its purchasing and debt-paying power.

Mr. President, it will be recalled that the World Trade Conference in London in 1933 was wrecked on the so-called "question of de facto" currency stabilization. Nowhere have I seen the underlying issues stated more clearly than they were by President Albert Lebrun, of France, on July 2 of that year. I quote him:

France is maintaining that the determining element in a return to normal life lies in a reestablishment of confidence and security in all domains, political, economic, monetary, and social.

This self-evident truth must be admitted: That stability of money, which is a common element in human transactions, is imperiously necessary. But how can contracts be made and engagements signed on a monetary basis that varies with events and speculations? To speak of tariff adjustments while moneys are variable is pure Utopia. Those nations with stabilizing currencies cannot accept such projects.

The rise in prices that is sought would necessarily follow the organization of production. It is not certain that it can be brought about by those artificial measures that some recommend despite the disaster of recent experience, such as monetary devalorization, inflation of credits, and exaggerated international loans.

Mr. President, that was the picture as drawn by the distinguished Frenchman a year ago, on the eve of the dramatic break-up of the London Conference. Since then we have devalued our gold dollar, but the great predicted stimulation of exports and increase in prices of farm products has not followed. Now, seemingly, we are preparing to return to a modified, reformed, or some sort of gold standard.

In order, however, to complete our review of the monetary events of the last year, it is necessary to advert to the RECORD, briefly. On May 16, 1933, the President sent to the assembling 54 nations at London the following message:

The World Economic Conference will meet soon and must come to conclusions quickly. The world cannot await deliberations long drawn out. The conference must establish order in place of the present chaos by a stabilization of currencies, by freeing the flow of world trade, and by international action to raise the price levels. It must, in short, supplement individual domestic programs for economic recovery by wise and considered international action.

However, on July 3, 1933, after the conference had collapsed, the President sent this message:

So, too, old fetishes of so-called "international bankers" are being replaced by efforts to plan national currencies with the objective of giving to those currencies a continuing purchasing power which does not greatly vary in terms of the commodities and needs of modern civilization.

Let us be frank in saying that the United States seeks the kind of dollar which a generation hence will have the same purchasing power and debt-paying power as the dollar value we hope to attain in the near future. That objective means more to the good of other nations than a fixed ratio for a month or two in terms of the pound or franc.

Our broad purpose is permanent stabilization of every nation's currency—

And so forth.

Mr. President, I shall not venture to place my own interpretation upon the foregoing seemingly conflicting utterances of the Chief Executive with regard to the somewhat disconcerting events at London. We read, however, amidst contemporaneous comment, the following editorial from the New York Times of July 4, 1933:

A CONFUSING STATEMENT

President Roosevelt's latest message to and about the World Economic Conference leaves behind it a trail of guesses. No one at London, not even in the American delegation, appears to know exactly what the President meant and intends.

He speaks of the catastrophe amounting to a world tragedy which would be involved in having the world conference turn from its real purposes in order to take up proposals about the monetary exchange of a few nations only.

But who put the questions of foreign exchange and currency stabilization in the forefront of the program for the conference? President Roosevelt himself. It was the very first item on the list when he appealed to the governments on May 16 (1933) to bring about conclusion at London quickly.

He then definitely declared "the conference must establish order in place of the present chaos by a stabilization of currencies."

It must naturally puzzle somewhat the untutored minds of Europeans to find Mr. Roosevelt now speaking of his own proposal, less than 2 months ago, as among the fetishes of the so-called "international bankers.'"

Mr. President, I venture the remark that the confusion over the American monetary policy, to which the editor of the Times so pointedly alludes, is still existent in the minds of many people.

Notwithstanding the unhappy denouement of the London Conference, we are now being asked to proceed upon another foreign adventure in currency stabilization.

In order to prepare the way for that stabilization, the President and the Senator from Nevada [Mr. PITTMAN] ask us to consent to the admission of more silver into our monetary reserves, with no indication whatever, so far as I know, as to whether or not we are to embark on a policy of bimetallism.

Of course, under the Thomas amendment, the President at any time may proclaim and promulgate, by a mere executive edict, a fixed ratio between gold and silver.

I believe, Mr. President, I have conservatively depicted a background for all these monetary maneuvers, both in the domestic and the foreign field—one that should make us pause for reflection.

If, as would seem indicated, we are to be invited to join a financial league of nations, pledging American gold and American silver to support a hodge-podge of foreign currencies of all nations on the face of the globe; if we are to be asked to link ourselves with the World Bank for International Settlements, at Basle, then I think that in all fairness and justice, the Senate of the United States ought to be informed of what is going on and what is intended before we pass this legislation.

Formerly it was the duty of the Congress to coin money and fix the value thereof. Indeed, it is my modest opinion that we shall never attain our former state of prosperity until we do return to the gold standard, and by that I mean the issuance of gold-backed notes that are redeemable at the holder's wish.

If our gold reserve is to be earmarked or impounded for the account of the world bank at Basle, I think that we ought to be frankly and promptly informed of that fact.

We hear it remarked on every side that the hand of the average American is denied the right to touch a single gold eagle; that gold must be reserved as bullion for use of international bank and bankers, for the settlement of international trade balances; and, indeed, that silver must be added to this enormous stock of metal so that whatever international paper currency may be based on this international pool will circulate in the United States, in China, India, and South America, as well as in the treasuries of Europe.

What a fantasy. Mr. President, did we learn no lesson whatever from the League of Nations? When that magnificent international dream proved illusory, what can we expect from such a plan as this?

Mr. President, in my opinion, should the United States Government ever consent to any formal connection with the world bank, by pledging our financial reserves, either by earmarking or actual impoundment, it would open up a siphon for American money flowing to Europe, such as we could never stop.

At the very least, it would seem that the Senate is entitled to some explanation of what is going on behind the scenes in the way of further international compacts before we again delegate our constitutional obligation and responsibility to the executive branch of our Government.

Now, that Congress has delegated tariff responsibility to the President, and is about to delegate additional monetary power also to him, we have a dictatorship conclusive and complete over American commerce and trade and the destiny of the American people.

Mr. THOMAS of Oklahoma. Mr. President, I suggest the absence of a quorum and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Brown	Copeland	Frazier
Ashurst	Bulkley	Costigan	George
Austin	Bulow	Couzens	Gibson
Bachman	Byrd	Cutting	Glass
Bailey	Byrnes	Davis	Goldsborough
Bankhead	Capper	Dickinson	Gore
Barbour	Caraway	Dill	Hale
Barkley	Carey	Duffy	Harrison
Black	Clark	Erickson	Hastings
Bone	Connally	Fess	Hatch
Borah	Coolidge	Fletcher	Hatfield
Hayden	McGill	Patterson	Stephens
Hebert	McKellar	Pittman	Thomas, Okla.
Johnson	McNary	Reynolds	Thomas, Utah
Kean	Metcalf	Robinson, Ark.	Thompson
King	Murphy	Robinson, Ind.	Townsend
La Follette	Neely	Russell	Tydings
Lewis	Norbeck	Schall	Wagner
Logan	Norris	Sheppard	Walcott
Lonergan	Nye	Shipstead	Walsh
Long	O'Mahoney	Smith	Wheeler
McCarran	Overton	Steiwer	White

The PRESIDING OFFICER. Eighty-eight Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. McNARY. Mr. President, under the arrangement, the Senator from Idaho [Mr. BORAH] was to speak for an indefinite time, to be arranged later.

Mr. BORAH. Mr. President, the debate on this bill has taken a wider range by far than the bill itself might justify. I hope later to have something to say as to my view of the effect of the measure itself, but I desire at the present time to offer some observations touching the general subject of silver, particularly as it affects trade.

It may be, Mr. President, that the Senator from Ohio and others who share his opinion are correct as to their view as to silver, that the solution of our monetary problem does not lie in that direction. That is not my view; but, nevertheless, I am willing to concede, for the purpose of the argument, for the time being, that that view is sound. I ask those, however, who say that the solution does not lie in that direction to consider the question, Where does the solution lie? I do not think that anyone can satisfy himself that the solution lies in the restoration of the gold standard as it existed prior to the World War. There must be some other solution than that. We have had until lately the single gold standard for nearly a century and the results are all about us.

It is estimated at the present time that the indebtedness of the United States is $210,000,000,000. It is estimated that the world's indebtedness is something over $400,000,000,000. This increase in debt has been accumulating for the last 75 years particularly, and to some extent during the last 100 years.

It is now estimated that our taxes have during the last quarter of a century increased by something like 300 percent, and we are fast moving to the point, so it is estimated, where the national income will be exceeded by the national outlay.

It is also stated, upon good authority, that at the present time 4 percent of the people of the United States own 80 percent of its wealth. That same ratio obtains in all leading countries. This is not the result of the last 25 years; this is the result, as shown by facts and figures, of the drift of the last 75 or 100 years.

At the present time it is also stated, upon authority that seems reliable, that 80 percent of the people of the world are living below the poverty line. That is not a result of the World War alone; that is a condition which has been accumulating and growing for the last 100 years.

Forty million people of the United States would now be close to hunger and want if it were not for the hand of charity. At the present time there is unrest in almost every quarter of the globe, manifested by strikes, protests in different ways, and it cannot be said that there is now anything like rest or contentment or even hope among the great body and masses of the people.

Nevertheless, Mr. President, and notwithstanding these facts and figures, the earth has continued to be bountiful, and we have more of the things that people need in the way of food and clothing than at any other time in the history of the world. At the present time food production and the production of clothes and other necessaries of life have lagged behind very little compared to the most prosperous days; but in the midst of that condition of plenty there are hunger and nakedness and despair, insanity, and suicide, as a result of the conditions which confront us. If I thought that situation was the result of the World War, I would take an entirely different view of the outlook, but I know from history, from facts, and from figures that it is a condition which has been growing for the past hundred years. Gradually wealth is passing into the hands of a very few people; the great body and masses of the people are living upon a lower line. This is due to a fundamental trend. I know of no factor so dominant in creating such a trend as the monetary systems of the world.

Owen D. Young, speaking a few nights ago before the students of the University of Nebraska, delivered what seemed to me to be a very remarkable address, one which we can all read with benefit. He said in this address that our laws, our banking system, and, by inference, our monetary system had not kept pace with the other developments of the world.

There is a strong belief among the leaders in all lines of thought that in some way there must be found a different system from that which now prevails. In my opinion, the present conditions of the world are due to two great contributing causes, the single gold standard and war. I think the single gold standard has worked from the beginning for the concentration of wealth, for the impoverishment of the masses, for the enrichment of the few. These things were accentuated by war, particularly the World War; but whether war is in progress or whether war is at an end, that trend and that tendency go on apace. For more than a hundred years there has prevailed a system of restriction as to money.

In 1816 Great Britain established a single gold standard. There has been a difference of view as to why Great Britain established the single gold standard. It does not seem to me there need be very much dispute about it. Her able statesmen declared the purpose at the time. They were interested in buying raw materials, and they desired cheap raw materials. They were preparing to become the creditor nation of the world, and they were interested in the augmentation of the values of securities. Therefore, they adopted a policy, with reference to the monetary system of Great Britain, which would have the direct effect of accomplishing those two ends. It was the first great step in this policy of restriction of making primary money scarce.

In 1871 Germany followed in the establishment of the single gold standard. She had for years been using the gold and silver standard; but after the war with France, in which a tribute of some billion dollars was laid upon France, it seemed to be to the interest of Germany to increase the value of her tribute, and she adopted the single gold standard, demonetizing silver, another effort to make money scarce in order to augment the value of a certain kind of wealth.

After the Civil War, men who had purchased the bonds during the war for 50 to 60 cents on the dollar came to the conclusion that they desired to have them paid in specie, and it was so provided. Thaddeus Stevens denounced it as a crime against the people of the United States. But not satisfied with that, in 1873 the purchasers of those bonds became interested in having them paid in gold alone, and silver was demonetized in the United States. Since that time the world has practically been upon a single gold standard.

Mr. President, beginning with 1816 the conditions which we now have begun to disclose in a limited way, growing with the years until today, as I said a moment ago, about 4 percent of the people of the world own 80 percent of its wealth, and 80 percent of the people of the world are living below the poverty line.

It may be that silver is not the solution of the problem, but is anyone prepared to face the future in view of what has happened in the past hundred years with the single gold standard? With $210,000,000,000 of national and private indebtedness, 70 percent of which is payable in gold, with $400,000,000,000 of indebtedness of the world, 60 percent at least of which is payable in gold, with $11,500,000,000 or $12,000,000,000 of gold upon which to base the monetary system, does anyone believe we can administer the governments of the world with a monetary system based upon gold?

It has been said that the bill now before us will not solve the problem.

Mr. President, let us move away today from those who it is claimed may be interested for selfish reasons and take the view, the arguments, and the reasons of those who are wholly disconnected with the production of silver. Let us view it from the standpoint of world trade and of the conditions which confront the Occident in its present contest with the Orient in the production of the things in which the world now needs. I want as a text to read a single sentence from a statement made by the President on January 15, 1934. Speaking of silver he said:

> It is such a crucial factor in so much of the world's international trade that it cannot be neglected.

Silver is a crucial factor in the world's international trade. So long as it is used by people in the Orient who now use it even at its degraded value, it becomes an important and determining factor in the contest between the Orient and the Occident with reference to trade. I have no doubt that the President in considering the silver question was considering it as a factor, as he said, in the matter of international trade.

I read a paragraph from the Journal of the Chamber of Commerce of London upon the same subject:

> In the April issue of this journal last year the view expressed by the London Times was reaffirmed, "that there is no way out of the crisis under the present monetary system, and that the sooner this is recognized the less avoidable misery there will be." It is anticipated that it will probably be necessary to say it again in the April issue of next year, but thereafter it will not be necessary, because the process of disintegration will by that time have gone so far that even the most obstinately blind will be forced to see it, and the man who advocated a return to the gold standard would probably be treated as a museum piece. He would be regarded as on a par with the man who inveighed against the internal-combustion engine and expatiated upon the greater advantages of the dear old donkey cart.
>
> What would the average manufacturer do if he were told that, however large his daily output might be, those who had the sole monopoly of the means of transport were unable to supply him with more than a dozen donkey carts per day in which to transport his products? Further, that they would rather see him and all his employees die of starvation than allow him to use such thoroughly unsound and dangerous new contraptions as railway wagons? And yet this is exactly the ludicrous cause of the world's miseries at the present time.
>
> It is evident that all that human beings need are food, clothes, houses, motor cars, ships, etc., and that real wealth consists in the ability to produce and enjoy these things; that these things are or could be available in vast abundance, but that, instead of men being able to enjoy them in increasing measure, the contrary is, in fact, the case.
>
> The reason for this is that a decreasing number of people are being given the tokens (money) with which to claim this abundance, although money, qua money, is worth nothing and has for the last 20 years been created by the banks in this country by the simple process of writing figures in books and lending the result at interest. * * *
>
> Only by a sane monetary system, nationally and internationally, will it be possible to solve this and the other problems which are now exercising the minds of all thinking men, and to eliminate such scandals as the destruction of food whilst people starve—scandals which have shocked the conscience of mankind.

Truly so, Mr. President. As a solution of the awful conditions which now confronts us it is proposed to continue to reduce production, to destroy food, instead of providing a means, a method, a medium of exchange by which to transfer it from those who have it to those who are hungering for it.

This is a statement from the Chamber of Commerce of London.

Sir Henry Deterding said some days ago:

> We are passing through a period during which the public, treating the most important features with the utmost superficiality, is unfortunately far too ready to take the easiest explanation as a true reflection of the position.

Everywhere one hears people talking about overproduction, while after taking only a little bit of trouble and examining facts it is more than clear that what is considered to be overproduction is not only underconsumption but a "manufactured" underconsumption; and, further, it is a fact that those who for selfish purposes created this are the loudest in supporting and spreading the cry of overproduction, and (consequently) in calling for a restriction of production.

Sir Henry Deterding enters upon a discussion of the silver question, of the necessity for restoring silver in order to restore and help build up world trade.

Let me call attention to the fact that we are now about to engage in a search for world trade, to build up world trade. Where are we going to find the world trade? We are not going to get very much from Great Britain, certainly not for our farmers, because the brilliant gentleman who is at the head of that department in England said a few days ago that he was going to ask even Australia and Canada to cease sending their farm products to England, as he was engaged in building up the agricultural interests of England. We are not going to get it from France. We are not going to get it from Germany. The demand for the things which we have lies in that region of the world where over half the human race reside, where they have no medium of exchange, no means of measuring their debts and credits. If we are ever to find world trade of moment, we must find it after purchasing power has been restored to more than one-half the human race. We shall find it, not in England or Germany or in France but, as Sir Henry Deterding says, in these regions of the world where more than half the human family live, and where the greed of the moneyed interests of the world has destroyed the only medium of exchange which they have.

Something was said by the able Senator from Ohio [Mr. FESS] in regard to India. I desire to read from the Daily Gazette, published in India, a statement from Sir Montague Webb. It seems that he had sent a telegram to the President of the United States stating that the people of India were in favor of restoring silver as legal-tender money. He was asked:

Why are you approaching President Roosevelt direct at this particular moment?

Said he:

Because the general level of prices is once more dropping, both in the United Kingdom and India—

And, except where artificially sustained, in the United States. The price level is again on the downward trend practically all throughout the civilized world—in India, in Great Britain, in the United States—except where it is sustained by artificial means—

and Government appears to be taking no action whatever to save the situation except calling local conferences, talking about "planning", and importing a marketing expert, all of which involve a sheer waste of money, without the slightest chance of raising prices and encouraging a return of prosperity. Only reopened mints through which the public can obtain purchasing tools without having to borrow and pay interest on them can save the situation now.

* * * * * * *

England has defaulted in its annual debt payment to the United States of America, and Mr. Chamberlain has the hardihood to tell world audiences * * * that he has produced an admirable return-to-prosperity budget! But what England and France and Germany have done other countries, including India, and many private businesses and individuals will be forced to do, unless Government wakes up and saves the situation by remonetizing silver. If all-round repudiation of debt is the road to prosperity, then we are on that road now, and God help the bankers! Surely raising world prices by remonetizing silver would be a far better road. Then let us take it.

But we are told, Mr. President, when these conditions are presented and these facts and figures are at hand, that we do not need more money; all we need is confidence. I notice that the bankers in Indiana met the other day; they recognized the condition in the United States—the overindebtedness, the unemployment, the stagnation of business—but they said, "What we want is not more money but confidence."

It is a grim piece of humor when the bankers meet and say that what we want is confidence. We might just as well say to a man who is out on a raft in the ocean, which a storm is breaking up hour by hour, "What you need is not a means of transportation back to the land but confidence", as to say, "What you need is not a medium of exchange but confidence."

Confidence can never be restored so long as commodity prices are continually falling. If there is anything that destroys faith, confidence, and hope, it is the constant sliding down of the prices of commodities throughout a country or throughout the world. How can we stop the fall of prices except by enlarging the amount of primary money in the volume of circulation?

The Senator from Ohio [Mr. FESS] spoke the other day about 1896 and about what brought back prosperity. I have been looking at some figures, and I find that immediately following the depression of 1896 we imported from Alaska something like $300,000,000 of gold. We were at that time selling to Russia, and immediately thereafter we imported from Russia on the basis of our exports something like $300,000,000 of gold. In other words, we increased the primary money of the country to the extent of some $600,000,000 in a very short time. It was as a result of that increase that prices began to go up, commodity prices began to rise; and as soon as they do begin to go up, as soon as they do begin to rise, that gives confidence. That causes men to make long-time contracts. That gives hope; that gives faith; and it is the only thing that will give it.

It is all right to appropriate large sums of money to keep people from starving. There can be no criticism of it; but every man knows that so long as we have to take care of our people by appropriations out of the Public Treasury it is dangerous to engage in long-time business contracts. The only thing which would justify the hope or the faith which leads to long-time contracts, to building, to improvements, and so forth, is when people see the price of commodities rise.

I ask Senators who are present to tell me a single instance in which a great world depression resulted from the fall of commodity prices where that depression was cured or that price fall was arrested in any other way than by increasing the volume of the circulating medium.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER (Mr. OVERTON in the chair). Does the Senator from Idaho yield to the Senator from Florida?

Mr. BORAH. I yield.

Mr. FLETCHER. Perhaps the bankers have the idea, which is no doubt very well founded; that the banks are full of money; that there is plenty of money in the country; that there is plenty of credit in the country; and their thought is that, by increasing the supply of money, we do not necessarily decrease the commodity prices, because they say there is plenty of money here now. That is their argument—that the banks are full of money.

Mr. BORAH. Of course, if all the wealth of the world were coined into dollars and cents, and were buried in some cellar, it would not do the people of the world any good, and it might be just as well buried in a cellar as to be buried in the vaults of banks if the banks are afraid to put it out.

Mr. President, one of the most startling things in the world of trade today is the extent to which the Orient is invading the Occident with its goods, its products, its manufactured stuff. In London, in the United States, in Italy, and throughout the world they are now invading the occidental markets in such a way that it is almost impossible to meet the competition, even by embargo tariffs. The difference between the cost of production in the Occident and in the Orient, owing to cheap labor and to cheap silver in the latter, is something like 300 percent.

Suppose we raise tariffs 50 percent; what protection is afforded against the manufacture which comes in at a cost of production one-third of the cost of production in the Occident?

I noticed yesterday in the New York Times, in the financial section of the paper, this statement:

For the first time in history the western world is keenly feeling the industrial competition from the Far East. This competition, according to those who have made a close study of the situation,

reflects lower production costs in the Far East due to a lower wage scale, comparable mechanization which has been imported from the occidental nations, and the low price for silver and the Japanese yen, which because of the proximity of Japan to China and other silver countries, is closely wedded to silver.

In an effort to throttle this competition virtually all of the important industrial nations of Europe and the United States have raised their tariff barriers against goods produced in the Orient. Only recently England took steps in that direction which had been preceded by the United States and Germany. While the raising of tariff barriers has been reasonably effective in keeping Japanese and Chinese manufactured articles out of the countries which have taken this step, the result has been that these goods have found a market in other countries formerly supplied with these articles by the occidental nations.

Because of this condition the raising of tariff barriers does not solve the question.

Mr. President, at the present time we are having great difficulty with cotton manufactures of the United States. A few days ago the cotton manufacturers averted a strike. They are living on the ragged edge of bankruptcy. That is true in India, it is true in Lancashire, England, while the cotton manufacturers of Shanghai, of China, and of Japan are paying in some instances 25-percent dividends upon their stock.

What are we to do about it? Are we to continue to leave them in possession of a cheap money, which, together with the cheap labor, makes tariff legislation perfectly futile? I ask those who are interested in cotton manufacturers in the United States how they are going to meet that competition.

I might take any one of a dozen other articles, so far as that is concerned, as to which the same competition exists and the same success in taking away the markets of these occidental countries prevails. Unless we are prepared to cease our activities along certain lines and give over the markets to these people, we must necessarily meet the difficulty by dealing with the monetary question. It was for that reason that the President of the United States said upon the 15th day of January that the silver problem is a controlling problem in international trade.

It was said a few nights ago by the distinguished Secretary of the Treasury under Mr. Hoover's administration that we should return to the gold standard. Return to the gold standard and further appreciate the purchasing power of gold? Return to the gold standard and leave the oriental countries in absolute control of a great number of manufactures which employ millions of people in the United States, Great Britain, and Italy?

To enlarge or deepen our unemployment problem, no more successful way could be found than to return to the gold standard, appreciate the purchasing power of gold, leave silver at its low ebb, and, with cheap labor and cheap silver, the oriental countries will take possession of the markets of the Occident.

Mr. President, I was told recently by a gentleman who had been traveling in England of instance after instance in London where he witnessed the fact that Japanese goods were pushing the goods of Great Britain out of the windows of the stores. Are we prepared to meet that, or are we content to let it go forward?

Mr. President, let us disregard for a few moments the silver producers of the West, and the fact that some miner in the West might reap some benefit from this proposition, and let us view the larger question; that is, how the Occident is going to compete with the Orient in further world trade. Where are we to get the world trade for which we are searching?

Mr. President, I referred briefly to Mr. Montague Webb's study of India, which he denominates "India's Plight." I wish to read a paragraph or two from that statement. Mr. Webb has given years and years of his life to a study of the India question in connection with silver. He reviews at length the condition among the India people, the universal distress and misery which prevail, which have deepened and accentuated during the last few years. He gives facts and figures which I suspect are not subject to controversy. He states:

Be the first and secondary causes of the present catastrophe what they may, the widespread loss of confidence and shrinkage of trade are directly caused by falling prices. And falling prices are the direct consequence of the policy of monetary restriction initiated in London in 1918–19, and extended from London, through the agency of the bankers, to all parts of the British Empire, and of the world.

Then he quotes from Mr. Arthur Kitson, who criticized the action of the British bankers at the time in restricting money. He said:

To forcibly control the currency, as suggested by the committee (the Cunliffe committee) will check production, destroy confidence, render reconstruction undertakings difficult if not impossible, and probably lead the way to very serious social and political disorder.

To restrict currency is to point the way to madness.

That took place in 1919, when the London bankers began their system of restriction of money in an effort to accomplish one of their purposes, force India on the gold standard, demonetize silver, and destroy the rupee.

I can understand those who believe that the gold standard is better for the United States or Great Britain or Germany. I can appreciate the fact that if we had from eleven and a half to twelve million dollars of gold and could properly distribute it, it might be sufficient to take care of those countries. But to take from the 300,000,000 people in India, 400,000,000 people in China, and some 250,000,000 people in other parts of the world similarly situated, who have no gold, can secure no gold, who have no paper, and cannot use paper, and who have no banking system, their primary money, silver, constitutes a crime which there is no language to describe.

Again Sir Montague Webb said:

In view of the fact that India, China, and the rest of Asia, together with the peoples of the tropics, and many peoples of semitropical lands on both sides of the equator all around the globe—in short, one-half of the population of the world—are already using money made of silver and are quite contented with that money, what are we to think of the mental equipment and outlook of the "high" financial authorities of the West, who, with four-fifths of the available gold in the world out of action, now deliberately legislate against the silver money at present in use in India, with the special object of linking India and the rest of the world with a paper monetary system in Great Britain which high finance will control—if it can!

Again he said:

Is India going to accept lying down this attempt at financial dominance from the West in every detail of its daily life? Listen to what President Roosevelt said on this subject in his first Presidential address:

"We cannot allow our economic life to be controlled by that small group of men whose chief outlook upon the social welfare is tinctured by the fact that they may make huge profits from the lending of money and the marketing of securities—an outlook which deserves the adjectives 'selfish' and 'opportunist.'"

That is a quotation from the President.

We must necessarily depend upon a restoration of world trade in order to secure world recovery.

About 270,000,000 people in England, in the United States—or rather the Government—and in France, own or control 80 percent of all the gold in the world. Here are 270,000,000 people in control of 80 percent of the gold of the world. Outside of that are about 1,600,000,000 people upon whom we must rely if we are going to restore world prosperity or world trade.

Mr. President, France and the United States cannot possibly be prosperous, cannot have trade and prosper if we are going to leave 1,600,000,000 people of the world living under the poverty line.

The silver question as a question of international exchange, of international trade, becomes a problem of the first order. Facts and circumstances force it upon us. We must consider it; we cannot pass it by. It turns up in our invaded markets and demands consideration.

Here is an item which I overlooked in connection with the transferring of the trade of the Occident to the Orient. This is under the London date line of March 27.

BRITISH EQUIPMENT FOR CANTON—MACHINERY FOR TWO TEXTILE MILLS BEING SHIPPED

LONDON, March 27.—It was learned today that the Platt Bros. & Co., at Oldham, are dispatching complete equipment for two textile mills to Canton on March 29. The equipment includes everything necessary for a 10,000-spindle cotton-spinning and weaving mill, and also for a 1,200-spindle woolen mill. The ma-

chines for both mills have all the latest improvements for high production and easy manipulation. Several Chinese mechanics, who have been in Lancashire studying the construction of the machines, will superintend their erection.—Reuter.

But the capital is furnished by British capitalists.

Mr. LEWIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Illinois?

Mr. BORAH. I yield.

Mr. LEWIS. I seek from the Senator from Idaho information which I am sure the eminent Senator from Nevada [Mr. PITTMAN], who has heretofore spoken, and the eminent Senator from Utah [Mr. KING], who has given such great research to the study of the silver question, could give. I invite the Senator from Idaho to recall, if I be not in error, that when Sir Robert Peel presented his measure which created a value to what would be called the pound in gold, one of the things stated in the presentation by Sir Robert Peel as a reason for insisting that gold should then be adopted in England and the very high price be paid for that which we speak of as the pound, was that there was not silver accessible for the purpose, for whatever he had in mind, for that which has been discussed by those preceding me in debate.

I ask the Senator from Idaho, What says the Senator from Idaho as to whether the policy he advocates should be adopted—that which the able Senators to whom I just alluded have concurred in—is America in a position to furnish silver sufficient to meet demands in order to produce the rise in these falling prices?

Mr. BORAH. Mr. President, my opinion is that should we undertake to utilize silver as fully as may be under this bill we are going to be disappointed in the amount of silver which we are able to obtain. This idea of a flood of silver coming in from different parts of the world does not seem to me to be sustained by facts or figures. I think that ultimately, if the United States moves out in this matter and puts the Government behind the silver cause, it will bring about an agreement between the leading nations of the world for the use of silver.

I have always believed in an international agreement for the reestablishment of silver. I thought it was the safe and the sound way. But my opinion is that unless the United States takes the lead in a drastic and determined way, the other nations will not come to the support of silver, certainly not as readily as they will if the United States does take the lead.

Mr. President, this measure is not all that some of us desire. It does not give silver the place in our monetary system which some of us feel it must ultimately have. It does not give it the quality of redemption money, such as silver possessed from the beginning of world history until that quality was taken away by affirmative legislation. The measure, I feel, will not have the effect on prices that it would have if the silver were restored to its ancient place in our monetary system.

But it is all that can be secured at this time. Its passage will make the next move for the restoration of silver less difficult. I regret the delay, but it could not be avoided, and the thing for the supporters of silver to do is to accept this measure and move on to the next fight.

Mr. KING. Mr. President, I discussed at some length this morning the various aspects of the so-called "silver question" and attempted an analysis of the bill under consideration. I attempted to show that this measure is one of great importance and will improve our monetary system and pave the way for the restoration of silver to the high station which it occupied prior to its demonetization.

I desire to submit now a few general observations which I think are germane to the consideration of the bill before us.

In my opinion only the most reactionary and thoroughgoing gold monometallists can find any pretext for not supporting the bill under consideration. Since the demonetization of silver by Great Britain in 1816, there have been powerful forces among financial and banking interests and among selfish and greedy creditors, which have endeavored to limit the basic money of the world in order that they might more easily control it and thus control prices and, indeed, the economic and industrial life of the people. When silver was stricken down one-half of the springs that gave life and vitality to business and industry were destroyed. Many writers have likened the uses and purposes of metallic money to the life-giving functions of the vital fluid within the veins of human beings.

It is conceded that gold and silver performed the functions of money for thousands of years; that the ratio of production during many, many centuries was substantially 12 to 1, and that an increase in the production of these metals stimulated trade and commerce and contributed to the prosperity and welfare of the people. The statement cannot successfully be challenged, that it was selfishness and greed that led to the demonetization of silver. The monetary system of this Republic rested upon a metallic base consisting of gold and silver. The demonetization of silver in the United States was not the result of a demand by the people but was a surreptitious accomplishment, the evil consequences of which were not fully understood by the American people for a number of years.

The gold standard has proven inadequate to meet the legitimate and proper monetary demands. It has been a failure. Its wrecks are found in every land. It has ruined individuals and communities and spread woe and sorrow throughout the world. One would suppose that with this tragic record there would be a universal demand for silver's rehabilitation and for the establishment and maintenance of a monetary system under which there would be reasonable financial security and a level of prices which would assure business security and industrial and economic advancement. However, it seems as if the lessons of history have not been learned.

The Senator from Ohio [Mr. FESS], in an able address, occupying several hours in duration, attempted to defend the gold standard and a policy which excluded the restoration of silver to its proper monetary position. Evidently he speaks for the Republican Party. That view is strengthened by the statement of the distinguished Republican leader in the Senate [Mr. MCNARY], who stated but a day or two ago that the paramount issues of the campaign were "honest money", obviously meaning gold monometallism, and the tariff. That standard bearer of Republicanism, former Secretary Mills, of New York, in an address delivered on Friday evening last, announced the Republican creed in language quite reminiscent of reactionary and orthodox statements emanating from such former stalwart Republicans as Senators Boies Penrose, Matthew Quay, Grundy, of Pennsylvania, and other distinguished and valiant apostles of Republicanism whose services have been so greatly appreciated by that party.

It appears that our Republican friends are satisfied with the wreckage caused by the gold standard, and the financial policies which have prevailed since the demonetization of silver. Certainly they cannot look with any degree of satisfaction upon a world overwhelmed with debt; with billions of dollars of obligations resting upon nations, States, corporations, and individuals. They cannot view with any degree of complacency the evidences of international and individual bankruptcy. One would suppose that the catastrophic decline in commodity prices throughout the world would awaken them from their condition of lethargy, and from a laissez faire attitude, and compel a reexamination of the financial policies resting upon gold monometallism, that have wrought such havoc throughout the world. But it is apparent that, like the Bourbons of old, many have learned nothing from experience and are going forward recklessly in defense of the gold standard,

Obviously, the gold standard is not entitled to the claim of being sound money. Its gyrations, its rise and fall, have demonstrated conclusively that as a basis for credit and currency, it is uncertain and even dangerous. A standard of values, a "measuring rod", as some are pleased to call gold, becomes a cheat and fraud when it produces the results which have attended the operations of the gold standard

as the sole monetary base. It has fluctuated more than silver ever fluctuated. Any graph presenting the relation of gold to commodities, to real and personal property, and to wages demonstrates what an unfair, uncertain, and, indeed, fraudulent standard is presented by gold. So inadequate has it been to meet the demands of trade and commerce and the needs of the people, that most of the nations of the world have been compelled to abandon it.

Even Great Britain and the United States have left the gold standard; and throughout the world there is a growing feeling that a return to the gold standard with the monumental debts now resting upon the world would only multiply the sorrows and evils through which the world is now passing. Billions of national and individual indebtedness are payable in gold; and it is absolutely impossible for the world to meet these colossal debts. The incomes of the people are not sufficient to pay interest installments and amortization charges. A return to prosperity under the gold standard is impossible. Any forcible attempts to compel the payment of these obligations mean bankruptcy. Improvement can only come when the national purchasing power is increased, and purchasing power will result only when the peoples of the world are enjoying profitable employment. It is indispensable that the price level be raised.

Various commissions have, during the past few years, made investigations for the purpose of ascertaining the cause of the world depression, and all, whether gold monometallists or bimetallists or paper inflationists, have declared that the price level, for commodities and human toil, must be raised if the world is to be relieved from the mountain of debt resting upon it. Senators will recall the report of the British commission called the "McMillan Commission." Probably that is one of the ablest studies of the financial and economic condition that has been made. This language is found in the report:

> We are emphatically of the opinion that even if a further fall of wholesale prices be avoided, stabilization at approximately the present level would be a serious disaster for all countries of the world alike; and the avoidance of such an event should be a prime objective of international statesmanship. Consequently, even the continuance of the present price level must prolong business losses and unemployment. Governments and central banks will be blamed. Social unrest will tend to make moderate and rational remedies more difficult the longer they are delayed. Our objective should be, insofar as it lies with the power of this country, to influence the international price level; first of all to raise prices above the present level and then to maintain them at the level thus reached, with as much stability as can be managed. We recommend that this objective be accepted as the guiding aim of the monetary policy of this country.

It will be remembered that most of these debts were incurred when commodity prices were at a higher level and that the fall of prices has resulted in doubling and, in many instances, trebling the obligations, so that debtors are required to pay double or treble in property and in labor above that required to meet the obligations at the time they were contracted: It is obvious that the gold standard has been a cruel master, and any attempt to meet its obligations would mean increased poverty and universal ruin.

It is imperative that the world price of gold measured by goods and services must be lowered, which, in other words, means that the world price level must be raised. The international price level, no matter how self-contained or nationalistic a country may be, influences prices in such country and in all countries. Domestic price levels are influenced by international price levels, and foreign exchanges in their operations affect domestic and world prices. The price of wheat or cotton is fixed by the world, and, generally speaking, the world prices determine domestic prices directly or indirectly. Money affects the daily lives of the people of the world, and obviously if the supply is inadequate to meet the demands of trade and commerce, it becomes a varying and an unjust measuring rod.

Lands, houses, commodities—all are measured by money. Value is purchasing power, and without purchasing power values disappear, bringing down upon the heads of the peoples the wreck of a structure which they have sought to erect.

The deflation which has come to the world is in part due to the failure of the gold standard to meet human needs, and those who controlled the gold have viewed too often with complacency the ruin which deflation has wrought. Deflation brought about a rise in the price of gold because of its scarcity and the catastrophic decline in the prices of all commodities.

Mr. L. F. Amry, a distinguished Member of Parliament and at one time a Cabinet officer, declared that—

> The trouble is there is a type of mind still very influential which while only too ready to recognize the power of monetary influences to create inflation, regard deflation however violent and however disastrous as a mysterious, beneficent process, which it is unwise to question and dishonest to interfere with.

The efforts of gold-standard countries to maintain a reasonably stable price level have been unsuccessful. Great Britain, since leaving the gold standard, has endeavored to control world prices by anchoring them to sterling exchange. She has sought to maintain her commercial supremacy in the world, to increase her exports, and to maintain reasonably stable price levels at home. Sir Arthur Salter, however, has said that a country can combine several ambitions successfully—

> But four she cannot achieve simultaneously: She cannot be a creditor from the past, a reluctant importer, a great exporter, and a reluctant lender of new money.

Great Britain may not accomplish these four results. I submit that a metallic base adequate for the needs of the world is essential if there shall be reasonable stability in the price level. Extreme fluctuations result in chaotic conditions in domestic as well as in international business relations. Perhaps 75 to 85 percent of the world's population is interested in maintaining stable international exchange. The gold standard has failed in this respect. It has forced lower price levels. Undoubtedly the gold policy of Great Britain has had for one of its objects lower world prices, particularly of raw materials.

Great Britain 100 years ago was a creditor nation and still is. She has likewise been a most important manufacturing nation and her policy therefore has been to make money dearer and world prices low. The obligations of debtor nations were payable in gold. It was therefore to the interest of Great Britain to make gold dearer, as her imports were largely in commodities, principally raw materials. Thus Great Britain became the greatest commercial nation in the world. But the time came when the gold standard failed; when prices fell to so low a level that financial disaster menaced her; and so, for the first time, an eminent British commission has insisted that the world cannot escape disaster unless there shall be an increase in prices throughout the world. The fall in prices and the low exchange of the oriental currencies have seriously injured Great Britain's foreign trade, particularly in the Orient. Her "sound money" policy failed, and China, forced by the gold-standard policy, has engaged i nmanufacturing activities and has developed industries until Great Britain's trade, particularly her textile trade, in the Orient is seriously jeopardized.

Great Britain's course in India cannot be defended. She forced her financial policies upon the 400,000,000 people of that country. She demonetized silver and rarified gold, though in so doing the world depression resulted.

Mr. President, the League of Nations, by one of its committees known as the "gold committee", recently made an exhaustive study of the causes of the world-wide depression, and submitted a report to the effect that it was largely due to monetary disturbances and dislocations; and that it was imperative that the level of world prices should be raised if prosperity was to be enjoyed. The inference was very clear from the report that the only way to obtain an increase in commodity prices was by the enlargement of the circulating medium throughout the world.

There are increasing evidences that the orthodox believers in the efficacy of the gold standard are departing from their

faith. Even Mr. Keynes, who for years was a devout believer in the gold standard, has, if I understand his position, materially modified his views. Recently he stated:

Gold as the sole standard of the purchasing power is almost a parvenu—

By which he means that perhaps for thousands of years the two metals—gold and silver—have been basic money. He further adds—

That of late years an attempt has been made to have gold envelop itself in a garment of respectability as densely respectable as was ever made even in the realm of sex or religion.

He then adds:

Whether this garment of respectability was put on as a necessary armor to win a hard-won fight against bimetallism and is still worn as the gold advocates allege because gold is the sole prophylactic against the plague of fiat moneys, or whether it is a Fraudian cloak we may not be curious to inquire.

And Mr. Keynes further adds that—

except through very brief periods during the world's history gold has been too scarce to serve the needs of the world's principal medium of currency.

Mr. Ernest Seyd, a distinguished English bimetallist, in his book, states that—

It is a great mistake to suppose that the adoption of the gold valuation by other states besides England will be beneficial. It will only lead to the destruction of the monetary equilibrium heretofore existing and cause a fall in the value of silver, from which England's trade and the Indian silver valuation will suffer more than all other interests, grievous as the general decline of prosperity all over the world will be. The strong doctrinarianism existing in England as regards the gold valuation is so blind that, when the time of depression sets in, there will be this special feature; the economical authorities of the country will refuse to listen to the cause herein foreshadowed. Every possible attempt will be made to prove that the decline of commerce is due to all sorts of causes and inconceivable matters. The workman and his strikes will be the first convenient target; then speculation and overtrading will have their turn.

Senator John Sherman was perhaps as much responsible for the demonetization of silver in the United States as any other person; but he, for many years, if I read history aright, was a believer in bimetallism. On the 11th of April 1876 he said:

The enormous effect of this law—that is, the demonetizing of silver—in Germany, and as a consequence the partial demonetization of silver coin, I suppose, is felt by every man, woman, and child who buys or sells anything. I suppose there is no act of parliament that has had so wide-reaching effect as this act of the German Parliament. * * * The amount of coin in the world is estimated by Mr. Seyd and other technical writers at $3,200,000,000 of silver and $3,500,000,000 of gold. A struggle for the possession of the gold at once arose between all the great nations because everybody could see that if the $3,200,000,000 of silver was demonetized and $3,500,000,000 of gold coin made the sole standard it would enormously add to the value of gold; and the Bank of France, the Bank of England, and the Imperial Bank of Germany at once commenced grasping for gold in whatever form. Therefore, what we have observed recently is not so much a fall of silver as it is a rise of gold—the inevitable effect of the demonetization of silver.

It is evident that Senator Sherman recognized the quantitative theory of money, and that by the demonetization of silver, prices of commodities measured by gold did decline and that gold, measured by human toil and commodities, did materially increase in value. I quote again from Senator Sherman, who stated in a speech delivered on the 30th of August 1893:

If we adopt the single standard of gold, without aid from silver, we will greatly increase the burden of national and individual debts, disturb the relation between capital and labor, cripple the industries of the country, still further reduce the value of silver—of which we have now in our Treasury and among our people over $503,000,000, and of which we are the chief producer—and invite a struggle with the great commercial nations for the possession of the gold of the world.

His prediction has been verified. Following the demonetization of silver, the struggle for gold began, and it is manifest that that struggle led to falling prices, industrial and economic disturbances, and world-wide depression.

The British Royal Commission, appointed to inquire into the cause of the depression of trade reported:

1. That the depression dated from the year 1873, or thereabouts;
2. That it extended to every branch of industry, including manufacturing, mining, and agriculture, and that it was not confined to England, but had been experienced, to a greater or less degree, in all the industrial countries of the world;
3. That it appeared to be closely connected with the serious fall in general prices which, even then, was most observable, though it has since been more strongly marked, resulting in diminution—in some cases even the total loss—of profits and consequent irregularities of employment for the wage earners;
4. That the duration of the depression has been unusual and abnormal;
5. That no adequate cause for this state of things was observable unless it could be found in some general dislocation of values, caused by currency changes, and which would be capable of affecting an area equal to that which the depression of trade covers.

And the Commission then added—

Neither metal exists in sufficient quantities to serve as a sole standard without causing such a change in the level of prices as to amount to a commercial and financial revolution.

That prices fell following the demonetization of silver is conceded by substantially all economists. In an article in the London Economist published in 1888, the statement was made that there would be a general decline in prices of 33 percent; and Sir Robert Giffin in 1886 estimated the fall in the price of articles exported from Great Britain at 50 percent and that on imports at 33 percent.

Senators are familiar with Dr. Soetbeer, an eminent authority upon monetary questions. In his work, published as I recall, in 1888, he stated that comparing the average prices of 1886 with those of the period of 1871–75, taking 100 commodities as examples, the fall in agricultural prices had been 31 percent, animal products 23 percent, mines and metals 40 percent, textile materials 24 percent, and miscellaneous 32 percent.

I cannot refrain from placing in the RECORD a statement from the historian Hume:

We find that in every kingdom in which money commences to flow in greater abundance than formerly everything takes a new face. Labor and industry take on new life. The manufacturer becomes more diligent and skillful. Even the farmer follows his plow with greater alacrity and attention. A nation whose money decreases is at times weaker and more miserable than another nation which possesses no more money but is on the increasing hand. Falling prices and misery and destruction are inseparable companions. The disasters of the past ages were caused by decreasing money and falling prices. With the increase of money, labor and industry gather new life.

Professor Jevons, referring to the gold discoveries of California and Australia, said that—

Prices turned upward in a sudden and decided manner and that this change was simultaneous with the discovery of the new gold fields. If the philosophy of observation and common sense may be applied to statistical matters we can draw but one conclusion, that prices have risen in consequence of the gold discoveries. The gold discoveries had the double effect of arresting the fall of prices and then raising them. The total effect is not merely the rise that has occurred but that rise plus the fall that would have occurred.

Senator Sherman in 1869 said:

The contraction of the currency is a far more distressing operation than Senators suppose. To every person except the capitalists out of debt or the salaried officer or annuitant it is a period of loss, danger, lassitude of trade, fall of wages, suppression of enterprise, bankruptcy, and disaster. It means the ruin of all dealers whose debts are twice their business capital, though one-third less than their actual property. It means the fall of agricultural production without any great reduction of taxes. What prudent man would dare build a house, railroad, or a factory or a barn with this certain fact before him?

Mr. Balfour upon another occasion stated that—

The general consensus of scientific opinion has for many years thrown with an overwhelming balance of opinion into the scale of the double standard, and I say that on that question there is practically now a consensus of economic and scientific opinion which has devoted itself to the elucidation of this purpose, and any man who in the face of that opinion now quotes any of the old tags about demand and supply making it impossible to fix a ratio between the two metals or such doctrines as that the interference of the state fixing prices must necessarily fail—any man who now relies upon doctrine of that kind to show that the double standard is an impossible thing does nothing more than to write himself down as a man ignorant of latest development of scientific political economy.

Mr. President, even the most orthodox gold monometallist confesses that the normal increase in population and the normal expansion of business require the accretion to the gold stocks of the world of at least 3 percent per annum.

That means that if the world rests upon the gold standard Mother Earth must add to the monetary gold stocks of the world 3 percent annually or prices will fall, industrial and economic disturbances will result, which will culminate in universal depression.

Eminent geologists and students of the money question declare that the gold yield of the world will soon show material reductions.

Mr. Francis W. Hirst, who was for years the editor of the London Economist, in his book entitled "Money", published last year, states that—

> The universal gold standard is in danger by the probability of a rapid decline before very long in the production of the Rand.

He further states that—

> The exhaustion of the South African mines has long been predicted and experts have even assigned dates at which the decline of the output would commence.

Mining experts familiar with the South African gold mines predict that they will practically be exhausted by 1947. In view of the almost certain reduction of the production of gold many students of the money question are insisting that silver constitutes a part of the metallic monetary stocks of the world.

Mr. Hirst, to whom I have just referred, in the book mentioned, states that—

> There is no reason why silver should not be brought into play to assist gold, and enlarge the metallic basis of the world's currencies. On the assumption generally accepted that an international currency of notes convertible into gold or into gold and silver should be the aim of currency reformers, and on the further assumption which is also generally accepted that gold prices ought to be raised gradually to something like their 1925 level, I regard silver as the best instrument by which these objectives can be achieved in conjunction with the measures for the redistribution of gold and a more economic use of it by some of the central banks.

He suggests that various named countries "should part with a small percentage of their gold and substitute silver as a part of their reserves", and he estimates that if the plan which he suggests were carried out, in all probability the purchasing power of gold in commodities would decline, and the gold price of silver would have risen considerably more "seeing that silver would have been in a measure remonetized by this new demand."

He states that—

> As a result of this plan the price of silver would be doubled or trebled and that a rise in the value of silver would greatly assist export trade with the Far East and it would also help to restore the prosperity of silver-producing mines in all parts of the world.

Mr. Srinivas Van Wagel, in his recent work, entitled "World Economic Depression", states that—

> In the relentless efforts of some nations to hold others in economic bondage and others, composing the majority, to shake off the shackles, gold is being used as the weapon of the creditors.

He further states that—

> Gold is being used to shackle the world, economically and politically, and that the value of silver must be increased. Gold must be strengthened by the addition of silver.
>
> If silver is used for currency reserves and relieves gold of a part of its burden, prices will rise, and there will be increased prosperity. The other alternative is a collapse of prices, curtailment of commerce, and possibly reversion to barter.

These statements were prophecies, because since they were made there have been a collapse in prices and a curtailment of commerce, and, in many parts of the world, reversion to barter.

The author further states—

> Why should it not conduce to stability and better organization of internal credit if gold is implemented with silver for reserves against circulation? There is no other metal, in addition to gold, of which sufficient is produced and which has the qualities needed for banking purposes, than silver. Even now silver is predominantly the circulating money in almost every country, even though the silver coins in circulation have a greatly reduced silver content. New reserves in silver can be had by withdrawing the silver coins in circulation in almost every country. * * * This wealth of silver can be utilized for purposes of world rehabilitation. The production of silver is approximately 250,000,000 ounces a year. Part of it at least can be utilized as effective money metal. Thus, silver, together with gold, with even a reduced output in forthcoming years, might form an efficient reserve for circulation and a sound basis for credit.

He further adds:

> It was a criminal waste to dump silver in the east after it was depreciated in value, because it was divested of the function it should have been performing. Now there is an opportunity for the redemption of the gold standard with the aid of silver and if silver is used for currency reserve, and relieves gold of part of its burden, prices will rise and there will be increased prosperity.

The views of Mr. Hirst, Mr. Van Wagel, and many others to whom I could refer, give support to the principle underlying the measure under consideration. This measure recognizes the inadequacy of gold to meet the monetary demands of the world; it recognizes that silver for thousands of years constituted a part of the basic monetary money of the world, and that the addition of silver to the metallic monetary stocks will relieve the tension or strain upon gold, strengthen the monetary base upon which currencies and credits rest, increase the volume of money in the world and thus increase the world's commodity price level.

A measure providing for an increase in the use of silver for monetary purposes is not an experiment; it is not even heterodox; it is a sound, rational plan calculated to improve economic conditions in the world. If by some sudden miracle the gold stocks of the world were increased 50 or 100 percent, there would be an instantaneous rise in the prices of commodities; the wages of labor would be increased; factories and plants now idle would be put into commission, and millions of unemployed would find profitable employment.

It is conceded by historians and writers upon monetary questions, that the silver mines of the New World, following the discovery of America, rejuvenated Europe, gave vigor to the people, so that the feudal system was demolished and a genuine intellectual and material renaissance came to all countries of Europe.

The bill before us contemplates the use of silver for monetary purposes—it places silver side by side with gold, and is a forerunner of the day not far distant when the mints of all countries will be opened to the free and unlimited coinage of both gold and silver at a ratio agreed upon and accepted throughout the world.

Mr. SHIPSTEAD. Mr. President, the general problem confronting the world is the revival of commerce not only in this country but from one country to another. So far as the United States is concerned we have a paradox. There has been mentioned here the starvation in the midst of plenty. Our system of production has produced on the farm and in industry far beyond the dreams of the wildest imagination.

The basis of commerce is the exchange of goods. While we produce in overabundance in industrial sections of the country, and while we have produced in overabundance in agricultural sections of the country, piling up surpluses of the products of industry and piling up surpluses of the products of agriculture, the strange situation is that the people in the industrial centers cannot get the products of the farm and the population in agricultural centers cannot obtain the shoes, clothes, and other products of the industrial centers. These goods cannot be exchanged one for the other.

That condition has existed since our credit system exploded in 1929. Since that time there has been no medium of exchange to further the business of exchange and to make exchange of goods possible. That medium of exchange used to be furnished by the banks of the country, but the banks of the country have not been able to furnish that medium of exchange since 1929.

It has been said that the banks do not function and cannot function, in furnishing the medium of exchange for the exchange of goods, because of the lack of confidence. The basis of the credit system and the basis of the banking system of the United States is credit. Credit is based upon confidence. There is plenty of confidence in the credit system when credit can be liquidated. There is plenty of confidence in the credit system when debts can be paid. When there is a possibility for the borrower to return his loan, when there is a possibility for the lender to collect the money he lends, money is borrowed and lent.

But when we have an economic situation where the borrower does not know whether or not he can pay his loan and the lender does not know whether he can collect, we have no confidence, and so our credit system does not function; and because it does not function we have no medium of exchange in the sense that our usual medium of exchange has been furnished by bank credits.

It is said the banks are full of money. The banks are full of debts. The more deposits a bank has, the more its liabilities and the more it owes. Those debts have been the basis of the system of furnishing a medium of exchange in the amount of 97 percent of the country's medium of exchange.

The question is, How can we restore an exchange of commodities from industrial centers to agriculture and from agricultural centers to industry, so that those on the farms may obtain the industrial products produced by labor and industrial workers may obtain the agricultural products produced by the farmer?

The deadlock in our credit system and banking system still exists as it started in 1929. It cannot function because of the overwhelming amount of debts, public and private, municipal and corporate, in the country, with its fixed charges sucking the life of industry and of agriculture like a leech, making it impossible for our commerce to function.

It is said by very many economic writers that the trouble lies with the unjust distribution of gold. Let us look into that matter with the people who want to return to the gold standard and who say we can redistribute the gold. Gold, like any other commodity, obeys certain laws. Gold has been distributed here and in France because circumstances over which we have had no control brought the gold here. Our trade balance is in our favor, payable in gold, and so gold came over here. Investments abroad, the charges of which were paid in gold, came here, so gold came here in settlement of foreign accounts. Gold went to France because of reparation payments and because of trade balances. How shall gold be distributed if not in payment of international obligations, in payment of trade balances, in payment of services due to citizens of foreign countries?

It is said that we ought to loan gold. We did that under the Dawes plan and under the Young plan, shipping gold abroad and loaning gold not only to foreign countries but to foreign corporations. Instead of relieving us of the pressure of gold, it increased the difficulty. All over the world, debts were created in gold far out of proportion to the production of gold. We had established a medium of exchange, a medium for the payment of debts, that could not be produced in sufficient quantity to pay the debts.

Three years ago, in talking to an English banker, I called to his attention the overwhelming amount of debts hanging over the world payable in gold, and that could not be paid in gold, and suggested that the nations of the world should furnish a medium of exchange that would make it possible to exchange goods from one part of the world to another; a medium of exchange which people could get as a basis of trade and as a medium for the exchange of goods. I suggested the remonetization of silver. All that he said, after discussion, was, "I think this is merely a fetish to get rid of debts." I said, "It may be a fetish, but it will make it possible to pay debts; and is not that a good way to get rid of debts?"

For what my opinion is worth, it seems to me that unless we furnish a medium of exchange so that goods can be exchanged we cannot revive commerce. The upward trend of prices for which we hoped must in the last analysis be based upon demand for goods. If we can exchange goods, there will be greater demand for goods in the amount in which goods can be exchanged. If I have something to sell that you want and you have something to sell that I want, we exchange, and if we live close, as neighbors, we can barter; but in a country of 120,000,000 people, with the vast area that we have here and in the world, we cannot confine ourselves to a system of barter. We must have a medium of exchange.

Much as I should like to see it, I should like to see any method pursued and any policy inaugurated which would make it possible to exchange goods from one part of this country to the other, from one part of the world to the other.

It is said that in order to bring about recovery all that it is necessary to do is artificially to raise prices, and that when prices are artificially raised people will buy. People will buy to the limit of their desires first, and those desires are unlimited. They will buy goods to the extent that they have something with which to buy. They have nothing with which to buy but the commodities they produce or the wages they earn. If we restore a medium of exchange so that they can sell their goods, it will make possible increased demand and higher prices and the purchasing power of the great mass of the people will be restored.

Without casting any reflection on the good motives of anyone, let me point out now where I think we have failed to restore purchasing power to the great mass of the people.

Under the N.R.A. we abolished the antitrust laws. When the N.R.A. bill came back from conference I voted to send it back in order to reinstate the Borah amendment to prohibit fixing prices and gouging the public through fixing prices through monopolistic practices. I am not familiar with all the codes; but take, for instance, the steel code, which revived the old, vicious practice of the Pittsburgh-plus system, under which the United States Steel Corporation discriminated against various communities of this land and fixed prices under the aegis of monopolistic practices. Under the old Pittsburgh-plus system, which was abolished after an investigation by the Federal Trade Commission, the steel mill at Duluth would sell steel in Chicago for $13 a ton less than it would sell it for in Duluth. Under the revised code, revised on the 31st day of May, Duluth was made a base-price point; but even under the revised code the Duluth mill will be compelled to sell steel in Chicago for $9.60 a ton less than in Duluth. The prices of amounts of less than half a ton have been raised in some instances as high as 800 percent, and the consumers of steel products will pay those prices.

Here is an industry fixing prices in some instances 800 percent higher than they were under the old system of fixing prices, and gouging the public in higher prices before the public has had its purchasing power increased.

Take the paper industry. I am mentioning these things because they enter into the national scheme, the economic policy that we are pursuing, and I feel that it would be treason not to speak of these things, that the Senate may be informed regarding them. I cannot believe that the President of the United States will tolerate these practices if they are properly called to his attention.

Mr. HATFIELD. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. KING in the chair). Does the Senator from Minnesota yield to the Senator from West Virginia?

Mr. SHIPSTEAD. I do.

Mr. HATFIELD. Price fixing took place with all the large industries throughout the country, did it not? It took place as to the price of steel, the price of coal, the price of all of them, as a result of the suspension of the Sherman antitrust law.

Mr. SHIPSTEAD. I must say I am not familiar with all the codes. I am talking about the codes with which I am familiar.

Mr. HATFIELD. I may say to the Senator that that is the case.

Mr. SHIPSTEAD. Now, take the paper industry. The Joint Committee on Printing advertised for sealed bids for a little less than a million dollars' worth of paper. The bids were opened. There were 47 bidders. The bids were found to be about 90 percent identical. The prices were from 10 to 40 percent higher than they were in 1929 and averaged something like 100 percent higher than they were a year ago.

When the bids were opened the bidders were asked how it happened that 90 percent of the bids were identical. They

said they were identical because of the method of fixing prices under the code, the open method of advertising bids 5 days before the bids were opened. They said they had not gotten together to agree on prices or to raise prices; but, as a result of that method of arriving at prices, 90 percent of the bids were identical, and, as I said, the prices were from 10 to 40 percent higher than they were in 1929. When they were asked why prices were so much higher than in 1929, they said it was due to the high cost of labor.

So I went to the code authority for the paper industry and asked to have prepared for me the wage scales in the paper industry for the year 1929 and the wage scales under the code. I wanted those wage scales to show what the average man received at the end of the month in 1929 in that industry and what he received under the code at the end of the month in this year in that industry.

We found that the hourly wage was practically the same. But in 1929 the average man in the northern zone received $125 a month, and under the code he received $65. When that was called to the attention of the deputy administrator and he was asked to explain it, he said it was because of the fact that now, under the code, we are operating about 50 percent of capacity, and in 1929 we were operating 75 percent of capacity, that when the industry, under the code, increases production, increases its capacity, these differences will be made up.

Let us see how far they can be made up. Working 75 percent of capacity in 1929 the average man received $125. Working 50 percent of capacity under the code the average man in the northern zone receives $65 a month. Under the code, if the industry increases its production to 100 percent of capacity, working 40 hours a week, 160 hours a month, the most the average worker can receive in the northern zone will be 160 times 57 cents, which is the hourly wage, or about $90 a month, provided the industry can increase its production to 100 percent of its capacity. So, under this arrangement, the average worker in the northern zone will receive only $90 a month working 100 percent capacity, as compared with $125 a month working 75 percent of capacity in 1929.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. HATFIELD. In other words, the worker has had his hours reduced in number, his work opportunities per week reduced, and down with them went the price he was paid for his work?

Mr. SHIPSTEAD. I will cover that. Calling that to the attention of the deputy administrator, he said, "Well, we put more people to work." How have we put more people to work? Let us assume that the Senator from West Virginia has a job and that I have not a job. We cut down his income and his hours in order to give me a job. He divides his income with me. That makes him support me. It makes the poor support the poor, while the industry has an increased price of from 10 to 40 percent over the price of 1929.

Mr. HATFIELD. Even more.

Mr. SHIPSTEAD. In some instances greater even than in 1926, the year of the highest price for paper.

These policies, which undoubtedly have been inaugurated in good faith, are not producing the purchasing power or redistributing the wealth or the income of the Nation, restoring purchasing power to the great mass of the people, as we were told the N.R.A. would do.

Mr. HATFIELD. Mr. President, I may say to the Senator that in Huntington, W.Va., a shoe industry located in my home town, working something like 1,000 people, has reduced the hours of work, the workdays of the people per week have been reduced, and the commodity the plant was manufacturing has increased in price 100 percent. Yet the price the workers were paid for their labor was reduced because of the work opportunities being reduced per hour and per day and per week.

Mr. SHIPSTEAD. It seems to me that industry in this regard is as stupid as it was before the crash of 1929. No one can deny that the crash came largely because industry and finance took so much of the national income that they destroyed the purchasing power of the great mass of the people. They evidently have not learned anything in the last 4 years. They seem to expect to collect out of the people what they lost in the last 4 years, and they seem to expect to collect it this year. In my opinion, they are just as foolish as would a farmer be who had a herd of cows which had not had anything to eat or drink for a week, and instead of giving them something to eat and drink, the first thing the farmer does is to start to milk them. It is impossible to get milk out of a cow unless she is first given something to eat or drink. We cannot get money out of the great masses of the people unless we put something into their purses, either in the form of wages or in the form of prices for the commodities they have to sell and which they produce. Industry, in my opinion, is very stupid not to do that, because the more they pass to the people in the form of income the more they can collect. They take it all back, anyway, just as the farmer collects in milk whatever he feeds to his cow.

I have pointed these things out, not in the way of destructive criticism, but for the purpose of calling attention to certain tendencies which ought to be corrected, and which I hope can be corrected. I hope that those who have the ear of the President will call them to his attention in order that they may be corrected.

Let us take, for instance, the agricultural program, undoubtedly inaugurated in good faith. From the testimony of the Secretary of Agriculture before the Committee on Agriculture and Forestry we learn that the farmers' income last year was about $6,000,000,000, and, under benefit payments, something over a billion dollars more is to be paid to the farmers of the United States. I believe that will amount to between seven and and eight billion dollars. Let us say it is $8,000,000,000. The farmers will still be short $5,000,000 of what they had in 1926, and yet their charges in interest and taxes are higher than they were in 1926. The fixed charges on debts incurred under a high-price level, when the farmers had an income of $13,000,000,000 a year, cannot be paid on the basis of an annual income of seven or eight billion dollars.

Agricultural prices have advanced, it is true, but, under the price-raising program of the N.R.A., the farmer will pay more, in my opinion, for what he buys, if he has anything at all with which to buy, than he will get in increased prices for farm products, outside of benefit payments. If that is true, the American farmer, so far as his debts and his fixed charges are concerned, will be as hard up or worse at the end of this year than he was last year.

Mr. President, this is not offered as a matter of criticism; it is offered as a matter of calling attention to facts which we must face.

So far as the pending bill is concerned, I am not enough of an expert to explain the probable effect of it. It will increase the reserves for our currency by 25 percent, by resulting in the purchase and addition to the base of the currency 25 percent in silver, and to that extent will increase the reserve for our currency. I believe we have a billion and a half in excess of the necessary reserve now. That, so far as the economic life of the Nation is concerned, and so far as the exchange of goods is concerned, does not do us any good, because it can be used only on the basis of credit, and the credit system is not functioning. If we add 25 percent in addition to the reserves, what the effect will be, when we already have more reserves than we need, I do not know.

Mr. FESS. Mr. President, will the Senator yield?

Mr. SHIPSTEAD. I yield.

Mr. FESS. The Senator is touching precisely the subject which disturbs me in this argument. Under the Federal Reserve Act, we could tremendously expand the currency, if we wanted to, with the reserves we have.

Mr. SHIPSTEAD. I am sure we want to, but we cannot do it.

Mr. FESS. We can expand to the extent of two and a half times. What disturbs me is, suppose that all that is

claimed for the pending bill shall take place; how are we going to get the money into circulation?

Mr. SHIPSTEAD. The Senator says we can expand the currency now. I should like to have the Senator say how we are to do it. We want to do it; we have been trying to do it for 4 years, and have failed to do it.

Mr. FESS. The Senator is confusing currency with circulation. I am not talking about circulation; I am talking about currency. Instead of having $3,000,000,000 of Federal Reserve currency we could reach over $8,000,000,000 with what we have now as a gold basis. But how would we get it into circulation if we should increase it?

Mr. SHIPSTEAD. One way by which it could be put into circulation would be through the payment of Government salaries and Government contracts with it; I mean under the bill, as I understand it.

Mr. FESS. It could be done now. We would simply be substituting actual cash for checks.

Mr. SHIPSTEAD. Yes.

Mr. FESS. Would the Senator think that all business should be done in actual cash, and that we should avoid all credit?

Mr. SHIPSTEAD. I am trying to find a way to get a medium of exchange, which we do not now have.

Mr. FESS. I am not complaining at what the Senator is saying. He just made a suggestion, I thought, as to what was confusing to him, and I wanted to say that that is the thing that is confusing to me; that is, if we issue any amount of money, how can we pump it into circulation unless there is a business demand for it?

Mr. SHIPSTEAD. There could only be a business demand when there was a medium of exchange for the exchange of goods, which I claim is the foundation of commerce.

Mr. FESS. I think the Senator is correct if we say we are going to eliminate the credit system, and, instead of doing business on credit, through checks, do not allow any business to be done except by the passing of actual currency. Then, of course, we would have to have an enormous amount of currency.

Mr. SHIPSTEAD. I thank the Senator. We have tried to make the credit system and the banking system function for 4 years by pumping Government credit into the banks and into industry. The Government credit is the only credit which seems to function. We have been told that pumping Government credit into business and into industry would prime the pump and start the credit system going. I do not know how many Senators were raised on farms, where water has to be drawn out of a pump, and I do not know how many of them have primed a pump, but I should like to ask if any Senator has ever tried to prime a pump that was cracked?

Mr. FESS. A pump which is cracked cannot be primed.

Mr. SHIPSTEAD. No; one cannot prime a pump which is cracked. And our credit system cracked in 1929, and we have been pouring credit into it ever since, but we have failed to prime the pump. We must find some other way to obtain a medium of exchange. If debts could be reduced by one-half we would revive our credit system.

The PRESIDING OFFICER. The time of the Senator expired several minutes ago.

Mr. PITTMAN. Mr. President, I suggest the absence of a quorum.

Mr. HAYDEN. Mr. President, will the Senator withhold his request?

Mr. PITTMAN. I withhold my request.

Mr. HAYDEN. Mr. President, it will be remembered that on December 21, 1933, the President issued a proclamation relating to the coinage of silver, the purpose of which was to carry out an agreement entered into at the World Economic and Monetary Conference in the city of London on July 20, 1933, in which a delegation representative of the American Government participated. The leader of the delegation, so far as monetary agreements were concerned, was the senior Senator from Nevada [Mr. PITTMAN]. He was the author of the monetary resolutions adopted at the London Conference.

At that conference the Senator from Nevada accomplished something in behalf of silver which had never been done before in all history. He persuaded the representatives of 66 governments that silver should be used as money instead of being treated as a mere commodity.

To go back into history for a few moments, it will be remembered that at the close of the Napoleonic Wars the ratio of the coinage of silver to gold in Great Britain was 15½ to 1, and in France 15 to 1. Under those circumstances it was profitable to ship silver to France and gold to England. That slight, and perhaps chance, difference in the ratio between the two countries was what placed England originally on the gold standard, and the English became accustomed to having gold and only gold as the basis for their currency. The English definitely adopted the gold standard about 1816, and being a great commercial nation, with wide-spread business interests throughout the world, the gold standard became to the British mind the only standard of measurement so far as money was concerned.

The rest of the world remained on a bimetallic basis, until the Franco-Prussian War, when there was levied by Bismarck upon France a fine equivalent to a billion dollars in gold in American money. The Germans, after acquiring that vast sum of gold, determined that it was to Germany's advantage to go upon the gold standard. The German Government proceeded to do so and to sell its surplus silver.

Dumping the German silver upon the world market had a repercussion upon the Latin Monetary Union, which was established by Napoleon III. That union consisted of France, Switzerland, Belgium, Italy, and Spain, which had a common unit of value in gold and silver. The members of the Latin Monetary Union found that with the excess silver dumped upon the market by Germany they could not maintain a bimetallic system and went upon the gold standard.

The next effect was in our own country, where Congress, in 1873, abandoned bimetallism and established the single gold standard.

In all these instances governments, in order to accomplish something to their own immediate advantage, took action detrimental to the use of silver as money.

With the principal commercial nations of the world adopting the gold standard, the monetary demand for silver was greatly lessened. The average market value of silver from the time of its demonetization in 1873 up until the World War was about 60 or 65 cents an ounce.

The World War created a demand for silver, particularly on the part of Great Britain, in order to purchase supplies in far eastern countries. At one time during the war silver went above the 16-to-1 parity of $1.29 an ounce, until it paid to melt silver coin, because the bullion value of silver was greater than its coinage value. That fact was used by the British Parliament in 1920 as an excuse for debasing all of its silver coinage. The British Government called in all the shillings, the sixpence, and half crowns that were then coined at 975/1,000ths fine, melted them up, and reissued its entire coinage half silver and half alloy. That Government took out of its coinage over 101,000,000 ounces of silver, and made, of course, a substantial profit in doing so.

Other European nations thought that if the British could thus make a profit, they might as well follow the example thus set. Belgium entirely abandoned the use of silver coin. Debasement was also practiced by France, Germany, and other European countries.

Taking silver out of the coinage and dumping it upon the market, one nation at a time doing so to make a profit, had the effect of driving down the price of silver to a point lower than was ever recorded in all history.

It was not a natural price; it was an artificial market price produced by abandoning the use of silver as money. Governments and governments alone ruined the price of silver. That movement, known as "the flight from silver", continued until the London monetary conference. Then and there the senior Senator from Nevada for the first time persuaded the representatives of 66 nations in attendance that it was to the interest of the countries they represented

and to the interest of the whole world, that there be no further discrimination against the monetary use of silver. A solemn compact was entered into which in substance provided that all such governments would no longer melt up or debase their silver coins, that no legislation should be enacted that would depreciate the value of silver; that upon the contrary they would, as soon as they conveniently could, resume the use of silver for minor coins, instead of using fractional paper currency, as is now customary in many instances.

For the first time, I say, in modern history, or in all history, representatives of all the principal nations of the world came together and realized that they should act in concert with respect to the coinage of silver. The senior Senator from Nevada is more responsible than any other one man in the world for bringing about that agreement. His sound and persuasive arguments brought about that result.

In addition to that, there was made a further agreement that the great silver-producing countries of the world, the United States, Canada, Australia, Mexico, and Peru, should provide for the purchase of new silver produced from their mines and using the same in their coinage. The great silver-holding countries of the world, China, India, and Spain, also agreed that they would limit future sales from their surpluses and would no longer dump silver upon the world market.

The United States was a party to that agreement, and to carry out our share of it, the President of the United States issued a proclamation last December, the concrete effect of which was that our Government would pay 64½ cents an ounce for all newly mined silver produced in the United States.

When the senior Senator from Nevada returned from London he was kind enough to explain to me in some detail just what had occurred. We decided that the best way to carry the monetary agreement into effect was for the President to issue a proclamation. In order to be helpful to the President, we drafted a form of proclamation which we suggested that he use. I am frank to say that the proclamation as finally issued quite closely conformed to the suggestions we made, except that we recommended that all American-produced silver be purchased at the rate of $1 per ounce.

The senior Senator from Nevada at that time asked me to prepare a statement justifying the issuance of such a Presidential proclamation. I ask unanimous consent, Mr. President, to have printed at this point as a part of my remarks a copy of the letter addressed to Mr. McIntyre, the secretary to the President, and the memorandum which I submitted under date of September 29, 1933, justifying the issuance of such a proclamation.

The PRESIDING OFFICER (Mr. THOMPSON in the chair). There being no objection, it is so ordered.

The letter and memorandum are as follows:

WASHINGTON, D.C., *September 29, 1933.*

MARVIN H. MCINTYRE,
Secretary to the President.

MY DEAR MR. MCINTYRE: Referring to our talk before you left Washington, I am enclosing the draft of a proclamation relating to the coinage of American-produced silver and some reasons why it should be issued by the President.

Some days ago Senator PITTMAN was kind enough to fully explain his proposal to me, and I suggested that the best way to be of service to the President would be to prepare the text of a proclamation for his consideration. Key asked me to draft such a proclamation, and what I have done he has taken pains to revise.

The present market price of silver is about 40 cents an ounce in United States currency. With the dollar worth only about 66 cents in gold, the value of an ounce of silver measured in gold is only about 27 cents, a price so low as to be ruinous to business conducted on a silver basis and, consequently, paralyzing to our trade with all silver-using countries.

The immediate objective should be to reestablish a world price for silver of about 60 or 65 cents an ounce. Save for two interruptions, due to the war in 1917 to 1920 and the depression in 1929 to 1933, world commerce has been accustomed to that price for over a generation. With governmental discriminations against silver removed by the London agreement, the natural law of supply and demand may be trusted to find a proper price for that metal after 1937.

I am in complete accord with Senator PITTMAN in the belief that this purpose can be accomplished by the President through such a proclamation. We hope that this result of our labors will be helpful to him.

With kindest personal regards, I am,

Yours very sincerely,

CARL HAYDEN,
United States Senate.

COMMENT AND JUSTIFICATION

The effect of this Executive proclamation will be to—

1. (a) Carry out the American part of international monetary agreements in which representatives of the United States have joined, and thereby encourage all other nations signatory to the agreements to do their part.

(b) Increase the price of silver throughout the world with a consequent improvement in world trade with the countries where silver is used as money.

Within the United States the following results may be expected:

1. An increase in the money in circulation, strictly limited by the amount of silver produced, which can do no harm and will be particularly helpful in all metal-mining regions.

(a) The average annual American production of silver from 1922 to 1931, inclusive, was 58,000,000 ounces. In 1932 the production was only 24,000,000 ounces. While it is very doubtful if that much could be acquired, if 200,000,000 ounces were purchased during the 4 years, the total number of silver dollars coined at 0.7734 fine ounces to a dollar would be 258,597,000.

(b) In 1900, when the United States adopted the gold standard, the total monetary stock of gold was $1,034,384,000, or $13.56 per capita. The monetary stock of silver was $648,995,000, or $8.51 per capita. Our metal money then consisted of 62 percent gold and 38 percent silver.

On February 28, 1933, the American monetary stock of gold was $4,399,540,000, or $35.09 per capita. The monetary stock of silver was $846,775,000, but the increase in population has reduced the per capita of silver to $6.78. We now have about 86 percent gold and 14 percent silver.

(c) Adding $250,000,000 to the monetary stock of silver would raise the per capita of silver to about $8.75, or approximately what it was in 1900. It would also require more than an additional billion and a half of silver dollars to restore the proportion of silver money to gold money that existed when the gold standard was adopted.

2. Added value to lead, zinc, copper, and other ores which have a silver content and thereby make more profitable the production of the limited quantities of such ores as are fixed by the N.R.A. codes under which they are mined.

(a) The origin of silver produced in the United States from 1928 to 1931, inclusive, is as follows:

	Percent
From lead-zinc ores	55.25
From copper ores	24.76
From gold-silver ores	17.14
From purely silver ores	2.85

3. Compliance with the pledge made in the Democratic national platform of 1932 for the rehabilitation of silver by an international monetary agreement.

THE PROPER PRICE TO BE PAID FOR NEWLY MINED OR "VIRGIN" SILVER

The effect of charging 23 percent of the weight of silver tendered at the United States mints as payment for the cost of minting and seniorage is to fix the purchase price of a fine ounce of American-produced silver at $0.9956, which is, for practical purposes, a dollar. The mint price of silver produced in the United States to be purchased with silver dollars in accordance with the President's proclamation should be close to $1 per ounce, because:

1. The average world price of an ounce of silver for the years of 1921 to 1929, inclusive, was $0.6263. During those years gold was worth $20.63 an ounce. Gold has now advanced to $31 per ounce in United States currency, an increase of over 50 percent. To do no more than rehabilitate silver to its predepression value as compared to gold requires a like 50-percent increase for 62.63-cent silver, or a price of $0.9394. This is so near $1 that, with the probability of some further advance in the price of gold, establishing approximately $1 an ounce as the purchase price of American silver is reasonable.

2. The Pittman Act of April 23, 1918, is a precedent for paying $1 per fine ounce for silver. While the United States mints from May 1920 to June 1923 were paying $1 an ounce under that act for silver produced in the United States, the average world price of silver, for that same period was 69.13 cents. Assuming that the same causes produce the same effect, in order to have a world or gold price of about 60 to 65 cents an ounce, our Government should again pay $1 an ounce in American money for silver, the product of mines situated in the United States.

THIS PROCLAMATION WILL NOT CONFLICT WITH A FUTURE PROCLAMATION REDUCING THE GOLD CONTENT OF THE DOLLAR

Fixing the purchase price of American-produced silver at $1 per fine ounce in United States currency will in no way interfere with any future proclamation, which events may require the President to issue, reducing the gold content of the dollar. This is demonstrated by the following mathematical propositions:

The mint price of gold was $20.67 an ounce, and a gold dollar contained 23.22 grains of gold. The dollar has now declined about one-third and the price of gold has advanced about one-half.

1. If the price of gold should advance 100 percent to $41.34 an ounce and the dollar is stabilized at that point, only 11.61 grains of gold would be required for a dollar, or one-half as much. If the silver dollar remains at its present weight of 371.25 grains of fine silver, the coinage ratio of silver to gold would be 32 to 1. This would fix the price of silver, as measured by 23.22 grains of gold, at one-half of $1.2929, or $0.6465, an ounce.

2. If the price of gold should advance 75 percent to $36.17 an ounce when the dollar is stabilized, 13.27 grains of gold would be required, or 57 percent as much, and the ratio of the new gold dollar to the present silver dollar would be 28 to 1. It would not then be profitable to melt standard silver dollars unless the market price of silver was above $0.7370 an ounce.

3. If the price of gold is increased 66⅔ percent to $34.46 an ounce and the dollar is then stabilized, 13.93 grains of gold will be required, or 60 percent as much, and the gold-silver coinage ratio would be 26.65 to 1. The melting-point price of silver would then be $0.7757 an ounce.

4. Stabilization of the dollar at the present price of gold—$31, an increase of 50 percent—would result in a dollar containing 15.48 grains of gold, or two-thirds as much as before. The coinage ratio of silver to gold would be 24 to 1, and the melting-point price of silver $0.8620 an ounce.

The President is not authorized to cut the gold content of the dollar more than 50 percent and it does not at present appear likely that he will be compelled to go that far. He can now provide that $1 an ounce in silver dollars will be paid for silver mined in the United States with no risk of embarrassment when the time comes to finally determine the weight of gold in the dollar and definitely fix a ratio based upon the number of grains of gold in the gold dollar and the number of grains of silver in the silver dollar. That can be done without any change in the weight and fineness of the present silver coins.

CARL HAYDEN.

WASHINGTON, D.C., *September 29, 1933.*

Mr. FESS. Mr. President, the 15-minute limitation begins now, does it not?

Mr. PITTMAN. It begins in 2 minutes, Mr. President.

Mr. McNARY. Mr. President, I think the Democratic Members have exhausted their time.

Mr. PITTMAN. That is true.

Mr. McNARY. Why would it not be well to suggest the absence of a quorum and then recognize the Senator from Ohio, who will have 15 minutes on the pending measure and an amendment? If it is agreeable to the Senator from Nevada I will now suggest the absence of a quorum.

Mr. PITTMAN. I shall be glad if the Senator will do so.

Mr. McNARY. Mr. President, I suggest the absence of a quorum, and ask for a roll call.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hayden	Patterson
Ashurst	Costigan	Hebert	Pittman
Austin	Couzens	Johnson	Reynolds
Bachman	Cutting	Kean	Robinson, Ark.
Bailey	Davis	King	Robinson, Ind.
Bankhead	Dickinson	La Follette	Russell
Barbour	Dill	Lewis	Schall
Barkley	Duffy	Logan	Sheppard
Black	Erickson	Lonergan	Shipstead
Bone	Fess	Long	Smith
Borah	Fletcher	McCarran	Steiwer
Brown	Frazier	McGill	Stephens
Bulkley	George	McKellar	Thomas, Okla
Bulow	Gibson	McNary	Thomas, Utah
Byrd	Glass	Metcalf	Thompson
Byrnes	Goldsborough	Murphy	Townsend
Capper	Gore	Neely	Tydings
Caraway	Hale	Norbeck	Wagner
Carey	Harrison	Norris	Walcott
Clark	Hastings	Nye	Walsh
Connally	Hatch	O'Mahoney	Wheeler
Coolidge	Hatfield	Overton	White

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO], occasioned by illness, and the absence of the Senator from Indiana [Mr. VAN NUYS], the Senator from Florida [Mr. TRAMMELL], and my colleague the junior Senator from Illinois [Mr. DIETERICH], detained on official business. I also announce that the Senator from Idaho [Mr. POPE] is absent, occasioned by the necessity of attending the funeral of his late colleague, Mr. COFFIN, of the House of Representatives.

The PRESIDING OFFICER (Mr. THOMPSON in the chair). Eighty-eight Senators have answered to their names. A quorum is present.

Mr. FESS. Mr. President, I do not want to allow some of the statements made by the Senator from Idaho [Mr. BORAH] to pass without comment. I take it from what he had to say that the maldistribution of wealth is one of the diseases that ought to be cured, and this proposed legislation will be, at least in part, a remedy. He stated that 4 percent of the people own 80 percent of the wealth. I am afraid that that statement is true; but I do not know how we are going in any way to counteract what has actually taken place unless we undertake to control all the laws of production, distribution, and consumption. It is a matter that is written not in any monetary system but it is written in the differentiation of ability among men and women. If we are going to find fault with what God has done in making people not all alike but, on the contrary, making them so unlike, then we are confronted by a greater problem than I had ever thought the Congress would attempt to solve.

Take any typical town, I do not care what town it may be, and look at its population. Here is one man who is a thinker, who possesses courage and resourcefulness. He organizes a business; employs people at the ruling wages and salaries. Oftentimes such a man fails, and sometimes he succeeds, and when he does succeed he becomes a leader in business, a great employer of labor, a wide distributor of the fruits and comforts of life. There is the most radical difference between his stage in life measured by what he has accomplished in accumulating this world's goods and all the other people of that town.

Is the monetary system properly a subject of criticism on that basis? Why is it that we have a Henry Ford, with his accumulations, and employing 50,000 people at good salaries and fairly good wages? Are we going to find fault with the ability of brain to organize a business, multiply the comforts of life, and distribute them as never before among the people of the country simply because one man has accumulated greatly and the people who are around him have not accumulated in the same degree?

Why is there a Chrysler? Why is there a Wilbur Wright? Why is there any inventor? Edison in one short life had to his credit patents from which accumulations were derived amounting to over $16,000,000,000. Of course, he did not own that much, but he took out the patents and benefited the world through the application of the discoveries he made. It was his brain that made it possible. Are we going to condemn a system because it enables one man, through his inventive genius or his discoveries, to accumulate wealth and another man, through his ability and capacity, to organize a business, and then, by taking perhaps a very small percentage of the individual profit on an article, to accumulate enormous wealth? How are we going to counteract such conditions? They are not due to the monetary system. No monetary system could have prevented what I have described, if it should have been prevented; and when it is said there is a very pronounced maldistribution of wealth, of course there is, and there always will be.

My friend from Idaho calls attention to our loss of trade in the Orient. How much trade has China? She has less than 2 percent of the world's trade. Suppose we had all the trade of China, what would that mean in the great sum total? It is looking at a gnat and making of it an enormous insect. The truth about the matter was stated by me on a previous occasion, not on sentimental grounds or on any dogmatic principle, but I stated it at considerable expense of time and energy and pointed out the actual figures of the trade of China and India with ourselves.

I showed that the trade had fallen off not because of the monetary system, for, as China claims, the monetary system is to her advantage. That point was argued here without the Senator from Idaho evidently noticing it, for he stated that the Orient was taking our trade, and assumed that it was because of our monetary system, and at the same time complained that silver had been denied to those countries and therefore we were at a disadvantage. I pointed out here that as silver was being imported the export trade of China was increasing, and instead of the lowering of the price of silver being a detriment it was an advantage to China. Those are the facts; they are not propaganda; they are not the expression of anyone in Europe of the type of mind of Mr. Keynes and others who have been propagandizing along this line for years.

Mr. President, it is these facts that are disturbing to me. I am somewhat surprised that the Senator was carried off, as I thought he was not in 1896, with the Coin Harvey philosophy and the General Coxey ideas in Ohio. I say I am surprised at it. I want to state again it is not the amount of money, but it is the working of that money that must be the determinant. It makes no difference how much money there is. We could now under the law, without changing a word of it, without dotting an "i" or crossing a "t" create $8,000,000,000 of new money. But suppose we did it; how would we put it into circulation? How would it work? How could it be employed until there was a demand in business for it?

My friend from Minnesota [Mr. SHIPSTEAD] has suggested that the way to do it would be to deny the use of credit and have the Government, instead of issuing a certificate of wealth, issue the actual wealth and pay not in checks but in gold or silver. If we should undertake to do that, there would not be money enough in the world to transact the business of this country alone. As the Senator from Idaho [Mr. BORAH] said, we have not gold enough to transact the business of the country. If that is true, then we have not silver enough. It would be fallacious, in the light of that fact, to say we should use both gold and silver.

Putting the two metals in circulation, we could not any more keep them together than we could keep a hen and a duck together by law. With the two metals circulating, the cheaper would drive out the dearer, and we would be on the basis of the cheaper money. If there is not gold enough, there is not silver enough, and we cannot use both of them unless all the nations of the world shall agree upon a ratio.

If we need more money and, therefore, must use silver to add to the gold, then our concern ought to have other countries enter into an agreement to put into circulation both gold and silver and not to discriminate in their purchases between the two, but always to take either one so they would be interchangeable. In that case we could keep the metals in circulation and increase the amount.

My time has expired, and my closing statement is that, while it is unfortunate that the gold has gotten into the hands of a few governments like the United States, Great Britain, and France, when there ought to be a better distribution of gold, the methods which are proposed by this kind of legislation will defeat better distribution instead of furnishing a remedy. The remedy will indeed be worse than the disease.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. McNARY. Mr. President, I note the absence of the Senator from Oklahoma. He desires to be present before the vote is taken. I, therefore, suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum is suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hayden	Patterson
Ashurst	Costigan	Hebert	Pittman
Austin	Couzens	Johnson	Reynolds
Bachman	Cutting	Kean	Robinson, Ark.
Bailey	Davis	King	Robinson, Ind.
Bankhead	Dickinson	La Follette	Russell
Barbour	Dill	Lewis	Schall
Barkley	Duffy	Logan	Sheppard
Black	Erickson	Lonergan	Shipstead
Bone	Fess	Long	Smith
Borah	Fletcher	McCarran	Steiwer
Brown	Frazier	McGill	Stephens
Bulkley	George	McKellar	Thomas, Okla.
Bulow	Gibson	McNary	Thomas, Utah
Byrd	Glass	Metcalf	Thompson
Byrnes	Goldsborough	Murphy	Townsend
Capper	Gore	Neely	Tydings
Caraway	Hale	Norbeck	Wagner
Carey	Harrison	Norris	Walcott
Clark	Hastings	Nye	Walsh
Connally	Hatch	O'Mahoney	Wheeler
Coolidge	Hatfield	Overton	White

Mr. LEWIS. May I be permitted to reannounce the absence of certain Senators and the occasions for such absence as announced on previous roll calls?

The PRESIDING OFFICER (Mr. GEORGE in the chair). Eighty-eight Senators having answered to their names, a quorum is present. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. THOMAS of Oklahoma. Mr. President, I propound a parliamentary inquiry. Under the present unanimous-consent agreement is it the understanding that I may have 15 minutes on the amendment pending and likewise thereafter 15 minutes upon the bill?

The PRESIDING OFFICER. The present occupant of the chair is advised that that has been the construction placed upon the unanimous-consent agreement.

Mr. McNARY. Mr. President, what is the parliamentary inquiry?

The PRESIDING OFFICER. Will the Senator from Oklahoma again state his parliamentary inquiry?

Mr. THOMAS of Oklahoma. I inquired whether or not under the unanimous-consent agreement I would be permitted to have 15 minutes upon the pending amendment and thereafter 15 minutes upon the bill if I choose to occupy as much as 30 minutes time in toto.

Mr. McNARY. That was not the intention in proposing the unanimous-consent agreement. It was my intention to limit debate to 15 minutes on both the bill and the amendments. That is the language of the unanimous-consent agreement, if the Chair will read it in the CONRESSIONAL RECORD.

The PRESIDING OFFICER. The occupant of the chair is not advised of the exact terms of the unanimous-consent agreement.

Mr. McNARY. May I ask the occupant of the chair if he is aware of the controversy which ensued Saturday afternoon just before we recessed?

The PRESIDING OFFICER. The occupant of the chair is entirely ignorant of that controversy.

Mr. McNARY. The proposal first made by the Senator from Nevada [Mr. PITTMAN] I thought incomplete, and I stated one in my own language which was adopted. Surely the language of the agreement carries out my intention which was to limit debate to 15 minutes on the bill and the amendments. If the Chair has a different interpretation of the agreement I shall abide by his decision.

Mr. McCARRAN. Mr. President, my understanding of the unanimous-consent agreement was that we should have 15 minutes on each pending amendment or on amendments which should be offered from the floor and 15 minutes on the bill.

Mr. McNARY. That is not my understanding of the agreement at all.

Mr. PITTMAN. Mr. President, in proposing the agreement I desired in the first place to limit debate to one speech by each Senator and not exceeding 15 minutes on both the bill and any pending amendment. However, the language in which I expressed it is open to the construction that 30 minutes is allowed to each Senator—that is, 15 minutes on the bill and 15 minutes on an amendment, or a motion that is pending or proposed.

I will state that as far as my understanding of the agreement is concerned, each Senator is at liberty to have 30 minutes on the bill and the amendment.

The PRESIDING OFFICER. The unanimous-consent agreement has been brought to the attention of the Chair, and it is the opinion of the present occupant of the chair that under it 15 minutes is allowed on the bill and the amendment, not 15 minutes on the bill or the amendment. That seems to be entirely clear from reading the unanimous-consent agreement as reported in the RECORD.

Mr. THOMAS of Oklahoma. Let me say that that is not the understanding I had, and not the understanding that the proposer of the unanimous-consent agreement had; but I am willing to abide by the decision of the Chair.

Mr. McNARY. Mr. President, so far as I am personally concerned, if the Chair's construction will discommode anyone, I am willing to say that each Senator may have 15 minutes on the bill and 15 minutes on any amendment, making 30 minutes in whole.

Mr. ROBINSON of Arkansas. Of course a Senator could speak only once on the bill.

Mr. McNARY. Yes; and I would rather have the agreement extended than strictly construed if the Chair's construction will disappoint any Senator who desires to speak longer than 15 minutes.

The PRESIDING OFFICER. Is there a proposal for modification of the unanimous-consent agreement?

Mr. McNARY. I propose it.

The PRESIDING OFFICER. The Senator from Oregon asks that the unanimous-consent agreement heretofore made be modified so that no Senator may speak more than once or longer than 15 minutes on the bill, nor more than once or longer than 15 minutes upon any amendment thereto.

Mr. McCARRAN. Mr. President, will the Senator from Oklahoma yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCARRAN. I desire to say that before I consented to the agreement I conferred with the leader, and I think—without binding myself or my colleague—I conferred with my colleague. My understanding of the agreement was that Senators should have 15 minutes on each amendment now pending or that might be offered and 15 minutes on the bill.

Mr. ROBINSON of Arkansas. Mr. President, I think that is the correct interpretation of the agreement, and that the construction which has been placed on agreements of this character is that a Senator may speak on the bill 15 minutes and then may speak on the amendment 15 minutes; but, of course, he cannot speak on the bill more than once.

Mr. McNARY. That is true.

The PRESIDING OFFICER. The Chair heard no objection.

Mr. ROBINSON of Arkansas. He may speak again on another amendment 15 minutes.

I do not think there need be any difficulty about it. We have made that application of agreements in language almost identical with this for a long time. Technically, of course, it is not correct. Technically, a Senator should speak upon the question that is pending, which would be the amendment before the Senate at the particular time he speaks; but by the construction I have stated we have permitted a Senator to consume his time on the bill whenever he was ready to do so.

The PRESIDING OFFICER. The Chair heard no objection to the request for modification of the proposed unanimous-consent agreement.

Mr. McNARY. In order to relieve the RECORD or the Chair from any doubt as to the proper construction, I propose that the agreement be modified, if necessary, so that each Senator may speak once for 15 minutes on the bill and once for 15 minutes on any amendment.

The PRESIDING OFFICER. Is there objection to the modification proposed by the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, the pending amendment, offered by myself, proposes to strike out section 2 of the pending bill and insert a new section in lieu thereof.

I ask to have the clerk read section 2 of the bill as it is pending before the Senate.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver.

Mr. THOMAS of Oklahoma. Mr. President, I now ask that the clerk be permitted to read the amendment to section 2 in the nature of a substitute offered by myself.

The PRESIDING OFFICER. Without objection, the clerk will read, as requested.

The CHIEF CLERK. It is proposed to strike out lines 5 to 9, inclusive, on page 1, and to insert in lieu thereof the following:

SEC. 2. It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary metallic reserves of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of such reserves by value in silver.

Mr. THOMAS of Oklahoma. Mr. President, I find myself supporting this measure, not because it proposes to remonetize silver, but in spite of the fact that it does not remonetize silver.

If silver is now remonetized, this bill continues the policy of remonetization. If silver is not now remonetized, this bill does not change one iota the status of silver.

All this bill does is to authorize the Department of the Treasury to go into the markets and buy some more silver as a commodity and add such commodity to our present stock of silver.

Mr. President, this bill does not go as far as I think the bill should go. If it is the desire of Congress to pass a bill providing only for buying more silver, of course, I have no objection. I favor that; but that does not in any sense satisfy me.

Silver was demonetized in 1873. We initiated a policy of buying silver in 1878. That act did not remonetize silver. Because it did not remonetize silver, in 1890 the Congress passed what is known as the "Sherman Silver Purchase Act." Those two bills were mandatory. The Bland-Allison Act provided that a certain amount of silver should be purchased each month. The act did not do the job. The Sherman Silver Purchase Act provided that four and a half million ounces of silver should be purchased each month. That act did not do the job. If those two bills were bills remonetizing silver, which I contend they were not—and they went much further than this bill—then how can this bill, which provides for no purchase per month, be a bill proposing to remonetize silver?

If it be the policy of the Congress simply to go out in the world market and buy some more silver as a commodity and put it in a storehouse at some place, somewhere, sometime, and that is the judgment of the Congress and the Government, of course I have no objection; but that does not go as far as I had hoped this silver bill would go. I thought we were proposing to remonetize silver, and make silver again standard, primary, and basic money of this Nation.

Today silver is token money, no more important in our financial system than the nickels we have in our pockets, no more important than the pennies we have in our pockets, and no more important than the paper money we have in our pockets. Silver is not primary, basic, or standard money.

Mr. CONNALLY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Texas?

Mr. THOMAS of Oklahoma. I yield to the Senator from Texas.

Mr. CONNALLY. While that is true, yet is it not also true that the bill will create some demand for silver, and to that extent help to stimulate the price?

Mr. THOMAS of Oklahoma. Exactly so. We provided for the purchase of a lot of cotton. That helped the price of cotton.

Mr. CONNALLY. It is not quite fair, though, to say that the bill will have no more effect on silver than if it were pewter or tin or nickel. It will help to the extent of creating some demand.

Mr. THOMAS of Oklahoma. If we should go into the open market and agree to buy a certain number of tons of copper to be coined into pennies, that would help the basic or commodity price of copper. If we should go into the open market to buy nickel, an alloy, that would help the price of nickel. If we proposed to use pewter as money, and should go into the open market to buy pewter, that would help the price of pewter, provided we should buy some pewter; and to the extent that we may buy silver the price of silver will, I hope, be benefited. Yet under the Bland-Allison Act and under the Sherman Act, and even under the Pittman Act, when we had to buy silver mandatorily, the price of silver was not materially increased.

I propose so to amend section 2 that the silver which we acquire and place in our storehouses shall be standard, basic, and primary money.

How can we add fiat to our reserves and make that fiat worth anything? That is what this bill proposes to add, if we may understand the statements made by its proponents. We are to add 2,000,000,000 ounces of silver to our stock of money. Unless the price of silver increases, the 2,000,000,000 ounces, from the standpoint of intrinsic value, will be worth less than $1,000,000,000, yet those 2,000,000,000 ounces of silver will go into our stock of money on a fictitious value of $1.29 per ounce, or at a total of intrinsic and fiat value of $2,500,000,000—one billion real and $1,500,000,000 of fiat. Who ever heard of fiat being made the basis of reserves, a basis for the issuance of money?

Mr. President, if the present section no. 2 shall be stricken and the substitute section shall be adopted, we will place silver in our reserves on the basis of value, not fiat. We will buy silver at whatever price silver can be had, and add that silver to our reserves at what it cost; so the silver will enter the reserves on an intrinsic value alone, and not upon a fiat value of $1.29 per ounce.

Mr. President, at this point I desire to call attention to an editorial appearing in today's Washington Post. This editorial is under the title "Chinese Silver."

In the editorial I find a quotation from one who is purported to be a famous economist by the name of Sir Arthur Salter. In the latter part of the editorial Sir Arthur Salter is presumed to be quoted, and I will read the quotation:

> There can be no doubt that during this period the net result of the steady depreciation of silver was (in spite of the arguments of the silver group to the contrary) of great advantage to China.

This refers to the falling price of silver in China over past years. There was a time, in 1920, when silver was worth $1.38 or $1.39 an ounce. From that time to this silver has fallen in price, in value, in China, and Sir Arthur Salter says "that that falling price of silver in China was of great advantage to China." Again the editorial says:

> At present the rise in the value of Chinese silver dollars in terms of the depreciated currencies of other nations has been accompanied by a decline in Chinese domestic prices and increasing trade dislocation. Since the fall of the dollar has aggravated these difficulties, the Chinese cannot be expected to hail enthusiastically our plans for "helping" them by raising the price of silver and thereby causing further appreciation of their currency.

Mr. President, is the American Congress legislating in behalf of the people of China, or are we attempting to legislate in behalf of the people of the United States? This editorial states that if this bill shall be enacted, and shall have the effect of raising the world value of silver, that will hurt China. The inference is that, to the extent that it hurts China, it will help the people of the United States.

On yesterday a great paper published in New York City, the New York Times, carried a two-column news story on the financial page, referred to earlier today by the distinguished senior Senator from Idaho [Mr. BORAH]. I wish to read some extracts from this news story. I ask that, after I shall have read the extracts, the entire story may be published at the end of my remarks as exhibit A.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibit A.)

Mr. THOMAS of Oklahoma. The news story has the following headline:

> FAR EAST A RIVAL IN WORLD INDUSTRY—STUDENTS OF FOREIGN TRADE NOTE INROADS ON MARKETS OF WESTERN NATIONS—TARIFFS CALLED "FUTILE"—RISE IN SILVER PRICE WOULD REVIVE EXPORTS TO ORIENT, IT IS CONTENDED

Now, I read the first paragraph:

> For the first time in history the western world is keenly feeling the industrial competition from the Far East. This competition, according to those who have made a close study of the situation, reflects lower production costs in the Far East due to a lower wage scale, comparable mechanization which has been imported from the occidental nations, and the low price for silver and the Japanese yen, which, because of the proximity of Japan to China and other silver countries, is closely wedded to silver.

I wish to read a significant statement further on in the article. This statement shows, if it be true, that large American manufacturers are closing their establishments in the United States and transporting the machinery to China. One big concern, unnamed in the news story, is reputed to have closed American factories and transported the machinery to China, throwing out of employment 10,000 American laboring men, and, instead, setting up the machinery in China, employing Chinese laborers, to make cheap goods, not only to bring them back to the United States to come into competition with American-made goods, but, in addition, to send those cheaply made goods to the other nations of the world, where they will come in competition with American-made goods. I read from the news story as follows:

> It is difficult to determine to what extent American capital is playing in the industrial development of these Chinese ports. However, it is known that one large international concern, owned partly by American capital, recently dismantled four of its factories here, employing approximately 10,000 workers, and transferred its operations to Shanghai. When an official was criticized for the move because of its effect on the unemployment situation here, he replied that his responsibility was first to the shareholders of the corporation.

Mr. President, is the American Congress responsible to Americans who have factories in China, or is the American Congress responsible to the citizens of the United States at home? This news story states that Americans have transferred capital to China, set up that capital in the form of machinery, and employed the cheap labor of China in manufacturing goods in China, to come into competition with goods manufactured in the United States.

I call attention again to some figures to reinforce the arguments I have been trying to make on this floor in past years. I have tried to make the argument that if we should increase the circulation in the United States, we would thereby make money more plentiful, and that if we could make money more plentiful, we would make money cheaper, and that if we made money cheaper, we would make prices rise. Let me at this point call attention to the things which have happened over the past years.

In 1896 there was a great campaign in this country over the silver question. The Democratic Party, the party to which I owed allegiance at that time and the party to which I still owe allegiance, was the sponsor of the silver movement. At that time the United States had only $600,000,000 of gold within her borders.

The PRESIDING OFFICER. The Senator's time on the amendment has expired.

Mr. THOMAS of Oklahoma. I will take my time on the bill.

The PRESIDING OFFICER. The Senator has 15 minutes on the bill.

Mr. THOMAS of Oklahoma. In 1896 we had only $600,000,000 of gold. In the next 4 years that gold had increased to the sum of $1,034,000,000. In 4 years' time the gold in circulation increased $434,000,000.

Likewise the circulation in 1896 was only $1,530,000,000. By 1901 it had increased to $2,100,000,000. So in 4 years' time not only had the gold increased but likewise the amount of money in circulation—gold, silver, and paper—had increased $575,000,000.

More money came into circulation, money became more plentiful, money became cheaper, prices increased, and when 1900 arrived the great W. J. Bryan, who had argued for higher prices, saw prices higher, and prices had risen to such an extent that he could not go before the people again and make a campaign upon the money question. The increase of gold throughout the world and the increase of gold coming to the United States and the increase in circulation had caused a rise in prices to such an extent that in 4 years' time the silver question was deadened, or silenced, at least, for the time being.

In 1914 times were bad again, and what did the Democratic Party do to help out the people of the United States? In 1914 we had only $1,891,000,000 in gold in this country. In 1919, still under Democratic administration, the gold had increased to $3,113,000,000, or an increase of $1,220,000,000. With the expansion of the money in circulation prices increased accordingly.

How about the circulation in the same years? In 1914 we had in circulation only $3,359,000,000. From 1914 to 1919, or in 5 years' time, the circulation had increased to $5,863,000,000, an increase in the circulation of $2,504,000,000.

I submit those figures as an unanswerable argument that, to the extent to which we make money more plentiful, to that extent, comparatively, at least, we raise commodity prices, and that apparently is the thing we are all trying to do at the present time.

Mr. President, a few days ago I made the statement that the banks at this time were not lending money, and at that time I did not criticize and at the present time I do not criticize them for not making loans; but they are not making loans, and I gave the reasons why loans are not now being made.

The banks are collecting money today, and to the extent that they can collect money they buy Government bonds. So that the banks, having the money and no place to lend it, are doing what with it? They buy Government bonds, and the banks have so purchased Government bonds in the past 2 or 3 years that now the banks are using their resources through the purchase of Government bonds.

Mr. President, what is to happen if the circulation of money shall not be increased, if gold shall not increase, if we do not make silver basic money, what is to happen? The banks are not creating any deposit money; they cannot under present conditions. When the banks buy up all the bonds their surplus money will permit of, then where is the Government to find a market for its bonds that it must hereafter issue?

I hope that within a very short time it will not be necessary to sell any more bonds; but we are selling bonds now, and we will sell them next year, we may sell them the year after that, and it may be that we will have to sell bonds for years to come, because our income may not be sufficient to balance the Budget; and if the income does not balance the Budget, we will have to borrow in order to pay the bills incurred under our program of spending.

I ask the question again, What will happen when the banks have no more money with which to buy bonds? The people cannot buy bonds. When that time comes, this is what I think will happen:

Most bankers are wise; they understand the situation. They will know the influence and the trend of government. These wise bankers will see that if they are to realize on their bonds, and not hold them, perhaps, for a loss, they must commence selling the bonds. Then the wise bankers will quietly enter the bond market and begin to reduce the number of bonds in their portfolios, and when the few wise bankers begin to sell the bonds, the only market will be other banks, and these other bankers will soon join in the bond-selling movement. Then what will we have? We will have a bond crash, exactly as we had a stock crash in 1929. That is what I am trying to avoid.

Mr. President, I have made this statement on the floor of the Senate many times, and I am glad today to be able to read one or two paragraphs from a well-known journalist and writer, Mr. Mark Sullivan. Mr. Sullivan had one of his syndicated articles in the public press of yesterday, and I read one or two paragraphs from it, as follows:

> One thing is sure: Business recovery, and pretty prompt business recovery, is indispensable to the country. For the same reasons it should be indispensable to the administration. We can put it this way, in a chain of "becauses":
>
> The country (and the administration) must have business recovery because we must have profits; we must have profits because we must have the taxes which come in great part from profits; we must have taxes because we must stop borrowing, and must pay the interest on what we have already borrowed.
>
> The same thing can be put the other way round and in briefer form: If we do not have great business recovery, then the administration must go on borrowing. And if the administration goes on borrowing it will come presently to the point where it cannot borrow any more. And when it cannot borrow any more it must do what Germany did, take to the printing press and inflate. In other words, we must have business recovery, and have it in large proportions and early—else we shall have inflation.

Mr. Sullivan comes to the same conclusion at which I have arrived in my reasoning upon this question.

Mr. President, before I conclude I ask permission to insert in the RECORD that portion of my remarks which I am unable to read because of time after I shall have used my time.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. THOMAS of Oklahoma. I ask unanimous consent to make exhibit B the minority report submitted to the House of Representatives on H.R. 14756, by Representative WILLIAM L. FIESINGER, of Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit B.)

Mr. THOMAS of Oklahoma. In his very able address the distinguished senior Senator from Ohio, Senator FESS, gave voice to the proposition that in order to restore confidence to business, business should know on what basis they make contracts and what value they will receive when the contracts mature. I would like to express my approval of that statement as a sound monetary policy and to point out that that desired accomplishment is the aim and object of an amendment which I have offered to this bill.

I freely admit that this bill will fail in its object as long as silver is used as token money. I have already given fully my reasons for this, and I will not repeat them now. Silver as token money is merely a commodity in the Treasury, an asset as would be the ownership of cotton or wheat. If the Senate accepts the amendment that I have offered to this bill, we would give to silver legal tender qualities just as we have given gold legal tender qualities for the very purpose of breaking the corner on gold, relieving the excess demand for gold, restoring to gold normal demand in proportion to its supply for the purposes of world money. And I am sure the Senator from Ohio will admit, since he expresses his belief in the operation of natural law and in the law of supply and demand, which he says is just as operative as the law of gravity, that when we restore the supply, demand ratio of monetary gold to its normal level, we will reach the result he would advocate because business will then know on what basis their contracts are made, and they will know what value they will receive when such contracts fall due.

If we can arrive at the normal purchasing power of gold and maintain it, we will have accomplished that great objective which the people of this country have a right to expect of their legislators, if such a thing is possible to accomplish.

I would next like to address myself to the question of what is the relation between the price of silver and the price of commodities. And by this expression, "price of commodities", I am referring to the wholesale commodity price level, which is the best gage we can get for determining what is the buying power or exchange value of gold.

I again refer to the amendment I have advocated to this bill and I am free to admit that there is no relation between silver and the exchange value of gold if silver is used merely as token money. That is the reason why I have objected to the provisions of this bill which make silver token money.

The point I urge upon the Senate for its consideration is that silver must be given the same legal-tender privileges and the same monetary use as gold is given. Silver must be made legal tender for its value in the markets of the world, for its world-accepted value, as I have already argued before this Senate. But when you do this for silver, who can deny that gold then has a monetary use a truly competitive position with silver.

Again, we get back to the fundamental law of supply and demand. It is only necessary to understand what was done by the Food Administration during the war to understand this application of the law of supply and demand. During the war the price of wheat became excessive and it became a burden. The Food Administration provided that corn bread should be used for human food throughout the country on certain days of the week. Did this increase the quantity of wheat? No; but it lowered the price of wheat, because it made a competitive commodity out of other grains

and forced them to be used in competition with wheat in bread.

The world is suffering from a corner on gold. We all admit this corner must be broken. If we will give to silver legal-tender qualities, we will break the corner on gold by bringing a competitive commodity into the supply-and-demand ration just as we did with corn during the World War.

Let us say that there is no relation between the price of silver and the purchasing power of gold so long as silver is not given monetary uses in world trade; but we are forced to admit that there is a relation between the exchange value of gold and the price of commodities. Values have in the past been expressed in gold. When we return to normalcy they will again be expressed in gold. It must be admitted that there is a relation, therefore, between the purchasing power of gold and how much of a given commodity gold will purchase.

We can admit that there is no direct relation between silver and world prices, but there is an indirect relation.

This indirect relation was referred to by one of the world's greatest bankers, Mr. Montague Norman, governor of the Bank of England, in his testimony before the Hilton-Young Commission in London. He said there is an interaction between gold and silver prices, which is none the less serious because it is indirect and not very apparent on the surface.

It should be plain, therefore, to the Members of the Senate and to this Government that if the amendment I have proposed is carried into this bill that this relation can be used to restore the confidence that the distinguished Senator from Ohio has mentioned as necessary for business revival.

I also agree with what the distinguished Senator has said with reference to the trade with China. It is true that there is a balance of trade in favor of China. It is also true that this trade balance is expressed with silver. For the present I will leave out of consideration the invisible factor in the trade balance where Chinamen who live abroad remit back to China a part of their earnings.

I will concede for the sake of argument that if we enhance the value of silver we will not thereby secure from China any material part of her stocks of silver in exchange for our surpluses of production.

But, Mr. President, that is not the point. Will the Senator contend that if we double and treble and quadruple our trade with China we will not have the opportunity to dispose of a part of our surpluses of production? The trade balance may still be in favor of China, but if we will export 4 times as much or even 10 times as much to China, will not that furnish an outlet for part of our surpluses of production, and will it not furnish a food supply to the millions who are now starving in China?

Under the amendment I have proposed to this bill we would restore the silver of China to a recognized status in world trade which would furnish to China, as a nation, a stability of value and a wider usage to their silver holding, and it cannot be denied that this is the equivalent in world values of setting up in China additional capital for operation, and it cannot be denied that capital for operation means increased activity, increased business, and increased profits, which is the basis of buying power and the basis of trade and commerce.

Again, we get back to the amendment I have offered. To raise the values of silver will not affect, in my opinion, materially the trade with China, but to restore silver to a monetary status by giving it legal tender qualities and making it a part of the world's monetary basis is a very different thing. And if we do this under a law in the United States, which gives us a reasonable control over the amount of silver that we can employ, we will have a vastly different situation and a vastly different result.

As I have already explained to the Senate, we will thereby raise the value of silver, and by putting silver in competition with gold we will lower the value of gold as to its purchasing power in the markets of the world.

With reference to world trade, I wish to say that our trade with China is a very small part of our world commerce, and if we give silver the use as proposed in the amendment I have offered we will not only increase the capital and the basis for banks' reserves in China, but also in all of the other nations of the world and by exactly the same reason if we increase our trade with China, we will also increase our trade with other nations.

The distinguished Senator from Ohio has read at great length from statistical figures to show that the production of silver in the United States is very small in proportion to our other industries and that the production of silver in the world is of very little value. The very essence of our monetary problem is to find a metal that is so scarce as to be a precious metal and, therefore, a metal which can be placed in competition with gold. The fact that silver is produced in small quantities is the very fact upon which we base our reason for our use of silver as a money metal. In fact, the Senator, elsewhere in his speech has expressed the idea that gold is of more value than silver and is preferable as money because the smallest volume possesses the greatest value.

We are not concerned with the small production of silver, nor are we concerned with the fact that the main use of silver has been and necessarily must be as a money metal. We wish the principal demand for the metal we set up as our money to come from monetary uses, and this, of course, is exactly our situation with gold.

The trouble with gold is that we have made it a standard of measure on the basis that it has no great use except for monetary purposes. Then we have later given it a different status and a very great demand by creating monetary reserves made up of gold. This additional use of gold is what makes it now necessary to have some other commodity than gold which we can deliver under our contracts.

Under the amendment I have proposed, these contracts which represent our debts can still be discharged by the delivery of gold values. We make no change in the values represented in these contracts, but we remove the corner on gold. These values can be represented—these gold values, if you please, can be represented—by another commodity, silver, which thereby becomes truly a competitor for the commodity gold.

To sum up my reply to the very able speech of the Senator from Ohio, it seems to me, and, in my opinion, it is clear that all of the arguments which the Senator has so ably directed against the proposal for a use of silver in our monetary system are directed at the fallacies and errors in the bill now before the Senate, and, in my opinion, it is also clear that these errors can be remedied by avoiding the very mistakes which seem to me to be apparent in the proposals of the bill, and which can be corrected by the amendment I have submitted.

I therefore urge in conclusion that the Senate seriously consider this amendment and incorporate same into the bill. If we do this I believe we have followed the only way out of our difficulty which the Senator from Ohio, expressed when he asked the question what will we do for a monetary unit after we have hoarded the gold and hoarded the silver and placed it out of use in the world's monetary system, because the only other necessary course, it seems to me, would be that we would set up a monetary system where the price-level control is entirely in the hands of the managers of a new money unit, which would no doubt be controlled by the direction of foreign management. It is inconceivable to me that the Congress of the United States could place the power to fix price levels outside of this Congress, and it therefore seems to me to be a matter of primary importance for us to amend the bill as I have proposed.

EXHIBIT A

[From the New York Times of Sunday, June 10, 1934]

FAR EAST A RIVAL IN WORLD INDUSTRY—STUDENTS OF FOREIGN TRADE NOTE INROADS ON MARKETS OF WESTERN NATIONS—TARIFFS CALLED FUTILE—RISE IN SILVER PRICE WOULD REVIVE EXPORTS TO ORIENT, IT IS CONTENDED

By J. H. Carmical

For the first time in history the western world is keenly feeling the industrial competition from the Far East. This competition, according to those who have made a close study of the situation, reflects lower production costs in the Far East due to a lower wage scale, comparable mechanization which has been imported from

the occidental nations, and the low price for silver and the Japanese yen, which because of the proximity of Japan to China, and other silver countries, is closely wedded to silver.

In an effort to throttle this competition virtually all of the important industrial nations of Europe and the United States have raised their tariff barriers against goods produced in the Orient. Only recently England took steps in that direction which had been preceded by the United States and Germany. While the raising of tariff barriers has been reasonably effective in keeping Japanese and Chinese manufactured articles out of the countries which have taken this step, the result has been that these goods have found a market in other countries formerly supplied with these articles by the occidental nations.

Because of this condition the raising of tariff barriers does not solve the question. For instance, electric-light bulbs from Japan flooded this country last year at a price with which the largest electric-light bulb manufacturer in the world could not compete. The raising of the tariff on light bulbs kept them mostly out of this country, but their sale was then transferred to South America and other countries which the American manufacturer formerly supplied. As a result, the effect on the American manufacturer was little changed by the increased tariff, the result being that the domestic market was kept but the foreign market was lost.

BICYCLES ON ENGLISH MARKET

During recent months there has been a flood of Japanese bicycles on the English market at prices ranging from the equivalent of $3.50 to $4.50 for the de luxe models. England is a large manufacturer of bicycles for both domestic and export use. While England through a tariff could keep Japanese bicycles out of the country and her colonies, there is no way in which she could keep Japan from selling these bicycles to her customers in other countries except possibly through a reciprocal trade agreement.

Normally the activity of Japan in the foreign markets of the world would result in a favorable trade which would keep the yen at a level where export sales would be discouraged. However, in order to keep the yen at a level to hold the export markets, Japan has been a large buyer of raw materials in the world markets and also has been expending large sums of money in developing Manchukuo.

There is little doubt that a direct connection exists between silver prices and the price of cotton cloth because of the large amount of cotton goods sold in the Orient. Since their inception the cotton exchanges of Lancashire have posted the current prices of silver against the daily price of cotton. By experience those dealing in cotton and cotton fabrics know, a cotton authority recently said, that falling silver results in a decline in trade, more especially with the eastern markets, while rising silver leads invariably to relative improvement. On these points virtually every informed cotton man is definite in his convictions.

ENGLISH TEXTILE SITUATION

The predicament in which the English cotton-mill owners have been placed, due, most claim, largely to the fall of silver, is shown by the fact that these mills exported only 2,000,000,000 yards of cloth last year compared with 7,000,000,000 yards in 1913. During the same period their domestic-market sales dropped from 2,000,000,000 yards to 850,000,000 yards.

The reason for the drop of cotton-cloth exports by England, which also is now being felt by the United States mills, is due to the decreased purchasing power by the Orient because of the low price of silver. For instance, in China where a few years ago it required 1 ounce of silver to buy, say, 10 yards of cotton cloth, it now requires 2 ounces to buy approximately the same quantity of cloth. Also, the decline in the price of silver made possible the manufacture of cotton cloth in China on a profitable basis because of low wages, which are still being paid in silver at approximately the same rate as when silver commanded a much higher price in the world markets, and the nearness to markets in China and other parts of the Orient.

Because of this development there has been an influx of cotton manufacturing enterprises into the four treaty ports of China. Profits have been enormous, in 1932 ranging from a low of about 50 percent to about 75 percent, or sufficient to return the investment in less than 2 years. As a result, there is today the biggest real-estate boom in modern times in the four treaty ports of China, due almost entirely to the flood of foreign capital there to take advantage of the unusual conditions brought about by the low price of silver in terms of gold.

FACTORIES HERE TRANSFERRED

It is difficult to determine to what extent American capital is playing in the industrial development of these Chinese ports. However, it is known that one large international concern owned partly by American capital recently dismantled four of its factories here employing approximately 10,000 workers and transferred its operations to Shanghai. When an official was criticized for the move because of its effect on the unemployment situation here he replied that his responsibility was first to the shareholders of the corporation.

The foreign capital invested in these manufacturing enterprises in China opposes any move which would tend to increase the price of silver, because it would restrict Chinese exports and tend toward deflation there. However, so far as the natives are concerned, who have most of their savings in silver, the opinion is that they would be benefited and that higher silver prices would increase imports to China, while at the same time it would restrict exports of manufactured goods. So far as Chinese agricultural products are concerned, the consensus is that the volume would be little affected, although the price received in silver probably would be more.

ONE CAUSE OF UNEMPLOYMENT

The decrease of manufactured exports from this country and England to the Orient during the last few years has been one of the causes of the large increase in unemployment in both these countries. If through an increase in the price of silver the trend toward manufacturing goods in the Orient could be checked, the feeling is that the unemployment situation both here and in Europe in time would be materially improved. Without something to stop the trend, the feeling in some quarters is that the United States and other industrial countries will become largely agricultural nations, while the Orient, with its millions of workers, will in time become the industrialized section of the world.

Silver is not only the common currency of China, but it has been so long the common currency of India that today most of the people of both countries, representing one-half the population of the world, are vitally affected by any depreciation in the price of silver. In the last few years, because of the drop in the price of silver, they have seen their savings drop more than one-half in value. The reduced purchasing power of the immense aggregate of small silver savings in these countries naturally is a vital matter in world trade.

Because of the lack of banking facilities, their lack of faith in paper currency and the high price of gold, the inhabitants of both these countries have put their meager savings in silver for more than a thousand years. In India alone there are about 700,000 villages and less than a thousand local banks, most of which are in the large cities. Virtually the same holds true in China. As a result, virtually all the savings of both these countries are in silver in one form or another.

EXHIBIT B

Mr. FIESINGER submits the following views:

When the Members of the House of Representatives of the Seventy-second Congress were elected, the United States was at the crossroads of its economic existence, suffering from the most blighting depression the country had ever experienced. The people in that election were motivated to find Representatives in Congress and a Congress which would find the cause and cure of the business paralysis that was fast engulfing the Nation and the world.

One of the most important matters for investigation and the most likely place to find the seat of the trouble was the money unit. Is it being manipulated? We all understand that if your yardstick is doubled, your value is halved, even though your property is of just the same productive power. Another important question relates to the adequacy of basic money. Does it expand and contract to the needs of increased or decreased demand? Our gold dollar is a unit of measure of value, but gold is also our monetary reserve. Does the demand for gold as a reserve fluctuate so much as to destroy the reliability of gold as our measuring rod of value? Does the demand for gold as a reserve upset its reliability as a measuring unit?

THE CAUSE OF THE DEPRESSION

The above matters come under the jurisdiction of the Committee on Coinage, Weights, and Measures. After a careful investigation by this committee covering months of inquiry in consultation with witnesses from various parts of the world and with leading economists and financiers, this committee is forced to believe that it has arrived in its findings at the basic cause of this depression.

We quote the following from the report of this committee made to Congress on May 14, 1932, as definitely in point in announcing its findings as to the cause of this depression:

"The committee, through the weight of testimony, has learned that the major depressions have followed governmental action which directly resulted in the dislocation of money and through it, of commodity values, or, in other words, in the destruction of profits from productive industry. Profits reduced when the general commodity price level is suddenly lowered by whatever cause and completely wiped out when the price level goes below the cost of production. The position of the United States has shifted as a result of the World War from a debtor to a creditor nation. As a result of this, the profit from our productive industry has assumed greater importance, as it establishes through investment as well as consumption the basis of a market for our manufactured product. The maintenance of a condition of prosperity in the United States is, therefore, accentuated to the point that the restoration of productive industry to a profit-earning basis is of transcendental importance. To convey this idea in other words, we would say that the purchasing power of money must be brought back to normal, and, to do this, the causes of disequilibrium in money must be removed.

"Our investigation has revealed that certain European nations, in an effort to protect their manufacturing industries by affording a better cost basis through lower prices of raw materials and foodstuffs, suddenly and either inadvertently and unintentionally or quite deliberately depressed the world commodity price levels below the point that admits of any profit to the American producer. We find that this result has followed directly and definitely from certain governmental acts, the effects of which are clearly traceable, so that all the important facts are well sustained by the evidence we have gathered."

In other words, the cause of this depression is rooted in the legislative enactments of certain nations, and the direct effect of

this foreign legislation on our business is to seriously control our profits, the value of our property, and the earnings of our people. Such a condition is incompatible with the vital interest of this Nation and must be controlled and corrected now that we understand the basic cause. The remedy becomes a comparatively simple matter and it consists of counterlegislation on our part to offset the results of foreign legislation and the effect thereof on our welfare and prosperity. In a word, we would place the United States in a position where it must defeat the point of attack. We must evolve a defensive or a protective remedy as against certain destructive acts of other governments.

DESTRUCTION OF VALUES

We find that the value of our farms, of our factories, of our homes, of our railroads, and even the value of the yield of our properties are shifted by the manipulations of foreign governments. And the evidence as to this is uncontradicted in our record. The values of property in most countries are measured in terms of their currencies. The value of property in the United States is measured by gold. If you manipulate the value of gold, you manipulate the value of everything that is measured by gold. Double the value of gold and you halve the value of every piece of property in the United States. In such a case the four hundred billions of property in the United States is reduced in market value to two hundred billions, but the two hundred and fifty billions of debts in the United States remain the same and our Nation as a nation is bankrupt. The findings of this committee is that the United States must defend its selected monetary unit which is the basis of its monetary and economic system. The United States must defend the market of gold and thus maintain it as a reliable and dependable measuring rod of value.

The United States must assume the control of the forces that have been used to manipulate the value of our yardstick of measure. We must control the manipulations of the buying power of gold as expressed in property. As a counter move to protect the manipulation of values of the property belonging to citizens of the United States this committee has reported out H.R. 14756, but many of this committee feel that this bill is a first step and will require amendment.

PRINCIPLES INVOLVED IN THE AMENDMENT

There are two principles on which this committee seems to be divided:

1. On the one hand, it is contended that the increased value of silver will solve the problem. Because the increase in value of silver will bring the desired price level of commodities.

2. The other principle and the one which is advocated by the amended bill is that silver is an indirect factor in the situation. Its effect is very important, but it is an indirect effect. The direct matter for our study and concern is the value of gold and how silver affects gold.

Many of the committee are in the position of opposing the committee bill. This procedure had to be adopted for the purpose of getting the matter before the House. The committee bill was reported out by a majority vote of the committee, but they did not thereby intend to be on record as recommending the bill. The amended bill reflects two principal points of objection to the first bill:

1. Merely increasing the price of silver is not adequate. If passed, it will require another law or amendment within 12 months. Silver value must not be merely increased or changed, it must be controlled or placed on a sound basis and protected from efforts to manipulate its value.

2. Our attention must be focused not on silver values, but on gold values. We should use silver to control the value of gold. It is a question of defending the gold market and not directly defending the silver market. Our values are all expressed in gold, not silver. Gold is the standard we must defend. Silver is the instrument of defense.

The principle advocated in this amended bill is, then, that we must put silver to a definite use as a part of our monetary reserves so as to preserve gold as a standard and protect it from those movements and shifting of values that destroy our business activities.

The principle put into action here is to break the corner on gold rather than a mere purchase act for silver. This gives the United States a positive plan. It puts the United States actually in control of the value of its property. We buy silver when we need to buy it and whenever it is sold to destroy our gold standard. Then after we have bought it we have a place to use it in our reserves. We do not buy it as the Farm Board bought wheat.

When there is a corner on gold we can put other values in our reserves to compete with gold. We thus preserve gold as a standard when we protect it from the threat of excess demand. We do not monetize silver, we only monetize our reserves. No monetary qualities are given to any silver except that which is placed in our reserves and the value of this is measured in terms of gold and so preserves our present gold standard as our single standard of measure.

But this use of silver is a definite use and it is a monetary use. It is a very different use from putting silver in the Treasury as a collateral convertible into money by its sale on the market as the Bank of India has lately done with such disastrous consequences.

RECAPITULATION

The amended bill provides an American plan for economic defense. What it accomplishes can be stated in very few words. "We preserve, by a definite plan, the honest dependable measuring qualities of gold as a standard unit of value."

We have adopted the gold dollar as a yardstick of value, we now must defend it from manipulation. Our committee has discovered that the value of gold is upset not so much by variations in the production or supply of gold. (The so-called "quantity" theory of money is not our point.) The defect of gold follows rather from variations in the demand for gold. We must not leave the demand element for gold to shift for itself or remain subject to the undisputed management of other nations.

The amended bill has as its object to correct the dislocation of our gold value unit and it does this not by a haphazard movement, but by controlled movement. Its object is to entirely free gold from the influence of the manipulations that have caused it to become a false standard, and after correcting the dislocation of gold values it proceeds to keep gold in normal position by defending it from manipulations.

The amended bill recognizes that silver had been used as a club to boost gold. Silver has been an instrument or means of unsettling gold and this is indirectly responsible for the present tragedy of "inflated gold", not directly responsible. It is contended by the proponents of this report that the direct connection between silver and commodities has not been indubitably established by the evidence. But the indirect bearing has been clearly established. The value of gold, which in our view, bears a direct relation to commodity price levels, is manipulated through the marketing of silver and indirectly reacting on gold by increasing the demand for gold. In other words, the amended bill uses silver as an agency to restore gold as a standard just as silver was used to destroy gold as a standard.

We exactly reverse the process that was actually used to bring about this depression. We reverse the process and keep the degree, to which we apply the process, under control. This bill puts the United States at last in control of the manipulations of the metal markets of gold and silver under a plan provided in this bill, which works to and maintains normal price levels. This bill counteracts manipulations whenever set in motion and it holds gold in terms of property or property values in terms of gold at the normal value of commodities as covering an averaging period of years.

This bill does not override natural law. It works in conformity to natural law. It does not legislate values; it legislates a new and definite siver use that becomes a demand factor and it leaves supply and demand free, under this use, to determine the price. This is in reality an American plan which puts the United States Government, for the first time in its history, in control of its economic welfare. The American Government under the amended bill takes a dominant position in the silver market. It does not merely accept silver as presented to it within the control and power of others.

No gold is required to be kept in reserve against the certificates herein provided for, as full value in silver is back of the certificates. Under the bill reported out by the committee, which in general principle follows the old Sherman law, a gold reserve is required as gold in the money of ultimate redemption back of these silver dollars. Also the provisions which call for rejecting certain lots of silver would defeat the very purpose of the plan, and under this bill silver in the vaults of the Treasury is not reserve but merely collateral.

Herewith is attached a copy of the amended bill.

WILLIAM L. FIESINGER,
Representing those of the committee favoring this report.

Mr. PITTMAN. Mr. President, I desire to address myself for a few minutes to the pending amendment. I have spoken on the bill twice, and I think that is sufficient. I cannot refrain, however, from commenting on the article by Sir Arthur Salter. Sir Arthur Salter is a recognized economist of the same school as the senior Senator from Ohio [Mr. FESS]. I mean by that that he sees nothing whatever in silver; but I should rather take his views as to conditions in China and opinions in China than those of the special writer of the Brookings Institution who was quoted so fully from by the Senator from Ohio.

I may say that that book came out quite a while ago, and even now is hardly read because it is so out of date. But Sir Arthur Salter states that the Chinese manufacturers do not look with favor or patience upon our efforts to raise the price of silver. He is entirely right in that statement, the reasons for which he gives. One reason is that it raises their costs of production and makes it more difficult for them to pay tariffs of foreign countries and then to compete in those foreign countries. Because of the tremendous difference in the value between their silver money and our silver money, though the two have about the same silver content, they can pay practically any tariff we have imposed and yet undersell us. It is such a simple transaction. We will assume that they can make 100 yards of cotton piece goods for a Chinese silver dollar. They come over here and sell it in this country for $2 American money; in other words, at 2 cents a yard. They could even pay a dollar tariff on it, have one American dollar left, go back to China, and buy three Chinese dollars, with which they

could make 300 yards of piece goods to be exported and sold here. That is the way the transaction is handled. That is what is called "exchange."

What would happen when the price of silver were raised? If we raised the price of silver by a certain amount, they could go back and buy only two Chinese silver dollars. If we raised it to $1.29, they could go back to China and buy only one Chinese silver dollar. That is a simple illustration of what takes place everywhere. So, how anyone can conceive that the price of silver has nothing to do with the commercial transactions between the United States and China is beyond my comprehension, and certainly beyond the comprehension of Sir Arthur Salter. There can be no question about that. With the rise in silver, the very thing that makes it difficult for them to export in competition with our manufacturers makes it hard for them to buy here.

Of course, it hurts the Chinese manufacturers, but they have had a boom there for 3 or 4 years, while in our country we have had distress.

The very object of this bill, of course, is primarily to put back into our monetary system the amount of silver that we normally had there, and to restore its normal price. There is no question on earth that when this Government shall be directed and mandated to buy 1,300,000,000 ounces, such action must raise the price of silver, and in raising the price of silver in the readjustment of our currency it is going to tend to stop dumping from Japan and the Orient and every other country that pays its labor in silver. I do not want to go into that subject any further.

Now, as to this amendment. The original provision, section no. 2, was considered at five or six informal conferences of the so-called "silver group." It was considered in conference with the Treasury Department; it was considered in conference with the President of the United States; and it seemed to meet the approval of everyone there except the Senator from Oklahoma, who, I think, then maintained the same position he now maintains. The section provides:

It is hereby declared to be the policy of the United States that the proportion of silver to gold in the monetary stocks of the United States should be increased, with the ultimate objective of having and maintaining one-fourth of the monetary value of such stocks in silver.

We have in the bill a definition of the word "stocks." Here is the definition of that word, if a definition be needed:

The term "stocks of gold" means the total amount of gold at the time owned by the United States, whether or not held as a reserve or as security for any outstanding currency of the United States.

That is as to gold.

The term "stocks of silver" means the total amount of silver at the time owned by the United States (whether or not held as security for outstanding currency of the United States) and of silver contained in coins of the United States at the time outstanding.

I contend that the amendment of the Senator from Oklahoma is not sufficiently broad. See how it reads:

It is hereby declared to be the policy of the United States the proportion of silver to gold—

The bill and the amendment are the same up to that point—

in the monetary metallic reserves of the United States.

Are those reserves gold? Are they gold and silver? Do the reserves include dimes, halves, and quarters? Do the reserves include only the standard silver dollars held for the redemption of silver certificates? What advantage would be obtained by using the words "metallic reserves"? When silver stocks and gold stocks are metals, it is not necessary to say that gold is a metal or silver is a metal, but when we say as we do in the original provision that the stocks of gold and silver, which means all the gold and silver owned by the United States, whether in reserves or in circulation or in specie, shall be in the proportion of 75 to 25, we have a more definite expression than provided by the Senator from Oklahoma in his amendment.

I must admit that I fail utterly to see the distinction between the monetary effect of his amendment and that of the provisions of the bill as reported. I have heard it discussed, but I cannot see it; I just do not find it; I do not grasp it; I do not gather it; I do not understand it. I feel that it is not as definite a description of what we want as is contained in the bill, because we describe the words "stocks of silver" as being all the silver owned by the Government, whether in specie or in reserve, and we describe gold as all the gold owned by the Government, whether in reserve circulation or where not. Then, having described what we mean by stocks of gold and silver, we simply say that the proportion between the two shall be maintained at 75 percent for gold and 25 percent for silver. That is what we had in mind. I think that clearly the provision which was agreed to at the White House is sufficient.

Mr. ADAMS. Mr. President, there are just a few words which I feel impelled to say rather to the Senator from Oklahoma than to Members of the Senate, because I have such high regard for his interest in, his industry in behalf of, and his erudition on the silver question that I feel like making an explanation to him for voting against his amendment. I think the Senator from Nevada [Mr. PITTMAN] has largely covered the objections which I have, but I trust the Senator from Oklahoma will bear with me very momentarily while I mention them.

I think, from one standpoint, that the amendment of the Senator from Oklahoma narrows the amount of silver which is to be purchased rather than enlarges it. It limits the proportion of silver to the "monetary metallic reserves", while the pending bill makes the proportion one-fourth of the "monetary stocks." "Monetary stocks" includes all the reserves and other things in addition. To illustrate, we have $2,000,000,000 of gold in this country set aside for a so-called "stabilization fund", which cannot be called a reserve. The result is when the proportion of silver is fixed according to the reserves, there is eliminated from the computation that $2,000,000,000 gold item, which will lessen the purchases of silver at least $500,000,000, which is considerably more than one-third of the purchases which will otherwise be made. So it seems to me the term "metallic reserves" is narrower than the term "monetary stocks."

However, the latter portion of the amendment of the Senator from Oklahoma is, on the other hand, broader than the provision of the bill as reported. It proposes that the computation shall be based upon value of silver and not upon monetary value. I wish that that portion of his amendment could be adopted, because that would fix the silver values in the proportion upon the cost basis, plus any change in the value, while the bill would base the proportion upon $1.29 an ounce.

Mr. KING. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. KING. Does the Senator think that statement is quite accurate, for the reason that that does not take into account the fact that silver is bound to rise, and though, perhaps, we might get, while silver is cheaper, a little more of it into the Treasury of the United States, nevertheless, with the rise in silver approaching $1.29 quickly, we would get the value contemplated by this bill more readily under the provision as it comes from the committee.

Mr. ADAMS. My view, if I may say so to the Senator from Utah, is that as between the two amendments there will be no difference, if silver reaches $1.29 an ounce right away. The difference is in the time intervening. We are all hoping that the result will be a rise in price.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. ADAMS. I yield.

Mr. McCARRAN. Can the Senator from Colorado give any assurance that silver will reach $1.29 right away? Is there anything in this bill that insures any time limit on the purchase of silver? Is there anything in this bill that says that the Secretary of the Treasury shall purchase silver at any specific time?

Mr. ADAMS. I am very glad to give the Senator from Nevada my opinion, which is that the President of the United States and the Secretary of the Treasury may be relied upon to carry out the direction of this bill in the



utmost good faith. The Senator from Nevada heard the President of the United States say in so many words he would carry it out enthusiastically. There is in the bill specific provision authorizing and directing the purchase of silver. While it does not say that it must be purchased so much this month and so much next month, I do believe that it is a mandatory provision, and the discretion is merely as to the time and the terms.

Mr. McCARRAN. Mr. President, will the Senator yield again?

Mr. ADAMS. Certainly.

Mr. McCARRAN. I do not want to interrupt the Senator unduly.

Mr. ADAMS. I do not mind being interrupted. I have merely a few comments to make, and they are fragmentary, anyway.

Mr. McCARRAN. Did the Senator in any conference—and I am asking this question directly—hear the Secretary of the Treasury say that he would carry out the policy of this bill?

Mr. ADAMS. I did.

Mr. McCARRAN. When and where? I was not present.

Mr. ADAMS. I heard him in the room of the Senator from Utah, the room of the Committee on the District of Columbia, say that he would carry it out enthusiastically, just as the President said he would do.

Mr. McCARRAN. I am very sorry that I was not present.

Mr. KING. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. KING. May I say to the Senator from Nevada that the Secretary of the Treasury indicated at the various conferences held that he was in favor of a directory and mandatory provision in the bill. He said to me upon a number of occasions, and over the telephone 2 or 3 days ago, that he was enthusiastically and earnestly for carrying out the provisions of the bill because he was for it. I had known before the meetings were held in the room to which reference has been made that the Secretary of the Treasury was in favor of legislation of this character.

Mr. McCARRAN. Mr. President, I have a very profound respect for the senior Senator from Utah [Mr. KING], but I take it that those who are in favor of the remonetization of silver would rather have the word of the Secretary of the Treasury than the word of any Senator on this floor. The first bill that was brought in by the Secretary of the Treasury was denounced even by the learned Senator from Utah, and the Senator from Idaho [Mr. BORAH] walked out of the conference.

Mr. ADAMS. Mr. President, I think it might be stated in fairness that the first draft of the bill which was presented to us merely provided that the Secretary of the Treasury was authorized to purchase silver. Objection was made; then it was agreed that the word "direct" should be put in; and when it was put in it was perfectly well understood. I know the Senator from Idaho can speak for himself, but it is not my understanding that he walked out because of particular disapproval of what was going on in the committee. However, he is his own spokesman at all times.

As to this measure and the question of the Senator from Nevada, which embraced another feature, whether or not there was any assurance as to a rise in the price of silver, let me say that, of course, no one can assure any absolute rise; but I think it is reasonably certain that, if the United States Government shall purchase 1,300,000,000 ounces of silver, it is inevitable that there will be a rise in the price of silver, because it has been stated over and over again by those who are advocating silver measures that there is not that much commercial silver available for purchase.

Mr. McCARRAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield further to the Senator from Nevada?

Mr. ADAMS. I yield.

Mr. McCARRAN. Apropos to the last statement of the learned Senator from Colorado—and I want to make it clear to him that my heart and my soul are in this subject—it is only a question of so writing the legislation that it will accomplish the end desired by those who believe that silver can do something for the world, and not that the world can do something for silver; and therefore I am propounding the question to the learned Senator from Colorado. Reference has been made to the former silver-purchase acts. Does the learned Senator recall that after the Bland-Allison Act the price of silver dropped; that after the Sherman Act the price of silver dropped; and that after the Pittman Act the price of silver dropped?

Mr. ADAMS. May I call the Senator's attention to the fact that there are these two differences: In the first place, the production of silver at that time was far greater in the world than it now is; and, in the next place, the purchases under the acts referred to were insignificant in amount.

We are proposing to purchase 1,300,000,000 ounces of silver, and we are proposing to do it promptly. We are proposing to continue the purchases until the monetary stock of silver shall equal one-fourth of our total reserve; until, otherwise, silver shall reach $1.29 an ounce. Such purchases in such magnitude have never been known in the history of the world.

Mr. McCARRAN. Mr. President, will the Senator yield further?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Nevada?

Mr. ADAMS. Certainly.

Mr. McCARRAN. If I annoy the Senator at all, I hope he will tell me, and I shall desist.

Mr. ADAMS. I am very glad to be interrupted, because the Senator and I are interested in the same subject and endeavoring to attain the same results.

Mr. McCARRAN. The trouble is, if I view the situation aright, that we are not bent on purchasing 1,300,000,000 ounces of silver, because if silver should go to $1.29 tomorrow all purchases of silver would cease.

Mr. ADAMS. When silver shall reach $1.29 an ounce the dreams of the Senator from Nevada and myself will have been realized.

Mr. McCARRAN. Provided silver shall go into circulation to relieve the conditions which prevail in the business world of the United States today.

Mr. ADAMS. The Senator knows that the bill, while it is the greatest forward step in the silver movement since its demonetization, is not the ultimate aim of those of us who might be designated as the "silver group", but it will put us in a place where we may easily take the next step.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Utah?

Mr. ADAMS. I yield.

Mr. KING. The Senator will recall that one of the sections of the bill provides that for every ounce of silver purchased, no matter whether with gold or anything else, a silver certificate of the same amount shall be issued; that for every ounce of silver purchased a silver certificate must go out.

Mr. ADAMS. Yes; there may go out a silver certificate representing the value of an ounce of silver at 50 cents, and there may go out a silver certificate representing silver at $1.29 an ounce.

Mr. McCARRAN. Mr. President, will the Senator from Colorado yield so that I may ask the Senator from Utah a question?

Mr. ADAMS. Certainly.

Mr. McCARRAN. Is there anything in the bill that provides, as to silver purchased by gold certificates or bonds of the country or otherwise, that silver certificates shall be issued against such purchases?

Mr. KING. Absolutely.

Mr. McCARRAN. Will the Senator kindly read the language?

Mr. KING. The bill provides that for every ounce of silver purchased, no matter whether by bonds or by gold or by anything else, a silver certificate shall be issued.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the senior Senator from Nevada?

Mr. ADAMS. I yield.

Mr. PITTMAN. We are dealing right now with one particular amendment. I intend at the proper time to answer some of the questions asked by the junior Senator from Nevada. We are not dealing with the amendment intended to be offered by the junior Senator from Nevada, but with the amendment now offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. ADAMS. The Senator will pardon me if I invite attention to the first sentence of section 5, as follows:

> The Secretary of the Treasury is authorized and directed to issue silver certificates in such denomination as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

It seems to me that is a very plain and positive direction that there must be issued silver certificates at least equal to the cost of the silver.

I wish now to say just a brief word with reference to one matter which the Senator from Oklahoma [Mr. THOMAS] has frequently mentioned.

The PRESIDING OFFICER. The time of the Senator from Colorado on the amendment has expired. He has 15 minutes on the bill.

Mr. ADAMS. I will use my time on the bill.

The Senator from Oklahoma has said repeatedly, and it is firmly fixed in his mind, that the bill will not make silver primary, basic, or standard money. My judgment is that there is no difference between the provision of the bill and the amendment of the Senator from Oklahoma in that respect. I think it is a mistake to attempt to go into matters of definition. The question is, What will a silver dollar do and what will a silver certificate do, and not what is it called?

Under the bill and under the amendment of the Senator from Oklahoma a silver certificate or a silver dollar may be used as legal tender to pay any debt of any kind. It may be used by the Government of the United States in the payment of its bonds. I do not know how we could make a dollar more usable than by making it full legal tender. I care not what it may be called. The Senator puts his defintion of primary money in this form: That that is only primary money which has the same value when it is stamped as a coin and when the stamp upon the equal amount of coin is defaced. We can take a certain gold coin today and mutilate it, and while it ceases to be a coin, yet it has the same value. I understood that to be his statement. May I ask the Senator from Oklahoma if I am correct?

Mr. THOMAS of Oklahoma. If my amendment should prevail, thereafter silver certificates would be based upon the actual amount of silver in terms of gold. For instance, silver might be worth 50 cents an ounce. It would take 2 ounces of silver to be worth a dollar in gold. The silver certificate of the future would call for 2 ounces of silver when silver is 50 cents an ounce. If silver were $1 an ounce, it would take only 1 ounce of silver to represent the silver certificate. I propose to put the silver in the Treasury at its bullion, intrinsic value rather than at a fiat value, as the pending bill proposes to do.

Mr. ADAMS. My understanding of the effect of it is that the Senator's amendment will not make silver primary money. What he is proposing is to make silver certificates primary money. He is making a silver certificate of such kind that it will buy in the markets of the world in equal value, but he is keeping silver upon a commodity basis. The silver certificate today may be redeemable in 1 ounce of silver and tomorrow in 4 ounces of silver, while under the pending bill the silver certificate will be redeemable at all times in one standard silver dollar.

Instead of getting silver off the commodity basis, the Senator from Oklahoma is putting it squarely upon the commodity basis. I am afraid his amendment would have a tendency to demonetize rather than to remonetize silver, because the amendment offered by the Senator does not make silver primary money in any sense. It makes silver certificates redeemable in the commodity value of silver. The present bill makes silver certificates redeemable in definite quantities of definitely stamped silver. If the object which we hope for shall be accomplished in the rise of the price of silver, we will have standard silver dollars which will meet all the requirements of the Senator's definition of primary money.

Mr. President, I believe that covers the matter I wished to discuss. It seems to me it would be a mistake to adopt the amendment of the Senator from Oklahoma. I recognize, of course, the force of the arguments of the Senator from Oklahoma, which are based upon an amendment he would offer should his first amendment now pending be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS], on which the yeas and nays have been ordered. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. WHITE (when his name was called). On this amendment I have a pair with the junior Senator from Illinois [Mr. DIETERICH]. I understand that if he were present and at liberty to vote, he would vote as I shall vote. I therefore vote "nay."

The roll call was concluded.

Mr. DICKINSON (after having voted in the negative). I have a general pair with the senior Senator from Kentucky [Mr. BARKLEY] who is necessarily absent from the Chamber. I am advised, however, that if present he would vote as I have already voted; so I will permit my vote to stand.

Mr. PATTERSON (after having voted in the negative). I have a general pair with the junior Senator from New York [Mr. WAGNER] who is necessarily absent from the Chamber. I understand that if present he would vote in the same way that I have already voted, and I therefore will allow my vote to stand.

Mr. ROBINSON of Arkansas (after having voted in the negative). I have a general pair with the Senator from Pennsylvania [Mr. REED], which I transfer to the Senator from Florida [Mr. TRAMMELL], and will allow my vote to stand.

I desire to announce that the Senator from California [Mr. MCADOO] is detained on account of illness.

The Senator from Idaho [Mr. POPE] is necessarily absent in attendance upon the funeral of the late Representative COFFIN.

The Senator from Kentucky [Mr. BARKLEY], the Senator from Alabama [Mr. BLACK], the Senator from Illinois [Mr. DIETERICH], the Senator from New Mexico [Mr. HATCH], the Senator from Illinois [Mr. LEWIS], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained.

The Senator from New York [Mr. WAGNER] is detained at the White House, but, if present, would vote "nay" on this question.

Mr. HEBERT. I announce the following general pairs:

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Idaho [Mr. POPE]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Indiana [Mr. VAN NUYS].

I also desire to announce that the Senator from Michigan [Mr. VANDENBERG] and the Senator from New Hampshire [Mr. KEYES] are necessarily absent, and that the Senator from Pennsylvania [Mr. REED] is detained from the Senate on account of illness.

The result was announced—yeas 17, nays 65, as follows:

YEAS—17

Ashurst	Frazier	McGill	Steiwer
Bone	La Follette	Norbeck	Thomas, Okla.
Caraway	Logan	Nye	
Couzens	Long	Shipstead	
Cutting	McCarran	Smith	

NAYS—65

Adams	Brown	Clark	Dill
Austin	Bulkley	Connally	Duffy
Bachman	Bulow	Coolidge	Erickson
Bailey	Byrd	Copeland	Fess
Bankhead	Byrnes	Costigan	Fletcher
Barbour	Capper	Davis	George
Borah	Carey	Dickinson	Gibson

Glass	Kean	Overton	Thomas, Utah
Goldsborough	King	Patterson	Thompson
Gore	Lonergan	Pittman	Townsend
Hale	McKellar	Reynolds	Walcott
Harrison	McNary	Robinson, Ark.	Walsh
Hastings	Metcalf	Robinson, Ind.	Wheeler
Hatfield	Murphy	Russell	White
Hayden	Neely	Schall	
Hebert	Norris	Sheppard	
Johnson	O'Mahoney	Stephens	

NOT VOTING—14

Barkley	Keyes	Reed	Van Nuys
Black	Lewis	Trammell	Wagner
Dieterich	McAdoo	Tydings	
Hatch	Pope	Vandenberg	

So the amendment of Mr. THOMAS of Oklahoma was rejected.

Mr. LONG. Mr. President, I send to the desk an amendment which I offer in lieu of section 2, and ask that it be read.

The PRESIDING OFFICER. The amendment, in the nature of a substitute, will be stated.

The CHIEF CLERK. In lieu of section 2 as printed in the bill it is proposed to insert the following:

That bimetallism be, and the same hereby is, reestablished as the monetary system of the United States; that is to say, both gold and silver shall henceforth be admitted to free and unlimited coinage as basic, primary money of ultimate redemption, as was done from 1789 to 1873, at such fixed ratio to each other as shall from time to time be established by law; and the President is hereby authorized and directed to proceed, under the powers conferred upon him by the Agricultural Adjustment Act of 1933, to carry this act into effect: *Provided*, That the ratio of silver to gold in the dollar shall not be fixed by the President at any time at more than 70 to 1 nor less than 16 to 1; and all acts and parts of acts in conflict herewith are hereby repealed.

Mr. LONG. Mr. President, the amendment which I have sent to the desk specifically reestablishes silver as money. It declares for the same policy and system of bimetallism that existed up to 1873.

There is no practical difference between the amendment and the section as it stands in the bill, excepting that we are told by the advocates of the present bill that they are going to do exactly what the amendment provides shall be done—and I call the attention of the Senate to this fact:

There is nothing mandatory or compulsory or decisive in the present bill. If I may have the attention of the Senate, I will state what the present bill provides, because there seems to be a misapprehension on the part of so many Senators who have read the bill many more times than I have, but who certainly do not seem to catch the language which appears very decisive to my mind.

The bill says:

The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad, for present or future delivery with any direct obligations, coin, or currency of the United States, authorized by law, * * * upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

The fact that the Secretary is given the discretion to purchase whenever he thinks he ought to purchase, and not to purchase when he does not think he ought to purchase, and to purchase upon only such conditions as he thinks are to the public interest, is the same as though we wrote into the bill "whenever he thinks it is a good thing to do." That is what the bill means.

Mr. BORAH. Mr. President, has the amendment been printed?

Mr. LONG. The amendment has not been printed. I will have it read if the Senator was not in the Chamber at the time it was read by the clerk.

Mr. BORAH. I should prefer to see it. Has the Senator copies of it?

Mr. LONG. I will ask to have the amendment sent to the Senator from Idaho in order that he may see it.

In other words, we are now told that silver is at such a low value that it has to have a monetary standard not only lower than 16 and 28 to 1, but much lower than that. Silver is now selling at 45 cents an ounce. The old ratio was $1.29 an ounce. I have allowed a discretion in remonetizing silver of not more than 70 to 1 and of not less than 16 to 1. The only difference between the amendment I have offered and what is in the bill is that under the amendment, if it were enacted today, by law silver would become money tomorrow. Under the amendment it does not depend upon the ipse dixit of the Secretary of the Treasury. He has no discretion to keep silver from being money; but it is left within the capacity and within the power of the Secretary of the Treasury not to make the value of silver as money any more than the market of the world justifies today.

In other words, it will not be necessary to make a 45-cent ounce of silver a $1.29 ounce of silver tomorrow morning. It will only be necessary to make the silver of the present value, according to the discretion that is allowed to the Secretary of the Treasury.

The only difference made by this amendment is that silver will be money, based upon a value, the ratio of which is to be fixed by the Secretary of the Treasury, with the silver valued as it is valued at the present date, and with gold valued as it is valued at the present date. This would mean that the law would amount to something.

I do not want to take issue with my friends, but I am compelled to note what was said by the junior Senator from Nevada. Every time we have had one of these silver-purchasing measures before us silver has gone down in price.

Mr. PITTMAN. Mr. President, I hope the Senator will give us the reason for that. Probably he knows.

Mr. LONG. I could not begin to tell the Senator the reason. I suppose the Senator knows.

Mr. PITTMAN. I think I do; but I do not think what the Senator has stated is accurate. I have the figures right before me, which I will read at the proper time. There is no use guessing at the facts. We have information as to the facts here.

Mr. LONG. The Senator probably had the information as to the facts when silver went down last year. I know the day the Senator introduced this silver bill silver went down. Perhaps it has gone back up since then. Perhaps there is some other reason. The fact is that we have not made anything out of it. What is 45 cents an ounce? There is no material gain from that standpoint.

If I may proceed, whether this is exactly according to what the Senator may think or not, the fact is, none the less, that last year we expected a material increase in the price of silver and a material use of silver. What has happened? We decreased the gold content of the dollar from 100 cents down to 59 cents. What was silver bringing last year, if I may inquire of my friend, at the time we decreased the gold content of the dollar? What was the price?

Mr. PITTMAN. At what date?

Mr. LONG. In September of last year, was it not? When was it we devalued the dollar? How much was silver selling for in September of last year?

Mr. PITTMAN. Somewhere around 30 cents.

Mr. LONG. The dollar today is worth only 59 cents, so silver should have advanced two-fifths, according to the argument, because we took two-fifths off the dollar. Two-fifths of 30 would be 12 cents, to be added. So, according to that, silver has not gone up to amount to anything based upon the present demonetized price of gold. At the most, it can be contended that silver has gone up from 1 to 2 to 3 points, which is practically nothing. It will fluctuate that much in a day or a week. The point is that after considering the devalued gold dollar, which is 28 or 29 to 1, instead of 16 to 1, there has been no appreciable increase in the price of silver.

As the junior Senator from Nevada said a moment ago, I am not concerned about helping silver; I am concerned about getting money to the people of this country who need it. My people do not produce any silver. I own no silver. My State is not a silver-producing State. But if we are to have a silver law, I appeal to my conservative brethren, who believe in truthfulness and explicit action by statute, to have it provided in the law that silver is to be money, and that its ratio with gold is to be fixed in accordance with what the value of silver is as compared with the value of gold, allowing bimetallism to work it up to what is the standard price. When it gets to $1.2929 we will reach the ideal point.

I hope that the amendment may be agreed to. It means that we are not undertaking to impose upon the Treasury the duty of buying at $1.29 silver that is worth 49 cents. The proposal merely is to give silver the status of money, and allow the discretion to remain in the Secretary of the Treasury.

I do not care to consume all of my time. If I may have a yea-and-nay vote on this amendment, I will have nothing further to say. I ask for a year-and-nay vote on the amendment.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Louisiana [Mr. LONG], on which the yeas and nays are demanded.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. HEBERT (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. LEWIS]. Not knowing how he would vote if present, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. ROBINSON of Arkansas (when his name was called). Announcing my pair and its transfer as on the last vote, I vote "nay."

Mr. WALCOTT (when his name was called). I have a general pair with the junior Senator from California [Mr. MCADOO]. I am informed that that Senator would vote as I desire to vote, and, therefore, I am at liberty to vote. I vote "nay."

Mr. WHITE (when his name was called). On this amendment I have a pair with the junior Senator from Illinois [Mr. DIETERICH]. Not knowing how he would vote, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. DICKINSON. On this vote I have a pair with the senior Senator from Kentucky [Mr. BARKLEY], who is necessarily absent from the Chamber. Not knowing how he would vote if present, I withhold my vote.

Mr. HEBERT. I announce the following general pairs on this question: The Senator from Michigan [Mr. VANDENBERG] with the Senator from Idaho [Mr. POPE], the Senator from New Hampshire [Mr. KEYES] with the Senator from Indiana [Mr. VAN NUYS], and the Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS].

I desire to announce that the Senator from Michigan [Mr. VANDENBERG], the Senator from Rhode Island [Mr. METCALF], the Senator from Oregon [Mr. STEIWER], and the Senator from New Hampshire [Mr. KEYES] are necessarily absent.

I also desire to announce that the Senator from Pennsylvania [Mr. REED] is detained from the Senate on account of illness.

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Kentucky [Mr. BARKLEY], the Senator from Alabama [Mr. BLACK], the Senator from South Dakota [Mr. BULOW], the Senator from Illinois [Mr. DIETERICH], the Senator from Virginia [Mr. GLASS], the Senator from Illinois [Mr. LEWIS], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained from the Senate.

I also wish to announce that the Senator from California [Mr. MCADOO] is detained by illness.

I announce also that the Senator from Idaho [Mr. POPE] is absent, attending the funeral of the late Representative COFFIN, of Idaho.

I am also requested to announce that the Senator from South Dakota [Mr. BULOW] is specially paired on this question with the Senator from Oregon [Mr. STEIWER]. I am not advised as to how either Senator would vote if present.

The result was announced—yeas 18, nays 59, as follows:

YEAS—18

Adams	Costigan	Long	Shipstead
Ashurst	Cutting	McGill	Thomas, Okla.
Bone	Erickson	Norbeck	Wheeler
Borah	Frazier	Nye	
Caraway	La Follette	Overton	

NAYS—59

Austin	Couzens	Hayden	Reynolds
Bachman	Davis	Johnson	Robinson, Ark.
Bailey	Dill	Kean	Robinson, Ind.
Bankhead	Duffy	King	Russell
Barbour	Fess	Logan	Schall
Brown	Fletcher	Lonergan	Sheppard
Bulkley	George	McCarran	Smith
Byrd	Gibson	McKellar	Stephens
Byrnes	Goldsborough	McNary	Thomas, Utah
Capper	Gore	Murphy	Thompson
Carey	Hale	Neely	Townsend
Clark	Harrison	Norris	Wagner
Connally	Hastings	O'Mahoney	Walcott
Coolidge	Hatch	Patterson	Walsh
Copeland	Hatfield	Pittman	

NOT VOTING—19

Barkley	Glass	Metcalf	Tydings
Black	Hebert	Pope	Vandenberg
Bulow	Keyes	Reed	Van Nuys
Dickinson	Lewis	Steiwer	White
Dieterich	McAdoo	Trammell	

So Mr. LONG's amendment was rejected.

EXTENSION OF TEMPORARY PLAN FOR DEPOSIT INSURANCE—CONFERENCE REPORT

Mr. FLETCHER submitted a report, which was ordered to lie on the table.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed without amendment the joint resolution (S.J.Res. 121) authorizing the President to return the mace of the Parliament of Upper Canada to the Canadian Government.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H.R. 4337. An act to amend the Judicial Code by adding a new section to be numbered 274D;

H.R. 8781. An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; and

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia.

MONETARY USE AND PURCHASE OF SILVER

The Senate resumed the consideration of the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

Mr. PITTMAN. Mr. President, I wish to offer an amendment which was submitted by the Treasury Department to correct language in section 8. I send the amendment to the desk and ask to have it read.

The PRESIDING OFFICER. The amendment will be read.

The LEGISLATIVE CLERK. It is proposed, on page 7, at the end of line 3, to insert the following:

The Commissioner shall abate or refund, in accordance with regulations issued hereunder, such portion of any tax hereunder as he finds to be attributable to profits (1) realized in the course of the transferor's regular business of furnishing silver bullion for industrial, professional, or artistic use and (a) not resulting from a change in the market price of silver bullion, or (b) offset by contemporaneous losses incurred in transactions in interest in silver bullion determined, in accordance with such regulations, to have been specifically related hedging transactions; or (2) offset by contemporaneous losses attributable to changes in the market price of silver bullion and incurred in transactions in silver foreign exchange determined, in accordance with such regulations, to have been hedged specifically by the interest in silver bullion transferred.

Mr. PITTMAN. Mr. President, I desire to explain the amendment briefly. The question arose as to whether or not under the section indicated the tax applied in a case where a processor bought bullion and between the time, for instance, of the purchase and delivery of the bullion to the processor for refinement the price had changed and he had attempted to protect himself by selling exactly the same number of ounces he had bought. The question was whether such a transaction would come within the taxing provisions.

It was not the intention, as I understand, of the Treasury Department in preparing this tax proposal to have it apply to anything except actual speculations in the buying and selling of bullion.

For instance, a producer sells silver en route to a smelter. It is paid for the day it is received at the smelter, although the silver is sold in the rock. The silver then has to go through the process of smelting and refining. After the bullion comes out of the ore it is impure. It has to go through the refinery.

It will probably be 6 weeks to 2 months before the buyer of the silver ore has it in bullion. In the meantime the price may drop 10 cents an ounce below what he paid for it, and, as he is not speculating in silver, he offsets that transaction by selling exactly the same number of ounces of silver that he buys, and then, if silver goes up or down, he is not affected by the transaction. The object of the amendment is to effect such cases as I have described.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. JOHNSON. Has this amendment been referred to the committee at all?

Mr. PITTMAN. No; it has not.

Mr. JOHNSON. The other day there was a rule invoked when an amendment was presented, and it was contended it ought not to be considered at all because it had not been passed upon by any committee. I have not read the amendment; I am quite unable to follow the explanation.

Mr. PITTMAN. I tried to be brief with it. Here is the statement of the Treasury Department, which I think means exactly what I said, that those who are engaged in the processing of silver, from the time it is in the rough state until it is pure silver ready to be manufactured into jewelry, have to undergo a period of time when there is a fluctuation in the price of silver, and not being engaged in speculation and desirous of protecting themselves they do what is called "hedging"; they sell at the same time they buy.

Mr. WALCOTT. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. WALCOTT. Two large concerns, the International Silver Corporation of Meriden, and one other in Connecticut, are very much interested in this tax. They are very large buyers of commercial silver for manufacturing of various articles. I wonder if this bill would except them from paying the tax? Assuming that they are not merely speculating in silver but that they are buying for manufacturing purposes, and the price of silver advances, they would probably sell that manufactured article at a higher price than they would have done if silver had not advanced; but is there any computed profit in that case that would be taxable at 50 percent?

Mr. PITTMAN. The tax applies solely to bullion and solely to a profit on the sale of bullion; not the sale of silver in any processed form.

Mr. WALCOTT. I thank the Senator.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. McCARRAN. In the first place, I think that the amendment of my colleague should be printed. I now call up and ask to have read the amendment I have heretofore offered.

The PRESIDING OFFICER. The pending amendment is the amendment offered by the senior Senator from Nevada [Mr. PITTMAN].

Mr. McCARRAN. I ask that my amendment be read at this time by the clerk.

The PRESIDING OFFICER. The clerk will read the amendment offered by the junior Senator from Nevada [Mr. McCARRAN].

The CHIEF CLERK. It is proposed on page 2, line 13, after the word "ounce", to insert a colon and the following:

And provided further, That in the event that silver certificates are not used originally or directly in payment for any silver purchased or acquired, then immediately after purchasing or acquiring any silver at home or abroad silver certificates shall be issued to the full amount as provided in this act, and such certificates shall be placed in actual circulation through the payment of governmental obligations.

Mr. McCARRAN. I now ask my colleague, who is in charge of this bill, if he will accept my amendment.

Mr. PITTMAN. I do not feel at liberty to accept it. May I ask a question? There is pending the amendment which I offered preceding this amendment.

The PRESIDING OFFICER. The pending amendment is the amendment offered by the senior Senator from Nevada [Mr. PITTMAN]. Does the junior Senator from Nevada [Mr. McCARRAN] desire to be heard on that amendment, or does he desire to offer his amendment.

Mr. McCARRAN. I do not understand that the last amendment, which is not printed, is offered now by my colleague.

The PRESIDING OFFICER. The Chair so understood, and so ruled.

Mr. PITTMAN. If my colleague wants a vote on his amendment first, I will ask unanimous consent that I may temporarily withdraw my own amendment, and allow my colleague to present his amendment at this time.

Mr. McCARRAN. It was my understanding that that should be done.

Mr. PITTMAN. I ask unanimous consent temporarily to withdraw my amendment which I just offered.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The senior Senator from Nevada temporarily withdraws his amendment.

Mr. McCARRAN. Mr. President, there are those in this Chamber who believe honestly and sincerely that not only from the standpoint of their birthright but from the standpoint of a national advantage there should be a remonetization of silver. There are those who do not believe in the remonetization of silver. It is not a question, Mr. President, of what we can do for silver. That would mean doing something for two or three millions of toilers with their families. That might be swept aside as merely a local matter. What we are interested in here is, What can silver do for humanity at an hour and a time when humanity needs something to be accomplished? If we are right in one, we are right in the other.

The fact that I may come from a State which produces silver and that I might be denominated as one naturally inclined to enhance an industry within my State is not a thing that is national. It is a thing that is local. But what I am interested in is something that will accomplish results for the Nation to which you and I belong—a broader aspect and a more far-reaching atmosphere.

What are we dealing with here? A commodity? A something that may be bought and sold today on the stock market, kicked up and down on the board, bought right and left, sold short and long? I hope that is not true, because as long as that principle prevails then so long will we have destroyed something that belongs to the lowly and the humble; the masses of the people of this country.

Mr. President, from time almost beyond the writing of mankind to the present hour there have been two things which were recognized as basic by which the obligations of one man might be liquidated with another—a money of ultimate settlement. I do not care whether it came out of the sacred writings or whether it came by historic precedent, it had its place in the world and it has its place now. The one was gold and the other was silver. From time immemorial until the present silver has been the coin of the lowly, the money of the masses, the money of the poor.

What is the condition today? Have the poor of this country money with which to deal with their fellow men? If they had, we would not be detained here at this hour. It is because within the last year and a half the circulating medium of the country has been reduced $9.60 per capita—$9.60 for every man, woman, and child in the United States. Statistics bear out and prove that statement. It is not because we want to do something that will give more employment to the miner—though that may be uppermost in our hearts—we want to do something for the masses of the country, to bring them back so they may deal with their fellow men. When we have done that, we can adjourn the Congress, and national recovery will be a success without further action.

What does the bill propose, and what does my amendment propose? First of all, just a few moments ago, by way of inquiry put to the learned Senator from Colorado [Mr. ADAMS] at a time when he was arguing against the amendment of the able Senator from Oklahoma [Mr. THOMAS], I asked him if it were true that silver certificates would be placed in circulation by the bill. The learned Senator made what I consider to be an indefinite answer.

If we buy all the silver in the world and put all the silver in the world in the Treasury of the United States, will we have enhanced the wealth of the man on the street? What is the object of legislation of this kind? Is it merely to put more metal away some place—metal that men declare to be money of ultimate redemption—or is it to put into circulation something with which the man who toils in the ditch today may pay the butcher, the baker, and the candlestick maker? The latter is my object, and I believe the latter is the object of every Member of this body.

It is not a question of how much gold we have stored away today—we have a corner on the gold of the world. We are the wealthiest nation in the world. We are a creditor nation. Yet there are millions upon millions starving, or, if they are not starving, it is because we are turning out of the Treasury of the country the money of the taxpayers to keep them off of starvation lists.

It is only a question of whether we shall make silver something with which men may deal with men and settle and liquidate their obligations. Shall it be a money of ultimate redemption, or shall it be a commodity? If it is only a commodity, then why not say that every grain of wheat in some granary has a monetary value? If it is only a commodity, why not deal with it accordingly? But if it is actually a money of ultimate redemption, let us hold it as such and, holding it as such, let us put it into circulation.

The learned senior Senator from Utah [Mr. KING] surprised me a few moments ago. He was in every meeting of the group of Senators who met, from the time we first came here in special session until this hour. He knows what the attitude of that group was. I was a little sorry at his tone in reply to me when I said that the Secretary of the Treasury had at no time evinced an attitude favorable to the remonetization of silver. I make that statement now, after repeated meetings with the Secretary of the Treasury. I am sorry to have to make it. I do not believe the Secretary of the Treasury has any more use for silver as a money of ultimate redemption than the devil has for holy water, and that is not very much.

I do have faith, however, in the President of the United States. When he said to that group of Senators who assembled there in meeting that day that he, the President, proposed to go about this movement energetically and purposefully—proposed to buy silver and make it a circulating medium—I had faith in the Executive. Hence I have offered the amendment in good faith, not for the purpose of defeating the bill, because I propose to support the bill. My whole life, my whole being, is wrapped up in something that will bring to the men in the lowly walks of life the things that will give them an opportunity to deal with their fellow men. From my earliest life until the present time I have believed, and I now believe, in the remonetization of silver.

This measure now under consideration does not go so far as to remonetize silver. I wish it did. If this bill is a step in the right direction, it will have that effect if it will bring back the money of the lowly to the lowly—then, although I know it is not all that I want, I will vote for the measure.

The PRESIDING OFFICER. The time of the Senator on the amendment has expired. The Senator has 15 minutes on the bill.

Mr. McCARRAN. I will take my time on the pending amendment of the senior Senator from Nevada [Mr. PITTMAN].

The PRESIDING OFFICER. The amendment of the senior Senator from Nevada has been withdrawn. It is not the pending amendment. The question is on the amendment offered by the junior Senator from Nevada.

Mr. McCARRAN. There is another amendment pending. Am I not right?

The PRESIDING OFFICER. The Senator may proceed for 15 minutes on the bill, but there can be but one pending amendment.

Mr. McCARRAN. Then I will take my time on the bill itself.

The PRESIDING OFFICER. The Senator has 15 minutes on the bill.

Mr. McCARRAN. Mr. President, were I less zealous in this matter, perhaps I might be less wrapped up in it.

I regret exceedingly that my colleague [Mr. PITTMAN] finds nothing in my amendment that he can adopt. It is indeed unfortunate; but the people of this country will find something in my amendment that they will adopt, and that is that they want, namely, a money circulating in this country and not a money tied up in the strong boxes of this country. I want a money that will circulate from John Smith to Bill Jones and pay the balance found to exist between them. We may call it the Mexican dollar, if we desire, or the mill dollar, if we desire, as it was called in former legislation, or we may call it a silver certificate. Whatever it may be, let it be a circulating medium that will pass from one man to another and thus meet the condition.

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. McCARRAN. I yield to the Senator.

Mr. NORRIS. I wish the Senator would explain the operation of this amendment. I have not seen it. We have only heard it read. I think it has not been printed.

Mr. McCARRAN. Yes; it has been printed.

Mr. NORRIS. Will the Senator explain, then, what would happen under his amendment?

Mr. McCARRAN. The bill provides that the Secretary of the Treasury may issue silver certificates. It does not provide that he shall issue silver certificates.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHEELER. Let me say to the Senator that in talking with Mr. Oliphant, who is one of the attorneys for the Treasury Department, he stated that he had looked up the question and that the term "issue", as used in this bill, meant to circulate the certificates. He stated that that would be his interpretation if he should be called upon to interpret the law, and that that is exactly what they intended to do, and that is what they would do.

Let me frankly say to the Senator, however, that it does not seem to me that the amendment offered by him could possibly do any harm, and, as a matter of fact, it would take away all doubt from the matter; and I am at a loss to understand why the Treasury Department should want to keep the amendment out of the bill. They say that the word "issue" means not only to issue the money but to put it into circulation. If that be true, then there can be no reason, it seems to me, why they should not be willing to accept an amendment which would require exactly what they say they are going to do.

Mr. McCARRAN. That is exactly what I want the bill to say.

I was very much impressed with some questions propounded by the learned Senator from Nebraska [Mr. NORRIS] in the very early consideration of this bill. They were addressed, as I recall, to section 1 or section 2 of the bill; and in his questions he said, "Well, why do you not say so? Why use so much language?" That is exactly what I want to do now—say just what we mean.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield. I hope I did not misquote the Senator.

Mr. NORRIS. No; the Senator has not misquoted me, and I have had some doubt about the very provision which I think this bill undertakes to clarify. Like the Senator, I do not want to insert anything in this bill that will bring about its ultimate defeat; but as I understand now, since I have read it, the Senator's amendment does clarify and is

really an answer to the questions that I propounded, as the Senator says.

Mr. McCARRAN. That was my intention.

Mr. NORRIS. I do not see anything else in it. It seems to me the amendment is unobjectionable for that reason.

In other words, the object of the Senator's amendment, as I now see it, is that it would be certain, were any silver purchased, that the silver should somewhere bring about the issuance of silver certificates to the full amount of the silver involved; and that, as I understand, is one of the objects of this bill.

Mr. McCARRAN. That is exactly the object of this amendment; and, as I take it from statements and word from the White House, that was the purpose and intent, and they said they would go about it zealously.

I submit the amendment to the Senate.

Mr. PITTMAN. Mr. President, I do not think there is any disagreement whatever between the junior Senator from Nevada [Mr. McCARRAN] and myself with regard to this matter.

As a matter of fact, at the last informal meeting of this informal committee with the Secretary of the Treasury and others on the 16th day of last month, when the Secretary announced to us that he desired further liberty in utilizing gold or gold notes or any other form of credit in buying silver, and that he did not wish to be bound solely by the use of silver certificates in the purchase of silver as we had provided in the informal draft, at that time, sitting there, I drafted this language and read it at the meeting; and I read it now to show the junior Senator from Nevada that I am in entire accord with him:

> But the Secretary of the Treasury may purchase silver with gold or any other currency or credit of the United States; but if purchases are made with any other specie, currency, gold, or credit other than silver certificates, then the Secretary of the Treasury shall issue silver certificates against such silver so purchased at the rate of $1 a certificate for each 371.25 grains of silver so purchased. Such silver certificates shall be paid out by the Treasury Department in the ordinary course of business to meet any expenses, liabilities of, or demands upon the Government. Such silver certificates and all other silver heretofore or hereafter issued shall be full legal tender for all debts, both public and private, and such legal-tender character shall be maintained.

I insisted on that, and that was written at the table there and was agreed to by all this informal committee; yet, as I say, the counsel for the Treasury Department wrote this letter, which I accepted:

> DEAR SENATOR PITTMAN: Section 5 of the silver bill directs the Secretary of the Treasury to issue silver certificates to an amount not less than the cost of the silver purchased under section 3. The legal effect under existing law of the words "to issue" silver certificates is that they must be not merely printed but also put into circulation.
>
> Very truly yours,
>
> HERMAN OLIPHANT,
> *General Counsel to the Secretary.*

I asked for a legal opinion from him upon that subject. I hold here a legal opinion prepared by the general counsel for the Treasury Department in which he cites numerous decisions of our Federal courts, and refers to numerous acts in which the word "issue" is used and interpreted and construed, and finally winds up by saying:

> The word "issue" has always been interpreted administratively as meaning to put in circulation in all Treasury operations.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. PITTMAN. I yield.

Mr. WHEELER. I think the Treasury is undoubtedly right about that, but I do not see any reason why there should be any doubt. Many of us who have been interested in the silver issue have felt that we wanted to be exceedingly explicit when we were dealing with silver legislation. All this amendment does is exactly what the Treasury Department says it intends to do, and what it will do. That is all the language means.

Mr. PITTMAN. Mr. President, it seems to me that this amendment anticipated a different form of bill from that which has come from the House.

Mr. McCARRAN. No; it was drawn for this very bill.

Mr. PITTMAN. Let me read it:

> That in the event silver certificates are not used originally or directly in payment for any silver purchased or acquired, then immediately after purchasing or acquiring any silver at home or abroad, silver certificates shall be issued to the full amount as provided in this act.

That is already in the bill; but this is what is not in the bill:

> And such certificates shall be placed in actual circulation through the payment of governmental obligations.

I would have no objection to that. What I am trying to do, however, is to get through a bill that will become law. That is what I am striving for right now. I suggest that on page 3, line 5, after the numeral "3" and before the period, there be inserted the words from the Senator's amendment, "and such certificates shall be placed in actual circulation."

Mr. McCARRAN. I accept that.

Mr. NORRIS. Mr. President, if I may be permitted to interrupt the Senator, the junior Senator from Nevada says he accepts the modification of his amendment. If I understand it, he strikes out of his amendment, then, everything after the word "circulation", in line 8. Is that correct?

Mr. PITTMAN. He really adds the words I have read in another place. May I read it as it would be with the amendment added?

Mr. NORRIS. I hope the Senator will do that.

Mr. PITTMAN. Section 5 reads as follows:

> SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

I propose to add from the amendment of the junior Senator from Nevada the words "and such certificates shall be placed in actual circulation."

Mr. FESS. How would it be done?

Mr. PITTMAN. When any money is issued, it goes into the general fund of the Treasury, or into the special fund for distribution, and warrants drawn against it are paid out.

Mr. FESS. When it goes into the general Treasury it is in circulation.

Mr. PITTMAN. Yes; because it is paid out on warrant. I would prefer to say "in actual circulation" than to try to prescribe how it should be done.

Mr. GORE. Mr. President, I should like to observe that the provision would be a vain thing, so far as requiring the Secretary of the Treasury to place the certificates in actual circulation is concerned, unless we require him to keep them in actual circulation, and that is beyond the power even of Congress.

The PRESIDING OFFICER. Does the junior Senator from Nevada modify his amendment?

Mr. McCARRAN. I do.

Mr. NORRIS. Mr. President, I should like to know what the modification is.

The PRESIDING OFFICER. The clerk will state the amendment as modified.

The LEGISLATIVE CLERK. On page 3, line 5, after the numeral "3", it is proposed to add the words "and such certificates shall be placed in actual circulation."

Mr. NORRIS. Is that offered instead of the amendment heretofore offered by the junior Senator from Nevada?

Mr. PITTMAN. I suggested that we add that part of the amendment of my colleague to come in on line 5, at the end of the sentence.

Mr. NORRIS. If I may be recognized in my own time on this question, I will not take up the time of the senior Senator from Nevada, if he is through.

Mr. PITTMAN. I have finished.

Mr. NORRIS. Mr. President, the only question in my mind is as to whether this would accomplish the result expected. I myself think it is very desirable, when silver shall be purchased with money, let us say, now in existence and now in the Treasury, that silver certificates be issued for the silver that is purchased. Otherwise we would not expand the currency in any degree whatever.

Mr. PITTMAN. That is provided in the bill.

Mr. NORRIS. There seems to be some doubt about that.

Mr. PITTMAN. No; the doubt is as to whether, if it is issued, "issued" means circulating. That is the doubt.

Mr. NORRIS. I was about to suggest to the junior Senator from Nevada that he strike out the words "through the payment of governmental obligations", because there might be some other way. The way he suggests would be the best method, possibly, but, if there were any other way just as good, it might be excluded if we left this language in. That is the reason why, personally, I should like to take it out.

Mr. McCARRAN. Mr. President, would the senior Senator from Nevada accept the amendment with the words "through the payment of governmental obligations" stricken out? It seems to me we are wasting much time over the use of words. We know what we are driving at, we know what we want, and it seems to me that the language of my amendment would accomplish exactly what we want. I would accept the suggestion of the learned Senator from Nebraska, because that would direct a specific avenue when there might be other avenues through which the same result might be accomplished.

Mr. PITTMAN. Then I understand the junior Senator from Nevada to offer an amendment, on line 5, page 3, after the numeral "3" and before the period, to add the words "and such certificates shall be actually circulated."

Mr. McCARRAN. I should prefer to stand on my amendment up to the point where I have suggested striking out.

Mr. PITTMAN. Mr. President, that would merely be repeating what is already said in the bill.

Mr. McCARRAN. If so, it could not do any harm.

Mr. PITTMAN. I object to having language in the bill that would be absurd. Let me read it again, if I have the time. This is what the bill provides:

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

The amendment of the junior Senator from Nevada provides:

That in the event silver certificates are not used originally or directly in payment for any silver purchased or acquired, then immediately after purchasing or acquiring any silver at home or abroad silver certificates shall be issued to the full amount as provided in this act.

If we turn to the clause providing for the purchase of silver we find just exactly that provision.

Mr. McCARRAN. On what page?

Mr. PITTMAN. Page 2:

The Secretary of the Treasury is authorized and directed to purchase silver, at home or abroad—

The language to which the Senator from Nebraska objected the other day—

for present or future delivery, with any direct obligations, coin, or currency of the United States authorized by law or with any funds in the Treasury not otherwise appropriated, at such rates, at such times, and upon such terms and conditions as he may deem reasonable and most advantageous to the public interest.

Mr. NORRIS. Mr. President, will the Senator yield to me?

Mr. PITTMAN. I yield.

Mr. NORRIS. As I read that language, it does not provide that when the Secretary shall have purchased silver with other obligations of the Government or with any money in the Treasury he shall actually issue silver certificates for the silver he may have purchased.

Mr. PITTMAN. Listen as I read, and see whether it does.

Mr. NORRIS. That is the point about which I wanted to be sure.

Mr. PITTMAN. That is one paragraph in which he is authorized to buy silver and issue silver certificates. If he buys it with silver certificates, that is settled.

Mr. NORRIS. That is settled.

Mr. PITTMAN. If he does not buy it with silver certificates, here is what is provided:

SEC. 5. The Secretary of the Treasury is authorized and directed to issue silver certificates in such denominations as he may from time to time prescribe in a face amount not less than the cost of all silver purchased under the authority of section 3.

There is the direct authority.

Mr. NORRIS. I asked the other day as to the phrase "in the face amount." Suppose the Secretary of the Treasury purchased it at 50 cents an ounce; the amount of the silver certificate would be different from what it would be if he purchased it at $1.29 an ounce.

Mr. PITTMAN. I wish I could explain the matter to the Senator. If the Secretary of the Treasury purchases $100,000,000 worth of silver, no matter what price per ounce he pays for it, and he purchases it with gold notes, the Government is out $100,000,000, and it issues $100,000,000 worth of silver certificates with the left hand. That balances the expenditure. Then the question is not what is behind the silver but the amount he uses. There is no change whatever as to the character of the silver certificate or the amount of silver behind it in this bill.

The PRESIDING OFFICER. The question is on the amendment offered by the junior Senator from Nevada [Mr. McCARRAN], as modified.

Mr. GORE. Mr. President, I should like to ask the leader on this side of the Chamber if it is his intention to finish this bill tonight and take a vote on its final passage.

Mr. PITTMAN. I assure the Senator that that is my understanding.

Mr. GORE. Mr. President, I had wished to say just a word concerning the amendment of my colleague. The roll call began earlier than I had expected. In fact, I had intended at one time to submit some observations on the silver question in general, but I have not been able to assemble the data, and I shall therefore spare the Senate that affliction. But I do wish to say, however, that there was one point in my colleague's amendment which commended itself to me, contrasted with the bill as a whole. It was his purpose to make the silver coin, which is called a dollar, worth a dollar; it was his desire to have that coin worth a dollar in silver bullion. In other words, he would have the silver coin worth as much in bullion as in coin. I think that is indispensable in a sound system of money, where you have any sort of standard money, or money, as we sometimes hear, of ultimate redemption, whatever that means.

I do not think that anything can be a standard of value or a measure of value that does not itself possess value, any more than a measure of length can exist without its having length. Anything else is a mere fiction. A $10 gold piece is worth as much, and should be worth as much, in bullion as in coin. If it should be melted down, as in the case where a house burned down, the bullion that was left would be worth as much as the coin before it was melted down. As I see it, that is indispensable to any sort of standard of value or standard money. I cannot bring myself to favor the coinage of silver, but if we are to have silver coins, their intrinsic value as metal should equal their nominal value as money. Otherwise you have a fiat silver money which is not different in kind or character from fiat paper money.

The Senator from Louisiana [Mr. LONG] offered an amendment which undertook to declare that it was the policy of the United States to establish, or to reestablish a system of bimetallism—the so-called "double standard."

Mr. President, as I understand the term "bimetallism", or the double standard, it means the free and unlimited coinage of both gold and silver into full legal tender money at a ratio fixed by law. Now if I had had the time and opportunity I had intended to demonstrate that such a thing is an impossibility, a financial impossibility, a monetary impossibility; that the thing cannot be done, that it has been tried times without number in history, and that it never did succeed in any age or in any country, except during such limited periods as when the market value of gold and silver happened to correspond with the mint value of gold and silver. That was an accident, and not a matter of policy or design.

More than 100 years ago, in 1832, a committee of the other House reported on the subject of coining gold and silver; it reported that they had not been able to find in history where the two metals ever circulated as unlimited legal

tender under free and unlimited coinage, had circulated contemporaneously, concurrently, and indiscriminately. The House committee said that they had not been able to find an instance in human history where the two metals had circulated concurrently, contemporaneously, and indiscriminately.

I say that the same thing can be said today, with as much truth as then, with the one exception: those periods when the market value and the mint value happened to correspond.

Mr. President, the value of gold varies with reference to the value of commodities. The value of silver varies with reference to the value of other commodities. The value of gold varies with reference to the value of silver and, I might say, vice versa. And the double standard undertakes to fix a constant relationship between two variables. The thing cannot be done as a matter of design or as a matter of contrivance.

From 1602 to 1773 the French Government changed the ratio between gold and silver 26 times. Why? Because the commercial ratio changed, and they were trying to make the legal ratio correspond with the commercial ratio, trying to make the mint ratio correspond with the market ratio. It could not be done.

Mr. KING. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KING. Does not the Senator know that in the reign of Napoleon, M. Colonne, the great minister of France, in 1803 prescribed the ratio by law under the direction of Napoleon at 15½ to 1, and that that ratio unimpaired, unweakened, unchanged, continued until 1873, when the United States demonetized silver and the mints of France were opened to the free and unlimited coinage of gold and silver during that entire period?

Mr. GORE. Not Colonne—he was connected with the act of 1785—but Beranger and Gaudin. Mr. President, I know that what the Senator states is true only with this limitation, that they circulated concurrently only when the market and the mint ratio happened to correspond.

Here is what happened. From 1803, when Colonne had that law enacted by the Emperor, down to 1848, gold was at a permium over silver of from 1 to 1½, and at times as high as 2 percent, and they did not circulate together.

There were two reasons. The thing, I may say, appeared at times to work, owing to two exceptional circumstances. England was on the single gold standard at that time. Germany was on the single silver standard at that time. And when there was an excess of gold in France it flowed to England. When there was an excess of silver in France it flowed to Germany.

In addition to this, silver was leaving France and was going to the Orient. And from 1848 to 1858 France coined $600,000,000 worth of gold and lost $300,000,000 worth of silver—the silver left France and went abroad.

I repeat, the thing never had happened. The thing cannot happen. Whichever money is overvalued the people will use to pay their debts and will save, sell, or export the money which is undervalued as bullion. I quote from Horace White, a high authority, as to the effects of the act of 1803:

> Gradually the price of gold rose above the legal ratio, and that metal was exported to such an extent that Chevalier tells us that "25 years after that date (1803) the circulation consisted of silver only." Abundant proofs can be adduced showing that bimetallism did not exist in practice in France between 1830 and 1847. Mr. Giffin has published a table showing the premium on gold in Paris during every month of that period. This premium was at times as high as 2 percent. The contention of the bimetallists that the French law of 1803 kept the ratio steady at 15½ till 1873 is not supported by facts.

Take our own history. From 1792, when the Mint Act was passed and the ratio of 15 to 1 was enacted, silver was overvalued and gold was undervalued, and comparatively little gold was coined, because gold was worth more in the form of bullion than it was in the form of coin. Gold left the country.

From the acts of 1834 and 1837, when the metals were revalued and the value of the gold coin was changed, silver was then undervalued and had left the country. It was worth from 1 to 3 percent more in bullion than it was in coin. It emigrated. It went abroad. You might as well stop water from running down hill as to prevent an undervalued coin from leaving the country. It always has done so. It always will do it unless it is impounded. It defies even embargoes, penal statutes, and royal proclamations. It would not circulate; it would not stay in the country.

The junior Senator from Nevada [Mr. McCARRAN] has referred with some eloquence to the money of our fathers—the money with which the poor man could pay and be paid. Mr. President, on the 1st day of May 1806, Thomas Jefferson, the founder of the Democratic Party, by Executive order suspended and stopped the coinage of the silver dollar at our mint, and from 1806 to 1835 there was not a silver dollar coined in the United States—not one.

Mr. PITTMAN. Why, Mr. President?

Mr. GORE. Because there was an Executive order against it.

Mr. PITTMAN. It was because there was no silver in the United States.

Mr. GORE. Oh, there was silver, but the bulk of our metallic money was made up of foreign silver coins—Mexican coins, Spanish coins. They circulated and continued to circulate until the act of 1857, which demonetized them. They made up the bulk of our metallic circulation.

From 1792 to 1868 only 4,600,000 silver dollars were coined in the mint of the United States.

As far back as 1850 our mint coined $20,000,000 in gold, four times as much in that one year as there were silver dollars coined from 1792 to 1868. As far back as 1843 our mint coined $8,108,797.50 in gold—that much gold in a single year. Whereas during the 80 years from 1792, the year the mint was founded, down to 1873, the year that silver was demonetized, we coined only 8,108,797 silver dollars—that much in 80 years.

The acts of 1834 and 1837 undervalued silver and it would not stay in the country. Water flowed down hill. Silver flowed out of the country. Silver went out under an economic law that was stronger than acts of Congress. It went out under the Gresham law.

James I came to the throne in 1603. The third year of his reign he found that gold was undervalued and was leaving the country. He changed the mint ratio between gold and silver so that gold would remain in the country. Six years later he found that the market ratio had changed and gold was again leaving the country. Again he changed the mint ratio, but this time he undervalued silver and silver began to leave the country. In 1614 he issued a proclamation trying to stop both metals from leaving the country, a thing which had been tried in Spain and other countries for a century or more—an embargo on gold and silver.

James I multiplied—coined—proclamations in a vain effort to work a miracle—to make things that were different identical.

Mr. President, gold and silver for centuries were involved in a struggle for survival, survival of the fittest. At times it seemed that silver would survive as the fittest. At times it seemed that gold would survive as the fittest. In the long run, for reasons unnecessary to name, gold seemed to survive to win the verdict of commerce and of history.

I may say quite incidentally that 2 or 3 years ago, when silver was at its lowest, 25 cents an ounce, $6,000 worth of silver weighed a ton and $6,000 worth of gold, under the old value, weighed 25 pounds and under the new value, I believe, weighs about 15 pounds.

Mr. President, it seems to me this effort to return to silver and to make it money is the same as would be an effort to abandon the freight train and the trucks and return to the oxcart and the mule team and the stage coach. The stage coach did not surrender without a contest with the passenger train. It made a stubborn contest.

This effort to make money out of silver is the same as would be the effort to abandon the great steamships and return to the sailboat or to the galley. It may be said that the galley ought to survive. Perhaps it ought, but it

did not. There is no use to argue now about what ought to have been. In far away India Gandhi is trying to reintroduce the spinning wheel and the hand loom and reestablish them amongst the people of India.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. GORE. I yield.

Mr. WHEELER. Does the Senator think the United States ought to return to the single gold standard?

Mr. GORE. Mr. President, I think it is not within the option or sole discretion of the United States. I hold no brief for the gold standard as inherently fit per se. The gold standard presupposes certain conditions which must exist before the gold standard itself can or will function. Those conditions have been destroyed, at least for the present, and the gold standard cannot and will not function. That does not prove that the gold standard is inherently ill adapted to existing times under proper conditions, if such a point can be raised. One of those conditions is the free flow of gold from country to country in response to demand. That essential condition does not now exist. I think that we ought to try—we ought to cooperate, if need be, in our effort to reestablish an international standard of value and payment of some sort. Such a standard is a condition precedent to the revival of world trade and the revival of world trade is a condition precedent to the revival of prosperity itself.

The PRESIDING OFFICER. The time of the Senator from Oklahoma on the amendment has expired. He has 15 minutes on the bill.

Mr. GORE. I shall take some of my time on the bill.

The locomotive is a pretty substantial engine in drawing weights and freight and passenger trains and freight trains, but it presupposes a track with crossties and steel rails. It would make a miserable showing to try to run it across the mountains and ravines and hills and hollows without a track. It would not work. The tractor itself is pretty well adapted to our prairie country and to other sections where there are no mountains, no ravines, no other obstruction; but the tractor will not operate across ravines and rocky ground and broken territory and new ground. It will not work there. Conditions essentially necessary for its successful operation are absent.

Conditions essential to the successful operation of the gold standard today are absent. Whether they will return, I do not know. I hold no brief for the gold standard. So far as silver is concerned, permit me to say again that it reminds me of Ghandi's efforts with reference to bringing back the spinning wheel. There is something pathetic in his efforts to resurrect the spinning wheel. The chances are he will not succeed. You cannot put the eagle back into its shell; and yet, his efforts are not far different in nature from the efforts which we witness here to raise silver from the dead and try to make a real money out of silver.

I admit that silver has every attribute of money except value. Silver has every attribute of money except value. I do not intimate that that makes any material difference. I simply allude to it incidentally.

Mr. President, there is another observation on the amendment just offered by the Senator from Nevada [Mr. McCARRAN] which I wish to make. To force the silver certificates into circulation and make them go into circulation is one thing, but I think we ought to make them stay there. There is no use to qualify our omnipotence.

In the Senate we adopted the so-called "Borah amendment" July 22, 1932, authorizing national banks to issue national-bank notes on bonds bearing more than 2 percent interest. From that day, July 22, 1932, to the middle of December 1932, $135,000,000 of additional national-bank notes were issued under that amendment and applications were then pending for $35,000,000 more. The Federal Reserve notes of the country had contracted exactly $170,000,000 in the same time. Federal Reserve notes had shrunk exactly $170,000,000, corresponding exactly to the amount of the national-bank notes which had been added to the currency, plus the amount involved in applications then pending.

We cannot force money into circulation unless trade conditions require it and demand it and call for it. The Federal Reserve banks have today excess reserves of $1,650,000,000, which would support a superstructure of credit amounting to $16,000,000,000, which I believe would satisfy not only ordinary but extraordinary demands for money and for circulation.

This business is not subject to the ipse dixit of Congress. There are stronger laws than we can enact—economic laws which control these efforts and the operation of these policies.

I do not believe this measure as drawn is feasible. I do not believe it would be desirable as drawn, even if it were feasible. If this act is to be a dead letter, then it is useless. If it is not to be a dead letter, it might be harmful. I am afraid it would be more harmful than good.

The PRESIDING OFFICER. The question is on the amendment of the junior Senator from Nevada [Mr. McCARRAN], as modified.

Mr. McCARRAN. Mr. President, I offer a modification of my amendment.

The PRESIDING OFFICER. The modification will be stated.

The CHIEF CLERK. On page 3, line 5, after the period following the figure "3", it is proposed to add:

And such certificates shall be placed in actual circulation.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Nevada [Mr. McCARRAN], as modified. [Putting the question.] The Chair is in doubt.

Mr. THOMAS of Oklahoma. I ask for the yeas and nays.

The yeas and nays were not ordered.

On a division, the amendment, as modified, was agreed to.

Mr. PITTMAN. Mr. President, I now renew the offer of the amendment which I withdrew temporarily.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 7, at the end of line 3, it is proposed to insert the following:

The Commissioner shall abate or refund, in accordance with regulations issued hereunder, such portion of any tax hereunder as he finds to be attributable to profits (1) realized in the course of the transferor's regular business of furnishing silver bullion for industrial, professional, or artistic use and (a) not resulting from a change in the market price of silver bullion, or (b) offset by contemporaneous losses incurred in transactions in interests in silver bullion determined, in accordance with such regulations, to have been specifically related hedging transactions; or (2) offset by contemporaneous losses attributable to changes in the market price of silver bullion and incurred in transactions in silver foreign exchange determined, in accordance with such regulations, to have been hedged specifically by the interest in silver bullion transferred.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. PITTMAN].

The amendment was agreed to.

Mr. PITTMAN. I offer another amendment, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 8, line 19, it is proposed to strike out the comma and the words "and before the tax under this subdivision takes effect."

Mr. PITTMAN. I will say that that is simply a correction of the language of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. PITTMAN].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still open to amendment.

Mr. GORE. Mr. President, a few days ago I submitted an amendment and had it printed. I wish to offer it at this time.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 10, between lines 4 and 5, it is proposed to insert the following new section:

SEC. 8A. (a) Paragraph (2) of subsection (a) of section 350 of the Tariff Act of 1930, as amended, is amended by inserting after the words "any existing rate of duty" the following: "(except in the case of fermented liquors, spirits, and wines)."

(b) Paragraph (b) of such section is amended by inserting after the words "such an article" the following: "(except fermented liquors, spirits, and wines)."

Mr. GORE. Mr. President, I will state the purpose and object and the only effect of the amendment. It relates to the measure passed last week authorizing the President to negotiate reciprocal treaties. I apprehend that the best bargains he could make, if it should be possible for him to make any, would involve a reduction of duty on fermented liquors, distilled liquors, and wines. At present the rates on those articles are so high that a reduction of 50 percent would really have no practical effect in actual operation.

For instance, the tariff on beer today is $1 a gallon. I believe that would be $50 a barrel. On distilled spirits, 100 proof, the tariff is $5 a gallon, and is graduated up from that point according to the alcoholic content. The present tariff on still wines is $1.25 a gallon. On sparkling wines it is $6 a gallon up to 24-percent alcoholic content, from which point they take the classification of distilled spirits.

I had thought that to the Senators on the other side and to the industrial communities of the country, if these trade agreements are to be negotiated, the least harmful reductions that could be made would relate to spirits of this kind—fermented liquors, distilled spirits, wine, and the like—and that reductions could be made with respect to these articles and perhaps result in the enlargement of foreign markets for our exports.

I may say that I mentioned this matter to the President, and, as I understood it, met with his favor. He suggested that I confer with Mr. Choate on the subject, which I did, and the proposal met with his favor. I do not see how there could be any substantial objection to it. Certainly there could be none to allowing it to go to conference.

Mr. KING. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Utah?

Mr. GORE. I do.

Mr. KING. I should like to ask the Senator from Oklahoma if he considers this amendment germane to the measure under consideration.

Mr. GORE. Mr. President, I will explain—and I owe the silver Senators an apology—that I searched the calendar for a House bill which contained a provision in regard to taxation, and this is the only such bill I could find on the calendar. Otherwise, I should have offered the amendment to some other bill. So far as I know, this is the only bill now pending on the calendar which contains a taxation provision, which must of necessity originate in the House. If there is another such bill on the calendar at this time or one in immediate prospect, I will withdraw the amendment.

Mr. KING. Why does not the Senator have the bill introduced in the House and secure action there? It seems incongrous to attach a bill dealing with liquors to this important measure dealing with our monetary system.

Mr. GORE. I think it might strengthen the Senator's bill to give it a little spirits. [Laughter.]

Mr. WHEELER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHEELER. Is not this amendment subject to a point of order, in that it raises revenue, and is not subject to be added as an amendment to this bill?

The PRESIDING OFFICER. The Chair will state to the Senator that if that question should be raised it would have to be submitted to the Senate.

Mr. GORE. I will say to the Senator that section 8 of the bill is a taxation provision.

The PRESIDING OFFICER. Does the Senator from Montana raise the question?

Mr. WHEELER. I will not raise the question if it has to be submitted to the Senate. I think, however, the amendment will not strengthen the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. GORE].

The amendment was rejected.

Mr. SHIPSTEAD. Mr. President, I send to the desk an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to add, at the proper place in the bill, the following:

"PAYMENT OF CERTIFICATES BEFORE MATURITY

"SEC. 509. (a) The Administrator of Veterans' Affairs is authorized and directed to pay to any veteran to whom an adjusted-service certificate has been issued, upon application by him and surrender of the certificate and all rights thereunder (with or without the consent of the beneficiary thereof), the amount of the face value of the certificate as computed in accordance with section 501.

"(b) No payment shall be made under this section until the certificate is in the possession of the Veterans' Administration nor until all obligations for which the certificate was held as security have been paid or otherwise discharged.

"(c) If at the time of application to the Administrator of Veterans' Affairs for payment under this section the principal and interest on or in respect of any loan upon the certificate have not been paid in full by the veteran (whether or not the loan has matured), then, on request of the veteran, the Administrator shall (1) pay or otherwise discharge such unpaid principal and so much of such unpaid interest (accrued or to accrue) as is necessary to make the certificate available for payment under this section, and (2) deduct from the amount of the face value of the certificate the amount of such principal and so much of such interest, if any, as accrued prior to October 1, 1931.

"(d) Upon payment under this section the certificate and all rights thereunder shall be canceled.

"(e) A veteran may receive the benefits of this section by application therefor, filed with the Administrator of Veterans' Affairs. Such application may be made and filed at any time before the maturity of the certificate, (1) personally by the veteran, or (2) in case physical or mental incapacity prevents the making or filing of a personal application, then by such representative of the veteran and in such manner as may be by regulations prescribed. An application made by a person other than a representative authorized by such regulations, or not filed on or before the maturity of the certificate, shall be held void.

"(f) If the veteran dies after the application is made and before it is filed it may be filed by any person. If the veteran dies after the application is made it shall be valid if the Administrator of Veterans' Affairs finds that it bears the bona fide signature of the applicant, discloses an intention to claim the benefit of this section on behalf of the veteran, and is filed before the maturity of the certificate, whether or not the veteran is alive at the time it is filed. If the death occurs after the application is made but before the negotiation of the check in payment, payment shall be made to the estate of the veteran irrespective of any beneficiary designation, if the application is filed (1) before the death occurs, or (2) after the death occurs, but before the mailing of the check in payment to the beneficiary under section 501.

"(g) Where the records of the Veterans' Administration show that an application, disclosing an intention to claim the benefits of this section, has been filed before the maturity of the certificate, and the application cannot be found, such application shall be resumed, in the absence of affirmative evidence to the contrary, to have been valid when originally filed.

"SEC. 510. If, at the time this section takes effect, a veteran entitled to receive an adjusted-service certificate has not made application therefor he shall be entitled, upon application made under section 302, to receive at his option either the certificate under section 501 or payment of the amount of the face value thereof under section 509.

"SEC. 511. The Administrator of Veterans' Affairs, in the exercise of his powers to make regulations for payment under section 509 shall to the fullest extent practicable provide a method by which veterans may present their applications and receive payment in close proximity to the places of their residence."

SEC. 2. (a) Payment of the face value of adjusted-service certificates under section 509 or 510 of the World War Adjusted Compensation Act, as amended, shall be made in United States notes not bearing interest. The Secretary of the Treasury is hereby authorized and directed to issue such notes in such amount as may be required to make such payment, and of the same wording, form, size, and denominations as United States notes issued under existing law, except that the wording thereon shall conform to the provisions of this act. The Administrator of Veterans' Affairs and the Secretary of the Treasury are hereby authorized and directed jointly to prescribe rules and regulations for the delivery of such notes in payment under section 509 or 510 of the World War Adjusted Compensation Act, as amended.

(b) United States notes issued pursuant to the provisions of this act shall be lawful money of the United States and shall be maintained at a parity of value with the standard unit of value fixed by law. Such notes shall be legal tender in payment of all debts and dues, public and private, and shall be receivable for customs, taxes, and all public dues, and when so received shall be

reissued. Such notes, when held by any national banking association or Federal Reserve bank, may be counted as a part of its lawful reserve. The provisions of sections 1 and 2 of the act of March 14, 1900, as amended (U.S.C., title 31, secs. 314 and 408), and section 26 of the Federal Reserve Act, as amended (U.S.C., title 31, sec. 409), are hereby made applicable to such notes in the same manner and to the same extent as such provisions apply to United States notes.

SEC. 3. (a) Whenever the index number of the wholesale all-commodity prices rises above the index number of such prices for the years 1921 to 1929, as computed by the Bureau of Labor Statistics of the Department of Labor, notwithstanding any provisions of law to the contrary, the following methods for contracting the issues of currency in the United States shall be in force and effect, in the manner and to the extent prescribed in subsection (b) of this section:

(1) Abolishment of the circulation privilege extended to certain bonds of the United States under the provisions of section 29 of the Federal Home Loan Bank Act, and retirement of such bonds as security for circulating notes as rapidly as practicable.

(2) Termination of the issuance and reissuance of national-bank circulating notes, and the retirement of such notes from circulation as rapidly as practicable.

(3) Termination of the issuance and reissuance of Federal Reserve notes secured by direct obligations of the United States.

(4) Termination of the issuance and reissuance of Federal Reserve notes secured only by gold or gold certificates.

(5) Termination of the issuance and reissuance of Federal Reserve notes secured by notes, drafts, bills of exchange, acceptances, or bankers' acceptances which are not issued in direct benefit of commerce, industry, or agriculture.

(b) Any such method of contracting currency issues shall be applicable when the Secretary of the Treasury finds that its application is necessary in order to maintain the index number of wholesale all-commodity prices at the approximate level of the index number of such prices for the years 1921 to 1929 and issues an order setting forth such finding. Each such order shall prescribe such rules and regulations as are necessary and appropriate to carry out the provisions of this section with respect to the method of contraction made applicable in the order. The Secretary shall make such methods applicable only in the order in which they are set forth in subsection (a) of this section, but he shall make such methods applicable as rapidly as may be necessary to carry out the purposes of this section. When any such order is issued with respect to Federal Reserve notes, the Federal Reserve Board shall take such action as may be necessary to facilitate the enforcement of the order.

SEC. 4. Section 505 (authorizing annual appropriations ending with the year 1946 for the payment of adjusted-service certificates) of the World War Adjusted Compensation Act, as amended, except the first sentence thereof, is hereby repealed. Amounts in the adjusted-service certificate fund are hereby authorized to be made available for the expenses of printing and engraving United States notes issued under this act, for paying fractional parts of a dollar which cannot be paid in United States notes issued under the provisions of this act, and for paying the principal and interest on or in respect of loans pursuant to the provisions of subsection (c) of section 509 of the World War Adjusted Compensation Act, as amended.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. SHIPSTEAD].

Mr. SHIPSTEAD. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. REED]. I am informed that if that Senator were present he would vote as I intend to vote, and therefore I feel myself at liberty to vote. I vote "nay."

The roll call was concluded.

Mr. ROBINSON of Arkansas. I wish to repeat the announcement of the absence of the junior Senator from California [Mr. MCADOO] on account of illness.

I also desire to announce the absence of the Senator from Idaho [Mr. POPE] in attendance on the funeral of the late Representative COFFIN, of Idaho.

I also announce that the senior Senator from Illinois [Mr. LEWIS], the junior Senator from Illinois [Mr. DIETERICH], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained from the Senate.

Mr. HEBERT. I wish to announce that the senior Senator from Pennsylvania [Mr. REED] is detained by illness.

I also announce that the Senator from Ohio [Mr. FESS], the Senator from New Jersey [Mr. KEAN], the Senator from California [Mr. JOHNSON], the Senator from New Hampshire [Mr. KEYES], and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent.

I also desire to announce the following general pairs:

The Senator from New Hampshire [Mr. KEYES] with the Senator from Indiana [Mr. VAN NUYS];

The Senator from Ohio [Mr. FESS] with the Senator from Illinois [Mr. DIETERICH];

(As to this pair, see explanatory statement of Senator FESS in Senate proceedings of June 12, 1934, p. 11107.)

The Senator from Michigan [Mr. VANDENBERG] with the Senator from Idaho [Mr. POPE]; and

The Senator from New Jersey [Mr. KEAN] with the Senator from Maryland [Mr. TYDINGS].

Mr. CAREY (after having voted in the affirmative). I find I have a special pair with the senior Senator from California [Mr. JOHNSON] on this question. Not knowing how that Senator would vote if present, I withdraw my vote.

The result was announced—yeas 31, nays 51, as follows:

YEAS—31

Ashurst	Davis	McGill	Robinson, Ind.
Bachman	Dill	McKellar	Russell
Black	Erickson	Neely	Schall
Bone	Frazier	Norbeck	Shipstead
Bulow	Hatfield	Nye	Smith
Capper	La Follette	Overton	Thomas, Okla.
Caraway	Long	Patterson	Wheeler
Cutting	McCarran	Reynolds	

NAYS—51

Adams	Coolidge	Harrison	Pittman
Austin	Copeland	Hastings	Robinson, Ark.
Bailey	Costigan	Hatch	Sheppard
Bankhead	Couzens	Hayden	Steiwer
Barbour	Dickinson	Hebert	Stephens
Barkley	Duffy	King	Thomas, Utah
Borah	Fletcher	Logan	Thompson
Brown	George	Lonergan	Townsend
Bulkley	Gibson	McNary	Wagner
Byrd	Glass	Metcalf	Walcott
Byrnes	Goldsborough	Murphy	Walsh
Clark	Gore	Norris	White
Connally	Hale	O'Mahoney	

NOT VOTING—14

Carey	Kean	Pope	Vandenberg
Dieterich	Keyes	Reed	Van Nuys
Fess	Lewis	Trammell	
Johnson	McAdoo	Tydings	

So Mr. SHIPSTEAD's amendment was rejected.

Mr. LONG. Mr. President, I move to strike out section 8.

The VICE PRESIDENT. The clerk will state the amendment offered by the Senator from Louisiana.

The CHIEF CLERK. It is proposed to strike out section 8, as amended, as follows:

SEC. 8. Schedule A of title VIII of the Revenue Act of 1926, as amended (relating to stamp taxes), is amended by adding at the end thereof a new subdivision to read as follows:

"10. Silver, etc., sales and transfers: On all transfers of any interest in silver bullion, if the price for which such interest is or is to be transferred exceeds the total of the cost thereof and allowed expenses, 50 percent of the amount of such excess. On every such transfer there shall be made and delivered by the transferor to the transferee a memorandum to which there shall be affixed lawful stamps in value equal to the tax thereon. Every such memorandum shall show the date thereof, the names and addresses of the transferor and transferee, the interest in silver bullion to which it refers, the price for which such interest is or is to be transferred and the cost thereof and the allowed expenses. Any person liable for payment of tax under this subdivision (or anyone who acts in the matter as agent or broker for any such person) who is a party to any such transfer, or who in pursuance of any such transfer delivers any silver bullion or interest therein, without a memorandum stating truly and completely the information herein required, or who delivers any such memorandum without having the proper stamps affixed thereto, with intent to evade the foregoing provisions, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall pay a fine of not exceeding $1,000 or be imprisoned not more than 6 months, or both. Stamps affixed under this subdivision shall be canceled (in lieu of the manner provided in sec. 804) by such officers and in such manner as regulations under this subdivision shall prescribe. Such officers shall cancel such stamps only if it appears that the proper tax is being paid, and when stamps with respect to any transfer are so canceled, the transferor and not the transferee shall be liable for any additional tax found due or penalty with respect to such transfer. The Commissioner shall abate or refund, in accordance with regulations issued hereunder, such portion of any tax hereunder as he finds to be attributable to profits (1) realized in the course of the transferor's regular business of furnishing silver bullion for industrial, professional, or artistic use and (a) not resulting from a change in the market price of silver bullion, or (b) offset by contemporaneous losses incurred in transactions in interests in silver bullion determined, in accordance with such regulations, to have been specifically related hedging transactions; or (2) offset by contemporaneous losses attributable to changes in the market price of silver bullion and incurred in transactions

in silver foreign exchange determined, in accordance with such regulations, to have been hedged specifically by the interest in silver bullion transferred. The provisions of this subdivision shall extend to all transfers in the United States of any interest in silver bullion, and to all such transfers outside the United States if either party thereto is a resident of the United States or is a citizen of the United States who has been a resident thereof within 3 months before the date of the transfer or if such silver bullion or interest therein is situated in the United States; and shall extend to transfers to the United States Government (the tax in such cases to be payable by the transferor), but shall not extend to transfers of silver bullion by deposit or delivery at a United States mint under proclamation by the President or in compliance with any Executive order issued pursuant to section 7 of the Silver Purchase Act of 1934. The tax under this subdivision on transfers enumerated in subdivision 4 shall be in addition to the tax under such subdivision. This subdivision shall apply (1) with respect to all transfers of any interest in silver bullion after the enactment of the Silver Purchase Act of 1934, and (2) with respect to all transfers of any interest in silver bullion on or after May 15, 1934, and prior to the enactment of the Silver Purchase Act of 1934, except that in such cases it shall be paid by the transferor in such manner and at such time as the Commissioner, with the approval of the Secretary of the Treasury, may by regulations prescribe, and the requirement of a memorandum of such transfer shall not apply.

"As used in this subdivision—

"The term 'cost' means the cost of the interest in silver bullion to the transferor, except that (a) in case of silver bullion produced from materials containing silver which has not previously entered into industrial, commercial, or monetary use, the cost to a transferor who is the producer shall be deemed to be the market price at the time of production determined in accordance with regulations issued hereunder; (b) in the case of an interest in silver bullion acquired by the transferor otherwise than for valuable consideration, the cost shall be deemed to be the cost thereof to the last previous transferor by whom it was acquired for a valuable consideration; and (c) in the case of any interest in silver bullion acquired by the transferor (after April 15, 1934) in a wash sale, the cost shall be deemed to be the cost to him of the interest transferred by him in such wash sale, but with proper adjustment, in accordance with regulations under this subdivision, when such interests are in silver bullion for delivery at different times.

"The term 'transfer' means a sale, agreement of sale, agreement to sell, memorandum of sale or delivery of, or transfer, whether made by assignment in blank or by any delivery, or by any paper or agreement or memorandum or any other evidence of transfer or sale; or means to make a transfer as so defined.

"The term 'interest in silver bullion' means any title or claim to, or interest in, any silver bullion or contract therefor.

"The term 'allowed expenses' means usual and necessary expenses actually incurred in holding, processing, or transporting the interest in silver bullion as to which an interest is transferred (including storage, insurance, and transportation charges, but not including interest, taxes, or charges in the nature of overhead), determined in accordance with regulations issued hereunder.

"The term 'memorandum' means a bill, memorandum, agreement, or other evidence of a transfer.

"The term 'wash sale' means a transaction involving the transfer of an interest in silver bullion and, within 30 days before or after such transfer, the acquisition by the same person of an interest in silver bullion. Only so much of the interest so acquired as does not exceed the interest so transferred, and only so much of the interest so transferred as does not exceed the interest so acquired, shall be deemed to be included in the wash sale.

"The term 'silver bullion' means silver which has been melted, smelted, or refined and is in such state or condition that its value depends primarily upon the silver content and not upon its form."

Mr. LONG. Mr. President, section 8 is the objectionable feature of the bill. It proposes to penalize anyone who has bought any silver in the past and who shall buy any in the future. The purpose of the bill is to raise the price of silver. This provision would tax anybody who dared to deal in silver.

I think the general sentiment of the Members of this body is almost unanimous that this section should be stricken out. I understand that some of the officials of the Treasury Department insist on its being retained, but the general sentiment in the Senate is that it ought to be stricken out.

I ask for the yeas and nays on the amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana on which the yeas and nays are requested.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. ROBINSON of Arkansas (when his name was called). Transferring my pair with the senior Senator from Pennsylvania [Mr. REED] to the junior Senator from Florida [Mr. TRAMMELL], I vote "nay."

Mr. WALCOTT (when his name was called). Making the same announcement as heretofore with reference to the junior Senator from California [Mr. McADOO], who would, if present, as I understand, vote "yea", I will vote. I vote "yea."

The roll call was concluded.

Mr. GLASS (after having voted in the negative). Mr. President, has the senior Senator from Ohio [Mr. FESS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. GLASS. I have a general pair with the senior Senator from Ohio; but I understand he has been specially paired on this question, so I will let my vote stand.

Mr. ROBINSON of Arkansas. I regret to announce that the Senator from California [Mr. McADOO] is detained from the Senate on account of illness.

I desire to announce also that the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Illinois [Mr. LEWIS], the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS] are necessarily detained from the Senate.

The Senator from Idaho [Mr. POPE] is necessarily absent attending the funeral of the late Representative COFFIN, of Idaho.

Mr. HEBERT. I desire to announce that the Senator from Ohio [Mr. FESS], the Senator from California [Mr. JOHNSON], the Senator from New Hampshire [Mr. KEYES], and the Senator from Michigan [Mr. VANDENBERG] are necessarily detained from the Senate.

I also desire to announce the following general pairs:

The Senator from New Hampshire [Mr. KEYES] with the Senator from Indiana [Mr. VAN NUYS], the Senator from Michigan [Mr. VANDENBERG] with the Senator from Idaho [Mr. POPE], and the Senator from Ohio [Mr. FESS] with the Senator from Illinois [Mr. DIETERICH].

I also announce that the Senator from Pennsylvania [Mr. REED] is detained from the Senate on account of illness.

The result was announced—yeas 29, nays 53, as follows:

YEAS—29

Ashurst	Duffy	McCarran	Thomas, Okla.
Bankhead	Frazier	McGill	Townsend
Borah	Goldsborough	McNary	Walcott
Carey	Hatfield	Norbeck	Wheeler
Copeland	Kean	Nye	White
Cutting	Logan	Patterson	
Dickinson	Lonergan	Smith	
Dill	Long	Steiwer	

NAYS—53

Adams	Clark	Hastings	Robinson, Ark.
Austin	Connally	Hatch	Robinson, Ind.
Bachman	Coolidge	Hayden	Russell
Bailey	Costigan	Hebert	Schall
Barbour	Couzens	King	Sheppard
Barkley	Davis	La Follette	Shipstead
Black	Erickson	McKellar	Stephens
Bone	Fletcher	Metcalf	Thomas, Utah
Brown	George	Murphy	Thompson
Bulkley	Gibson	Neely	Wagner
Bulow	Glass	Norris	Walsh
Byrd	Gore	O'Mahoney	
Byrnes	Hale	Pittman	
Capper	Harrison	Reynolds	

NOT VOTING—14

Caraway	Keyes	Pope	Vandenberg
Dieterich	Lewis	Reed	Van Nuys
Fess	McAdoo	Trammell	
Johnson	Overton	Tydings	

So Mr. LONG's amendment was rejected.

The VICE PRESIDENT. If there be no further amendments to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The VICE PRESIDENT. The question is, Shall the bill pass?

Several Senators called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CAREY (when his name was called). On this question I have a special pair with the Senator from California

[Mr. JOHNSON]. If he were present, he would vote "yea." If I were permitted to vote, I should vote "nay."

Mr. HEBERT (when his name was called). On this vote I have a pair with the Senator from Illinois [Mr. LEWIS]. If present, the Senator from Illinois would vote "yea." If permitted to vote, I should vote "nay."

Mr. WALCOTT (when his name was called). I have a pair with the junior Senator from California [Mr. MCADOO]. I understand on this question he would vote "yea" if present. Being unable to obtain a transfer, I must withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. ROBINSON of Arkansas. I again announce my pair with the Senator from Pennsylvania [Mr. REED]. I transfer that pair to the junior Senator from Florida [Mr. TRAMMELL] and vote "yea." I am advised that if the Senator from Pennsylvania were present he would vote "nay."

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] is detained from the Senate on account of illness.

I desire to announce also that the following Senators are necessarily detained from the Senate: The Senator from Ohio [Mr. FESS], the Senator from California [Mr. JOHNSON], the Senator from New Hampshire [Mr. KEYES], and the Senator from Michigan [Mr. VANDENBERG].

I wish to announce the following pairs on this question: The Senator from New Hampshire [Mr. KEYES] with the Senator from Indiana [Mr. VAN NUYS], the Senator from Michigan [Mr. VANDENBERG] with the Senator from Idaho [Mr. POPE], and the Senator from Ohio [Mr. FESS] with the Senator from Illinois [Mr. DIETERICH].

I am advised that if present the Senator from Indiana [Mr. VAN NUYS], the Senator from Idaho [Mr. POPE], and the Senator from Illinois [Mr. DIETERICH] would vote "yea", and that the Senator from New Hampshire [Mr. KEYES], the Senator from Michigan [Mr. VANDENBERG], and the Senator from Ohio [Mr. FESS] would vote "nay."

Mr. ROBINSON of Arkansas. I regret to announce that the Senator from California [Mr. MCADOO] is detained from the Senate on account of illness.

I desire to announce that the following Senators are necessarily detained from the Senate: The Senator from Massachusetts [Mr. COOLIDGE], the junior Senator from Illinois [Mr. DIETERICH], the senior Senator from Illinois [Mr. LEWIS], the Senator from Flordia [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS].

I also wish to announce that the Senator from Idaho [Mr. POPE] is absent attending the funeral of the late Representative COFFIN.

The result was announced—yeas, 55, nays 25, as follows:

YEAS—55

Adams	Caraway	King	Overton
Ashurst	Clark	La Follette	Pittman
Bachman	Connally	Logan	Reynolds
Bailey	Costigan	Lonergan	Robinson, Ark.
Bankhead	Cutting	Long	Russell
Barkley	Dill	McCarran	Sheppard
Black	Duffy	McGill	Shipstead
Bone	Erickson	McKellar	Smith
Borah	Fletcher	Murphy	Stephens
Bulkley	Frazier	Neely	Thomas, Okla.
Bulow	George	Norbeck	Thomas, Utah
Byrd	Harrison	Norris	Thompson
Byrnes	Hatch	Nye	Wheeler
Capper	Hayden	O'Mahoney	

NAYS—25

Austin	Gibson	Kean	Townsend
Barbour	Glass	McNary	Wagner
Brown	Goldsborough	Metcalf	Walsh
Copeland	Gore	Patterson	White
Couzens	Hale	Robinson, Ind.	
Davis	Hastings	Schall	
Dickinson	Hatfield	Steiwer	

NOT VOTING—16

Carey	Hebert	McAdoo	Tydings
Coolidge	Johnson	Pope	Vandenberg
Dieterich	Keyes	Reed	Van Nuys
Fess	Lewis	Trammell	Walcott

So the bill was passed.

ANNUAL CONSIDERATION OF PERMANENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, I move that the Senate proceed to the consideration of the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES

Mr. HATFIELD. Mr. President, a few days ago I gave notice, on behalf of the Senator from New York [Mr. WAGNER] and myself, that at the conclusion of the consideration of the silver bill I should move to take up the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes. I wish to inquire of the Senator from Arkansas [Mr. ROBINSON] whether or not we will have an opportunity in the very near future to consider that bill.

Mr. ROBINSON of Arkansas. Mr. President, I expect the bill referred to by the Senator from West Virginia will be taken up in the early future. I can make no agreement now about the matter, but I will state to the Senator from West Virginia that it is my expectation that the bill to which he refers will be taken up in the early future.

Mr. HATFIELD. Very well.

ADDITIONAL REPORTS OF COMMITTEES

Mr. O'MAHONEY, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3723) to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases, reported it with amendments and submitted a report (No. 1378) thereon.

Mr. MCKELLAR, from the Committee on Post Offices and Post Roads, to which was recommitted the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service, reported it with amendments and submitted a report (No. 1379) thereon.

He also, from the same committee, to which was referred the joint resolution (S.J.Res. 134) to simplify the administration of air-mail routes and contracts, reported it with amendments and submitted a report (No. 1380) thereon.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

Mr. HARRISON, from the Committee on Finance, reported favorably the following nominations:

Charles J. Baker, of South Carolina, to be collector of customs for customs collection district no. 16, with headquarters at Charleston, S.C., in place of Frederick G. Davies;

Bolon B. Turner, of Arkansas, to be a member of the Board of Tax Appeals for term of 12 years from June 2, 1934, vice William C. Lansdon, term expired; and

J. Russell Leech, of Pennsylvania, to be a member of the Board of Tax Appeals for term of 12 years from June 2, 1934 (reappointment).

Mr. WALSH, from the Committee on Finance, reported favorably the nomination of Charles P. Smith, of Massachusetts, to be a member of the Board of Tax Appeals for term of 12 years from June 2, 1934 (reappointment).

Mr. DILL, from the Committee on Interstate Commerce, reported favorably the nomination of Clyde L. Seavey, of California, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1935, vice George Otis Smith.

Mr. BLACK, from the Committee on the Judiciary, reported favorably the nomination of Carlisle W. Higgins, of North Carolina, to be United States attorney, middle district of North Carolina, to succeed John R. McCrary, whose resignation is effective July 1, 1934.

Mr. LOGAN, from the Committee on the Judiciary, reported favorably the following nominations:

Charles W. Robertson, of South Dakota, to be United States marshal, district of South Dakota, to succeed Chester N. Leedom, whose term expired June 10, 1934; and

George Philip, of South Dakota, to be United States attorney, district of South Dakota, to succeed Olaf Eidem, whose term expired June 10, 1934.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The VICE PRESIDENT. The reports will be placed on the Executive Calendar.

ALFRED YEISER—RECONSIDERATION OF CONFIRMATION

Mr. McKELLAR. Mr. President, as in executive session, I ask unanimous consent that the vote by which the nomination of Alfred Yeiser to be postmaster at Palmyra, Pa., was confirmed on Saturday, June 9, 1934, may be reconsidered and that the nomination recommited to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXTENSION OF TEMPORARY PLAN FOR DEPOSIT INSURANCE—CONFERENCE REPORT

Mr. FLETCHER. Mr. President, the conferees have made their report on Senate bill 3025, the bank-deposit insurance bill, and I desire to give notice that I expect to call it up for consideration tomorrow morning.

FEDERAL HOME LOANS—ADDRESS BY HON. JOHN H. FAHEY

Mr. WALSH. Mr. President, I ask unanimous consent to have printed in the RECORD a very able and enlightening address made by Hon. John H. Fahey, Chairman of the Federal Home Loan Bank Board, over a Nation-wide radio network on May 1, 1934, in explanation of loans made by the home-loan bank.

There being no objection, the address was ordered printed in the RECORD, as follows:

FEDERAL HOME LOANS EXPLAINED

It was my privilege to speak to the radio-forum audience just 5 months ago on the subject of the Home Owners' Loan Corporation. I described its purpose in helping to save the urban homes of more than half a million American families who were in serious danger of losing them through foreclosure.

I also mentioned the obstacles which the Corporation faced in the flood of applications for relief that had come to us from home owners who were not in distress. They were, therefore, not eligible for loans from the Corporation. Their applications have hampered the very urgent job of our State and branch offices in handling hundreds of thousands of applications for loans from home owners who were desperately in need of assistance from the Corporation.

Now I wish to cover a broader field than merely the relief aspect of home financing. I would like to discuss what the Federal Government is doing for the benefit and protection of all home owners, including the 9,000,000 who are not in financial difficulty at all. Nearly everyone who owns his home has been obliged to postpone the ordinary repairs on his property because of hard times, reduced income, and the acute scarcity of home-mortgage money during the past few years.

It is a timely subject, because President Roosevelt has recently signed a new act of Congress which is likely to have very definite results in creating new employment in the building trades and in making Federal and private home-mortgage money available in larger volume. It should also be effective in preventing the abuses that developed under earlier legislation and in stimulating the healthy revival of private investment in loans that are based upon the best of all possible security; that is, conservative first mortgages on American homes.

Before I deal with this new legislation and what it means, let me first describe the ways in which the three different agencies under the supervision of the Federal Home Loan Bank Board are attacking this whole question of restoring home ownership and home finance to normal stability.

One of these three methods is represented by the Home Owners' Loan Corporation, which is strictly a relief agency. Most of you are familiar with its work of helping hard-pressed home owners by exchanging their present mortgage indebtedness for new loans made to them by the Corporation. When I spoke on this program last November, the Corporation had made loans to about 16,000 home owners, in the amount of $43,000,000. As a result of the progress since then, the Corporation has now made loans to more than 200,000 different home owners in the amount of over $600,000,000. More than $50,000,000 in loans are now being closed every week.

In addition to these 200,000 cases where relief has already been granted and the tragedy of foreclosure avoided, there are 470,000 other home owners who are no longer under the immediate threat of foreclosure because their applications are being handled, even though the loans are not yet closed. Our task is far from finished. The accomplishment so far simply gives assurance that we no longer face, as we did a year ago, the risk of a great uncontrollable wave of default and foreclosure upon half a million or more homes, with serious problems for the financial institutions which have lent billions of dollars on home mortgages.

It should be kept in mind that the Home Owners' Loan Corporation is purely an emergency operation, dealing directly with the home owner. It is only one of three steps which the Government has taken through the Federal Home Loan Bank Board to restore health, security, and activity to American home building and home ownership. The two other steps are not emergency measures, but are permanent undertakings which are intended to make home mortgage finance safer and more economical for investors and borrowers and to release money for employment in repair and construction work that has been long delayed.

Of these two permanent agencies, the first is the Federal Home Loan Bank System. It was formed by act of Congress in July 1932, and now embraces more than 2,400 building-and-loan associations, savings banks, and other private home-financing institutions in a great credit reserve system. It is similar in purpose and operation to the Federal Reserve System, except that it is confined strictly to home mortgage finance, and has nothing whatever to do with commercial credits. The Home Loan Bank System serves under the Federal Home Loan Bank Board through 12 regional home-loan banks, located throughout the United States. Each of these regional banks serves two or more States. By membership in the system an institution makes its own mortgage assets more liquid because they can be used as collateral to secure loans from the Federal bank of its district. Such advances can be used in making additional mortgage loans to home owners for repairs and new building. The present members have borrowed more than $100,000,000 from these banks, and their line of credit entitles them to borrow over $120,000,000 more.

The second permanent governmental agency administered by the Federal Home Loan Bank Board is represented by the Federal savings-and-loan associations. A Federal savings-and-loan association is a local, mutual savings institution. It is very similar to the familiar type of building-and-loan association, except that it operates under a Federal charter and under strict Federal supervision and regulation. It is in that respect an entirely new method for the encouragement of long-term savings, which in turn are lent to home owners on sound mortgage security. Its shares are bought by thrifty people, either in outright lump sums at the par value of $100 a share or in installment payments as low as 50 cents per share per month. A Federal savings-and-loan association is privately managed by local business and professional men of recognized judgment and experience. Every shareholder have a voice in its management and operation.

It is in no sense a Federal enterprise, any more than a national bank is. The Federal Government has recognized the soundness of these institutions, however. It expects to invest its own funds in their shares, in order to make more money available for conservative home loans in large and small communities throughout the United States. Congress provided for the establishment of the Federal savings-and-loan associations last June. Already, nearly 300 of these institutions are in operation. One of them was recently organized in New York City. Others have been chartered in Chicago, Philadelphia, Detroit, Cleveland, St. Louis, and in hundreds of smaller communities in 34 different States. Within the next year or two, several hundred more will undoubtedly be established in other towns and cities. Some will be new associations. Others will be old established building-and-loan associations, formerly under State charter, which will convert themselves into Federal savings-and-loan associations because of the safeguards and advantages which their shareholders would gain by such conversion.

As it continues to develop in size and membership, the Federal Home Loan Bank System will be an increasingly strong source of protection to all home mortgage borrowers and lenders. It makes home credit more liquid and more flexible. In doing so, it corrects the past difficulty which has led to the freezing up of sound mortgage assets held by financial institutions. That difficulty was that the depositor wanted his money on short notice at the very time when it was difficult to convert such long-term indebtedness as a mortgage into cash at its face value. Membership in the Home Loan Bank System makes it relatively easy for a thrift or home-financing institution to use its own mortgage assets as collateral for advances from a Home Loan bank and thus create new credit with which to meet any emergency or any severe scarcity of private mortgage funds.

Now, with regard to the second permanent Federal agency in home finance, the Federal savings-and-loan associations. Without wishing to assume the role of prophet, I venture to express the belief that these institutions are likely to go far in assuring a sounder and more adequate source of private funds for home financing. The public is already becoming familiar with their investment merits and the safeguards which they offer to large and small savings. In the towns in which such associations have already been chartered, their shares have proved attractive to thrifty people. The purpose of these mutual institutions to furnish local mortgage money has brought them the endorsement of leading citizens in all sections. Many such men are now serving as directors of such associations as a matter of constructive civic enterprise.

Before I discuss the new amendments to the Home Loan Act passed by Congress and signed on April 27 by President Roosevelt, I wish to call your attention to a very important change which is

being brought about in American home mortgage loans, largely as a result of these three Federal undertakings and which I have just explained. The change to which I refer probably means very general abandonment of the old-style home mortgage which was made out for a term of 1, 3, 5, or 7 years and fell due in full at maturity date. That type of mortgage is being replaced by an entirely different form of loan which is safer for the lender and more convenient for the home-owner borrower.

This new class of mortgage is not really new at all. It has been employed for over a century in most European nations and by American building-and-loan associations, but it has not been widely used by other lenders in this country. It is known as the amortized loan. On such a loan the borrower does not have to pay off the entire principal at maturity within a short period of years. Instead, he pays it off gradually, month by month, from the very time his loan is made until the principal has been entirely repaid at the end of from 7 to 15 or 20 years.

This type of loan is used exclusively by the Home Owners' Loan Corporation and by the Federal savings-and-loan associations. It is the type of loan on which the Federal home-loan banks are empowered to advance a larger ratio against underlying property values than on any other type of mortgage.

To illustrate the superiority of the amortized loan, let us take a specific example. A home owner with a straight mortgage for $3,000 at 6 percent pays $90 every 6 months as interest. At the end of only 3 years he is obliged to pay off or to renew his entire $3,000 principal. If the loan falls due in a time of general depression or of reduced personal earnings, the home owner will have serious difficulty in paying or renewing it, and may lose his home through foreclosure.

If, on the other hand, the home owner made his $3,000 loan at the same interest rate of 6 percent on a 15-year amortized basis, he would simply pay $25.32 each month as combined principal and interest for 15 years. He never has to make a single payment of more than $25.32 a month. At the end of the 15 years he has paid off the entire $3,000.

The wide-spread use of the short-term mortgage loan by the banks and other mortgage lenders has been one of the principal causes for the difficulties of home owners in recent years and has intensified the depression greatly. I suggest that you bear in mind the vital importance of this evolution toward the amortized loan as a stronger and more practical form of investment, to say nothing of its desirability for the borrower himself.

Now let us consider the new legislation which has just been passed by Congress to amend the Home Owners' Loan Act. It greatly strengthens the entire structure of the Home Owners' Loan Corporation, the Federal home-loan banks, and the Federal savings-and-loan associations. Five features of this amendment are of special importance to home owners.

First of all, the United States Government has now placed its full and unconditional guaranty on both principal and interest of the bonds of the Home Owners' Loan Corporation, which until now have been guaranteed as to interest only. This change means that any lender who has been carrying a home mortgage which was in default or in serious difficulty may now effect the exchange of that mortgage for a bond that is a direct obligation of the United States, provided the new loan is approved by Corporation officials.

In that connection the second most important provision of the new act is one which strictly limits loans made by the Corporation to those home owners who were in involuntary default on their mortgages as far back as June 13, 1933, or whose default, if it took place at a later date, was due to circumstances entirely beyond the borrower's control, such as unemployment. The Corporation absolutely will not make loans unless the applicant can prove that such default has developed in spite of everything that he could do to avoid it.

This new restriction automatically limits the Home Owners' Loan Corporation to loans where relief is actually needed. It makes it impossible for either a borrower or lender to take unfair advantage of the Corporation without incurring the risk of severe penalties for misrepresentation. It means that a home owner who deliberately commits default on his original mortgage in order to get a loan from the Corporation at a lower rate of interest cannot obtain the loan. He simply wrecks his credit standing in his own community by applying for such assistance. By such willful default and repudiation he also runs the prompt risk of foreclosure action and the loss of his home.

This part of the amendment likewise prevents a lender from bringing unfair pressure on the borrower by asking him to reduce the principal of his loan when that loan already is in sound condition. In recent weeks because of the high cash value of the Corporation bonds, certain lenders have tried to force their borrowers into distress by demanding a reduction of the principal of their loans when there was no good reason for such action, and have urged borrowers "to apply for help from the Home Owners' Loan Corporation." The new amendment puts a stop to this.

The third vital section of the new amendment authorizes $200,000,000 to be advanced by the Home Owners' Loan Corporation for repairs and modernization of the properties on which it makes loans. Nearly all of the half million homes on which the Corporation expects to grant loans will require some expenditure for repair and maintenance to make up for long-deferred upkeep and the effect of wear and tear on the property.

A surprising proportion of our American homes are today a long way from being what they should be. In a country possessing the wealth and resources which we command our people should have the best homes in the world at the lowest cost. In dealing with the housing problem for people of moderate income we are far behind some of the older European countries. A large proportion of our present homes can be improved greatly and brought up to date at very moderate cost.

The Home Owners' Loan Corporation can now advance money for this work on the homes on which it makes loans wherever the situation of the borrower justifies this course. It would be unwise for the Corporation to encourage people to assume new debts which they would be unable to pay. It is not helpful to entice a man into contracting a debt he can never discharge and thus add to his anxiety and trouble. The Corporation does not intend to pursue such a policy. It will, however, be prepared to finance within reasonable limits the improvement and modernization of the homes on which it takes mortgages. This undertaking should be helpful in demonstrating to many communities what surprising things may be done to an old house at little cost to make it more modern and livable.

This $200,000,000 fund is restricted to a relatively small proportion of home owners in this country. At the same time it represents the equivalent of employment for not less than 125,000 men for a period of 1 year, to be engaged in labor on these houses or in the manufacturing and transportation of materials.

The fourth change brought about by this new amendment deals with Federal savings-and-loan associations. I have explained that the United States Government, in recognition of the soundness of these institutions, is permitted to invest its own funds in the shares of these associations. In the past the Government could not subscribe for more than $100,000 in the shares of any one Federal savings-and-loan association.

Under the new law, the Treasury may buy full-paid income shares of such an association up to 75 percent of the entire amount subscribed by private shareholders and the Government together. I need hardly emphasize what this means in increasing the supply of mortgage money available to home owners throughout the United States. It means, for example, that an established building-and-loan association, with $5,000,000 in resources that is converted into a Federal savings-and-loan association, would have access to Federal participation up to $15,000,000. In other words, four times as much money is made available for home loans in its vicinity as is supplied simply by local private savings.

Another important change effected by this new amendment is that it will no longer be possible for borrowers from the Home Owners' Loan Corporation to exercise the right to postpone all payments on principal up to June 1936 as has been the case in the past. All borrowers, except in proven necessitous cases, will be obliged to make combined payments of principal and interest each month. It was found that many borrowers who were well able to make principal payments had abused the privilege of deferring payments when there was no good reason for doing so. Bear in mind that the monthly payment required for both principal and interest is only $7.91 for each $1,000 of loan. The average loan so far made by the Corporation, among 200,000 borrowers, is slightly more than $2,900, on which the combined principal and interest installment each month is less than $23.

You will see, therefore, that the Corporation is not only saving hundreds of thousands of homes for their owners, but it is enabling them to pay off their mortgages on very easy terms. The home owners who receive such generous help should not invite future trouble by failing to pay off their debts as rapidly as they can. The Corporation does not intend to be unjust to any borrower, but neither does it propose to allow the Government to be imposed upon.

The Home Owners' Loan Corporation is but one of the many constructive agencies which owe their existence to the statesmanship and foresight of our President. His interest in the home ownership problem is long standing and well known. Despite the many tremendous questions the President is called upon to face from day to day, the housing problem is never put aside. Whenever it requires his personal attention the time is made available for its consideration. Under such encouragement the Corporation is carrying forward a work of home protection and refinancing such as no country has ever before done for its people. It is not only entitled to the support of all right-minded citizens, but it certainly merits the prompt payment of obligations by those who are benefited.

It is hartening to those engaged in this work to observe not only the appreciation of the vast majority of those who have been aided, but their observance of the letter of their contract with their Government. We received hundreds of thousands of payments on loans even before the bills had been sent out.

In conclusion, may I offer a word of encouragement for home owners and prospective home owners who in the recent past have had difficulty in obtaining mortgage loans for repairs or new construction. Our Board in Washington is, of course, in close touch with thousands of home-financing institutions throughout the country. Within the past few weeks we have been informed that private capital in increasing amounts is being made available in many parts of the country for sound loans to responsible home owners. Private savings invested in such institutions, supplemented by the resources of the Federal savings-and-loan associations and of the Federal Home Loan Bank System, are expected to remove the most serious obstacle to urgently needed home building and repair which has faced American home owners during the past 4 years—namely, the scarcity of mortgage money.

In addition to the resources which I have mentioned, the President has proposed further plans for the cooperation of private capital with the Federal Government to make available a large sum of money to home owners of sound credit reputation, particularly for repair and modernization purposes.

The demand by home owners for loans with which to undertake improvements in their properties is increasing steadily. These people realize that a stitch in time saves nine. They know that every dollar they spend today for such repairs will save them many dollars later on. The longer such upkeep expenditure as reroofing, repainting, and other necessary maintenance of that kind is postponed, the more damage will be done by wear and tear, and the higher the cost of repairs would be.

Mortgage money for these worth-while undertakings is ready to be borrowed. The first step is to get in touch with some well-managed, private home-financing institution, such as a building-and-loan association, savings bank, or insurance company representative in your vicinity, and discuss your repair or building plans and your mortgage requirements fully.

The greatest need, and probably the greatest opportunity for accelerating our progress in the United States today is to have better homes at reasonable cost. To some extent, this means building new homes. To a much wider degree it means the modernization of good homes that have been built in the past. Millions of people in this country, of large and small incomes, are living in houses which could be made far more comfortable and more attractive with only a small outlay of money.

Let me assure you that the Federal Government is bending every effort to help American home owners in that direction. The time is coming when more people will insist upon taking just as much pride in their homes as they do now in their motor cars. They will insist upon good architecture, sound construction, and proper community planning as the necessary steps toward better and more permanent value and lower cost. Every citizen should give his self-interested cooperation to these vital changes which are now taking place.

DEATH OF REPRESENTATIVE COFFIN, OF IDAHO

The VICE PRESIDENT. The Chair lays before the Senate resolutions from the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES,
June 9, 1934.

Resolved, That the House has heard with profound sorrow of the death of Hon. THOMAS C. COFFIN, a Representative from the State of Idaho.

Resolved, That a committee of four Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

Resolved, That the Sergeant at Arms of the House be authorized and directed to take such steps as may be necessary for carrying out the provision of these resolutions and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect, this House do now adjourn.

Mr. BORAH. Mr. President, I send to the desk resolutions which I ask to have read and immediately considered.

The resolutions (S.Res. 265) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. THOMAS C. COFFIN, late a Representative from the State of Idaho.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Under the second resolution, the Vice President appointed Mr. BORAH and Mr. POPE the committee on the part of the Senate.

Mr. BORAH. Mr. President, as a further mark of respect to the memory of the deceased Representative, I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was unanimously agreed to; and (at 6 o'clock and 30 minutes p.m.) the Senate took a recess until tomorrow, Tuesday, June 12, 1934, at 11 o'clock a.m.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 11, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Bishop of our Souls and Shepherd Divine, Thou of the crozier and the cross, let us start this day with gladness and hope of heart. We pray that every today and every tomorrow may bring us closer to the truth of the Ancient of Days. Heavenly Father, for the sake of the good that now is, help us to pass to the better that is to be. Guard our Nation against causes of failure, for quite unconsciously do people lose the great qualities of soul. Almighty God, hold rich man and poor man, statesman and private citizen to the sense of self-control. With heart and brain, may they give themselves to sacrificial, unselfish devotion to those institutions that have made the Republic the friend of all men. Most graciously be with our President these hours and days; crown him with strength and wisdom; and may the pilot wheel of Government ever turn with liberty and justice for all, and may our flag be kept floating toward the morning sun and the evening sunset. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of Saturday, June 9, 1934, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2156. An act for the relief of the American-La France Foamite Corporation of New York;

S. 3532. An act granting certain property to the State of Wisconsin for institutional purposes;

S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey; and

S. 3739. An act authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 8781) entitled "An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes."

CALENDAR WEDNESDAY

Mr. BYRNS. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday be dispensed with.

The SPEAKER. Is there objection?

There was no objection.

THE LEMKE-FRAZIER BILL

Mr. DOWELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DOWELL. When a motion to discharge a committee has been on the calendar for more than 7 days, is it not in order that that should be called up at this time?

Mr. BLANTON. Is there any such motion?

Mr. SWANK. Mr. Speaker, I rise to a further parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. SWANK. Mr. Speaker, I filed a motion to discharge the Committee on Agriculture from further consideration of what is known as the "Lemke-Frazier farm bill." That motion was placed on the Discharge Calendar the 2d day of June, and it has been on there now for 9 days. The rule

provides that any Member who signed the motion to discharge, after the motion has been on the calendar at least 7 days, shall be recognized for the purpose of calling up the motion, and I rise at this time for that purpose.

Mr. BLANTON. Mr. Speaker, I make the point of order that 7 legislative days have not intervened.

Mr. SWANK. Mr. Speaker, the rule does not say "7 legislative days." It merely says "7 days."

The SPEAKER. The calendar days June 4, 5, 6, 7, and 8 are 1 legislative day.

Mr. SWANK. Is it the ruling of the Speaker that the motion must be on the calendar for 7 legislative days?

The SPEAKER. That is the ruling.

Mr. DOWELL. Mr. Speaker, I desire to be heard on the point of order. Paragraph 4, rule 27, provides in part:

A Member may present to the Clerk a motion in writing to discharge a committee from the consideration of a public bill or resolution which has been referred to it 30 days prior thereto.

This motion was signed by 145 Members of the House, and was recorded in the Journal and in the RECORD on June 2. Further under this rule I read, as follows:

On the second and fourth Mondays of each month, except during the last 6 days of any session of Congress, immediately after the approval of the Journal, any Member who has signed a motion to discharge which has been on the calendar at least 7 days prior thereto, and seeks recognition, shall be recognized for the purpose of calling up the motion.

That is the motion of the gentleman from Oklahoma [Mr. SWANK] to call up the Frazier-Lemke bill. Mr. Speaker, I appreciate the fact that a short time ago a rule was adopted by this House giving to the floor leader the right to move to recess the House, which, as I am advised, was exercised on four different occasions since this motion was filed. In other words, under the rule that was adopted giving to the leader the right to make that motion, he exercised it, and a recess was granted under the terms of the motion, instead of the ordinary adjournment. The rule under which this motion is called up, if the Speaker will please note, was adopted by the House in December of 1931. I emphasize again the reading of the rule because the gentleman from Texas [Mr. BLANTON] has raised the point that 7 legislative days have not intervened. If this rule had intended to say legislative days in 1931 it would have said legislative days, but the rule says in plain English:

Any Member who has signed a motion to discharge which has been on the calendar at least 7 days.

I appreciate the fact that the gentleman from Tennessee, when he made the motion to recess, had in his mind, and that those who voted for it had in their minds, the defeat of this rule.

Mr. BANKHEAD. Mr. Speaker, I doubt the propriety of that sort of argument on a point of order. The gentleman is making a political argument.

Mr. BYRNS. Mr. Speaker, inasmuch as the gentleman has referred specifically to me I hope he will yield to me to say that he is wholly mistaken. The question of defeating this rule was not of primary importance, whatever the effect of the recess may have been. I may say to the gentleman and I would not be entirely frank if I did not say that I was opposed to the McLeod bill, if that is what the gentleman is talking about.

Mr. DOWELL. The question is on the Lemke bill.

Mr. BYRNS. But my main object was to carry Monday over in order that the Unanimous Consent Calendar might be considered, and it was necessary to carry it until Thursday until we could consider it. And to prevent a recurrence of what occurred here several days ago, when 2½ hours were consumed in reading the Journal.

Mr. DOWELL. However that may be, and I accept the gentleman's explanation, the effect was to have 3 or 4 legislative days intervene in the meantime.

May I say further, Mr. Speaker, that the rule adopted in 1931 makes no reference to a legislative day. It refers to the fact that a motion must be on file 7 days at least, and then it may be called up by anyone signing the discharge motion.

Mr. BLANTON. Will the gentleman yield?

Mr. DOWELL. I cannot yield just now. The whole purpose of this rule is to bring this Lemke bill to a vote immediately in the House. This House has been in session every day since the 2d day of June, when this motion took effect by the signatures of 145 Members of the House. My position is that after this rule has been signed by 145 Members of the House, after a lapse of 7 days, they are entitled to vote on this bill on the second or fourth Monday of the session. Now, it has been held that Sunday is not a legislative day, but there is no ruling, as far as I have been able to find, where the defeat of a plain rule can be had by recessing the House to the next day instead of adjournment.

Now, Mr. Speaker, if this could be accomplished by this method of procedure and if this rule is to be defeated by reason of the fact that a recess was had from one day to the other, then it seems to me the rule is to be set aside from time to time and cannot be put into execution.

Mr. BLANTON. Mr. Speaker, I ask the Chair to hear me for a moment.

Mr. BANKHEAD. Well, Mr. Speaker, let us get the parliamentary situation straight. I understand this question is submitted upon a parliamentary inquiry.

Mr. BLANTON. And I made a point of order.

Mr. BANKHEAD. As I recall, the gentleman from Iowa [Mr. DOWELL] submitted a parliamentary inquiry. Thereupon the gentleman from Oklahoma [Mr. SWANK] submitted an additional parliamentary inquiry; so that the matter is now pending before the Chair.

Mr. BLANTON. I ask to be heard a moment under reservation.

The SPEAKER. The Chair will hear the gentleman from Texas.

Mr. BLANTON. There is no Member of this House, versed in parliamentary procedure, who would claim that a Sunday or a holiday could be counted in these necessary 7 days that must intervene.

Mr. DOWELL. That has already been held.

Mr. BLANTON. I do not yield, Mr. Speaker. It was held by Mr. Speaker Longworth that no Sunday or holiday could be counted as one of the necessary 7 days, as they must be legislative working days of the House.

For every legislative working day of this House the Journal must be read. There was no Journal read on these 4 calendar days, because the House was in recess. For every regular legislative working day of this House it must be opened by the Chaplain with a prayer. There was no opening of this House for these 4 days by a prayer of the Chaplain. Every single Member of this House had the right to vote against the rule that permitted the majority leader to move to take a recess, and if they had not been in favor of such rule, discharge rules, they could have defeated it by getting one more than one-third of the Members voting to vote against it, for it required a two-thirds majority, and on every discharge rule it takes a majority vote of this House to bring it up. I think the position taken by the gentleman from Iowa [Mr. DOWELL], is not well taken, and that my point of order should be sustained.

The SPEAKER. The Chair is ready to rule.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry, for the purpose of clearing up the situation.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. I understand the gentleman from Oklahoma [Mr. SWANK] asked for recognition to move to discharge a committee?

The SPEAKER. The Chair so understands.

Mr. BOILEAU. And that is the matter before the House.

Mr. DOWELL. And a point of order was made against that by the gentleman from Texas [Mr. BLANTON].

The SPEAKER. That is the situation. The Chair is ready to rule.

Mr. Speaker Longworth, in construing the Consent Calendar rule which provided that on the first and third Mondays of each month, immediately after the reading of the Journal, the Speaker should direct the Clerk to call bills which had been 3 days upon the Consent Calendar, held—

In order to be called on the Consent Calendar bills must be on the printed calendar three legislative working days.

The Chair thinks that the decision made by Speaker Longworth is applicable in the instant case and holds that the motion to discharge which the gentleman from Oklahoma [Mr. SWANK] desires to call up, has not been on the Calendar 7 legislative working days, and therefore cannot now be called up.

TO AMEND THE FEDERAL RESERVE ACT

Mr. STEAGALL. Mr. Speaker, I call up the conference report on the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. STEAGALL]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 12B of the Federal Reserve Act is amended—

"(1) By striking out 'July 1, 1934' wherever it appears in subsections (e), (l), and (y), and inserting in lieu thereof 'July 1, 1935';

"(2) By striking out 'June 15, 1934' where it appears in the last sentence of the third paragraph of subsection (y) and inserting in lieu thereof 'October 1, 1934';

"(3) By striking out 'June 30, 1934' where it appears in the first sentence of the fifth paragraph of subsection (y) and inserting in lieu thereof 'June 30, 1935';

"(4) By amending the second sentence of the fifth paragraph of subsection (y) to comprise two sentences reading as follows: 'The provisions of such subsection (l) relating to State member banks shall be extended for the purposes of this subsection to members of the fund which are not members of the Federal Reserve System, and the provisions of such subsection (l) relating to the appointment of the Corporation as receiver shall be applicable to all members of the fund. The provisions of this subsection shall apply only to deposits of members of the fund which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business.';

"(5) By adding to the sixth paragraph of subsection (y) the following: 'The Corporation shall prescribe by regulations the manner of exercise of the right of nonmember banks to withdraw from membership in the fund on July 1, 1934, except that no bank shall be permitted to withdraw unless 10 days prior thereto it has given written notice to the Corporation of its election so to do. Banks which withdraw from the fund on July 1, 1934, shall be entitled to a refund of their proportionate share of any estimated balance in the fund on the same basis as if the fund had terminated on July 1, 1934.';

"(6) By adding to the end of the fourth paragraph of subsection (y) the following new paragraphs:

"'On and after July 1, 1934, the amount eligible for insurance under this subsection for the purposes of the October 1, 1934 certified statement, any entrance assessment, and, if levied, the additional assessment, shall be the amounts not in excess of $5,000 of the deposits of each depositor.

"'Each mutual savings bank, unless it becomes subject to the provisions of the preceding paragraph in the manner hereinafter provided, shall be excepted from the operation of the preceding paragraph and for each such bank which is so excepted the amount eligible for insurance under this subsection for the purposes of the October 1, 1934, certified statement, any entrance assessment, and, if levied, the additional assessment, shall be the amounts not in excess of $2,500 for the deposits of each depositor. In the event any mutual savings bank shall be closed on account of inability to meet its deposit liabilities the Corporation shall pay not more than $2,500 on account of the net approved claim of any owner of deposits in such bank: *Provided, however,* That should any mutual savings bank make manifest to the Corporation its election to be subject to the provisions of the preceding paragraph the Corporation may, in the discretion of the board of directors, permit such bank to become so subject and the insurance of its deposits to continue on the same basis and to the same extent as that of fund members other than mutual savings banks.

"'The Corporation, in the discretion of the board of directors, may open on its books solely for the benefit of mutual savings banks an additional Temporary Federal Deposit Insurance Fund (hereinafter referred to as the "Fund for Mutuals") which, if opened, shall become operative on or after July 1, 1934, but prior to August 1, 1934, and shall continue to July 1, 1935. If the Fund for Mutuals is opened on the books of the Corporation, each mutual savings bank which is or becomes entitled to the benefits of insurance during the period of its operation shall be a member thereof and shall not be a fund member. All assessments on each mutual savings bank, including payments heretofore made to the Corporation less an equitable deduction for liabilities and expenses of the fund incurred prior to the opening of the Fund for Mutuals, if opened, shall be transferred or paid, as the case may be, to the Fund for Mutuals. All provisions of this section applicable to the fund and not inconsistent with this paragraph shall be applicable to the Fund for Mutuals if opened, except that as to any period the two are in operation, the fund shall not be subject to the liabilities of the Fund for Mutuals and the Fund for Mutuals shall not be subject to the liabilities of the fund. Each mutual savings bank admitted to the fund shall bear its equitable share of the liabilities of the fund for the period it is a member thereof, including expenses of operation and allowing for anticipated recovery';

"(7) By striking out the period at the end of the first sentence of the fifth paragraph of subsection (y) and inserting in lieu thereof a comma and the following: 'if the member closed on or before June 30, 1934, and not more than $5,000 if closed on or after July 1, 1934.';

"(8) By (a) striking out 'July 1, 1936' in the first sentence of subsection (l) and inserting in lieu thereof 'July 1, 1937', (b) striking out the words 'July 1, 1936' in the seventh paragraph of subsection (y) and inserting in lieu thereof 'July 1, 1937', and (c) adding after the seventh paragraph of subsection (y) the following new paragraph:

"'Until July 1, 1937, any State bank may obtain the benefits of this section on and after the date the fund is terminated upon the conditions with regard to examination, certification, and approval governing the admission of State banks to the fund and upon purchasing such class A stock or making such a deposit as is prescribed in the preceding paragraph for former fund members.'

"(9) By adding at the end of the first paragraph of subsection (v) the following new paragraph:

"'Every insured bank shall display at each place of business maintained by it a sign or signs to the effect that its deposits are insured by the Federal Deposit Insurance Corporation. The Corporation shall prescribe by regulation the form of such sign and the manner of its display. Such regulation may impose a maximum penalty of $100 for each day an insured bank continues to violate any lawful provisions of said regulation.'; and

"(10) By amending the first sentence of the second paragraph of subsection (y) by inserting within the parentheses and immediately after the words 'District of Columbia' the words 'and the Territories of Hawaii and Alaska'.

"SEC. 2. The first paragraph of section 9 of the Federal Reserve Act, as amended (U.S.C., title 12, sec. 321), is

amended by adding after the second sentence thereof a new sentence to read as follows: 'For the purposes of membership of any such bank the terms "capital" and "capital stock" shall include the amount of outstanding capital notes and debentures legally issued by the applying bank and purchased by the Reconstruction Finance Corporation.'

"SEC. 3. (a) The Reconstruction Finance Corporation Act, as amended, is amended by adding before section 6 thereof the following new section:

"'SEC. 5e. (a) The Corporation is authorized and empowered to make loans upon or purchase the assets of any bank, savings bank, or trust company, which has been closed on or after December 31, 1929, and prior to January 1, 1934, and the affairs of which have not been fully liquidated or wound up, upon such terms and conditions as the Corporation may by regulations prescribe. If in connection with the reorganization, stabilization, or liquidation of any such bank, assets have been trusteed or are otherwise held for the benefit of depositors or depositors and others, the authority, subject to regulations, as provided in the preceding sentence shall be extended for the purpose of authorizing the Corporation to purchase or make loans on such assets held for the benefit of such depositors or depositors and others. This authority shall also extend to any such institution that has reopened without payment of deposits in full. In making any purchase of or loan on the assets of any closed bank, the Corporation shall appraise such assets in anticipation of an orderly liquidation over a period of years, rather than on the basis of forced selling values in a period of business depression. This authority shall also extend to assets of the character made eligible by this section as security for loans without regard to whether the Corporation has heretofore made loans thereon.

"'(b) The Corporation shall purchase at par value such debentures or other obligations of the Federal Deposit Insurance Corporation as are authorized to be issued under subsection (o) of section 12B of the Federal Reserve Act, as amended, upon request of the board of directors of the Federal Deposit Insurance Corporation, whenever in the judgment of said board additional funds are required for insurance purposes: *Provided*, That the Corporation shall not purchase or hold at any time said debentures or other obligation in excess of $250,000,000 par value: *Provided further*, That the proceeds derived from the purchase by the Corporation of any such debentures or other such obligations shall be used by the Federal Deposit Insurance Corporation solely in carrying out its functions with respect to such insurance.

"'(c) The amount of notes, bonds, debentures, and other such obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by $250,000,000.'

"SEC. 4. So much of section 31 of the Banking Act of 1933 as relates to stock ownership by directors, trustees, or members of similar governing bodies of member banks of the Federal Reserve System, is hereby repealed."

And the House agree to the same.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ROBERT LUCE,
Managers on the part of the House.

DUNCAN U. FLETCHER,
CARTER GLASS,
ROBERT J. BULKLEY,
JOHN G. TOWNSEND, JR.,
F. C. WALCOTT,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference and recommended in the accompanying conference report:

The House amendment strikes out all of the Senate bill after the enacting clause. The Senate recedes from its disagreement to the amendment of the House, with an amendment which is a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed upon by the conferees are noted in the following outline, except for incidental changes made necessary by reason of the agreement reached by the conferees, and minor and clarifying changes.

The House amendment (sec. 1 (5)) added a new sentence to the sixth paragraph of subsection (y) of section 12B of the Federal Reserve Act, giving to the Federal Deposit Insurance Corporation the power to prescribe by regulations the manner of exercise of the right of nonmember banks to withdraw from membership in the Temporary Federal Deposit Insurance Fund on July 1, 1934, but provided specifically that no bank should be permitted to withdraw unless 20 days' notice of such withdrawal prior to such date was given by the bank to each of its depositors and to the Corporation. The substitute (sec. 1 (5)) adopts the provision of the House amendment, except that the requirement of 20 days is reduced to 10 days, owing to the nearness of the date for withdrawal, and eliminates the requirement of written notice to each of the depositors of the bank, due to the obvious difficulty which large savings banks would meet in complying with such requirement. In this connection it should be noted that the substitute (sec. 1 (9)) retains the provision for the protection of depositors contained in the House amendment, which requires members of the fund to display at their places of business a sign or signs to the effect that their deposits are insured by the Federal Deposit Insurance Corporation.

The House amendment (sec. 1 (6)) contained a provision placing mutual savings banks in a separate category as to insurance under the temporary plan, their deposits to be insured only to the extent of $2,500, unless they make definite application to the Corporation to continue on the same basis and to the same extent as other fund members. The substitute (sec. 1 (6)) retains this provision, but amplifies the underlying principle thereof by conferring upon the Corporation discretionary power to open on its books an additional temporary fund, to be known as the "Fund for Mutuals", of which, if opened, all mutual savings banks which are or become entitled to the benefits of insurance shall be members. If opened, the Fund for Mutuals is to become operative on or after July 1, 1934, but before August 1, 1934, and is to continue until July 1, 1935; and during its operation no mutual savings bank is to be a fund member.

The House amendment (sec. 1 (8)) amended subsection (l), and the seventh paragraph of subsection (y), of section 12B by removing therefrom the limitation—July 1, 1936—as to the insurance of deposits in State banks not members of the Federal Reserve System, and added a new paragraph to subsection (y) expressly permitting such nonmember banks to obtain the benefits of insurance after the temporary fund is terminated "upon the conditions with regard to examination, certification, and approval governing the admission of State banks to the fund and upon purchasing such class A stock or making such deposit as is prescribed" for former fund members. The substitute (sec. 1 (8)) modifies these provisions of the House amendment so as to postpone the termination of insurance of such nonmember banks until July 1, 1937, and to permit nonmember banks to obtain the benefits of the permanent insurance after the fund is terminated—July 1, 1935—until July 1, 1937.

The House amendment (sec. 1 (9) and (10)) provided for an increase in the amount of notes, debentures, bonds, or other such obligations which the Corporation is authorized to have outstanding under subsection (o) of section 12B from three times the amount of its capital to five times the amounts of its "subscribed capital"; and further provided for the guarantee by the United States of the principal interest of such of the obligations of the Corporation as the

Corporation, with the approval of the Secretary of the Treasury, might determine. The substitute eliminates these provisions, but includes (sec. 3 (b)) a direction to the Reconstruction Finance Corporation to purchase the obligations of the Federal Deposit Insurance Corporation, upon request of the board of directors of insurance corporation whenever the latter is in need of additional funds for insurance purposes, to the extent of $250,000,000; and it is also provided that the proceeds from such purchase shall be used by the insurance corporation solely for insurance purposes. The borrowing power of the Reconstruction Finance Corporation under existing law is increased (sec. 3 (c)) by $250,000,000.

The House amendment (sec. 4 (a)) conferred upon the Federal Deposit Insurance Corporation the power to make loans upon or purchase the assets of any bank, savings bank, or trust company which was closed on or after December 31, 1929, and prior to January 1, 1934, and the affairs of which have not been fully liquidated or wound up, the appraisal of assets for such purposes to be made "in anticipation of an orderly liquidation over a period of years rather than on the basis of forced selling values in a period of business depression." The substitute (sec. 3 (a)) places this power in the Reconstruction Finance Corporation (retaining, however, the same standards for the exercise thereof as are contained in the House amendment).

The House amendment (sec. 4 (b)) amended subsection (1) of section 12B with respect to the division, as between the depositors of the bank and the Corporation, of the amounts realized upon the liquidation by the Corporation of the assets of an insured bank which has been closed. This amendment would change the existing law which provides that the Corporation shall take all such dividends until it has reimbursed itself to the full amount of the insured liability of each depositor and shall then pay any further dividends to each depositor on the basis of the bank's deposit liability to him, so as to provide that in case the amount of the bank's deposit liability to any depositor exceeds the amount of the insured deposit liability, the Corporation and the depositor "shall share ratably in the dividends insofar as the same are based upon deposit liability to such depositor according to the ratio that the insured liability to such depositor bears to the total amount of the net approved claim of such depositor." The substitute eliminates this provision.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ROBERT LUCE,
Managers on the part of the House.

Mr. STEAGALL. Mr. Speaker, the Senate bill provided for the extension of the provisions of the Banking Act of 1933, establishing a plan for the temporary insurance of bank deposits, from January 1, 1934, to the 1st day of July 1934, so that the temporary plan would be operative until the 1st of July 1935, and postponing the effectiveness of the permanent plan for insurance of bank deposits until the 1st of July 1935.

The original amount of insurance provided under the temporary plan covers $2,500 for each individual deposit. That provision was continued by the Senate bill. Under the House bill the temporary insurance was raised to the amount of $5,000 for each depositor. There has also been incorporated in the report a provision of the House bill which will permit mutual savings banks to remain in the insurance corporation under the plan which insures each individual depositor up to the amount of $2,500, or, upon the application of such banks, to increase the insurance up to $5,000 for each individual depositor.

In addition to that there is a provision which would authorize the Deposit Insurance Corporation to set up a separate fund for the insurance of deposits in mutual savings banks which would place these institutions in a category separate from other insured institutions.

The House bill embodied a provision which authorized the Federal Deposit Insurance Corporation to expand its capital five times by issuing its obligations to be guaranteed by the Treasury. The present law authorizes the Deposit Insurance Corporation to expand its obligations three times, and this provision is retained.

The measure as reported authorizes the Reconstruction Finance Corporation to make loans upon and to purchase the assets of closed banks. This provision is identical in substance with the provision incorporated in the House bill which contemplated relief for depositors in closed banks by the Federal Deposit Insurance Corporation. There was in the House bill a provision which eliminated the requirements in the Banking Act of 1933 that all nonmember banks could be insured only down to the 1st of July 1936 without joining the Federal Reserve System. The conferees extended for the period of 1 year the time within which nonmember banks may be insured without joining the Federal Reserve System. So this privilege runs until the 1st of July 1937.

The House conferees return with a report which adopts substantially everything embodied in the House bill except a slight compromise, as I have indicated, with reference to the right of nonmember banks to be insured without joining the Federal Reserve System.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. JOHNSON of Texas. Does the conference report contain any statement with reference to the capital-stock holdings of directors of banks?

Mr. STEAGALL. I thank the gentleman for mentioning this matter. It was one of the main thoughts I had in mind in taking any time in connection with this report.

There is a wide-spread interest throughout the country in a provision of the Banking Act of 1933 which changed the law respecting the requirements for stock ownership by directors of national banks. There is on the Speaker's desk a bill reported by the Committee on Banking and Currency which amends the Banking Act of 1933 so as to restore the original law that existed prior to the act of 1933. To save the time of the House we did not call up this bill under suspension but incorporated its provisions in the present bill, the report on which is now before the House. So under the bill now before us we will go back to the old law in existence prior to the act of 1933. Under that law directors in national banks will be required to own, each director in his own right, capital stock of his institution to the par value of $1,000.

I make this statement because banks throughout the country are greatly interested, especially the small banks, on account of difficulties encountered in meeting the requirements of the Banking Act of 1933 in that regard.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. MAY. What did the conferees agree upon as to the size of any individual deposit to be guaranteed?

Mr. STEAGALL. The amount of temporary insurance is raised from $2,500 as provided in the Banking Act of 1933 and as provided in the Senate bill to $5,000 as provided in the House bill. This represents a substantial forward step in the insurance of bank deposits. I may say to the gentleman, as I said when the bill was under consideration in the House, that it is agreed on all sides, and we have assurance from the members of the Banking and Currency Committee of the Senate and from the administration, that there will be no backward step in this great reform for the insurance of bank deposits and that no move for its repeal will be tolerated.

Mr. FITZPATRICK. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from New York.

Mr. FITZPATRICK. This will repeal part of section 31 of the act of 1933?

Mr. STEAGALL. That is correct.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. On page 9, subsection (c), it is sought to amend section 31. That is the section that refers to the change in the law with reference to the requirement of ownership of stock?

Mr. STEAGALL. I have explained that under the bill now before us we return to the requirements of the law in existence prior to the Banking Act of 1933.

Mr. JENKINS of Ohio. That was $1,000?

Mr. STEAGALL. That was $1,000 stock par value, to be owned by each director.

Mr. McFADDEN. Will the gentleman yield?

Mr. STEAGALL. I yield to the gentleman from Pennsylvania.

Mr. McFADDEN. In regard to the amendment to section 3 of the Reconstruction Finance Corporation Act, I notice authority there in section 5 (L) to loan to the Federal Deposit Insurance Corporation $250,000,000 on their debentures. I had supposed that the Federal Deposit Insurance Corporation was organized to keep the United States Government out of this question of guaranty of bank deposits. This amendment permits the use of Treasury funds through the Reconstruction Finance Corporation to the extent of $250,000,000. This involves the United States Government still further in guaranty of bank deposits.

Mr. STEAGALL. That is correct.

Mr. McFADDEN. Then the Federal Deposit Insurance Corporation is not an independent institution?

Mr. STEAGALL. I may say to the gentleman that the Deposit Insurance Corporation has now $290,000,000 of capital. It has approximately $40,000,000 representing an assessment against banks participating in the Corporation and based upon the amount of deposits insured, the assessment being one-fourth of 1 percent, and the Corporation is authorized to assess as much as 1 percent against all deposits insured. The enlargement of the insurance of each individual depositor to $5,000 will add something like $5,000,000 perhaps to the insurance fund, which would authorize an additional assessment. This means that the Corporation may raise, in addition to its capital stock under the temporary plan, another $150,000,000 as a minimum estimate; so that the Corporation will have about $450,000,000 of initial funds.

The Corporation is permitted to expand three times under the original law, which is to be retained; but it was thought desirable to have access to the facilities of the Reconstruction Finance Corporation for the reason that it was not deemed desirable to have the Deposit Insurance Corporation undertake to sell its debentures in opposition to obligations of similar Government agencies that are guaranteed by the Treasury. It is not thought that there is the slightest possibility of any requirement of a loan or the purchase of assets of the Federal Deposit Insurance Corporation by the Reconstruction Finance Corporation. This is simply a safeguard to assure the country and the public that the Deposit Insurance Corporation has ample funds with which to do the work of insuring deposits. Under the law, the Deposit Insurance Corporation will have potential resources of approximately one and one-half billion dollars.

During the 6 months that have passed, the Deposit Insurance Corporation has not been called upon to pay one dollar to any depositor of any bank in the United States belonging to the Deposit Insurance Corporation, and the Deposit Insurance Corporation is operating at a profit of $1,000,000 a month.

Mr. McFADDEN. If I understand the gentleman correctly, the expansion beyond the capital of the Federal Deposit Insurance Co. which has already been provided is three times its capital, plus the right to borrow from the Reconstruction Finance Corporation $250,000,000 more?

Mr. STEAGALL. The Reconstruction Finance Corporation is required to purchase assets to that amount upon request of the Federal Deposit Insurance Corporation.

Mr. McFADDEN. That is the extent of their liability?

Mr. STEAGALL. Yes.

Mr. McFADDEN. I had understood, as other Members, that when the Federal Deposit Insurance Corporation was incorporated with this capital which was contributed by the member banks of the Federal Reserve System and through the allocation of the surplus of the Federal Reserve System plus a further contribution from the Government that the Federal Deposit Insurance Corporation would stand on its own foundation.

Mr. STEAGALL. Yes.

Mr. McFADDEN. Here we find an authorization to the Reconstruction Finance Corporation, which is simply the back door of the Treasury, to loan $250,000,000, so that this involves the Government in the insurance of bank deposits. May I ask the gentleman whether this is Federal insurance or not?

Mr. STEAGALL. The gentleman understands, I am sure, that under the permanent plan for the insurance of deposits the set-up for the raising of capital is continued as it is under the temporary plan, with additional capital in the form of subscriptions by the banks, amounting to one-half of 1 percent based on their total deposits.

Under the permanent plan the Deposit Insurance Corporation is authorized, whenever their funds amount to less than one-fourth of 1 percent of all deposits of participating banks, to levy an additional charge of one-fourth of 1 percent against the participating banks. The permanent provisions of the bill place the obligation and the burden, with the exception of the initial capital, upon the participating banks of the country. The extension of the temporary plan for a period of 1 year made it desirable, and we thought prudent to incorporate in the provisions a plan which would safeguard the corporation in the matter of available funds sufficient to meet any possible anticipated contingency, and for this reason we have given the corporation may borrow $250,000,000 from the Reconstruction Finance Corporation——

Mr. McFADDEN. I think it should be made perfectly clear that in order that the Federal Deposit Insurance Corporation may borrow $250,000,000 from the Reconstruction Finance Corporation——

Mr. STEAGALL. The Reconstruction Finance Corporation is authorized to purchase debentures of the Deposit Insurance Corporation.

Mr. McFADDEN. We are increasing the authority of the Reconstruction Finance Corporation to borrow on its debentures from the United States Treasury by $250,000,000 more.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. STEAGALL. I yield.

Mr. PATMAN. It is rather unusual for the Government to furnish the initial capital and then allow the company getting the money to expand it from 3 to 5 times. In this particular case the Federal Deposit Insurance Corporation, under existing law, can expand 3 times, and I notice this conference report extends that to 5 times the amount of the subscribed stock, which may be as much as 10 or 15 times the actual paid-in capital stock. Is it not a fact that this impresses the Corporation with the title of an investment trust more than anything else?

Mr. STEAGALL. Of course, the purpose of permitting a liberal expansion of the capital of the corporation is to assure the public, whose confidence we are attempting to restore in the banks of the Nation, that the Corporation has ample funds available and sufficient to meet its responsibilities.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

ROSEMONDE E. LAFFERTY

Mr. WARREN. Mr. Speaker, I offer a privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 425

Resolved, That there shall be paid, out of the contingent fund of the House, to Rosemonde E. Lafferty, widow of George Carter

Lafferty, late an official reporter of debates of the House of Representatives, an amount equal to 6 months' compensation and an additional amount, not exceeding $250, to defray funeral expenses of the said George Carter Lafferty.

The resolution was agreed to.

A motion to reconsider was laid on the table.

INVESTIGATION OF SUBVERSIVE PROPAGANDA ACTIVITIES

Mr. WARREN. Mr. Speaker, I offer another privileged resolution from the Committee on Accounts and ask for its immediate consideration.

The Clerk read as follows:

House Resolution 424

Resolved, That the special committee created by House Resolution 198, Seventy-third Congress, second session, to investigate Nazi propaganda activities and certain other subversive propaganda and other matters in relation thereto is hereby authorized to expend not exceeding the sum of $40,000 in addition to the amount authorized to be expended by House Resolution 199, Seventy-third Congress, second session, such additional amount to be paid out of the contingent fund of the House on vouchers authorized by the committee, signed by the chairman thereof, and approved by the Committee on Accounts.

With the following committee amendment:

In line 6, strike out "$40,000" and insert in lieu thereof "$20,000"; and at the end of the resolution add the following: "That the official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. O'MALLEY. Mr. Speaker, will the gentleman from North Carolina yield?

Mr. WARREN. Yes.

Mr. O'MALLEY. Does this resolution mean we are raising the appropriation for the Nazi investigation from $25,000 to $40,000?

Mr. WARREN. I may state to the gentleman that the House has already appropriated $10,000 and they have asked for an additional $40,000. The committee now comes in with an amendment to make it $20,000.

Mr. O'MALLEY. In other words, the total amount of money the committee will have will be $30,000?

Mr. WARREN. If the committee is sustained here this morning; yes.

Mr. Speaker, I yield 12 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, I find it rather difficult to take issue with my distinguished friend from North Carolina [Mr. WARREN], and I find it a little difficult to advance to the House the necessity of the special committee recommendation being adopted, in view of the statement which was originally made to the Committee on Accounts that the maximum amount would probably not exceed $25,000.

However, as chairman of the special committee, I introduced the resolution asking for $40,000 additional because I felt that was the minimum amount that was reasonably necessary in order to carry out the investigation which the House has ordered.

It must be borne in mind that I have no personal feeling, and will have no personal reaction on whatever action the House may take, whether it gives $20,000 or $40,000. If the House should determine that $5,000 was all that was necessary, I would carry on on that basis. If the House should determine that $20,000 or $40,000 in addition should be given, I will carry on the work as chairman of the committee that has been assigned to me.

At the time the statements were made to the Committee on Accounts by those who made them, it was never thought or conceived that the investigation would go to the extent it has gone. When I was appointed chairman of the committee, I never thought that the evidence which has been disclosed ever existed in the United States. I never thought that there would be anything discovered outside of individual activity, and that the activities engaged in were more or less confined to individuals in this country. I never thought that we would make a contact with a foreign government, or a political party in control of a foreign government, sending instructions into the United States to persons in the United States, a few citizens and most of them aliens, to engage in activities within our borders for the purpose of arraying Americans against Americans because of their race. I consider the attempt to array Americans against Americans because of racial or religious differences subversive to our Government and our people.

When I was appointed chairman I reached the conclusion that there would be no speech-making before the committee.

The committee has received information from many sources of the activities of certain persons, but at the outset we determined, and properly so, that there be a complete investigation made by the committee itself in order to ascertain the facts. The committee also determined to try to obtain evidence as to the origin of any subversive efforts in this country and to be sure that the evidence and the reputed facts were reasonably certain before summoning any witness to a public hearing.

It is immaterial to me who may be involved by the facts that might be developed—if it is evidence and not mere opinion of some person it will be brought out into the public for the benefit of the American people, and for the use and benefit of the Congress for its future action.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. BANKHEAD. The controversy now pending before the House seems to be whether or not the gentleman's committee will need $40,000 to complete this investigation, and whether or not the amount recommended by the Committee on Accounts will be sufficient. I am sure the House would like to hear from the gentleman some of the details as to the nature of his investigation and why this money is necessary.

Mr. McCORMACK. I am coming to that, but I was laying the foundation so that the House might understand some of the considerations of the committee. I also asked the other members of the committee to refrain from making public statements.

It is not conducive to the best interests of this committee and the House which appointed it to have members of the committee weighing the evidence, making statements indicating they were prejudging the facts, whatever they may be, if and when disclosed to or produced by the committee. Our purpose is to try to get the facts, not to listen to statements—not to listen to opinions, not to let people, no matter how earnestly they might entertain their views, appear before the committee and assail or make accusation against this or that person—not to bring people before the committee who might be only slightly involved, but to try to get underneath the surface, to get the facts as to the origin, if they existed, and if they did not exist to disclose that faot to the American public and so report to the House of Representatives. Having that in mind, to obtain evidence—not to listen to statements of opinion unsupported by evidence, even if such views were honestly entertained—we had to employ investigators. Those men are on the pay roll and are not receiving what the Government pays its investigators. We had to employ our counsel. We wanted a reputable man, a man who commanded the respect of all of the people of the United States, because naturally there are some racial groups of Americans who might feel, in their minds, that this investigation was directed toward them. As a matter of fact, there is no such state of mind existing on the part of any Member of the House. Naturally, the great element of Americans of German descent, that great class of citizens who comprise such an important part of our citizenry, might feel that this investigation is directed toward them; but, as a matter of fact, there is no justification for such a thought existing in their minds. It is only natural, however, that they might feel that way unless the committee, by its investigations and its own actions, convince them that it was confining itself, so far as the Nazi activity is concerned, to the source of the activities in this country emanating from abroad.

Mr. DUNN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. DUNN. Who was instrumental in bringing about this investigation?

Mr. McCORMACK. The House of Representatives voted the resolution.

Mr. DUNN. But who was the one who introduced it?

Mr. McCORMACK. I am not going to yield for that question. The gentleman has his own opinion the same as I have mine.

Mr. CARPENTER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. Yes.

Mr. CARPENTER of Nebraska. I might say that the German people, the ones that I have any contact with, are very resentful of this investigation, no matter what the gentleman and his committee might say.

Mr. McCORMACK. There is no justification for any real American of any blood resenting any investigation to obtain facts for the American people, and to obtain facts of subversive movements within our country emanating from abroad, and the gentleman ought to be ashamed of himself, as a Member of the House of Representatives, in undertaking to rise in this House and speak for the countless millions of Americans of German blood. I challenge the gentleman's statement.

Mr. CARPENTER of Nebraska rose.

Mr. McCORMACK. That is all. I do not yield any more.

Mr. CARPENTER of Nebraska. I do not give a damn what you say. The investigation will do nothing except to create and inflame racial prejudice and, in my judgment, is pure political propaganda.

Mr. McCORMACK. The gentleman does not interest me at all, and that is not the language to use in the House of Representatives, and not the language of a gentleman.

Mr. CARPENTER of Nebraska. If the gentleman from Massachusetts were a gentleman, he would yield to me. By his own actions he indicates that he is in the same category to which he assigns me.

The SPEAKER. The House will be in order.

Mr. McCORMACK. Mr. Speaker, to illustrate, 2 weeks ago we had an executive session in New York for the purpose of finding out whether certain information we obtained was correct, so that witnesses might not be called to a public hearing unless the evidence justified it, so as not to call people to public hearings because somebody said this or that, but to make a complete investigation. An attorney of German blood, a fine American and gentleman, and I had a few words, nothing serious or personal. That gentleman was at the public hearings the other day, the three public hearings we have held in Washington, and on the second day he came up to me and congratulated the committee upon its fairness and issued a public statement that this committee was eminently fair in its investigation; yet 10 days ago he questioned the motives of the committee. Afterward at the public hearings he made a public statement to the press, as I said, that the committee was conducting itself in an eminently fair and sincere manner.

I do not think there is any American in this country who loves our country, who still has a love for the land of his forbears, as he should, who stands for any movement or any efforts within this country by any foreign agencies, which efforts or movements might reasonably be subversive of our Government or our people. I cannot believe that any Americans of any racial descent entertain such thoughs. If so, they are not Americans.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. WARREN. Mr. Speaker, I yield the gentleman 3 minutes more.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield for a question?

Mr. McCORMACK. I am sorry as I have only a few minutes left, and I want to come to the question presented by my distinguished friend from Alabama.

We selected as our counsel a former United States Senator, a former Governor of Georgia, a great American. His career shows his tolerance by his votes and his actions. I refer to Thomas W. Hardwick, a great American and a fine gentleman. He would see that any investigation is fair. He will protect the constitutional rights of any witness. He is guiding us. He is consulting with us. Every member of the committee joins with him in his desire to have an investigation which is eminently a fair American investigation to disclose facts for the benefit of our own people and of our Congress.

Mr. O'MALLEY. Will the gentleman yield?

Mr. McCORMACK. I am sorry, but I have only a minute left.

Now, what does it cost? We were allowed $10,000 and we have expended to date a little over $5,000. This investigation must go on during the summer months. We reasonably must spend about $4,100 or $4,200 on our investigators, our stenographers, our clerical force, and our counsel. We must continue during the summer. We want to investigate communistic activities, as to the source; not to listen to mere speeches or opinions, but to try to find out the source of the money, where the money comes from, the source of these activities in this country, if possible. We will also investigate other subversive organizations.

Already as the result of investigations the head of the Silver Shirts was indicted in North Carolina for violation of the State laws, and the evidence clearly discloses that the same man should be indicted for violation of Federal laws.

Seven months at $4,100 is about $28,000. That does not include witness fees. That does not include stenographic expenses outside of the District of Columbia. That does not include traveling expenses of the committee in executive or in public session.

When the committee holds public hearings, if they do, on the west coast, I, as chairman, will exercise whatever influence I have to not have the full committee go out there, but have the public hearings held by a subcommittee. And during the summer months, when hearings are held in the East, I do not want Members from the west coast coming East at the expense of the Government. A subcommittee can do it.

It is my firm conviction that we need $40,000. Otherwise we will be somewhat cramped. However, if you give us $20,000 or $10,000 or $5,000, or if you vote nothing, as chairman of the committee I will carry on the investigation until we have completely exhausted the funds which the House has given to us. [Applause.]

The SPEAKER. The time of the gentleman from Massachusetts [Mr. McCORMACK] has again expired.

Mr. WARREN. Mr. Speaker, we have just heard a very fair and impassioned speech by the gentleman from Massachusetts [Mr. McCORMACK]. From the first time I ever knew the gentleman after he entered the House down to the present hour, he has been one of the dearest and closest friends I have ever had in this body. In my opinion, and I am certainly not passing the usual compliment, he is one of the very ablest men that has been in Congress for a long time, and he is a credit to his State, to his district, and to the Nation as an able legislator. He is the very soul of character, sincerity, and fineness. [Applause.]

The situation that I am now about to disclose, I absolve him of, because he knew nothing about it. He did not know at the time that certain assurances were given to the Committee on Accounts, that he would even be a member of this investigating committee. Now, the House passed the resolution authorizing the Nazi investigation, and, of course, it is up to the Committee on Accounts, and it is incumbent upon it, to furnish the funds to carry it on. After the passage of the resolution the sum of $25,000 was asked for. We heard the proponents for several hours or more. Guarding the contingent fund, as we try to do, we reported out and the House passed the sum of $10,000, and I am frank to say that we expected them to come back for more, but we wanted to know what their set-up was going to be and how they were going to use this money. I am sure that no member of the Committee on Accounts or, in fact, any Member of the House, ever had any idea that this would cost to exceed $25,000.

Now, this is what has happened, and I think it is more or less an ugly situation. This is public business, and the House and the country is entitled to know how public funds are being expended. This is why so much money is needed:

They have put on a counsel at the sum of $555.55 a month. I call your attention to the fact that in another body a great investigator, who many of us think has done a great job, Ferdinand Pecora, has only received throughout all of it the sum of $300 a month. They told us when they first came before us they would probably need two or three investigators. They have today got 13 investigators on the pay roll, with more to follow when additional money is granted.

Mr. YOUNG. Will the gentleman yield?

Mr. WARREN. In just a moment.

Two investigators at the sum of $250 a month and expenses; 8 investigators at the sum of $225 a month and expenses; 2 investigators at $165 a month and expenses; 2 stenographers at $137.50 a month; 1 messenger at $20 a week.

Now, here is something else: At the hearing the other day they told us they would probably need one or more associate counsel, and I find that an associate counsel has already been placed on the rolls, retroactive to May 21, at a salary of $388.89 a month.

Here is something else: They have elected a secretary to this committee. They have selected a man who was carried on the rolls as janitor to the Committee on Immigration at $90 a month, and made him secretary to this investigation committee at $330 a month. [Laughter.]

Now, Mr. Speaker, that is the true picture and the present situation. The House is entitled to this information. I may say that the entire membership of the Committee on Accounts was present at the meeting last week and we more or less reluctantly reported out the resolution for $20,000 additional to the $10,000 we have already given them, believing that they could complete this investigation with a total sum of $30,000 and wind up its work and stop.

In all of my experience in the House of Representatives this is the highest pay roll I have ever seen carried on by an investigation authorized by this body.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. O'MALLEY. When this resolution originally came up I opposed it as a useless waste of the taxpayers' money. I have never been able to figure out why, when an investigating committee needed a lot of investigators, they could not use investigators from the Department of Justice or the Secret Service, men who are already on the Government pay roll.

Mr. WARREN. I wish to be fair about this. This question has been asked before, and we have heard from Mr. Hoover, Chief of the Bureau of Investigation, on the subject. He has told us that they had neither the authority nor the men nor the money to conduct such investigations; and that is the fact.

Mr. O'MALLEY. Why could not the House in passing these resolutions authorize the Department of Justice investigators to make the investigations?

Mr. COX. Mr. Speaker, if the gentleman will permit, did not Mr. Hoover make the additional statement that if his Department were to undertake this investigation it would take $100,000?

Mr. McCORMACK. He said that with $100,000, were they directed to make the investigation, they could hardly scratch the surface.

Mr. TRUAX. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. TRUAX. It is quite apparent from the disclosures made by the gentleman from North Carolina, Chairman of the Committee on Accounts, that this investigating committee should wind up its hearings. I do not think a single Member of the House doubts or questions any statement made by the gentleman from North Carolina. It is apparent that this money has gone to favor friends rather than to help the citizens of this country when they take a janitor at $90 a month and make him secretary of the committee, raising his salary to $300 a month. I think that the House, instead of granting more funds to this committee, ought to abolish it. [Applause.]

Mr. WARREN. Another thing to which I wish to call the attention of the House is that in the legislative appropriation bill which passed the House a few weeks ago there was allotted for special investigations the sum of $49,500. For use between the 1st of July this year and the 1st of January next year there has already been assigned out of that allotment the sum of $44,000. This leaves us with $5,000 for several investigations that are coming along, some of them very proper ones. So it will be necessary that still further appropriations be made by both branches of Congress.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. McCORMACK. Does the gentleman seriously question the judgment of the committee in the matter, outside of the clerk to which he particularly refers; does he question the judgment of the committee as to the necessity for the number of investigators, or does he question the judgment of the committee as to the reasonableness of the amount paid?

Mr. WARREN. Of course, Mr. Speaker, I cannot answer that question; but I do say that the Committee on Accounts was positively assured that it would not require over two or three investigators; yet the gentleman now comes in here with 13, and more to follow.

Mr. McCORMACK. But the gentleman does not hold me responsible for what others said, I hope.

Mr. WARREN. I absolved the gentleman from Massachusetts and said that when that statement was made the gentleman from Massachusetts was not even a member of the investigating committee.

Mr. McCORMACK. Mr. Speaker, I do not want to enter into any dispute with my friend from North Carolina; I want the facts only. With reference to counsel for the committee, may I say that while I have the greatest respect for Mr. Pecora, frankly, does the gentleman believe he is in the same category with the former Governor and former Senator, Mr. Hardwick? I refer not to ability of these gentlemen, as Mr. Pecora is outstanding in this respect, as is Senator Hardwick, but to the difference in their ages, and that Senator Hardwick has long since made his reputation. The committee is very fortunate in obtaining the services of Senator Hardwick, and I consider his compensation fair and reasonable.

Mr. WARREN. I think that the salary of $555 a month is entirely out of line with the salaries paid attorneys just as prominent and just as distinguished as the former Senator from Georgia, for whom I have great respect.

Mr. McCORMACK. What would be the gentleman's opinion as to the amount the salary should be?

Mr. WARREN. Mr. Speaker, I cannot go into that question with the gentleman; that is up to his committee. I am just laying before the House the bare facts in this matter. I cannot take too much of the time for I promised to yield time to others; but may I say that the committee has brought in this resolution with an amendment fixing the amount at $20,000. If you want this investigation wound up and closed up for $30,000 in all, then you should vote for the committee amendment and pass the resolution.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. WARREN. I yield.

Mr. O'MALLEY. If we do not vote for the committee amendment, and if we do not pass the resolution, the committee will stop right where it is, will it not?

Mr. WARREN. Of course, the resolution must be passed by the House for the committee to continue.

Mr. O'MALLEY. I thank the gentleman.

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from New Jersey [Mr. McLEAN].

Mr. JENKINS of Ohio. Mr. Speaker, I, a member of the committee, would like to have 5 minutes.

Mr. McLEAN. Mr. Speaker, of course, it cannot be denied that when a resolution of this kind is passed there must

be some justification for it. If this were not so, an intelligent House of Representatives would not have authorized the investigation. But how much should be spent is another matter.

The gentleman from North Carolina [Mr. WARREN] has explained the situation so well and has set forth the details so completely that it is necessary for me to trespass but little upon the time of the House.

I proposed in the committee that an additional amount of $5,000 be appropriated in order to enable the committee to finish its work, and at the appropriate time I propose to offer an amendment to the pending resolution reducing the amount to $5,000. This will give the committee sufficient money with which to wind up its work.

An observation of 30 years in rather close contact with legislative affairs convinces me that very little ever comes out of a congressional investigation except caustic criticism and ironical comments against the Congress of the United States, and I am determined to prevent, so far as I am able, any further voluminous reports of investigations being added to the great number already gathering dust and taking up needed space in the basement of the Capitol.

I have read such testimony as has been taken and made available to me; I have followed very carefully the newspaper reports that have been published; and I am unable to find, Mr. Speaker, any indication that justifies further expenditure by the House in connection with this investigation.

Mr. CELLER. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from New York.

Mr. CELLER. So that the facts may be brought out accurately and properly, I understand, relative to the comparison of the compensation paid to Mr. Ferdinand Pecora and ex-Governor Hardwick, that the members of the Senate Banking and Currency Committee are considering the matter of a very substantial bonus to be paid to Mr. Pecora.

Mr. McLEAN. I do not care what the lawyers are worth. There is no need for a lawyer in connection with this committee. There are, to my knowledge, five Members of the House of Representatives serving on the committee who are lawyers, and I see no reason why they should have to ask for advice from special counsel or from associate counsel.

Mr. YOUNG. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from Ohio.

Mr. YOUNG. I think the gentleman is entirely correct in his statement; and in regard to the appropriation of an additional $5,000, would it not be better, in the gentleman's judgment, if we let the matter rest just as it is and limit the expenditure of this committee to the $10,000 previously appropriated?

Mr. McLEAN. That would be my wish and desire. But there must be some justification for this activity on the part of the House, otherwise the House would not have passed the resolution. It was the intention in the beginning, if this committee showed the House there was justification for the investigation and that it was going to accomplish anything commensurate with the amount of money spent, to give them additional funds. This has not been indicated up to this time, but there may be something which would justify a completion of the work and the committee has made commitments which the House must respect.

Mr. BUCHANAN. Will the gentleman yield?

Mr. McLEAN. I yield to the gentleman from Texas.

Mr. BUCHANAN. May I call the attention of the gentleman to a question which was propounded by myself at the time this bill was before us previously for consideration:

Mr. BUCHANAN. I notice in this resolution the committee is authorized to sit and conduct hearings anywhere in the United States. There is no limitation on the expense. I have discussed that shortly with the author of the resolution, and he assured me it would not cost over $25,000. Has the gentleman any objection to putting a limitation in the bill that it shall not exceed $25,000 expense?

Mr. COX. That is an important proposal. This investigation is important. I would think that a full and complete investigation might be had within the limitations of the expenditure of $25,000.

Let us hold him to it.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Speaker, 2 years ago an attempt was made by certain members of the Immigration Committee to have an investigation made, and I opposed it on the floor of the House and was successful in my opposition. My opposition was in line with my usual position in opposing all junkets. This is another request emanating from that committee. While I was not at least in favor of it, I offered no opposition to it when it came up for consideration. Its purpose was to secure an allowance to carry on the work of what was to be known as a "committee to investigate un-American propaganda", including Nazi propaganda. The Republican floor leader appointed me to membership on this committee, and I am the ranking Republican member.

Speaking for the Republican membership, we want it distinctly understood that none of us have been before the Committee on Accounts asking anything in reference to this investigation. We have made no representation, and, so far as I know, none of us knew who would be on the committee or anything about the financial set-up for its operation. We have just gone along for a very distinguished member of the Democratic Party, the gentleman from Massachusetts [Mr. MCCORMACK], has been selected as chairman of the committee. And as such chairman, it has been his responsibility to take the lead in all matters connected with the work. Personally, I have not been in attendance at the committee hearings but a very few times, and I know little of what has transpired in the hearings, but that will not absolve me in your mind, because you will hold that we should know something about these things. My only apology, if an apology is needed, is that I have too much to do. Most of you are in the same position.

May I tell you what the situation is? Here is the gentleman from Massachusetts [Mr. MCCORMACK], asking for an additional amount of money, and from all indications he has done a good job. No one impugns his motives. He has stated his case, and he has made certain representations. What are you on the Democratic side going to do about the matter? The attorney which has been employed is a Democrat; his assistant is a Democrat, and every individual that has been employed in this investigation except one stenographer, has been put on by the Democratic membership.

Do you expect us on the Republican side to oppose this resolution for that reason? No! We may not be at least for these expensive investigations, but we do not want to make a partisan matter of it. Fun has been made of the janitor who was selected as a clerk or secretary. No one has risen in his defense. Mr. Randolph has been for years the secretary or clerk of the Immigration Committee. I do not know how he stands or how he is classified on the record with reference to the salary he receives, but I may say that he is a capable individual. In fact, he is one of the most efficient secretaries of any committee in this House, and so far as I know, he is a Democrat. I desire to rise in his defense. I do not want him to be referred to as a janitor or as an incompetent individual, because he is, on the other hand, a very fine, high-class individual.

What are you going to do about this investigation? Personally, I have never been in favor of it, but am I going to run out on the gentleman from Massachusetts [Mr. MCCORMACK] in connection with this matter? I do not know what it is going to lead to. As I said before, I was never much in favor of it. Here is what I believe in doing. If the gentleman from Massachusetts [Mr. MCCORMACK] comes before you and tells you he needs some money and makes a good case, we ought to give it to him. He is not going to insist on $40,000. I think the gentleman from North Carolina [Mr. WARREN] and his committee have struck a balance, and I believe we on this side will stand for $20,000, and that Mr. MCCORMACK will be satisfied with that amount.

We do not want to uphold extravagance. Of course, I do not think we need 12 investigators, and I would not have favored employing that many. I do not think we need an

assistant counsel. If you will pass this resolution for $20,000, the gentleman from Massachusetts [Mr. McCORMACK] I am sure will see to it that the money is spent in the most economical way, and in a way that will bring forth the finest results.

Mr. McCORMACK. Will the gentleman yield?

Mr. JENKINS of Ohio. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I say in connection with the assistant counsel that this was a matter of urgency in connection with the public hearings. He was employed temporarily, and the man had to be paid. There was a question of the assembling of a large amount of evidence, as the gentleman knows. The chief counsel, Mr. Hardwick, could not devote all his time to that, so we appointed an assistant counsel for the very specific purpose of assimilating the evidence in proper form for the Members to understand before and after the actual public hearings.

Mr. JENKINS of Ohio. There is nothing in connection with this investigation that needs to be made a laughing stock. So far there is nothing that anyone needs be ashamed of. The issue is, do we want an investigation like this? Do you want it? You have voted for it. If you want to have it carried out you should stand by your chairman to the extent of helping him reasonably. If you did not want Mr. McCORMACK to make an investigation you should have said so in the beginning. As I have heretofore stated, I have not been outspoken in favor of any investigation that tends to deal with prejudices between groups. The question now is, What are you going to do? Are you going to take a perfectly respectable Member of this House and hold him up to ridicule? I say no. I believe we should give him the $20,000 and let him do the job in the very best way he can.

[Here the gavel fell.]

Mr. WARREN. I yield the gentleman 1 additional minute.

I do not understand that anyone is trying to hold the gentleman from Massachusetts [Mr. McCORMACK] up to ridicule or shame. There has been no such insinuation here. I stated in the very beginning of my remarks that when the matter was first presented to the Committee on Accounts, the gentleman from Massachusetts [Mr. McCORMACK] was not a member of the committee and had never been before us.

Mr. JENKINS of Ohio. The gentleman misunderstood me. I did not mean to criticize him at all, but the impression has been created that this is a sort of junket or a sort of useless thing, and, as I have stated, this may be true, but we should have considered in the first instance whether or not this investigation should be made at all, and now, since it is being made, we should do the right thing about it. Instead of voting $40,000 addition let us vote $20,000, which will enable Mr. McCORMACK to continue, and to cut his expenses to suit the appropriation.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. COCHRAN].

Mr. COCHRAN of Missouri. Mr. Speaker, the members of the Committee on Accounts are servants of the House. The committee watches over and controls the contingent fund of the House from which expenses are paid to carry on investigations authorized by the House. Ever since I have been a member of the committee, some 8 years, I have found that the personnel of the committee consider the passage of a resolution providing for an investigation a mandate for the appropriation of expenses for the investigation. When the House does not name a specific sum it is our duty to try and decide how much money will be needed to reach the objective set out in the resolution. The resolution being debated was wide open. The committee is at liberty to enter any number of fields, and in my opinion it could prolong its investigation over a period of years if it so desired.

In this instance the original request called for an appropriation of $25,000, and when the author of the resolution came before the committee and presented his case the members thought $10,000 would be sufficient at the outset. Following the action of the committee, the Speaker named the personnel of the committee, and the gentleman from Massachusetts [Mr. McCORMACK] is the chairman. That he has presided over the committee with dignity no one can question. That he is level-headed, anything but emotional, we all know. That he will continue to carry on as he has in the past every member of our committee is satisfied. Mr. McCORMACK appeared before the Committee on Accounts in support of the request for $40,000 additional. This is just double the amount the original resolution provided for. The committee reduced this one half, and the resolution is before you for your decision.

I for one feel if the investigation shows that it would be futile to continue, Mr. McCORMACK will so decide, and not spend the money. Contrary to the general opinion, this committee is not confining itself to the Nazi propaganda. It has entered other fields.

The House having ordered the investigation, it is for the House to determine if it should be continued. We, the members of the Committee on Accounts, are simply carrying out your mandate.

The House has confidence in the gentleman from Massachusetts. He has already shown that he will not permit a witness to blacken the reputation of an individual or group of individuals, because at first appearance he requires testimony behind closed doors and will not permit witnesses to speak in public until he is convinced that they are competent to testify upon the subject. His job is not a pleasant one. The gentleman from Massachusetts says the committee needs money to complete the investigations it has started. The question now is for the House to decide whether additional money should be voted. The committee has performed its duty. Its recommendation is before you.

Mr. WARREN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. COX].

Mr. COX. Mr. Speaker, it is my observation that this investigation thus far has been conducted with great dignity and caution. I think the finest investment this Congress has ever made was the setting up of the Fish committee to conduct an investigation into a similar situation some 2 years ago. While there was no action taken on the recommendation of the Fish committee, Mr. Speaker, yet the investigation did bring to an end a character of propaganda that had been carried on in this country that looked to the overthrow of our Government.

The resolution setting up this special committee is in no wise hostile or intended as such to any nation of the world. It is simply expressive of the will of this Congress that the people of this country shall live under a government of their own making and will conduct their lives in their own way without promptings from the outside.

The Congress having authorized this investigation cannot turn back, and if, in the beginning, opinions were given upon the part of those active in bringing about the adoption of the resolution that were bad this is no reason why we should not now go all the way and give the committee all the support it needs, to the end that a thorough and a complete investigation may be made. It would have been better, Mr. Speaker, that no investigation whatever should have been entered upon if it is not to be a complete and thorough investigation.

This committee, under the chairmanship of the brilliant young son of Massachusetts [Mr. McCORMACK], is entitled to the confidence and the support of this House, and the chairman of the committee, in his statement to the House, has declared that the committee needs $40,000 to complete its work; and the committee, holding the confidence of its fellows, is entitled to support at this time and I trust, Mr. Speaker, that the House will give the committee the $40,000 for which it has asked. We may be certain that if the fund is not needed it will not be expended. Certainly reasonable economy will be practiced and if the set-up is too elaborate it will be reduced to the minimum.

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Speaker, as one of the minority members of this special committee, I want to take occasion to endorse all that the chairman of the committee,

the distinguished gentleman from Massachusetts [Mr. McCORMACK] has said. I am also in accord with the statement made by the gentleman from Ohio [Mr. JENKINS].

I think the evidence that has already been adduced before this committee has abundantly justified its existence and what has already been spent, but in order to carry out the plans and make this investigation a thorough one, I think $40,000 will be a very small amount, indeed.

So far as the investigators and the other employees of the special committee are concerned, I may say that not one of them has been appointed upon my recommendation, but I have had some contact with them and I think all of them have performed good work, especially this man Randolph, whom some have sought to ridicule this morning. There is not a more efficient servant of any committee in the House than Mr. Randolph. He is a real, high-class, competent man, and instead of being ridiculed he is entitled to high commendation.

Mr. YOUNG. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. YOUNG. It may be true that we owe the committee every consideration; but is it not a fact that we owe greater consideration to the taxpayers of this country, and if these 13 investigators, in order to make their jobs good, bring in some proof, then you will come before the next Congress asking another $40,000?

Mr. TAYLOR of Tennessee. We are not only trying to protect the taxpayers, but we are trying to protect the American people against this subversive propaganda and activity, which is of the greatest importance. [Applause.]

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STRONG].

Mr. STRONG of Texas. Mr. Speaker, as a member of the Committee on Accounts, when this resolution was brought before the committee all that was asked for was $25,000, as has been stated. There were quite a few of the Committee on Accounts at that time who did not believe such an investigation should be made, but the Committee on Accounts allowed $10,000 to start the investigation. It was then agreed between the Committee on Accounts and the introducer of the resolution if they made a showing with this $10,000, when they came back to the Committee on Accounts the next time the committee would appropriate the balance of the $25,000.

I say to you that the Committee on Accounts was astonished when they came back and asked for $40,000 instead of $15,000, which would have made the $25,000 they asked for at first.

So the great respect the Committee on Accounts had for the originator of this resolution, the chairman of the investigating committee, and for the membership of that committee, the Committee on Accounts raised the $15,000, the balance of which they asked for first, and granted them $20,000.

[Here the gavel fell.]

Mr. WARREN. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. WEIDEMAN].

Mr. WEIDEMAN. Mr. Speaker, while I happen to be a member of the investigating committee, it was not from my choice. I was put on it without my request. I had no ax to grind. If this was a political matter, I want to say that I do not have 20 Jews in one precinct of my city, but I have 50,000 Germans and Americans of German descent.

Now, as to the work the committee is doing, I want to say that the chairman, the gentleman from Massachusetts [Mr. McCORMACK] is doing a fine piece of work. We are proposing to do what the mandate of Congress told us to do, that is, to investigate any and all subversive and un-American activities and to report back to Congress.

There are a lot of things that I would rather do this summer than go on this investigation—I will give up my place tomorrow to any Member who wants it. It is not a picnic, I assure you.

The House instructed this committee to investigate certain communistic activities, and those movements that try to make people out of harmony with the ideas that we want to accomplish—to investigate organizations from foreign governments. Mr. Koebele, of New York City, the attorney of Gissibl, Walther, and the Friends of New Germany, a citizen of German extraction, has been satisfied with the conduct and fairness of your committee on behalf of the German-American citizens and societies, and has complimented your chairman and all the committee members on the way we are handling this matter. It would be worth it if it cost $100,000, if we could assist one race to get along with another race, to live together in harmony, without bearing any malice toward each other. It is the American principle of justice and fair play that this committee would like to instill into the hearts and minds of some of our newly arrived brothers in America. The committee does not intend to do anything except see that its own decisions are free from prejudice and malice. If there are being developed in this country classes and political philosophies that are un-American we shall try to find that out if we can.

No one can claim credit for his nationality if they are proud of it, because birth is conceived without our assistance and beyond our control; some are born white, some brown, some yellow, and some black, the circumstances over which no individual could control. Our religion we inherit generally from our mothers, and seldom change it, preferring to remain of the faith into which we were born, in respect to our parents. After all, when our span of life is over, and the day of accounting comes, we all hope to arrive in the same heaven, though we take different courses in our journey through life.

It is immaterial to me whether or not this appropriation is made. If this House and the Speaker command us to carry on, we will. If the wish of the House is otherwise the committee will close its books and retire to their various homes and families, and live among their friends at home. We shall, if directed by you, carry on our duty faithfully and justly, and report, when directed, to Congress.

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. DICKSTEIN].

Mr. DICKSTEIN. Mr. Speaker, I do not think that we ought to be governed by the statements made about the $25,000. At that time, when we were discussing the investigation, we figured on about the cost of $25,000. But, gentlemen, since this investigation was started we have been reliably informed that there was a certain movement in this country where money was being brought in to support communism, and we were also advised since the adoption of the resolution authorizing this investigation that there is another well-organized body that is spreading propaganda, originating from another country, which also is subversive to our form of government. In other words, since the adoption of that resolution the committee has positively received and heard sworn testimony that there are other groups in this country that require checking in order that the full purposes of House Resolution 198 may be accomplished.

I do not know why you gentlemen are all alarmed about this small additional amount of money if the committee gets results. I challenge the whole House to read the record. I am willing to stand on the record of hundreds of pages of some of the most important revelations that have ever been made in this Republic. The committee revealed to you in public hearings only a few days ago that paid, organized propaganda running into hundreds of thousands of dollars was directed by the German Government; and I say that you ought to thank this committee and acknowledge that they are doing a good job, instead of attempting to belittle the committee by serious consideration of any amount less than the $40,000 asked for by this committee in this resolution.

Mr. O'MALLEY. Mr. Speaker, will the gentleman yield?

Mr. DICKSTEIN. In a moment. It is ridiculous to sit here in the House and listen to some of our colleagues, particularly the gentleman from Nebraska [Mr. CARPENTER], misrepresent the purposes of this investigation to their constitutents as to its objects.

Mr. CARPENTER of Nebraska. It is just as obnoxious to me as it is to the gentleman.

Mr. DICKSTEIN. I will give the gentleman something that I want him to read. On March 20 he told this Congress that he represented 750,000 Germans in his district or in his State. That is the gentleman's language.

Mr. CARPENTER of Nebraska. And the gentleman also said that he had a letter of recommendation——

Mr. DICKSTEIN. Wait a minute. I call the gentleman's attention to this. I have no personal quarrel with the gentleman; I have the highest respect for him as a man; but, for God's sake, please, when you get on the floor be fair to me and to your colleagues.

On Tuesday, March 20, 1934, the gentleman, while expressing his opposition to the adoption of House Resolution 198, is recorded in the CONGRESSIONAL RECORD as having said—I quote:

> I think I can radiate some of the sentiment of truly German people, because I come from a State that has 750,000 Germans. I think this investigation is an affront upon the dignity of the German people of my State and should not be passed—I represent the German people, and they are in entire sympathy and accord with the form of government that now prevails in Germany, and, as I understand it, it is a great improvement over what they did have—The only Germans I spoke for were the 750,000 in the State of Nebraska, not for your Germans.

Now, Mr. Speaker, I prepared a little table of facts taken from the official records of the United States Government census of 1930, and from that table I desire to call attention to the following interesting figures.

In the Fifth Congressional District of Nebraska, which my colleague represents in this Congress, there were found only 25,225 persons from under 1 year of age to over 75 years of age who were either born in Germany or born in the United States of parents either of whom were born in Germany.

In the whole State of Nebraska, which my colleague said had 750,000 Germans, there were found only 168,329 persons from under 1 year of age to over 75 years of age who were either born in Germany or born in the United States of parents either of whom were born in Germany.

The gentleman is recorded as having said on March 20, 1934:

> I represent the German people, and they are in entire sympathy and accord with the form of government that now prevails in Germany.

Mr. Speaker, this is the Congress of the Representatives of the American people, and we should be concerned with the preservation of the form of government that our Constitution guarantees to the people of the United States in America, and that is the concern of this special committee as authorized by your vote here on March 20, 1934, when you adopted House Resolution 198.

Mr. BROWN of Kentucky. What has the population of the gentleman's State got to do with the $40,000 that the committee wants?

Mr. DICKSTEIN. The gentleman made a statement that he represented 750,000 Germans, and my answer to him is that the American-German people have begged for this thorough housecleaning in this country, whether it is in his State or some other State.

Mr. CARPENTER of Nebraska. I challenge the gentleman's statement on that fact.

Mr. DICKSTEIN. Here is your record. The gentleman can have it, and here are some photostatic copies of it.

Mr. COX. Can the gentleman conceive of any patriotic American, whether of German or Russian origin, objecting to the American Congress conducting an investigation into matters subversive of the American Government?

Mr. DICKSTEIN. I thank my colleague for that question. I answer no. I cannot conceive of any reason why any Member of this House, elected to represent a portion of the American people in this Congress, should represent his own constituents as objecting to a committee of this House trying to find facts relating to sources of direction, financial support, and dissemination here of destructive and subversive propaganda that seems to attack the principles of government upon which this United States was founded and has prospered for over 150 years.

The facts about these subversive activities directed and financed from abroad, which this special committee has been directed to find, cannot harm any American citizen, nor even any alien resident in the United States, who is attached to the principles of our Government.

Now, Mr. Speaker, some critical statements have been made against the action of this special committee whereby it appointed as committee secretary a man who had previously been carried on the pay roll of this House as janitor of the Committee on Immigration and Naturalization. Mr. Speaker, that action of the committee is correct, but the criticism is unjust.

My colleagues on the other side of the aisle who are members of this special committee, and who are, or have been, on the Committee on Immigration and Naturalization, the gentleman from Ohio and the gentlemen from Tennessee, have expressed commendation of the ability of Mr. Randolph.

I want to say that for a long time I have paid from my own pocket a considerable sum to Mr. Randolph, who has been the official janitor for the Committee on Immigration and Naturalization ever since I have been chairman of that committee. The official clerk of that committee has been unable to do all of the work required in connection with this very active committee, and to many of you Mr. Randolph has been known as the assistant clerk. I have arranged additional pay for him so that he might receive a total salary in keeping with his services, which have been invaluable to the Committee on Immigration and Naturalization for several years.

Mr. Randolph rendered unusual service last autumn during all the time a subcommittee of the Immigration and Naturalization Committee conducted the informal investigation of this un-American Nazi propaganda. His expert knowledge of procedure and of the thousands of communications in the files, together with his native ability, convinced me that no one was better fitted to fill the important position of clerk, or secretary, for this special committee, and I am glad to say that Mr. Randolph was elected to that position and given the salary he receives now by the unanimous vote of the entire membership of this special committee.

Knowing Mr. Randolph as I do, I feel this special committee has made no mistake in selecting him as committee secretary, and I know he will earn, and is worth to the committee, the salary paid him now. This office and salary is a worthy promotion given to a faithful public employee.

Criticism of the committee, for his selection and for the payment to him of the salary indicated in this debate, is absolutely unwarranted as an argument against the adoption of this resolution.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

The SPEAKER. The time of the gentleman from New York has expired.

Mr. DICKSTEIN. Will the gentleman let me have half a minute more?

Mr. WARREN. I am sorry, but I have only 5 minutes more, and that has already been pledged.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WARREN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, I am a close personal friend of our distinguished colleague from Massachusetts [Mr. MCCORMACK]. I have absolute confidence in him.

When this matter was first before us on this floor I called attention to the fact that the resolution would permit the employment of a lot of high-salaried unnecessary employees for the investigating committee, and that we ought to prevent that by limiting the expense. We were assured that, although the language permitted it, they would not be employed. Today our good friend, the Chairman of the Committee on Accounts, the gentleman from North Carolina [Mr. WARREN], than whom there is not a more valuable man in this Congress, has shown us that since we passed the resolution and gave them the first $10,000, they have em-

ployed 1 lawyer at $555 a month, another assistant lawyer at $388 a month, 2 investigators at $230 each per month, 8 more investigators at $225 each per month, another investigator at $165 per month, another one at $145 a month, a secretary at $330 a month, and a messenger at $20 per week. There are too many high-salaried employees for one investigating committee of this House.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. I have only a little time and I am sorry that I cannot yield. The gentleman knows the high regard I have for him. How long are we going to continue? The gentleman from Georgia [Mr. COX] offered an amendment to limit the expense to $25,000 as a maximum, but the gentleman from New Jersey [Mr. LEHLBACH] defeated it by a point of order.

There are seven of the most distinguished lawyers in the Nation on this investigating committee. Where will you find a more distinguished lawyer than our splendid colleague from Massachusetts, JOHN W. MCCORMACK, one of the high-class lawyers of the Nation, and he has six big lawyers on the committee with him. Why do they not conduct the legal side of that investigation for this Congress?

Oh, I remember, away back yonder when I was a youngster in this House, when I began to investigate the fraud and corruption connected with the guardianship of the insane and shell-shocked veterans in some insane hospitals, I had to file impeachment charges against one of the Commissioners of the District of Columbia, Col. Frederick A. Fenning. I remember that when I began that investigation the newspapers said my charges ought to be thrown into the wastebasket, and that I ought to be put out of Congress, and I was attacked from both sides of the aisle by those partisan friends who were upholding Commissioner Fenning. I conducted that investigation myself without any help from Congress, first before the Gibson committee, and later before the Judiciary Committee. When I finally had to file impeachment charges against Colonel Fenning I conducted the prosecution of Mr. Fenning myself without a bit of help before the Committee on the Judiciary for days and days. I brought witnesses from Texas, from Massachusetts, from Boston, where Mr. MCCORMACK lives; I brought them from New York, from Kentucky, from Virginia and Maryland, and other States, questioned them myself, and produced their testimony before the committee, and I forced that infamous scoundrel to resign and make restitution to the shell-shocked soldiers.

In said investigations, Col. Frederick A. Fenning had present as his counsel representing him and trying in every possible way to block my evidence against him, the renowned criminal lawyer here, Frank J. Hogan, who received, it was reputed, a fee of a million dollars for defending Doheny, Sinclair, and Secretary Fall, and also two other skillful lawyers here, Levi Cooke and Thomas B. Littlepage. I did not hesitate to carry on such investigations. I gave over 3 months of my time to it. I did some of the hardest work of my whole life. I spent several thousand dollars of my own money. I employed my own detectives. I paid the expenses of witnesses out of my own pocket. Not one dollar did Congress give me to employ investigators. Not one dollar did this Congress give me to employ counsel. Not one dollar did this Congress give me to pay the expenses of witnesses. I had to do all that myself and to pay all of the expenses out of my own pocket.

It does occur to me that when we have seven able and well-qualified lawyers from this Congress on this investigating committee, they could furnish the necessary legal work themselves to carry on this investigation. They already have quite a good-sized sum of money on hand unspent that has been appropriated for them.

They have $5,800 left in cash, have they not, Mr. Chairman? Yes; it is admitted they still have $5,800 left in cash. I want to say that JOHN MCCORMACK can take that money and with his splendid shrewdness and ability as a lawyer, with the help of his six colleagues, who are lawyers, and their splendid ability, give you an investigation that will bring out all the facts in connection with this Nazi propaganda. I know he will do it. I am in favor of cutting him down to this $10,000 already appropriated. I am in favor of not voting another cent. They will do the work. JOHN MCCORMACK will perform his duty and fill this position with dignity and credit and honor to the House and to himself and to the State of Massachusetts and to the Nation.

The SPEAKER. The time of the gentleman from Texas has expired. All time has expired.

Mr. WARREN. Mr. Speaker, I move the previous question on the resolution and the amendment.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on the adoption of the resolution, as amended.

The question was taken; and on a division (demanded by Mr. YOUNG) there were—ayes 170, noes 37.

Mr. YOUNG. Mr. Speaker, I object to the vote on the ground that there is not a quorum present.

Mr. BLANTON. And make the point of order that there is not a quorum present.

Mr. YOUNG. And make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-seven Members are present, a quorum.

Mr. BLANTON. Mr. Speaker, I ask for tellers.

The SPEAKER. As many in favor of taking this vote by tellers will rise and remain standing until counted.

Mr. BLANTON. Pending that, Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. Eleven Members have arisen; not a sufficient number. Tellers are refused.

Mr. BLANTON. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. As many in favor of taking this vote by the yeas and nays will stand and remain standing until counted. [After counting.] Fifteen Members have arisen; not a sufficient number.

The yeas and nays were refused.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

PHILIPPINE CURRENCY ON DEPOSIT IN THE UNITED STATES

Mr. McDUFFIE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9459) relating to Philippine currency reserves on deposit in the United States.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the treasurer of the Philippine Islands for $23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the Government of the Philippine Islands for its gold standard fund and its treasury certificate fund less the interest received by it on such balances.

SEC. 2. There is hereby authorized to be appropriated out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided for in section 1 of this act.

The SPEAKER. Is a second demanded?

Mr. McFADDEN. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McFADDEN. I am opposed to the bill; yes, sir.

Mr. McDUFFIE. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. McDUFFIE. Mr. Speaker, this legislation is recommended by the President of the United States and approved by two Cabinet members, the Secretary of the Treasury,

the Secretary of War, also the Director of the Budget, the Chief of the Bureau of Insular Affairs, and the Governor General of the Philippine Islands. I submit the letters from the President and others:

THE WHITE HOUSE,
Washington, May 7, 1934.

Hon. ROBERT L. DOUGHTON,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR MR. DOUGHTON: With the approval of the United States, the government of the Philippine Islands has for many years maintained in banks in this country the major portion of the currency reserves of its monetary system, and has always considered these deposits the equivalent of a gold reserve.

The effect of my proclamation of January 31, 1934, was not only to reduce, in terms of gold, the value of these currency reserves, but indirectly to devalue, in terms of gold, the entire currency circulation of the Philippine Islands. The United States enjoyed an increase in the value of its currency reserves corresponding to the decrease in the value of the dollar.

As the Philippine currency is interlocked with the United States gold dollar under laws enacted by the United States Congress, it would be equitable to reestablish the Philippine currency reserves on deposit in the United States at their former gold value as of January 31, 1934.

I am advised that H.R. 9459, now under consideration before your committee, is designed to accomplish this purpose.

I recommend its enactment.

Very sincerely yours,

FRANKLIN D. ROOSEVELT.

WAR DEPARTMENT,
Washington, May 4, 1934.

Hon. ROBERT L. DOUGHTON,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D.C.

DEAR MR. DOUGHTON: I am writing to your committee to request favorable consideration of H.R. 9459, which was introduced in the House at the request of this Department.

The purpose of this bill is to credit the Philippine government with the profits, due to the reduction of the weight of the gold dollar, on its currency reserves deposited in the United States at the opening of business on January 31, 1934, and authorizing the appropriation of funds for this purpose.

The draft of this bill was prepared in consultation by officials of the Treasury Department and of this Department, and has received the approval of the Secretary of the Treasury and of the Governor General of the Philippine Islands.

At the suggestion of the War Department the major portion of the currency reserves of the Philippine monetary system has been maintained in the form of United States currency deposits in banks in the continental United States. The Philippine government has always considered these deposits as the equivalent of a gold reserve.

The proclamation of the President issued on January 31, 1934, reduced the gold content of the dollar. The effect of this proclamation was not only to reduce, in terms of gold, the value of the Philippine currency reserve funds, but indirectly to devalue, in terms of gold, the entire currency circulation of the Philippine Islands. The United States, on the other hand, enjoyed an increase in the value of its currency reserves corresponding to the decrease in the value of the dollar. As the Philippine currency is interlocked with the United States gold dollar under laws enacted by the United States Congress, it is equitable that any change in the dollar which produces a profit on the currency reserves of the general government should produce a corresponding profit on the currency reserves of this dependency.

The reestablishment of its currency reserves as of their former gold value of January 31, 1934, would be of great advantage to the Philippine government in their affairs at the present time. It is hoped that an appropriation providing for this purpose can also be secured at the present session of Congress.

I am enclosing copy of a letter from the Director of the Bureau of the Budget in which he advised me that the expenditure contemplated by the proposed bill would not be in conflict with the financial program of the President.

There is also enclosed for your information a copy of a memorandum prepared in the Bureau of Insular Affairs, which sets forth in detail the necessity for this legislation. Should you desire further information regarding this matter it is suggested that you call upon Brig. Gen. Creed F. COX, Chief of the Bureau of Insular Affairs of this Department.

I urgently recommend the early enactment of H.R. 9459.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

WAR DEPARTMENT,
Washington, May 2, 1934.

Hon. JOHN MCDUFFIE,
Chairman Committee on Insular Affairs,
House of Representatives, Washington, D.C.

DEAR MR. MCDUFFIE: I am transmitting herewith a draft of a bill to authorize the Secretary of the Treasury to credit the Philippine government with the profits, due to the reduction of the weight of the gold dollar, on its currency reserves deposited in the United States at the opening of business on January 31, 1934, and appropriating funds for this purpose.

This bill has been prepared in consultation with officials of the Treasury Department and of this Department, and has the approval of the Secretary of the Treasury and of the Governor General of the Philippine Islands. It is understood that the President has also indicated his approval of this legislation.

I am also enclosing for your information a copy of a memrandum prepared in the Bureau of Insular Affairs, which sets forth in detail the necessity for this legislation. Should you desire further information regarding this matter, it is suggested that you call upon Brig. Gen. Creed F. Fox, Chief of the Bureau of Insular Affairs of this Department.

I urgently recommend that the bill herewith be introduced in the Congress with a view to securing its enactment during the present session.

A similar letter enclosing a draft of this bill has been sent to the Chairman of the Committee on Territories and Insular Affairs of the Senate.

Sincerely yours,

GEO. H. DERN, *Secretary of War.*

TREASURY DEPARTMENT,
Washington, May 10, 1934.

Hon. JOHN MCDUFFIE,
Chairman Committee on Insular Affairs,
House of Representatives, Washington, D.C.

MY DEAR MR. CHAIRMAN: At the request of the War Department, I am pleased to advise you that the bill H.R. 9459 provided as follows:

"*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed [, when the funds therefor are made available,] to establish on the books of the Treasury a credit in favor of the treasurer of the Philippine Islands for $23,862,750.78, being an amount equal to the increase in value [resulting from the reduction of the weight of the gold dollar] of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold-standard fund and its treasury-certificate fund less the interest received by it on such balances.

"SEC. 2. There is hereby authorized to be appropriated out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided [for] in section 1 of this act,"—

which, I understand, has been recommended by the War Department, in view of the circumstances surrounding the deposits in the continental United States of the currency reserves of the Philippine Islands, a dependency of the United States, in principle meets with the approval of the Treasury Department.

I should, however, favor amendments inserting into the bill the phrases set out in brackets which, I understand, are contained in S. 3530, and meet with the approval of the War Department.

Respectfully,

H. MORGENTHAU,
Secretary of the Treasury.

BUREAU OF THE BUDGET.
Washington, May 3, 1934.

The SECRETARY OF WAR.

MY DEAR MR. SECRETARY: Reference is made to your letter of April 25, concerning the proposed bill relative to Philippine currency reserves deposited in the United States, and to the informal submission by your Bureau of Insular Affairs on April 30 of a redraft of a new bill (being a redraft of sec. 2 of a bill submitted to the President on Mar. 23) reading as follows:

"A bill relating to Philippine currency reserves on deposit in the United States

"*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to establish on the books of the Treasury a credit in favor of the treasurer of the Philippine Islands for $23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold-standard fund and its treasury-certificate fund less the interest received by it on such balances. There is hereby appropriated, out of the receipts to be covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, an amount necessary to establish such credit."

In reply you are informed that the expenditures contemplated by the proposed bill would not be in conflict with the financial program of the President.

Very truly yours,

L. W. DOUGLAS, *Director.*

The necessity for this legislation grows out of the proclamation of the President of January 31, 1934, the result of which obviously was the broadening of the base of our currency reserves. We revalued the gold dollar and credited ourselves on our books with approximately $2,800,000,000,

the difference in the value of gold prior to and after the proclamation of the President.

This bill, of course, deals with the currency reserve funds of a dependent people, a people who have necessarily done everything, not only with reference to their currency and financial affairs but with reference to everything else which goes to make up the life of the Filipino, suggested by those in authority in the United States. The result of the President's proclamation, January 31, 1934, by reason of the fact that the Philippine currency reserve fund, on which their circulation is based, was deposited in dollars but not in actual gold, was a contraction of that fund. I hope I have made that clear. While the proclamation of the President expanded the reserves of our Government, the insular currency reserve fund, being deposited in the United States in dollars, although treated by both governments as of a gold value, has been contracted by the proclamation. It throws out of balance the relative position of their currency and ours. The Philippine currency was fixed by the action of this Congress in 1903. I submit here the language of that act, which gave a value based on the gold dollar to the peso—2 pesos to $1:

Be if enacted, etc., That the unit of value in the Philippine Islands shall be the gold peso, consisting of 12.9 grains of gold, nine-tenths fine, said gold peso to become the unit of value when the government of the Philippine Islands shall have coined and ready for or in circulation not less than 5,000,000 of the silver pesos hereinafter provided for in this act, and the gold coins of the United States at the rate of $1 for 2 pesos hereinafter authorized to be coined shall be legal tender for all debts, public and private, in the Philippine Islands.

Therefore, their currency is different from ours but interlocked with it by law. If we were to give them credit to the same relative extent that we took on our own books in our Treasury, the amount would be $39,000,000 plus instead of $23,000,000 plus, but those in authority here, the experts in the Treasury Department, the Secretary of War, the Bureau of Insular Affairs, and all who have studied this problem and discussed it with the President, arrived at the conclusion that it was equitable to deduct the interest which the reserve funds have drawn since 1923, amounting to some $15,000,000, from the $39,000,000, leaving the balance of approximately $23,000,000. To be exact in the figures, on January 31, 1934, the insular government had on deposit in our banks, designated as depositories by the Secretary of War, $56,276,056.92. Applying the same revaluation as given our gold dollar by the President, this fund would amount to $95,282,398.87, or an increase, had those deposits been in gold, of $39,006,341.95. We do not propose the full credit here but have deducted the interest received by the insular government since 1923 on their reserve funds, amounting to $15,143,591.17. The insular government had a right to ask that their reserve fund be translated into gold, and they began to urge this soon after the depression came upon us and from time to time thereafter.

During the fall of 1932 the government of the Philippine Islands made representations to this Government with a view of including specific stipulation in the depository agreements that withdrawal of their currency reserve funds should be in gold coin of the United States at the election of the Philippine government. The Secretary of War, through the Bureau of Insular Affairs, acting for this Government, stated that he did not "deem as expedient the amendment of the depository agreement as suggested by the Philippine government."

I also call your attention to the fact that as late as March 1933, 10 months prior to the President's proclamation, other representations were made on the part of the Philippine government seeking the assurance that deposits of the Philippine government in the United States stand on an equal basis with the deposits of the United States Government and recommended that all deposits of the insular government, except $10,000,000 required for ordinary expenses, be deposited in the Treasury of the United States. Under conditions obtaining in this country in 1932 and 1933, the officials of our Government deemed it inadvisable to accede to any of these requests, although the dependent government had every right to make these requests and to expect them to be granted.

Again on June 29, 1933, the Governor General of the Philippine Islands officially requested that—

Our gold standard and Treasury certificate funds be converted into gold coin of the standard existing at the time these deposits were made with the depository banks; this coin to be deposited in the United States Treasury or Federal Reserve banks and authority of the President secured to earmark it for their account by amending the Executive order of April 5, 1933 (which was the first order of the President restricting the circulation of gold). There will be, however, no necessity for withdrawing the above-mentioned deposits from the present depository banks at this time if it is possible to obtain Government assurance that conversion into gold of the standard existing, as above outlined, may be made at a later date.

From time to time between June 29, 1933, and January 17, 1934, numerous cables were sent by the Governor General of the Philippine Islands expressing concern and stressing the necessity for assuring the gold content of the Philippine reserves on deposit in the United States. Likewise a letter on January 16, 1934, from the acting secretary of finance of the Philippine Islands was sent to the Secretary of War again expressing the desire of the Philippine government that their deposits be treated by the United States Treasury as deposits of coined gold. This request was in turn sent to the Secretary of the Treasury by the Secretary of War on January 17, 1934.

On January 17, 1934, 2 weeks prior to the Presidential proclamation, the following cable was sent by Governor General Murphy to the Secretary of War:

Referring to telegram from this office June 29, no. 212, in particular, as well as other previous cables pertaining to Philippine currency. Have you further information relative to earmarking in gold Treasury certificates funds and the gold-standard fund? Believe allotment of gold to these funds on the basis of present gold content is but fair to Philippines, thus granting Philippine government same advantage as United States in reduction of content of gold dollars backing gold-standard fund and Treasury-certificate fund. Am exceedingly anxious to receive definite decision.

At any time, following these representations, prior to January 31, 1934, the Treasury Department could have lawfully sold to the Philippine government gold in the amount of their currency reserves on deposit in the United States at the old value of $20.67 an ounce, or could have authorized the earmarking of gold to be paid for by the Philippine government with the funds on deposit in the United States. This, however, was not done, although the insular government from time to time has been given assurance by our officials that their interests would be equitably adjusted.

Our Government, not having acceded to these suggestions and requests, is certainly morally obligated to expand the base of the currency reserves of the dependent government and to do so without further delay in order to avoid further possible domestic and international financial complications.

Mr. LEHLBACH. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. LEHLBACH. Wherein are the Philippines in a different position than the citizen holding gold bonds?

Mr. McDUFFIE. The Philippines have a different currency from ours, though it is interlocked with ours by law.

Mr. LEHLBACH. The Filipinos suffered from the deflation of the dollar just as every holder of a gold bond, even issues of the United States, suffered. Why make the American citizens take a loss when the Filipinos are to be allowed to take a profit?

Mr. McDUFFIE. I do not think the gentleman's position is correct. We are not taking a loss; we are dividing our gain. Our Government has taken a profit on its gold. We wish to give these people a new value of their reserve fund which was treated as gold but was in dollars. We could have sold them gold and this bill would not have been presented.

Mr. BEEDY. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. BEEDY. The answer is that we are not dealing with individuals. This bill deals with the Philippine government which is entitled to the same rate of profit as the United States.

Mr. McDUFFIE. The gentleman from Maine [Mr. BEEDY], a very able and fair legislator, has given thought and study to this problem and while he does not agree with the policy of this administration as to our gold standard, he does agree that this legislation is needed from a standpoint of equity and good conscience. Of course this Government is not bound technically to pass this bill, but we are, as a matter of fair dealing with a dependent government by a superior one, in conscience bound to do so. What will the great nations of the world say of a powerful nation that denies this simple justice? Mr. WELCH, the gentleman from California, a member of the committee, who likewise understands this problem, also gave his approval to this bill. This bill is one that must appeal to the conscience and sense of fair play of the Congress.

Mr. McDUFFIE. Mr. Speaker, I yield 3 minutes to the Resident Commissioner from the Philippine Islands [Mr. GUEVARA].

Mr. GUEVARA. Mr. Speaker, after the brilliant presentation made by the Chairman of the Committee on Insular Affairs, the distinguished gentleman from Alabama [Mr. McDUFFIE], of the bill under consideration, and after the cogent and lucid report on this bill, further explanation is superfluous. I wish, nevertheless, to say a few words.

I believe that as a matter of justice and equity the Philippine government should be credited with the amount recommended in the bill now under consideration because, by virtue of the proclamation of the President of the United States on January 31, 1934, the United States Government made a profit of $2,700,000,000, but included in this profit is the $23,000,000 which represents the share of the Philippine government for its money deposited in the United States banks.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. GUEVARA. I yield.

Mr. DONDERO. All we are doing by this bill is to give the Philippine government their proportionate credit growing out of the devaluation of the gold dollar by the United States Government.

Mr. GUEVARA. Exactly.

Mr. PETTENGILL. Mr. Speaker, will the gentleman yield further?

Mr. GUEVARA. I yield.

Mr. PETTENGILL. And would it be fair to say that the credit to be allowed to the Philippine Islands in this bill is a credit growing out of the currency operations of the United States Government?

Mr. GUEVARA. Yes.

Mr. PETTENGILL. But this transaction does not involve any transfer of gold?

Mr. GUEVARA. Not at all. The position of the President of the United States and of the Committee on Insular Affairs is just to give the Philippine government its fair share of the profit derived by the Government of the United States when it devalued its gold dollar.

ADJUSTMENT OF THE PHILIPPINE CURRENCY RESERVES

Mr. Speaker, H.R. 9459, introduced by Representative McDUFFIE, Chairman of the Committee on Insular Affairs, and recommended favorably by a majority of that committee, deals with the currency reserves of the Philippines. I join in urging its approval.

The bill authorizes and directs the Secretary of the Treasury to credit the treasurer of the Philippines in the sum of $23,862,750.78, representing the net profit on the deposits of the Philippine government in banks in continental United States, aggregating $56,276,056.92, as the result of the President's proclamation reducing the gold content of the dollar.

The pertinent facts bearing on the present subject are as follows:

By the act of Congress of March 14, 1900, the weight of the gold dollar was fixed at 25.8 grains, 0.9 fine.

On January 31, 1934, pursuant to the Gold Reserve Act of January 30, 1934, the President, by proclamation, reduced the gold content of the dollar to 15 5/11 grains, 0.9 fine, a reduction of 59.06 plus percent.

Under the Gold Reserve Act aforementioned title to all monetary gold in the United States, including the gold coin and gold bullion heretofore held by the Federal Reserve banks and the claim upon gold in the Treasury represented by gold certificates, is vested in the United States Government.

By virtue of this, as a result of the reduction of the gold content of the dollar a profit of approximately $2,811,013,126 accrued to the United States Treasury upon the signing of the proclamation by the President at 3:10 in the afternoon of January 31, 1934.

Pursuant to the Gold Reserve Act and the President's proclamation, $2,000,000,000 of the profit was constituted into a stabilization fund under the control of the Secretary of the Treasury and the balance was authorized to be covered into the general fund of the Treasury.

The foregoing is by way of a background. The material facts as to the Philippines are as follows:

The Philippine monetary system was established by the act of Congress of March 2, 1903. It made the gold peso the unit of value, containing 12.9 grains, 0.9 fine, or exactly one-half of the gold content of the dollar prior to its devaluation.

By authority of the above-mentioned act, the Philippine Commission on October 10, 1903, approved Act. No. 938, placing the Philippine monetary system on the gold-exchange standard and providing that a part of the then gold-standard fund be deposited in banks in continental United States.

On June 13, 1922, by virtue of the act of Congress of August 29, 1916, known as the "Jones law", the Philippine Legislature enacted Act No. 3058, reconstituting the Philippine currency reserves with the establishment of the gold-standard fund and the Treasury certificate fund.

The reconstituted currency reserve fund, made up of those two funds, was inaugurated on January 2, 1923.

Upon the suggestion and direction of the Secretary of War, the major portion of the currency-reserve fund was deposited in banks in the United States which were members of the Federal Reserve System. The deposits have always been considered and taken as the equivalent of a gold reserve.

Prior to the President's proclamation, if the request of the Philippine government had been granted, the Treasury could have sold to that government gold at $20.67 per fine troy ounce as against the rate of $35 as thereafter fixed, or it could have earmarked gold coin for its account of the standard then existing to the amount of the currency-reserve deposits. Were either alternative done, the Philippine government would automatically have received proportional increment on its deposits as a consequence of the dollar devaluation.

As neither alternative was effectuated by decision of the competent departments of the United States Government, the base of the Philippine currency system was contracted to the extent of the consequent reduction in value of the currency reserves. This not only represents a loss in those reserves, but also diminished the equivalent metallic support of the Philippine monetary circulation.

On January 31, 1934, the day of the President's proclamation, the Philippine currency reserves on deposit in some 45 banks in continental United States designated by the Secretary of War amounted to $56,276,056.92. Of this sum, $19,112,253.42 pertained to the gold-standard fund and $37,163,803.50 to the Treasury certificate fund.

As computed by the United States Treasury Department, the profit which accrued to the Philippine government on these deposits as the result of the dollar devaluation amounted to $39,006,341.95. This figure was arrived at by considering the sum of $56,276,056.92 as the gold bullion value of said deposits and then converting it into currency at the new dollar value, thus producing the aggregate sum of $95,276,056.92.

But the net profit which the Treasury Department recommends crediting to the Philippine Treasury, in which the War Department concurs, is the sum of $23,862,750.78, the

sum sought to be authorized in H.R. 9459 under consideration.

This amount is the increment of $39,006,341.95, mentioned above, minus $15,143,591.17, representing the sum total of the interest earned by the currency reserve deposits during the period from January 2, 1923, to January 30, 1934. It is pointed out that the interest would not have accrued if the currency reserves had been maintained in metal.

In the light of the foregoing exposition of facts, it seems only just and proper that the Philippine government be placed in funds to have its currency reserves on an exactly the same relative position after the dollar devaluation as prior to it, thereby maintaining and preserving its base from contraction.

The Philippine peso, being interlocked and interrelated with the American dollar on the basis of 2 to 1 in intrinsic content by virtue of an act of Congress, goes up and down with the American dollar in its fundamental fluctuations.

I wish to mention two cases as examples where the Philippine government is actually footing appreciable losses by reason of the dollar devaluation, which also show the sympathetic movement of the peso with the dollar and its consequent advantages and disadvantages as the case may be.

Section 6 of the Philippine Tariff Act of 1909, which is still in force and effect, provides that the rates of duty while stated in American money in the act shall be payable in Philippine currency on the basis of the liquidated value. The provision sets forth a schedule of foreign moneys and their equivalent in dollar and peso. By reason of the devaluation of the dollar it is estimated that the Philippine government will suffer an annual loss of around $3,250,000.

The other case relates to the bonds of the Manila Railroad Co., a Philippine government enterprise. These bonds are payable at the option of the boldholder either in Swiss francs, English pounds, Holland florins, or other designated foreign money at the rate of exchange existing in 1909. Some of the bonds have already matured, and their redemption is being made and losses are being incurred by reason of the depreciated position of the American dollar in the international exchanges. If the entire bond issues were to mature during the life of the Presidential proclamation, the Philippine government would have to pay approximately an additional $10,000,000, representing the dollar exchange depreciation.

Mr. Speaker, I hope that this session of Congress will see the approval of H.R. 9459. It is urgent to forestall economic complications and to prevent financial debilitation in the Philippines. President Roosevelt recommends its enactment. The Secretary of the Treasury approves it. The Secretary of War urges its passage. And the Budget Director declares that it is not in conflict with the President's financial program.

In concluding, I wish to express my grateful appreciation to the Committee on Insular Affairs for its favorable recommendation of the bill, and I want particularly to mention the untiring and unselfish efforts of Chairman McDUFFIE and the very cogent and lucid report that he wrote. I desire also to say that our Governor General, Frank Murphy; the Acting Secretary of Finance, Mr. V. Singson Encarnacion; and the Chief of the Bureau of Insular Affairs, Brig. Gen. Creed F. COX, deserve the grateful acknowledgment of the Filipino people for their work in connection with the question under consideration. [Applause.]

Mr. Speaker, I ask unanimous consent to insert in the RECORD in an extension of remarks a memorandum prepared by Mr. Encarnacion, acting secretary of finance, secretary of agriculture and commerce, and other letters bearing on this subject.

The SPEAKER pro tempore. Is there objection to the request of the Resident Commissioner from the Philippine Islands?

There was no objection.

Mr. GUEVARA. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following memorandum of Hon. V. Singson Encarnacion, acting secretary of finance, secretary of agriculture and commerce:

THE ISSUE

On April 5, 1933, the Philippine government had on deposit in the United States in depositaries of the Philippine government for the normal uses of the government approximately $8,000,000. In addition the Philippine government had on deposit in branches of the Philippine treasury in the United States approximately $52,000,000. These latter funds were the treasury-certificate fund and the gold-standard fund for the special purposes of the Philippine currency system. The gold-standard fund was in excess of the maximum legal requirement for that fund, containing about $9,000,000 which, though not legally earmarked, it was hoped to use in payment of indebtedness of the government.

The Philippine government's position is that the funds in the branches of the Philippine treasury in the United States should be made available to it in gold coin of the United States.

THE EQUITIES

The Philippine government has been referred to by American Presidents and American leaders as a "ward" of the United States. In nothing has this relationship been more clear and more continuous than in the handling of its public funds.

Illustrating this, the Philippine government is not permitted to borrow money except as authorized by Congress, which has at times indicated the specific purpose and the specific amount which might be borrowed, and has always prescribed a limit which could not be exceeded.

Prior to the passage of the Organic Law of 1916, Congress had drawn the currency laws of the Philippine Islands, authorizing the Philippine government to take certain action within the terms of such laws. Since 1916 the Philippine government has been authorized to legislate in this field, but with the provisions "nor shall any act of the Philippine Legislature affecting the currency or coinage laws of the Philippines become a law until it has been approved by the President of the United States."

The Philippine government has been encouraged by congressional legislation to borrow money, when necessary and authorized, in the United States, which required, in turn, that the obligation should be paid in the United States. It has been encouraged by tariff legislation to make its purchases in the United States, which, in turn, necessitated the maintenance of balances in the United States.

Since the enactment of the Fedral Reserve Act in 1913 it has been required to maintain its deposit in the United States in banks of the Federal Reserve System.

As a result of the foregoing and as a consequence of acts of Congress, the Philippine government has normally kept in the United States funds for the purchase of supplies, funds to meet the interest and principal on its debts, and funds required to be so kept under the laws governing the Philippine currency.

The foregoing are not enumerated by way of complaint. There is no proper complaint. The system has been advantageous to the Philippine government and to the Philippine people. But they are enumerated to make clear that the Philippine government in equity should participate in any profit that accrues to the United States Government as a result of a change in its currency which changes pari pasu the Philippine currency.

Not only will the currency system of the Philippine Islands be affected by the changes that have taken place in the relationship of United States legal-tender money to the gold standard but also obligations of the Philippine government which are in part at least held abroad calling for payment in foreign currency at a rate of exchange fixed with reference to the old gold value of the United States dollar to the currency in question.

For example, the Philippine government owns the Manila Railroad Co. Thirty million pesos of bonds of this company will mature in 1939 and the Philippine government is under obligation to redeem these bonds at the option of the holder in Swiss francs, English pounds, or Holland florins, etc., at the rate of exchange existing in 1909.

Briefly, this would mean that the Philippine deposits in the United States should be made good to the Philippine government in United States gold as of the date when change in the United States currency is made effective.

The foregoing has to do with the equity of the situation.

ADMINISTRATIVE ADJUSTMENT

A reading of the President's Executive order of August 28, 1933, which seems to embrace all pertinent matters, included in the two preceding Executive orders of April 5, 1933, and April 20, 1933, on this general subject lead to the conclusion that the Executive orders had in no way in a contemplation a situation just like that of the Philippine government. It would be difficult, therefore, if not impossible, to base the action which the Philippine government desires, on any specific provision of the President's Executive order. A slight change in wording, or a construction thereof, in the full spirit of the order would, however, precisely cover the Philippine case.

Such action must apparently be taken under section 6 of the Executive order of August 28, 1933, which among other things provides:

"The Secretary of the Treasury, in his discretion and subject to such regulations as he may prescribe, may issue licenses authorizing—

"(a) The export of gold coin or gold bullion earmarked or held in trust since before April 20, 1933, for a recognized foreign gov-

ernment, foreign central banks, or the Bank for International Settlements";

* * * * * * * *

"(b) The earmarking for foreign account and/or export of gold coin or gold bullion, with the approval of the President, for transactions which the Secretary of the Treasury may deem necessary to promote the public interest."

It will be observed at once that the two lettered paragraphs refer to foreign countries and foreign accounts and might be held, therefore, not to cover the Philippine government.

In view, however, of the fact that the currency system of the Philippine Islands is a semi-independent system, the spirit of these provisions would seem to cover the Philippine Islands.

It is believed that a reasonably liberal construction of the antecedents and the law under which the gold-standard fund and the treasury certificate fund were deposited by the Philippine government in the United States will justifiably lead to the conclusion that these funds should be earmarked for the Philippine government under paragraph (b).

Without going into all of the details, the act of June 23, 1906 (34 Stat. 453), amending section 8 of the act of March 2, 1903 (32 Stat. 954), as amended by section 10 of the act approved February 6, 1905 (33 Stat. 698), reads in part as follows:

"*Provided*, That the treasurer of the Philippine Islands, with the approval of the Governor General, may substitute, for any part of such silver pesos hereafter deposited, gold coin of the United States legally equivalent in value, and redeem the certificates hereafter issued in either silver pesos or such gold coin of equivalent value at the option of the treasurer: *Provided further*, That the amount of gold coin held in such reserve shall not at any time exceed 60 percent of the total amount of certificates outstanding."

This, it will be observed, permitted gold coin of the United States to be held in the treasury certificate fund, and limited the amount that might be so held. The amended law still required that the fund should be held in the Philippine treasury, and that the amount not in gold coin should be in coined pesos.

In 1914, due to the European war, conditions arose which demanded that if possible that part of this fund which was authorized to be in gold should be held in the United States. It was at that time being held in the vaults of the treasurer in Manila, or in the treasury vaults under military protection on Corregidor.

The Chief of the Bureau of Insular Affairs, in requesting an opinion of the Judge Advocate General, suggested that this gold could be handled in any one of three following ways:

"(a) One million dollars gold could be placed in one of the Philippine depositaries in the United States to the credit of 'treasurer Philippine Islands, certificate reserve', and held to be used as such reserve.

"(b) One million dollars could be placed in the Treasury of the United States and be similarly held.

"(c) One million dollars could be placed in a depositary in New York City with instructions of the treasurer of the Philippine Islands that it should be used by the bank for the payment of the Philippine certificates on demand and used for no other purpose."

The Judge Advocate General advised:

"I can see no legal objection to either of methods (a) or (c). Both methods, under the view expressed, meet the requirements of the law that the deposits shall be held for the payment of the certificates issued against the same, and for no other purposes; and in both methods the respective Philippine depositary may be regarded as one of the branches of the Philippine treasury, within the meaning of said legislation.

"As to method (b), however, I do not know of any authority of law for the Treasury of the United States to act as a branch of the Philippine treasury, or as an agency of the Philippine treasury, for the redemption of the certificates issued against such deposits. I think, therefore, that there would be legal objections to this method of handling the matter."

In order that the banks in the United States in which this gold coin was to be deposited should be actually branches of the Philippine treasury, the Philippine Legislature, by an act of February 4, 1916, authorized the Governor General to designate such depositaries of the Philippine government in the United States as he deemed advisable to be branches of the Philippine treasury.

The record is perfectly clear that branches of the Philippine treasury, as distinguished from Philippine government depositaries, were created for the purpose of holding United States gold coin, the property of the Philippine government, and for no other purposes.

Prior to the necessity of maintaining this deposit in gold coin of the United States no suggestion had ever been made to create branches of the Philippine treasury in the United States.

The confidence in the currency system of the United States and the assurance that all legal tender money of the United States was as good as the gold coin it was generally interchangeable with, may have, and as a matter of fact did lead to loose verbiage referring to these gold deposits, but at most this could be attributed to carelessness of an individual rather than the intent of the government to have its gold deposits lose the character of such deposits.

The Philippine law today requires that the treasury certificate fund and the gold standard fund on deposit in the United States be held in branches of the Philippine treasury previously designated as such.

The branches of the Philippine treasury were created solely to hold gold coin of the Philippine government. The funds deposited in these branches, i.e., the gold-standard fund and treasury-certificate fund must be available to the Philippine government in gold, if the accomplishment of the purposes for which they are maintained are to be assured.

Enclosed is a letter of the secretary of finance of the Philippines, dated March 8, 1933, and a cablegram of the Governor General, dated March 10, 1933. These show that the Philippine government was acutely conscious of the evils that might result from any doubt that its funds in the United States were gold deposits and desired all doubts removed. They further show that if these funds were not earmarked gold deposits, with the exception of $10,000,000 it was due to conditions in the United States.

The following paragraph of the Governor General's cablegram of March 10, 1933, makes this clear:

"In view of this situation, the Secretary of Finance of the Philippine Islands, his other fiscal officers, and the President of the senate, on behalf of the leaders of the Philippine Legislature, have presented to me their views which are that with the exception of $10,000,000 necessary to carry on the ordinary transaction of the Philippine government, the funds be deposited in the United States Treasury, even though it implies foregoing the interests."

I am enclosing two letters marked one and two, written by me on April 26, 1933, and June 27, 1933, to the Governor General of the Philippine Islands.

These two letters are marked one and two; the first includes a cablegram signed "Holliday", which was transmitted to the Secretary of War on April 30, and the second includes a cablegram to the Secretary of War, signed "Murphy", sent on June 29.

These letters show how deep was the anxiety of Philippine government officials, and what efforts were made to protect Philippine government interests.

In view of the foregoing, it is hoped that the Treasury Department will earmark for the Philippine government an amount in gold equal to the gold-standard fund and treasury-certificate fund deposits in branches of the Philippine treasury in the United States on April 5, 1933. The gold so earmarked may be made available to the Philippine government under conditions which the Secretary of the Treasury may deem necessary to promote the public interest. If deemed advisable, any sum accruing to the Philippine government in excess of the face value of the deposits in legal-tender currency may be used in payment on the public debt of the Philippines.

V. SINGSON ENCARNACION,
Acting Secretary of Finance,
Secretary of Agriculture and Commerce.

WASHINGTON, D.C., *December 27, 1933.*

Mr. McFADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Kentucky [Mr. BROWN].

Mr. BROWN of Kentucky. Mr. Speaker, my sentiment on this bill is set out in the minority views which I have filed on the subject.

If I had not asked one or two questions too many of the witnesses who appeared before the committee, I very likely would have been supporting this measure. On the face of it it looks fair that when you cut the value of our dollar, on which their currency is based, they ought to be given the benefit of that appreciation in their money. It developed, however, in the interrogation of the witnesses that every dollar of the money the Filipino Government has on deposit in this country was raised by floating bonds bought by American investors, and that they now owe the American investors approximately $75,000,000 which they intend to pay off in our depreciated currency, depreciated 40 cents on the dollar. They want to pay a $75,000,000 debt with $45,000,000. Now, should we on top of that give them this increase? If there is to be a profit on the transaction it should be given to the people of America. Our Government should get the benefit of this appreciation rather than their government.

There is another angle to this situation to which I draw attention. If our action in the matter of handling our currency instead of raising the price of gold to $34 an ounce had depreciated it to $10 an ounce, would they have paid us the difference? No. But now they are in the position of asking us to let them pay their indebtedness to us in our depreciated currency, but at the same time give them the appreciation on their money.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, as usual, the able Representative from Kentucky [Mr. BROWN], whose splendid service here is most valuable to the Nation, has said the last word on this resolution. He has made the identical speech that I intended to make.

There is not a single scintilla of justice in this proposition. If we pass this bill, it is going to cost the American

taxpayers $23,000,000 in cash. That is what we are to vote on—a gift of $23,000,000. Why should our taxpayers back home be further burdened, when they are already overburdened, to make this gift of $23,000,000 in cash to our Philippine brethren?

I have been one of those who have stood by the Philippine representatives here on this floor and helped them make their fight for their independence. I have done everything that one man could do to help win their independence. The gentleman from Kentucky told you that they have not suffered any loss, they have received this money, loaned them by Americans, and it was worth 100 cents on the dollar; and when they pay the debt they are going to pay it in the depreciated currency and then receive a profit of $30,000,000. They are going to make $30,000,000 in profit, and we do not want to give them a double gift.

Mr. McDUFFIE. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Alabama.

Mr. McDUFFIE. If we are going to deal in individual transactions, which confuses the real issue here, because this is a bookkeeping transaction——

Mr. BLANTON. It is going to cost us $23,000,000 in cash if we pass this bill.

Mr. McDUFFIE. It so happens that the Filipinos own seventeen or eighteen million dollars of our bonds that we are going to pay them off in depreciated currency.

Mr. BLANTON. The gentleman from Alabama is the fairest man I ever saw and I hope he will yield me an extra 2 minutes, having taken part of my time, when he controls the time for the bill.

Mr. McDUFFIE. I have promised all the time I have available.

Mr. BLANTON. I do not want him to take up all of my time arguing in favor of his bill. I am against it.

Mr. McDUFFIE. So their people will get no more advantage than our people will.

Mr. BLANTON. That is problematical, and something that no man on earth knows. No one knows what is in the future so far as the valuation of gold is concerned, or the valuation of currency or anything else. It is something we do not know anything about. If we knew all about it we could get rich overnight. That is the something that keeps the big stock gamblers guessing every moment. It is something which is making millionaires overnight and paupers at the same time.

Mr. Speaker, we should not pass this resolution. This just shows what can happen when we have not anything else to do. The House of Representatives has finished its important business. We have passed the appropriation bills. We have passed the constructive measures of economic recovery sent us by the President, and we are ready to adjourn. We are waiting on the Senate.

We ought to adjourn the very first minute we can and go home and give the American people a breathing spell. [Applause.] Every minute that we stay here will result in the passage of bills of this kind and every time we pass something we take the good American tax money out of the Treasury of the United States and pay it to somebody other than the people out of whose pockets it came. If we do not stop this business soon, we might just as well do as the gentleman from Massachusetts stated one time. I refer to that great statesman who once served here from Massachusetts with us, Joseph Walsh. He said if we did not stop passing measures of this kind and taking money foolishly out of the Treasury, we might as well take the door in front of the Treasury off its hinges and invite everybody to come in and get what they want.

When are we going to adjourn? When are we going to stop all this foolishness? When are the leaders at the other end of this Capitol going to adjourn this Congress so that we may go home where we belong. Let us vote down this bill and kill it, and then let us finish our work and adjourn sine die next Saturday night. [Applause.]

[Here the gavel fell.]

Mr. DUNN. Will the gentleman yield me a minute so that I may ask a question?

Mr. McDUFFIE. I am sorry. I have all the time taken up.

Mr. DUNN. Did the gentleman make the statement that the President of the United States was back of this bill?

Mr. McDUFFIE. The President wrote a letter requesting it; so did the Secretary of the Treasury and the Director of the Budget, the head of the Bureau of Insular Affairs, and others. They have considered this matter.

Mr. TABER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to insert a table.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, pursuant to the consent granted to me, I submit for the consideration of the House the collections and disbursements by States on account of the processing tax under the Agricultural Adjustment Act from July 1, 1933, down to and including April 30, 1934.

The figures as to the receipts have been furnished to me by the Bureau of Internal Revenue. The figures as to payments to farmers were furnished to me by the Agricultural Department.

Processing tax collections and payments to farmers, July 1, 1933, to Apr. 30, 1934

State	Collections from processing tax	Payments	
		Rental and benefit to farmers	Surplus removal
Alabama	$6,561,392.33	$9,612,245.97	
Arizona	274,839.79	282,420.66	
Arkansas	509,207.74	10,834,045.88	
California	7,928,675.95	976,853.60	$116,015.93
Colorado	2,435,738.02	1,472,063.05	
Connecticut	1,660,705.38	198,818.94	
Delaware	352,312.16	77,060.96	
Florida	496,428.30	416,123.17	
Georgia	13,948,539.26	8,783,020.38	81,119.00
Hawaii	554,129.04		
Idaho	333,992.18	2,346,406.80	
Illinois	36,087,849.30	1,732,612.41	28,298,572.91
Indiana	4,316,308.43	1,342,068.33	
Iowa	6,020,205.67	339,670.96	
Kansas	10,030,643.66	16,816,355.88	
Kentucky	3,398,490.93	218,091.72	
Louisiana	1,273,742.95	5,005,782.42	
Maine	1,780,548.63		
Maryland (including District of Columbia)	3,401,726.92	558,541.65	
Massachusetts	17,107,741.54	96,463.40	
Michigan	3,476,569.99	587,600.57	
Minnesota	19,582,527.61	1,311,665.13	2,668,767.83
Mississippi	686,950.99	10,098,853.02	
Missouri	13,847,164.70	2,925,070.92	3,400,261.93
Montana	1,315,666.70	4,238,282.28	
Nebraska	3,238,421.57	4,040,745.52	15,104,900.63
Nevada	120,567.93	20,838.30	
New Hampshire	1,504,183.06	2,288.60	
New Jersey	3,012,596.54	8,020.41	
New Mexico	129,035.21	709,190.45	
New York	31,847,946.10	55,803.63	
North Carolina	24,365,272.53	4,406,051.91	
North Dakota	860,571.01	9,812,130.29	
Ohio	9,961,054.12	1,505,042.75	580,853.99
Oklahoma	2,873,353.17	16,419,276.92	
Oregon	2,087,367.55	1,829,248.25	4,004,421.72
Pennsylvania	8,029,497.60	662,275.09	
Rhode Island	2,879,197.62		
South Carolina	13,864,159.44	5,567,614.86	
South Dakota	358,617.06	3,523,336.18	
Tennessee	4,552,530.64	3,417,320.06	
Texas	8,176,941.67	47,044,240.10	
Utah	325,480.56	466,945.61	
Vermont	252,513.48	2,724.95	
Virginia	4,942,704.96	831,510.88	
Washington (including Alaska)	3,026,776.96	3,979,787.90	
West Virginia	899,862.63	52,743.42	
Wisconsin	2,593,380.40	469,342.93	
Wyoming	159,942.57	283,894.49	
Washington, D.C.			762,332.93
Total	287,434,311.56	185,380,511.11	55,016,336.92

Expenses of administration for this period, $13,833,187.20.

I submit that this act has been highly discriminatory and has been handled by the Agricultural Department in a way to enrich one group of States to the detriment of another.

Such a course on such a colossal scale can result in nothing but disaster to the farmer. I hope that the act will soon be repealed and that this effort to ruin our farmers stopped.

Mr. BLANTON. Would the gentleman kindly yield me an additional minute?

Mr. McFADDEN. I yield the gentleman from Texas an additional minute.

Mr. BLANTON. Mr. Speaker, the gentleman from Alabama said that the President wants this bill passed. If this were one of the measures wanted by the President as a part of his plans for economic recovery, I would without hesitation support it. But this is nothing in the world but a case where certain people are wanting to get $23,000,000 in cash out of the Treasury of the United States, which must be made good by collecting taxes from the American taxpayers. It is a case where they have importuned the President and he could not resist their urgent importunities. Oh, I know in just how many ways a President can be imposed on by friends. They besiege him with this request and with that request. They are his good friends. They argue, and they argue, and he cannot find it in his heart to turn them down. But when he finally gives in to their repeated importunities I imagine that in his mind must come the saving thought, "surely among the 435 Congressmen in the House of Representatives, fresh each 2 years from the people, there will be some who will resist this thing to a finish and stop it", and that must be a consoling thought.

If the great Woodrow Wilson could have been saved from his friends, it is my firm belief that he would be here now. Some of us here in this Congress must watch at all times to save our present great President, Franklin D. Roosevelt, from his friends. By voting down and killing this bill we can save our President from his friends.

Mr. McFADDEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this is a most unusual bill and should be defeated. There would be just as much reason for reimbursing Great Britain or France for any deposits which they had in the United States at the time of the passage of the gold bill last January as to reimburse the Philippine Islands for the 40 percent or thereabout of the supposed loss which was incurred by the passage of the bill lowering the gold content of the American dollar. By this bill we make a present to the Philippine Islands. If we have presents to give, why not consider the American people?

I had my say on January 24 about this gold bill, and everything I stated then I want to confirm at this time. It seems that this legislation came about through the request of the Governor General of the Philippine Islands to the Acting Secretary of Finance, to the Secretary of War and the Secretary of the United States Treasury. I call attention again to the fact that the administration forced every American citizen who lived in the United States to turn over their gold to the Federal banks. They got only $20.67 per ounce. By this bill you propose to give the Philippines $35 per ounce for gold they did not have. All they had was a book account, and you say this must be considered the same as gold—an even worse discrimination against the American citizen but quite in keeping with other legislation you have passed at this session to help the foreigner rather than the American people.

There is no suggestion on the part of the administration to the American citizens who were compelled to turn over their gold at $20.67 an ounce that they will receive $35 an ounce sometime in the future. Oh, no; the American citizen is only a taxpayer. I recognize the fact, however, that we are buying gold, under the authority of the gold-bill edict, from foreign countries, some of which was shipped out of this country at $20.67 an ounce, and that this Government is now paying $35 an ounce for the gold. We are now the market for the world's gold at $35 an ounce.

It has been stated that this is a bookkeeping transaction; but, mark you, the taxpayers of the United States will be interested to know some of these days, when the whole situation is up for review, whether this was a bookkeeping entry or an outright gift. I say it is a gift. In the light of changing world events, there would be just as much reason for use to make a present to Great Britain or to France. Why not make a gift to the American instead?

In Paris today, because of the uncertainty of the German financial situation, which indicates they may have to revalue the mark, the Frenchmen are figuring out what their losses are going to be if they further devalue the mark. I imagine if we knew the truth of the situation, similar agencies in London and the United States are today trying to figure out what their losses are going to be by the downward revaluation of the mark. Are these countries going to force Germany to make good their losses?

As a result of our winning the Spanish War, we purchased the Philippine Islands and paid Spain $20,000,000. Then this action gave the Philippines good credit, and the banks and investment markets in this country were opened up and Philippine bonds were virtually accepted at some low rates, as our own bonds, and something over $75,000,000 worth are now owned in this country, and some of these bonds are held as security for public deposits by the United States Treasury.

A few days ago you gave the Philippines back to them—not to Spain but back to the Filipinos themselves.

And by this bill you are giving them a going-away present of over $23,000,000 of money that belongs to the American people. It is not fair to the American people.

To Spain (purchase price)	$20,000,000
From American investors (still due)	75,000,000
This bill (a gift)	23,000,000
Total	118,000,000

This is a pure gift to the Philippine Islands, to the detriment of every American citizen. It is a scandalous proposition when we consider the fact that this great Government of ours is penalizing every American citizen who held any gold, under the threat of sending him to jail or imposing a fine of $10,000. They even went so far in the administration of the gold bill as to institute suits against American citizens, through the Attorney General, to compel every one of them to turn over his gold to the Federal Reserve. The further effect was to take away 40 percent of all the equities of American citizens, and then they made a quick shift between the Treasury and the Federal Reserve, and the Treasury took, supposedly, the gold from the Federal Reserve banks which was held for the redemption of Federal Reserve contracts and their notes, and we then set up a stabilization fund of $2,000,000,000 in the hands of the Secretary of the Treasury to use as he sees fit, without accounting to anyone, and over $200,000,000 of this amount has been now used and the American people are in ignorance of what has been done with it.

I submit to the Members of the Congress that we cannot afford to do a thing like this. You will answer to the American public, who have been forced to accept this imposition that has been put upon them under this gold-devaluation scheme.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin [Mr. BLANCHARD].

Mr. BLANCHARD. Mr. Speaker, I will read just a sentence or two from the majority report:

> This leaves a balance of $23,862,750.78, which, it is thought by the President and the above-named officials, represents the sum which should be credited to the Philippine government on the books of the Treasury in order to restore the gold value of the Philippine currency reserves as of January 31, 1934. When the gold content of the United States dollar was diminished, we took credit on our books for approximately $2,811,013,126.

Now, this money had to come from somewhere, and there is no reason why the United States citizen living in this country should be treated any differently from the Filipino.

From the minority views I desire to read a statement:

> In all, the Philippine government owes a bonded indebtedness of approximately $75,000,000, all of which is payable in dollars at the door of the Treasury of the United States, and practically all of these bonds being held by investors in the United States.

The Philippine people received a benefit as a result of the devaluation of the dollar by virtue of their indebtedness to individual investors in the United States, and for the life of me I cannot conceive of any reason why they should receive any different treatment than that accorded the citizens of the United States from whom was taken, even though it is said to be only a bookkeeping transaction, the greater portion of $2,811,013,126.

Mr. GUEVARA. Will the gentleman yield?

Mr. BLANCHARD. Yes; I yield.

Mr. GUEVARA. Does not the gentleman know that the American people have already benefited by the devaluation of the dollar by virtue of public improvements carried on through the P.W.A. and in other ways, all of which has been for the benefit of the American people?

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 5 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Speaker, the problem which you and I confront as an incident to this legislation illustrates but one of the many evils growing out of the gold-devaluation policy or the policy of devaluing the gold dollar. I was opposed to that policy in the first place; but, as a matter of logic and straight thinking, no conscientious legislator can vote against this bill.

Let us see if, in a few words, I can state the proposition so that those who are listening and want to do the right thing on this bill will understand just what is at issue and what should be done.

In the first place, we cannot compare this situation with the situation which might exist between this Government and England or France, for this reason. We never passed any laws fixing the value of the currency of England or of France. We have never tied their hands on the value of their circulating medium——

Mr. McFADDEN. Will the gentleman yield?

Mr. BEEDY. Let me complete my statement.

Mr. McFADDEN. The gentleman has referred to my statement.

Mr. BEEDY. I shall yield in a moment.

But on March 2, 1903, we established by law a unit of value for the Philippines. We stated in that law just how much gold the peso should contain and we stated that two pesos equaled one American dollar.

Then the next step we took that affects the value of their peso was to devalue our gold dollar. We thereby give ourselves more dollars. Theoretically we thereby made $2,800,000,000 profit, but we left the Philippines helpless, with the value of their medium fixed by this Congress. In other words, we contracted their currency by as much as we expanded our own.

Now, this is not the situation existing as between this country and France, and remember this bill does not deal with the relationship of this Government of ours to any citizen in America or any citizen in the Philippines. It is a question of what our Government, as result of having devalued its dollar, owes to the government of the Philippine Islands.

If our Government takes profit when we devalue our dollar, we should extend the same right to the Philippine government, whose peso is linked to our dollar by act of our own Congress.

Of course, there are a good many evils that follow from the devaluation of our gold dollar, and the gentleman from Kentucky [Mr. BROWN] makes an eloquent argument against the policy of his President. He shows some of the evils that are gradually coming to light and are inevitable as a result of the devaluation policy. The gentleman says that individual American citizens who bought Philippine bonds are going to lose money, and this is true, because their Government may now compel them to accept in payment of its bonds a dollar of less value than they promised to pay when the bonds were sold. Our Government may now compel American citizens to accept payment of our bonds in a dollar that is of less value than we agreed to pay them when we sold the bonds.

[Here the gavel fell.]

Mr. McDUFFIE. Mr. Speaker, I yield the gentleman 2 minutes.

Mr. BEEDY. There is, therefore, no logic, no grounds for a man to stand on in denial of the right of the Philippine government to demand the same profits that we ourselves take.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. BEEDY. I yield.

Mr. BROWN of Kentucky. I want to ask the gentleman if it is not true that by reason of the Presidential proclamation devaluing gold, the Philippine Islands will gain more than they have lost if we do not pay them this amount?

Mr. BEEDY. The gentleman says the Philippine Islands. Is he talking about the Philippine government?

Mr. BROWN of Kentucky. The Philippine government in repaying their bonded indebtedness will make more than they will lose by reason of the President's proclamation.

Mr. BEEDY. The Philippine government should make the same profit "out of thin air" that we have made by devaluing the American dollar.

Mr. BROWN of Kentucky. I mean without the passage of this bill—they will make more than they will lose.

Mr. BEEDY. That is a matter of arithmetic—the gentleman can figure that out to his own satisfaction. Wherever the bonds come due in the Philippine Islands the holders of those bonds have got to take their loss. That is the inevitable result of the policy of the gentleman's party in the devaluation of the American dollar. I voted against the proposition and the gentleman from Kentucky voted for it. Let him take his medicine and stop whining.

Mr. BROWN of Kentucky. I am not whining and I am taking my medicine.

Mr. BEEDY. Then why does the gentleman object to the bill?

Mr. BROWN of Kentucky. Because, as I say, the Philippine Islands will make more out of this in paying their bonded indebtedness than they will lose by the devaluation. They will make money at both ends of the deal.

Mr. DONDERO. And what is true of the Philippine people is true of our own people.

Mr. BEEDY. Certainly. But let me put the problem in another way. On January 31, 1934, the Philippine Government had on deposit in this country $56,276,000 in pursuance of a law requiring deposits in our banks as basis for the circulating medium of the Philippines. Several times before the President issued the Executive order devaluing the gold dollar the Philippine Government requested that an amount of gold equaling the amount of their deposits of currency reserves be set aside by our Government as a basis for their circulating medium. But our Government persuaded the Philippine government not to insist upon such action, at the same time admitting that they had a perfect right to make such a demand.

Therefore, on January 31, 1934, we had $56,276,000 more of gold than we would have had if we had not avoided compliance with the requests of the Philippine government to earmark that amount of gold for them.

Thus when we computed our so-called "profit" on the devaluation of our gold dollar we realized profits on gold which in equity should have been earmarked for the Philippines. It is this excess profit on the $56,276,000 in question which we are now asked to credit to the Philippine Government. Who, in the light of these facts, can deny the justice of this bill? I certainly cannot.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I want to call the attention of the House to the fact that you are establishing a precedent that is going to have a great reaction.

I want to call your attention to the case of Panama, where the United States is trying to pay an obligation of some $450,000 owed to Panama in the new dollar, and Panama refuses and takes the matter to court. This important case, I understand, is now pending. Does not this bill dispose of this case? That is only one instance of the many complications as a result of the passage of the gold devaluation bill. I might call attention to the fact that there are many people abroad who are watching these moves; are we going to establish a precedent here now that will force the United States to pay in gold at $35 per ounce the people abroad, in continental Europe, who hold obligations, United States bonds, gold certificates, Federal Reserve notes—they are contracts, you know, and the holders of these contracts are watching the decision in the Panama case and what you are doing here today. I ask for the defeat of this unjust bill.

[Here the gavel fell.]

Mr. McFADDEN. Mr. Speaker, I yield 2½ minutes to the gentleman from Ohio [Mr. FIESINGER].

Mr. FIESINGER. Mr. Speaker, I cannot refrain from giving my views, even though I have only two and a half minutes in which to express them. I was not in agreement with the policy of the administration in devaluing the gold dollar. I made a statement on the floor of the House predicting that we were going to get into much confusion as a result of that devaluation. We also had before our Committee on Coinage, Weights, and Measures a statement made by an eminent economist who appeared before that committee, Mr. John Janney, and I read some of his words:

> Theoretically and superficially you have remedied the dislocated value of the dollar by such a law; practically and in effect you have merely added additional confusion, and you have established a principle that will destroy confidence in business, as in effect this legislation confiscates property and distributes wealth by legislative enactment. This is the very condition we are trying to remedy.

I think this statement and prediction of Mr. Janney is being vindicated by the very bill now before the House. His statement predicting the collapse of our credits and the failure of our banks has since been vindicated. I cannot understand why we have presented for such brief discussion these far-reaching and momentous questions. I feel and I believe we all should feel that the great principle involved in these monetary measures should be solved. If we solve the great problem of our money, if we establish the basis for confidence, which is stability, if we provide a sound and stable money system, we thereby will automatically solve all of these complexities at one and the same time.

We have not only this situation, as has been said here before today, but we are going to have probably a thousand different situations that are going to grow out of this mistaken monetary legislation. We are going to merely add to all of the confusion we talked about when we passed this bill. What will we do when Philippine bonds fall due which were bought with 23-grain gold dollars and will be paid with 14-grain gold dollars? If these dollars are the same, why this bill? If they are different, who will make good this difference to American investors in Philippine bonds?

Mr. McDUFFIE. Mr. Speaker, the gentleman does not refer to the pending bill.

Mr. FIESINGER. I am referring to the general principle of the devaluation bill, and to the complexities that flow out of it, of which this proposition is a notable example. The contention is made here that we made a profit out of the evaluation. We made only a bookkeeping profit, and if by any chance future circumstances should develop that that paper profit vanishes into thin air, then we will have paid the Philippines $23,000,000 of the hard-earned money of the taxpayers of the United States.

When we see the cost to us, when we realize the economic consequences, which some day we will do, the consequences of this devaluation of our dollar, we will go back to specie payment on a stable gold-dollar basis. We will seek to restore the value of our exported products as measured in gold. We will see the necessity for this. Then, when that time comes, the less we have of such messy measures as this bill, the better for us.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. McDUFFIE. Mr. Speaker, this does not represent an additional burden upon the American people. Our Government has taken its profit of $2,800,000,000, but the insular government has lost and will continue to lose on its reserve fund. It is simply an effort to do justice, to do equity, to a ward or the wards of the United States Government. We should give our wards the same advantage relatively that we took for ourselves. Should the fears expressed by the gentleman from Ohio [Mr. FIESINGER] materialize, we could correct it by the simple process of legislation for readjustment, as we are trying to do now in this bill. Gentlemen have seen fit to say that the Filipino people have profited as a result of the Presidential proclamation. The Filipino individual, surrendering his gold, took no profit nor did his government profit as did the American Government by the revaluation; and having a different currency, which has been explained to you, they will sustain enormous losses because of a deflated dollar on which this currency is based by our law. For instance, the proclamation of the President will cost the Philippine government $10,000,000 in exchange on the Manila railroad bonds which are outstanding, payable in pounds, gilders, and Swiss francs. Is it right for this great Government that dictates the entire affairs of these people to fail to make them whole on losses sustained as a result of an act of our Government? As the gentleman from Maine [Mr. BEEDY] has correctly said, I think if you gentlemen could have been with the committee and heard the witnesses and heard their explanations of the equities of this bill, you would feel exactly as he feels and that this legislation should pass. Had the gentleman from Kentucky [Mr. BROWN] in his State a different currency from the rest of this country, fixed by this Congress, and a currency reserve fund deposited in dollars, but treated as gold, he would be here urging that the Congress do equity and make the people of Kentucky whole as to their currency reserves.

We, of course, have the same currency in every State and no State has a currency reserve fund. No other people have the same relationship to this Government as the Filipinos with reference to currency and there could be no such equitable claim as this from any other government. In addition to that, these people do two and a half million dollars' worth of business per month, on which the exchange, as a result of the devaluation of our dollar, amounts to many millions of dollars in the course of a year. Is it not the duty of this Government to aid them in a situation not of their own making?

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. The gentleman did not yield to me and I am sorry I have not the time to yield to him. I regret the gentleman from Kentucky [Mr. BROWN] is today joining the gentleman from Pennsylvania [Mr. McFADDEN] who can see no good apparently in any suggestion that might come from any President, whether he be a Democrat or a Republican. I regret very much the gentleman from Kentucky is today pitting his judgment against that of the President of the United States, of the Secretary of the Treasury, of the Director of the Budget, and all those who have recommended this legislation. We must assume that those gentlemen are not trying to throw away the taxpayers' money and we must likewise assume that they are trying to do plain, simple justice to a people entirely dependent upon this Government. I believe the American people desire to be at least fair and just in this matter in accord with the President's views.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. I am not surprised, if the gentleman will excuse me, to find the gentleman from Pennsylvania [Mr. McFADDEN] complaining about the policy of the administration, with reference to gold, but I am surprised that the gentleman from Kentucky [Mr. BROWN] who apparently applauds the President in his gold-standard policy, sees fit now to use the Republican argument in condemnation of that policy.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. He does not, of course, use the words of the Republicans, but actions sometimes speak louder than words, and in the argument he makes he simply underwrites the principal argument made by the Republicans against the Presidential proclamation in devaluing the dollar, and in his policies as to gold.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. McDUFFIE. Yes; for a question.

Mr. BROWN of Kentucky. I resent the gentleman's linking me with the gentleman from Pennsylvania as objecting to the statements of all Presidents. The gentleman from Alabama said that the gentleman from Pennsylvania [Mr. McFADDEN] and myself can see no good in the statement of any President. The gentleman knows that that is not true. I have been one of the closest followers of the President in

the House, and in every one of his measures I have stood by him. I think the gentleman is doing me an injustice.

Mr. McDUFFIE. I did not mean to say that the gentleman could not see any good in any statement of any President; but I do mean to say, and I regret, he could see no good in the statement the President at this time and on this particular measure has made, after assuming always to be a very loyal follower of President Roosevelt.

The minority report filed by the gentleman is ingenious, but its fallacy lies in the fact that in this bill we are dealing with a special fund of the Philippine government, and not with individual transactions or the payment of bond issues of either government.

Mr. DONDERO. Will the gentleman yield?

Mr. McDUFFIE. I yield.

Mr. DONDERO. Are we doing anything else than keeping faith with the Philippine government in passing this measure?

Mr. McDUFFIE. That is correct; furthermore, I repeat this is not a question of the ownership of bonds or settling bond issues and individual transactions. This is a question of adjusting the currency reserves of the government of the Philippine people. These 14,000,000 people are under our flag. They are our wards, and in this instance we are trustees of their currency reserve funds.

Mr. McFADDEN and Mr. DINGELL rose.

Mr. McDUFFIE. I yield to the gentleman from Michigan.

Mr. McFADDEN. Inasmuch as the gentleman referred to me, I think he ought to yield to me.

Mr. McDUFFIE. In a moment I will yield to the well-known impeacher of Presidents.

I yield to the gentleman from Michigan.

Mr. DINGELL. I should like to ask the Chairman of the Committee on Insular Affairs whether, as a matter of fact, it is not true that this is simply a matter of bookkeeping and allowing the proper share of the increase to the government of the Philippine Islands that we have assumed on the deflation of the dollar?

Mr. McDUFFIE. I thank the gentleman for his suggestion. Simply stated, here are people under our flag, and we are proposing in this bill to treat the currency reserve funds of the government of those people as we have done for ourselves in expanding the value of our own gold dollar. Let us remember that their fund was in dollars. Had it been in gold as they repeatedly asked, this bill would be unnecessary.

The SPEAKER pro tempore. The time of the gentleman from Alabama [Mr. McDUFFIE] has expired.

Mr. McDUFFIE. My time has expired and I regret very much that I cannot yield to the gentleman from Pennsylvania [Mr. McFADDEN]. Of course, I know he disagrees with the gold policy of the administration. Let me here submit excerpts from the committee's report:

It was argued in the committee that our own citizens received no credit for the difference in value when their gold was called into the Treasury and redeemed in currency; that the Philippine government has outstanding bonds owned largely in the United States, which will be amortized in a devalued dollar; that if this bill becomes law, we will favor the Filipinos over our own people in that we are here proposing a credit to them on the books, as well as giving them the privilege of paying their obligations in a devaluated currency. If the Philippine monetary system were the same as ours and not a separate system interlocked by an act of Congress with that of the United States, such argument might be reasonable. The comparison, however, between citizens of our various States and the Filipino cannot apply, since our citizens as a whole will be benefited by the profit accruing to this Government, and these benefits will offset the personal loss that may be taken as a result of the proclamation.

In the case of the Filipino people, they have been forced to take the personal loss—their gold has been turned in just as was the gold of our own citizens—but no benefits will accrue to them or their government until the value of their gold reserve is reestablished by the Government of the United States. In the case of our own citizens, while the individual may not have been credited, nevertheless, the credit goes to the Federal Government, or the whole of the American people, each State, of course, having the same currency system as the Federal Government. It is quite certain that if any State had a separate monetary system tied in with ours by an act of the Federal Government the government of such a State would undoubtedly have the same rights and equities as we are seeking to establish by this bill.

The Philippine National Bank now owns Liberty bonds and other obligations of our Government amounting to approximately $17,000,000. Likewise, many of our securities are held by individual Filipinos. Those obligations will be paid, not in gold but in legal currency, which means that we will pay them with a devaluated dollar. It should also be stated that the insular government has outstanding bonds of the Manila Railroad payable in pounds, guilders, and Swiss francs. In amortizing these bonds in foreign currencies, due to the difference in exchange, as a result of the action of this Government in revaluing its money, a loss of approximately $10,000,000 will be sustained by the insular government. Surely no one can fail to see the inequity in a failure of our Government to make the insular government whole in a loss occasioned by our own action.

The currency-reserve funds of the Philippine government are by law held in two funds, namely, the gold-standard fund, the legal limits of which are not less than 15 percent nor more than 25 percent of all the money in circulation and available for circulation by the Philippine government; the treasury-certificate fund, which by law must consist of peso for peso, or $1 for every 2 pesos, for every Philippine treasury certificate issued or available for issue. Of the $56,276,056.92 Philippine currency reserves on deposit in the United States as of January 31, 1934, $19,112,253.42 pertained to the gold-standard fund and $37,163,803.50 to the treasury-certificate fund.

The experts of our Government have decided that the credit of $23,862,750.76 is just, equitable, and fair, and the committee feels that no great government can do less than what is proposed in this bill for its dependent people. It is in nowise suggested that any and all funds on deposit in this country to the credit of individuals and the insular government, over and above the funds actually held as currency reserve funds, should be enhanced in value by an act of Congress.

Coincident with the Independence Act, a refusal on the part of this Government to meet its moral obligation in readjusting the currency reserves of the insular government, the value of which is interlocked with our own monetary system, is inconceivable. Such refusal would be an omission unworthy of this great Government and of the Congress, on whom this responsibility now rests.

We have failed to keep faith in our Independence Act by putting an embargo on the second largest industry of the islands, which will likely be taken over by Japanese interests to the detriment of the American farmer and laborer. A failure to pass this measure would be another gross injustice, unworthy of the American people.

Mr. McFADDEN. Mr. Speaker, inasmuch as the gentleman would not yield to me, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

The SPEAKER pro tempore. All time has expired. The question is on the motion of the gentleman from Alabama [Mr. McDUFFIE] to suspend the rules and pass the bill.

The question was taken; and on a division (demanded by Mr. BROWN of Kentucky) there were—ayes 84 and noes 25.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present, and I object to the vote on the ground that is no quorum present.

The SPEAKER pro tempore. Evidently there is no quorum present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 189, nays 123, answered "present" 2, not voting 115, as follows:

[Roll No. 186]

YEAS—189

Adair	Carden, Ky.	Cullen	Goldsborough
Adams	Carmichael	Darden	Granfield
Allen	Carter, Wyo.	Dear	Gray
Arnold	Cartwright	Delaney	Green
Ayres, Kans.	Castellow	De Priest	Greenwood
Bakewell	Celler	Dickinson	Gregory
Bankhead	Chapman	Dickstein	Griswold
Beam	Chavez	Dies	Hamilton
Beck	Claiborne	Dingell	Hancock, N.C.
Beedy	Cochran, Mo.	Dondero	Harlan
Beiter	Colden	Doughton	Hastings
Biermann	Cole	Drewry	Henney
Black	Colmer	Duncan, Mo.	Higgins
Bland	Condon	Dunn	Hildebrandt
Bloom	Connery	Eagle	Hill, Ala.
Brooks	Cooper, Tenn.	Edmiston	Hoidale
Brown, Mich.	Cox	Eicher	Howard
Brunner	Cravens	Farley	Hughes
Buchanan	Crosby	Fitzgibbons	Imhoff
Buck	Cross, Tex.	Fitzpatrick	Jacobsen
Byrns	Crosser, Ohio	Frear	Jenckes, Ind.
Caldwell	Crowe	Gasque	Johnson, Okla.
Cannon, Mo.	Crump	Gillette	Johnson, Tex.

Jones	Maloney, Conn.	Rayburn	Thom
Kahn	Maloney, La.	Reilly	Thomason
Kee	Mansfield	Richards	Thompson, Tex.
Keller	Martin, Colo.	Richardson	Traeger
Kennedy, Md.	Martin, Oreg.	Rogers, Okla.	Turner
Kenney	Meeks	Romjue	Turpin
Kerr	Milligan	Rudd	Umstead
Kocialkowski	Mitchell	Sanders, La.	Utterback
Kopplemann	Monaghan, Mont.	Sanders, Tex.	Vinson, Ga.
Lambeth	Montague	Sandlin	Vinson, Ky.
Larrabee	Montet	Schulte	Warren
Lewis, Colo.	Morehead	Sears	Welch
Lewis, Md.	Muldowney	Secrest	Werner
Lloyd	O'Connell	Shallenberger	West, Ohio
Lozier	O'Connor	Sirovich	West, Tex.
Luce	Oliver, Ala.	Sisson	Wilcox
Lundeen	Oliver, N.Y.	Smith, Va.	Williams
McCarthy	Palmisano	Smith, Wash.	Wilson
McCormack	Peterson	Smith, W.Va.	Wolcott
McDuffie	Pettengill	Snyder	Wood, Mo.
McFarlane	Peyser	Spence	Woodrum
McGugin	Prall	Steagall	Zioncheck
McMillan	Ramsay	Sutphin	
McReynolds	Ramspeck	Taylor, Colo.	
McSwain	Rankin	Taylor, S.C.	

NAYS—123

Arens	Faddis	Lemke	Schaefer
Ayers, Mont.	Fiesinger	McFadden	Schuetz
Blanchard	Fish	McGrath	Shannon
Blanton	Fletcher	McLean	Simpson
Boileau	Focht	McLeod	Sinclair
Bolton	Fuss	Mapes	Stokes
Brown, Ga.	Foulkes	Marshall	Strong, Pa.
Brown, Ky.	Fuller	Martin, Mass.	Stubbs
Burke, Nebr.	Fulmer	May	Swick
Burnham	Gavagan	Merritt	Taber
Busby	Gilchrist	Miller	Tarver
Cady	Gillespie	Moran	Taylor, Tenn.
Carpenter, Kans.	Glover	Mott	Terry, Ark.
Carpenter, Nebr.	Greenway	Moynihan, Ill.	Thompson, Ill.
Carter, Calif.	Hancock, N.Y.	Murdock	Tinkham
Cavicchia	Hart	Nesbit	Treadway
Christianson	Hill, Samuel B.	O'Brien	Truax
Collins, Calif.	Hollister	O'Malley	Underwood
Crowther	Holmes	Owen	Waldron
Culkin	Hope	Parker	Wallgren
Cummings	Jenkins, Ohio	Pierce	Walter
Darrow	Kelly, Ill.	Polk	Weideman
Dowell	Kennedy, N.Y.	Powers	Whitley
Doxey	Kinzer	Randolph	Whittington
Driver	Kloeb	Ransley	Wigglesworth
Duffey	Kniffin	Reece	Wolfenden
Eaton	Kurtz	Reed, N.Y.	Wolverton
Elizey, Miss.	Lambertson	Robinson	Wood, Ga.
Eltse, Calif.	Lamneck	Rogers, Mass.	Woodruff
Englebright	Lehlbach	Ruffin	Young
Evans	Lehr	Sabath	

ANSWERED "PRESENT"—2

Clarke, N.Y.	Ellenbogen

NOT VOTING—115

Abernethy	Corning	Huddleston	Plumley
Allgood	Deen	James	Reid, Ill.
Andrew, Mass.	DeRouen	Jeffers	Rich
Andrews, N.Y.	Dirksen	Johnson, Minn.	Robertson
Auf der Heide	Disney	Johnson, W.Va.	Rogers, N.H.
Bacharach	Ditter	Kelly, Pa.	Sadowski
Bacon	Dobbins	Kleberg	Scrugham
Bailey	Dockweiler	Knutson	Seger
Berlin	Douglass	Kramer	Shoemaker
Boehne	Doutrich	Kvale	Snell
Boland	Durgan, Ind.	Lanham	Somers, N.Y.
Boylan	Edmonds	Lanzetta	Stalker
Brennan	Fernandez	Lea, Calif.	Strong, Tex.
Britten	Flannagan	Lee, Mo.	Studley
Browning	Ford	Lesinski	Sullivan
Buckbee	Frey	Lindsay	Sumners, Tex.
Bulwinkle	Gambrill	Ludlow	Swank
Burch	Gifford	McClintic	Sweeney
Burke, Calif.	Goodwin	McKeown	Terrell, Tex.
Cannon, Wis.	Goss	Marland	Thomas
Carley, N.Y.	Griffin	Mead	Thurston
Cary	Guyer	Millard	Tobey
Chase	Haines	Musselwhite	Wadsworth
Church	Harter	Norton	Wearin
Clark, N.C.	Hartley	Parks	Weaver
Cochran, Pa.	Healey	Parsons	White
Collins, Miss.	Hess	Patman	Willford
Connolly	Hill, Knute	Peavey	Withrow
Cooper, Ohio	Hoeppel	Perkins	

So, two-thirds not having voted in favor thereof, the motion to suspend the rules and pass the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Corning with Mr. Snell.
Mr. Douglass with Mr. Gifford.
Mr. McKeown with Mr. Bacon.
Mr. McClintic with Mr. Cooper of Ohio.
Mr. Lindsay with Mr. Bacharach.
Mr. Bulwinkle with Mr. Ditter.
Mr. Clark of North Carolina with Mr. Hess.
Mr. Huddleston with Mr. Goss.
Mr. Healey with Mr. Millard.
Mr. Griffin with Mr. Wadsworth.
Mr. Flannagan with Mr. Rich.
Mr. Disney with Mr. Thomas.
Mr. Kleberg with Mr. Perkins.
Mr. Lanham with Mr. Withrow.
Mr. Mead with Mr. Edmonds.
Mr. Lea of California with Mr. Seger.
Mrs. Norton with Mr. Thurston.
Mr. Parks with Mr. Plumley.
Mr. Weaver with Mr. Goodwin.
Mr. Patman with Mr. Tobey.
Mr. Sumners of Texas with Mr. Stalker.
Mr. Ludlow with Mr. Doutrich.
Mr. Sullivan with Mr. James.
Mr. Harter with Mr. Buckbee.
Mr. Boehne with Mr. Andrew of Massachusetts.
Mr. White with Mr. Britten.
Mr. DeRouen with Mr. Connolly.
Mr. Johnson of West Virginia with Mr. Guyer.
Mr. Collins of Mississippi with Mr. Dirksen.
Mr. Gambrill with Mr. Kelly of Pennsylvania.
Mr. Browning with Mr. Chase.
Mr. Fernandez with Mr. Andrews of New York.
Mr. Boylan with Mr. Hartley.
Mr. Allgood with Mr. Cochran of Pennsylvania.
Mr. Rogers of New Hampshire with Mr. Peavey.
Mr. Somers of New York with Mr. Reid of Illinois.
Mr. Swank with Mr. Johnson of Minnesota.
Mr. Musselwhite with Mr. Kvale.
Mr. Sweeney with Mr. Shoemaker.
Mr. Strong of Texas with Mr. Marland.
Mr. Auf der Heide with Mr. Dobbins.
Mr. Robertson with Mr. Lesinski.
Mr. Scrugham with Mr. Durgan of Indiana.
Mr. Studley with Mr. Williford.
Mr. Knute Hill with Mr. Wearin.
Mr. Lanzetta with Mr. Hoeppel.
Mr. Lee of Missouri with Mr. Deen.
Mr. Church with Mr. Haines.
Mr. Burch with Mr. Cannon of Wisconsin.
Mr. Brennan with Mr. Cary.
Mr. Burke of California with Mr. Frey.
Mr. Dockweiler with Mr. Boland.
Mr. Carley of New York with Mr. Berlin.
Mr. Ford with Mr. Jeffers.
Mr. Bailey with Mr. Abernethy.

Mr. FLETCHER changed from "aye" to "no."

Mr. FULMER changed from "no" to "aye."

Mr. HILL of Alabama. Mr. Speaker, the gentleman from New Hampshire, Mr. ROGERS; the gentleman from Michigan, Mr. JAMES; the gentleman from Connecticut, Mr. Goss; the gentleman from Vermont, Mr. PLUMLEY, are members of a subcommittee of the Committee on Military Affairs conducting an investigation of the War Department purchases of property. They will be engaged there during all the afternoon.

The result of the vote was announced as above recorded.

The doors were opened.

A NEW ERA OF ART IN THE NEW DEAL

Mr. COLDEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. COLDEN. Mr. Speaker, and Members of the House, the closing days of the Seventy-third Congress are upon us. In these strenuous hours and months since March 9, 1933, we have devoted our time to the relief of unemployment, economic recovery, and numerous measures of reconstruction. We have cooperated with our splendid President to set the wheels of the new deal in motion. Some of our problems are but partially solved but we have made notable progress. It is not my purpose at this time to review the comprehensive achievements of this Congress following the leadership of our great President because others of a more mature experience have done this more ably than I can. But it is my wish to point out a phase of the new deal that is worthy of special mention. In bringing up the subject of the Public Works art project, I desire not to detract from the pressing problems which confront us but merely to encourage an important movement of the new deal which has been given birth and which I think is so commendable as to be worthy of recording for the years to come.

In discussing the Public Works art projects, I desire to call your attention to the fact that along with the necessities of life such as food, clothing, and shelter, beauty is one of man's inherent desires. That beauty in music, sculpture,

painting, writing, scenery, and in all its forms, has not only been a priceless gift in the life of every individual but that in some instances all we have left of a bygone civilization are but the footprints and fingermarks of the forgotten man and the work of its sculptors, its architects, or its poets. Only fragments of its glory gathered from its shattered and buried art remains. All else has been obliterated by time.

So I believe that one of the fine things that this administration has achieved is the help given to American art and American artists under the P.W.A. project. When the Government placed more than 3,000 artists on the pay roll and instructed them to produce works of art for the embellishment of public buildings, as it did during the past winter, the movement marked a new era in the history of the fine arts on the American continent. The maker of beautiful things was placed on an equal footing with the producer of industrial products. The artist was recognized as one of the factors that makes up the greatness of America.

Under the Public Works art project, of which Edward Bruce, a painter of distinction, is secretary, artists were employed at a small but living wage to produce the kind of work for which they were best fitted, and though it was described as a relief measure, it was not charity. When a collection of the productions of these artists was assembled in the Corcoran Art Gallery in Washington it was discovered that the Government had secured works of art worth many times the price paid. They were brought from all parts of the country, and I am happy to say that my own State and the Pacific coast produced artists of skill and inspiration second to none.

This unique program of the administration is helping a class of workers which was the first to feel the depression and will be the last to recover. Many of us, I am sure, wish to encourage this splendid program that has had such an auspicious beginning.

The pictures and sculpture produced under the Public Works art project are now adorning public buildings where formerly there were only bare walls, bringing a touch of beauty to relieve the eye and refresh the spirit. Many more works of art have been called for to embellish schools, libraries, hospitals, and other public buildings in every State of the Union. By this plan works of art are made available for the multitude which too often in the past have been monopolized by the privileged few.

Mr. Merle Armitage, regional director of this project at Los Angeles and who supervises the distribution of these works of art in Southern California, informs me that schools or other tax-supported institutions may receive works of art by applying for them. He further states the project has been such a great success that he does not see how the Government can give it up. That for an expenditure of less than $65,000 in Southern California, the Government has acquired nearly $500,000 worth of art, much of which is of a high class.

In continuing a program such as the Public Works art project, the Government is sponsoring the cultural as well as the industrial phases of our national life. During the World War, the services of artists in camouflage work was of great value as a measure of public safety and public-spirited American artists are continuously contributing volunteer posters and pictures for patriotic programs of our country. Artists have earned recognition.

It is no solution of the artist's problem to place him in other kinds of work. That merely adds to the overcrowding of other ranks of labor. It is a reasonable policy to employ the artists at producing the beautiful things for which they are fitted by talent and by training. It has been suggested that artists should be helped to find a market for their wares, just as help is given to other classes of commerce and trade. Just forget for a moment that an artist is an artist and think of him as one who takes raw materials and converts them into a commodity. The sculptor takes a piece of clay and produces a thing of beauty. The painter takes pigment and canvas and produces a lovely picture. If the clay were made into pots or if the canvas and paint were made into something utilitarian, the Department of Commerce would gladly help the producer find a market for his goods. It is equally reasonable for the Government to help rehabilitate the industry of taking raw materials and fashioning them into objects of beauty which redound to the welfare of all the people and add to the glory of America among the nations of the earth.

During the new era, with its shorter hours of labor, the problem of finding profitable use for leisure time is of paramount importance. There is no better way to employ leisure time than by the cultivation of the fine arts. As an avocation there is nothing superior to developing one's artistic talent. Now is the time for the American people to be encouraged in the pursuit of the arts. The handiwork of the artist is an individual expression that stands alone in this age of commercialism.

As a Californian, I was thrilled at the prominence given to the California artists in the exhibition held last month at the Corcoran Art Gallery, when the President and Mrs. Roosevelt selected paintings from my own State to be placed in the White House; and I was especially proud of the fact that the second in their choice of 32 art objects was a picture of San Pedro Harbor, which is a scenic spot close by my place of residence. Point Firmin and its sea-lashed rocks, which has tempted the skill of prominent artists, is also nearby.

At this point I wish to call attention to an appreciation of art that has been developed by numerous high schools of our country. One that is outstanding in my memory is in Gardena, Calif., in the congressional district I have the honor to represent. Gardena is a comfortable little city surrounded by vegetable, fruit, and dairy farms. Gardena takes special pride in its schools. For some years each graduating class of the high school makes a present of a painting to the school. The result is that the assembly room of the Gardena High School is adorned with a collection of pictures of which the entire community is rightfully proud. No visitor to this glorified assembly room can fail to feel the refinements and beauty of the environment. Those in charge of the recent art exhibits of the Public Works of Art Project of California have added numerous paintings to the California high-school collections. Thus art has taken deep root and exerts a delightful culture in many communities which by self-help have obtained these objects of refinement.

I might also add that at Avalon, Catalina Island (which is a work of art wrought by nature's hand), is a pottery plant that combines art with industry and converts the crude clay into many articles of beautiful design.

I have recently been interested in a movement now being fostered by Charlton L. Edholm, a painter of recognized ability and a friend of mine, who is promoting a series of small traveling art exhibits from Westchester County, N.Y. The idea is that traveling art exhibitions should be arranged, so that the people on the Atlantic coast should see the work of western artists and vice versa.

The ideas of this versatile gentleman, and those of hundreds of other individuals, can, if carried out, produce as great a cultural America as we have achieved an industrial and commercial America. For many years the people of Europe declared that America was great in all things, but lacking in art. This applies no longer. The new deal has sponsored a new era of art in America.

Because of the wide-spread interest in the Public Works art project, and those who are laboring for its success, and in behalf of many citizens of the United States, it is our desire to commend and encourage this cultural movement which has arisen out of the crisis in our economic life and its calamitous situations. It is to be hoped that the cultural side of America will be fostered and continued in the new deal, which promises the rehabilitation of the American home, assured employment, economic security, renewed hopes for the forgotten men and women, a more abundant life, and art for all.

TRIBUTE TO DR. REXFORD G. TUGWELL

Mr. FOULKES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FOULKES. Mr. Speaker, the appearance of Dr. Rexford G. Tugwell, now Assistant Secretary of Agriculture, before the Senate Agriculture Committee to be questioned prior to taking action on his nomination by President Roosevelt to be Under Secretary of Agriculture, makes it fitting that I refer briefly to this brilliant and widely discussed young official.

Since I am not a Member of the Senate I have nothing to do with the matter of his confirmation, which is entirely within the scope of the Senate's authority. I am confident, of course, that the Senate will cooperate with the President, recognizing the wisdom of his action, and confirm the nomination of Professor Tugwell. I regret, moreover, that certain of the conservative wing of the Senate have objected to Dr. Tugwell's advancement as provided by the President. I am hoping that their objections are finally withdrawn, although if such should not be the case I am sure that the counsels of the progressive element will prevail and that Dr. Tugwell's selection will be approved by a decisive majority.

It seems to me a most encouraging sign of the times when a clean, sincere, high-minded progressive like Professor Tugwell—a scientist, an educator, and moreover, an able executive—occupies such a post in the Government. One of the finest things done by President Roosevelt has been to stand firmly by Dr. Tugwell instead of being swayed by loud-mouthed critics and faultfinders.

Personally, I do not know just what Dr. Tugwell regards as the ultimate form that an ideal government must take, and I doubt if he is flatly committed to any cut-and-dried philosophy. Rather, he is a man of the scientific type who refuses to be obstinately tied down to old customs and institutions. He knows that governments must learn new facts, just as human beings must learn them, and he is not in sympathy with the attitude assumed by some people that they know everything and there is no other knowledge in the universe for them to acquire.

Dr. Tugwell is certain about one point, and all fair-minded citizens should recognize it—that no government can do its duty unless it takes prompt and vigorous measures to guarantee prosperity to its citizens. Talk about "rugged individualism" and letting every man take care of himself is tragic and absurd when millions are unable to get jobs and food. In such an emergency there must be swift and energetic action. Even if mistakes are sometimes made, it is preferable to do something rather than to sit idly and prate in superior tones about the danger of a dole and the moral deterioration caused when the Government attempts to assure its citizens of the material needs of every human being.

I am one of an increasing number believing that far more progressive steps than yet have been taken must be taken in order to give our people prosperity and economic security. I take it that Dr. Tugwell favors trying moderate changes but has the intellectual honesty, courage and idealism candidly to urge going further if the welfare of the American people requires it.

We should be thankful that we have such a man in high office. The Nation needs more Dr. Tugwells.

SMUGGLED MERCHANDISE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution (H.J.Res. 322) to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.

This bill was reported by the Committee on Ways and Means, and the distinguished gentleman from Massachusetts [Mr. TREADWAY], the ranking minority member of the committee, is agreeable to this action.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts [Mr. McCORMACK]?

There was no objection.

The Clerk read as follows:

Resolved, etc., That where under existing law any forfeiture condemnation or abandonment of watches, watch movements, or parts thereof for violation of the customs laws is declared by the collector of customs, or any forfeiture is decreed by any court, the Secretary of the Treasury is hereby authorized to place the same with the departments or bureaus of the Federal Government for experimental, scientific, or educational purposes, but not for sale or personal use; and in the event of such merchandise not being required or desired by the Federal Government, it shall be destroyed, unless the Secretary of the Treasury shall find and determine that the sale thereof would not bring the merchandise into competition with similar products manufactured in the United States: *Provided*, That if such merchandise contains any recoverable precious metal or precious stones, such precious metal and/or precious stones shall be sold at public auction, or such metal or precious stones reclaimed to the profit of the United States only, in the discretion of the Secretary of the Treasury: *And provided further*, That the payment of compensation to informers as now provided by law shall, in the case of any merchandise which is placed with the Federal Government or is destroyed, be paid in the same manner and under the same conditions as now provided by law, except that such compensation shall be calculated on the basis of 25 percent of the dutiable value of such or similar merchandise as found by the United States appraiser, but such compensation shall not exceed $50,000 in any case.

SEC. 2. In addition to the powers now conferred upon him by law, the Secretary of the Treasury is hereby authorized and empowered, on and after July 1, 1934, to require each watch movement, complete or incomplete, imported into the United States, and its immediate casing, container, wrapping, and package, to be marked with the name of the foreign manufacturer and his consecutive number, or the name of the importer together with the manufacturer's consecutive number and name or trade mark, in such manner as he may by regulation prescribe.

With the following committee amendments:

Page 1, line 5, strike out the words "for violation of" and insert the word "under";

Page 2, line 14, after the word "any", insert the word "such";

Page 2, line 21, strike out all of section 2.

Mr. TREADWAY. Mr. Speaker, this measure has the unanimous support of the Committee on Ways and Means. It is purely an administrative measure, to bring about better protection against the smuggling of watch parts. It is well recognized that anything as small as watch parts can very easily be smuggled into the country. It has been carried on to a very great extent, much to the detriment of the manufacturers of watches and watch parts in the United States.

The statistics on page 2 of the committee report show the quantities that have been brought in, and also the fact that there are frequent occasions where advertisements are published showing these parts for sale.

There was a suggestion that each individual part should be marked by the manufacturer. That was contained in section 2 and was so impractical, many of the parts being so small that they could not be marked so as to be identified, that the committee saw fit to strike out section 2 of the bill.

I will say further, and in closing, that the manufacturers of watches in this country are entirely favorable to and are asking for this legislation. There has been such a tremendous amount of importation of watches and watch parts that the watch manufacturers of this country, where the best watches are made, are finding it more difficult to keep out of the red. Therefore, they are asking for this further effort to care for their interest.

I trust there will be no opposition to the prompt passage of the measure by the House.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. VINSON of Kentucky. Has the gentleman treated the situation that exists with reference to watches and watch parts which come into this country upon which the duty is not paid and are abandoned? The subcommittee was told that it amounted to a racket; that watches and watch parts would be shipped into this country and abandoned, the duty not paid, and then the consignment was sold at auction for much less than the amount of the duty.

Mr. TREADWAY. The gentleman from Kentucky is correct; and it is a racket. These watch parts and movements are brought in, possibly the jewels taken out of the watches

and the consignment admitted at a very much less rate of duty than they would be if the jewels were in place. It has been a continuous process for many years. When the last tax bill was under consideration this same subject was brought up before the Committee on Ways and Means and we had very extended hearings in an effort to protect the watch manufacturers of this country from the type of thing this bill seeks to correct.

Mr. VINSON of Kentucky. If the gentleman will yield further, Mr. Speaker, it was testified before our subcommittee that a consignment of watches and watch parts upon which the duty amounted to $240,000 was sold at auction for $95,000. In other words, they brought $145,000 less than the duty; and some of the watches and watch parts were purchased by the shippers of the goods.

Mr. TREADWAY. That fact appears in the committee report, which the gentlemen have helped prepare.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RETURN OF A SPEAKER'S MACE TO THE DOMINION OF CANADA

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 336, to authorize the return of a Speaker's mace to the Dominion of Canada.

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, will the gentleman explain the bill?

Mr. McREYNOLDS. Mr. Speaker, I do not know of any better explanation than that given in a communication from the President submitted just recently. I will read it:

During the War of 1812 the mace of the Parliament of Upper Canada, or Ontario, was taken by United States forces at the time of the Battle of York, April 27, 1813. That mace, which had been the symbol of legislative authority at York (now Toronto) since 1792, has been preserved in the United States Naval Academy at Annapolis.

On July 4, 1934, there is to be unveiled in Toronto a memorial tablet erected by the United States Daughters of 1812 to the memory of General Pike and others of the United States forces who were killed in action. The mayor and council of Toronto are providing the site for the memorial.

The suggestion has been made that it would be a gracious act for the United States to return this historic mace to Canada at the time of the unveiling of the tablet.

The mace is a token of representative government, established at York nearly a century and a half ago. It symbolizes the orderly rule of such government in Canada, continuing from that day to this.

Since the agreement of 1817 the two countries have by common accord maintained no hostile armaments on either side of their boundary; and every passing year cements the peace and friendship between the peoples of Canada and the United States.

I heartily recommend to the favorable consideration of the Congress the enactment of a joint resolution authorizing the return of the mace to the Canadian Government.

Mr. BLANTON. Does not the gentleman from Tennessee think that all these little historic trinkets ought to be kept as mementoes of the occasions?

Mr. McREYNOLDS. The gentleman can object to the bill, if he so desires.

Mr. BLANTON. I shall not object.

Mr. CELLER. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. CELLER. I am in favor of the resolution; and I think most of the Members are in favor of it; but has the gentleman any recollection of England ever uttering any word of expiation for setting flames to this Capitol in the War of 1812?

Mr. McREYNOLDS. I have not.

Mr. DONDERO. Mr. Speaker, will the gentleman yield?

Mr. McREYNOLDS. I yield.

Mr. DONDERO. Is it not true that for more than 100 years the two nations, Canada and the United States, have maintained friendly relations over a boundary line more than 3,000 miles in extent without a gun, without a fort, or without a suspicion?

Mr. McREYNOLDS. The gentleman is correct.

Mr. DONDERO. And the return of this mace will be an act which will continue the friendly relations between the two Governments?

Mr. McREYNOLDS. The gentleman is stating exactly what I have read from the President's message.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. McREYNOLDS. Mr. Speaker, I ask unanimous consent to substitute Senate Joint Resolution 221 for the House joint resolution.

There being no objection, the Clerk read the Senate joint resolution, as follows:

Authorizing the President to return the mace of the Parliament of upper Canada to the Canadian Government

Whereas the mace of the Parliament of upper Canada, or Ontario, has been the symbol of legislative authority at York (now Toronto) since 1792; and

Whereas the mace then in use was taken at the Battle of York, April 27, 1813, by the United States forces and since has been preserved in the United States Naval Academy at Annapolis; and

Whereas on July 4, 1934, there is to be unveiled in Toronto a memorial tablet erected by the United States Daughters of 1812 to the memory of General Pike and others of the United States forces who were killed in action: Now, therefore, be it

Resolved, etc., That the President be, and he is hereby, authorized to return said mace to the Canadian Government in token of the mutual friendship and good will existing between the people of the United States and those of Canada.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House joint resolution was laid on the table.

UNITED STATES CONSTITUTION SESQUICENTENNIAL COMMISSION

Mr. BANKHEAD. Mr. Speaker, by direction of the Committee on Rules I call up House Joint Resolution No. 265, providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, etc., That there is hereby established a commission, to be known as the "United States Constitution Sesquicentennial Commission" (hereinafter referred to as the "Commission") for the celebration of the one hundred and fiftieth anniversary of the formation of the Constitution, and to be composed of 18 commissioners, as follows: The President of the United States; the President of the Senate and the Speaker of the House of Representatives, ex officio; 5 persons to be appointed by the President of the United States; 5 Senators to be appointed by the President of the Senate; and 5 Representatives by the Speaker of the House of Representatives.

SEC. 2. The commissioners shall receive no compensation for their services but shall be paid their actual and necessary traveling, hotel, and other expenses incurred in the discharge of their duties out of the amount appropriated.

SEC. 3. The Commission shall select a chairman and appoint a director, who shall appoint, with the approval of the Commission, such assistants and subordinates as he deems necessary.

SEC. 4. That it shall be the duty of the commissioners, after promulgating to the American people an address relative to the reason of its creation and of its purpose, to prepare a plan or plans and a program for the adequate celebration of the sesquicentennial anniversary, and to give due and proper consideration to any plan or plans which may be submitted to them; and to take such steps as may be necessary in the coordination and correlation of plans prepared by State commissions, or by bodies created under appointment by the Governors of the respective States, and by representative civic bodies.

SEC. 5. That the Commission shall, on or before the 4th day of February 1935, make a report to the Congress, in order that enabling legislation may be enacted.

SEC. 6. That the Commission hereby created shall expire December 31, 1939.

SEC. 7. That there is hereby authorized to be appropriated the sum of $20,000 to be expended by the Commission for the purposes of carrying out the provisions of this resolution.

SEC. 8. That the Commission may receive from any source contributions to aid in carrying out the general purpose of this resolution, but the same shall be expended and accounted for in the same manner as any appropriation which may be made under authority of this act.

With the following committee amendments:

On page 3, strike out all of lines 6 to 9, inclusive.

On page 3, line 10, strike out the figure "8" and insert in lieu thereof the figure "7."

Mr. BLANTON. Mr. Speaker, I reserve a point of order on the resolution.

Mr. BANKHEAD. Will the gentleman from Pennsylvania [Mr. RANSLEY] yield some of his time?

Mr. RANSLEY. Will the gentleman explain the bill, or shall we go on?

Mr. BANKHEAD. I would prefer that the gentleman yield to the gentleman from Pennsylvania [Mr. BECK] to explain the purpose of the legislation.

Mr. RANSLEY. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. BECK] such time as he may desire.

Mr. BECK. Mr. Speaker, this is a bill in which I have been interested from the time that I first became a Member of Congress. When I entered the Congress 7 years ago I introduced a resolution substantially the same as that now before the House for its consideration. I introduced it in each successive Congress, but the time of the proposed celebration was then so far distant that it seemed inopportune to bring it up at that time; therefore, I have waited until the present Congress, when, in association with the gentleman from New York [Mr. BLOOM], we introduced the same resolution, but naturally under a different number because of the rule of this House that there cannot be two sponsors for any one resolution.

It seems to me unnecessary to dwell upon the value of having 3 years from now an appropriate celebration of the one hundred and fiftieth anniversary of that great day in American history when the Constitutional Convention completed its task and submitted the Constitution to the people of the United States. Apart from any other consideration these commemorations are of great educational value.

I remember the first of these historic celebrations because as a boy I witnessed the Centennial Exposition in Philadelphia in 1876, and I think it may be doubted whether any exposition gave a greater emphasis to the cultural growth of America as that modest exposition of 1876. It gave a new impetus to the patriotic spirit and the cultural growth of the American people. I participated in the one hundredth anniversary of the formulation of the Constitution in 1887, when Philadelphia was for nearly a week the host of the Nation. President Cleveland and his charming wife, the entire Supreme Court, the representatives of the diplomatic body, and the greater part of the American Congress met in Independence Square on September 17, 1887, to celebrate an event which next to the Declaration of Independence is probably the most important in our annals. The Declaration was an eloquent statement of the great objectives of a free government. The Constitution made them a reality. Therefore, for us to pass by unnoticed the one hundred and fiftieth anniversary would be a great mistake.

It is a debt we owe to the dead as a mere matter of gratitude. It is a duty we owe to the living and, above all, it is a greater duty that we owe to the unborn. We must transmit the heritage of constitutional liberty to those who are to follow us. To do so we must keep alive in the very soul of the American people the basic principles of the Constitution. They are not of a day, but for all time.

This bill does not propose, please observe, any definite plan or commit the Congress to any method of such celebration. It simply proposes that representatives appointed in the manner prescribed by the bill shall between now and February 1935 report to the Congress for its acceptance or for its rejection a plan for the adequate celebration of this important calendar day in our history. If the Congress, when their commission, if appointed, makes its report, is dissatisfied either with the character or the scope of the proposed celebration, the Congress may reject it.

Mr. BLANTON. Will the gentleman yield?

Mr. BECK. I yield to the gentleman from Texas.

Mr. BLANTON. I am just as much in favor of commemorating such events as the gentleman from Pennsylvania; and, incidentally I may say that I hope some day soon, before we adjourn, the gentleman from Pennsylvania will get the permission of this House to incorporate all of his most excellent speeches on the subject of the Constitution of the United States into a House document, because he has delivered some of the ablest speeches I have ever heard on that subject, and such a document would be most valuable.

But when we have 3 years' time to make preparation for this celebration, we can just as well put this off to a succeeding Congress.

We are thinking at this time about men without jobs and women and little children starving to death. We are thinking about rehabilitating our country. Why not keep these not so important matters, that are not urgent, out of the Congress, and these resolutions can be taken up later, in the next session.

Mr. BECK. I appreciate the gentleman's gracious and generous reference to myself. Neither a man nor a nation can live by bread alone. There are things of the spirit as well as for the body, and it is an important thing that this country should consider a plan now for such a celebration. When the Commission's report is adopted or modified in the next Congress, only 2 years will remain for the necessary preparation for an adequate and Nation-wide celebration.

The time to appoint a planning commission is not too far distant. What ought to be planned is a Nation-wide celebration. It may be very simple. It may be restricted to a joint celebration in Washington or to some kind of a celebration amounting to a day or 2 days in Philadelphia, the city of the Constitution; but in every city, in every hamlet, and at every crossroad, when the time comes to commemorate the completion of 150 years of history, there ought to be a recognition by the American people of what is, after all, their greatest heritage and their greatest achievement in statecraft. Such it is by the common verdict of the world.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for one other question?

Mr. BECK. Very well.

Mr. BLANTON. This bill carries, although stricken out by the Rules Committee, a provision for $20,000——

Mr. BECK. No; it carries nothing.

Mr. BLANTON. The bill as it went to the Rules Committee carried $20,000, and the committee struck it out because it did not have any jurisdiction.

Mr. BECK. It is stricken from the bill.

Mr. BLANTON. But it is still in the bill legislatively, though stricken with lines drawn through it, and it would go to the Senate, where the appropriation could be restored and the amount increased. The gentleman knows that $20,000 will not be a drop in the bucket, but eventually there will be $100,000 or $200,000 appropriated before we get through with this proposition.

Mr. BECK. Very well.

Mr. BLANTON. Why start this great expense now—why not wait?

Mr. BECK. Very well; the House can decide the amount of the appropriation.

Mr. BLANTON. It is not going to reach that point, because I am going to make a point of order against the bill and kill it just as soon as the gentleman from Pennsylvania gets through, and I think that will stop it, because the bill is subject to a point of order.

Mr. BECK. Our colleague from New York [Mr. BLOOM] and I, who have collaborated in the submission of the resolution to the Congress, have no such ambitious plan as contemplates any large expenditure of money; in fact, the resolution contains a provision allowing for the receipt of gifts, and it does not follow that the entire expense may not be assumed by private means.

However, I was about to say, when my friend from Texas asked me to yield, we are going through a series of profound constitutional changes. Some of them are good and some may not be so good; but, be that as it may, when we come out of this depression we will feel like the mariner to whom Daniel Webster referred in the beginning of his great speech against Hayne—we will feel the necessity, when the clouds of this depression have passed, to take a new reckoning and to see how far the elements have driven us from the true course charted by the Constitution—and at that time, when all the pressure of the depression is over, a celebration of this character, in which the American people will calmly consider what their Constitution was and how far it is

necessary to adapt it to the changing conditions of the twentieth century, would be, in my judgment, of immeasurable value.

I have said so much, and I want to say just one personal word before I sit down, and if my time is up I hope I shall be given a few minutes extra time.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 more minutes.

Mr. BECK. I want to say something of a very personal character.

When the debates were on with respect to additional appropriations for the George Washington Bicentennial Commission, I confess on the spur of the moment I said some things that were unfair and invidious, not intentionally unfair. I was losing sight of what was really a very notable celebration and a great public service, in critizing certain unimportant details. I missed the beauty of the forest in too meticulously examining some trees. Later when I came to write an additional chapter to a book that I had written, called "Our Wonderland of Bureaucracy", in an unfortunate moment, when I may not have been in a good humor, I did make some caustic observations in respect to certain minor details of the Washington Bicentennial. I paid full credit to the untiring zeal of the executive directors, but I criticized some details. This narrow criticism would have justified my generous colleague, Mr. BLOOM, in answering me in the same vein, because my references were partial, superficial, and misleading. However, he did not do it. His friendship stood the test, and he simply invited me to come up and see what the Bicentennial Commission had done in revivifying the knowledge of the American people in the immortal founder of the Republic, and I then, for the first time, became better acquainted with the scope, character, dignity, and the immeasurable value of that celebration, and I know we will all agree that its wonderful success is due, in very large measure, to the intelligent direction of it by the gentleman from New York [Mr. BLOOM]. [Applause.]

All this made me ashamed of what I had said, in good faith, but nevertheless upon insufficient information and possibly with a desire to be clever and witty. [Laughter.] While it was many months ago that my colleague from New York called attention to my unfair estimate that I had given of his long and uncompensated labor, I made up my mind then that the first time I could address the House when the subject was opportune I was going to publicly express my regret to the gentleman from New York for having superficially judged one of the most valuable educational works that this Congress ever entered upon and one that had a direction of such extraordinary energy and ability and such self-sacrificing devotion as that of the gentleman from New York.

Mr. O'CONNOR. Mr. Speaker, will the gentleman yield there?

Mr. BECK. Yes.

Mr. O'CONNOR. Does the gentleman know that the conduct of the George Washington Bicentennial Celebration yielded the Government a profit of $1,000,000?

Mr. BECK. I did not know it. I knew it yielded a substantial profit, but it is enough to say that if it had cost the American people $1,000,000 it would have been money well spent in reviving in the minds of a people, who characteristically live in the day, who are forgetful of yesterday and oblivious of tomorrow, to make them think of the noblest character that ever lived in the tide of time. [Applause.]

Having thus said "peccavi"—I have sinned—in the words of Hamlet to Laertes, I simply want to say to my good friend from New York:

> Let my disclaiming from a purpos'd evil
> Free me so far in your most generous thoughts,
> That I have shot mine arrow o'er the house,
> And hurt my brother.

[Applause.]

Mr. BLANTON. Mr. Speaker, approving of everything the distinguished gentleman from Pennsylvania [Mr. BECK] has said, I make the point of order against the bill that the Committee on Rules is without authority to report to the House such a bill. Eventually it would cause the Congress to appropriate several hundred thousand dollars, and we have the next 3 years to think about this celebration; hence, in this time of stress and depression, when men, women, and little children are suffering for food, I think it would be unwise for us to pass such legislation at this time.

Mr. BANKHEAD. Mr. Speaker, if the gentleman from Texas insists on his point of order, candidly, I am not in a position to oppose it. But I should like to make a brief statement. It was the recollection of the Chairman of the Committee on Rules that when the resolution was reported out, it provided that points of order against the resolution would be waived. I find that that was not so. We had a great many rules coming out of the committee day after day, and unfortunately that was not included in this resolution. I guess I am responsible for it and accept the blame for that detail being omitted.

There is no opposition to the resolution, but if the gentleman from Texas insists, it will require only bringing in another rule waiving all points of order. The committee did provide for the striking out of the section of the resolution that carries the expense. If the gentleman from Texas insists on the point of order, I cannot successfully resist it.

Mr. BLANTON. Mr. Speaker, I am under oath to perform my duty as my conscience dictates. I am trying to save the Treasury of the United States this money, for eventually this bill would cause several hundred thousand dollars to be appropriated, and I make the point of order against the bill.

The SPEAKER pro tempore (Mr. COX). The language in section 7 of the bill carries an authorization for an appropriation and destroys the privilege of the resolution. The point of order is sustained.

AMEND THE INLAND WATERWAYS CORPORATION ACT

Mr. BANKHEAD. Mr. Speaker, I call up the House Resolution 383.

The Clerk read the resolution as follows:

House Resolution 383

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 2347, an act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. MARTIN of Massachusetts. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. MARTIN of Massachusetts. Does this relate to the bill introduced by the gentleman from Idaho [Mr. WHITE]?

Mr. BANKHEAD. Yes.

Mr. MARTIN of Massachusetts. We will help the gentleman out in the matter of time. We will not use any time on the rule on this side.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to consider the bill in the House as in Committee of the Whole.

The SPEAKER pro tempore. Is there objection?

Mr. TABER. I think we ought to have an explanation of the bill.

Mr. BANKHEAD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union, for the consideration of the bill (S. 2347),

to amend the Inland Waterways Corporation Act, approved June 3, 1934, as amended.

The motion was agreed to; accordingly, the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. O'CONNOR in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That subdivision (e) of section 3 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes", approved June 3, 1924, as amended, is amended by striking out after the word "Warrior" the words "River or the Mississippi River", and inserting in lieu thereof a comma and the words "Mississippi, Columbia, or Snake Rivers,".

The CHAIRMAN. The gentleman from Oregon [Mr. MARTIN] is recognized for 15 minutes, and, without objection, the gentleman from New York [Mr. TABER] will be recognized in opposition.

There was no objection.

Mr. MARTIN of Oregon. Mr. Chairman, this is a Senate bill introduced by Senator BORAH, of Idaho, and passed by the Senate on the 23d of January 1934. It gives to the Columbia and Snake Rivers the same privileges of the Inland Waterways Act as apply to the Mississippi and Warrior Rivers. Indeed, we claim the same consideration, we think with modesty, that has been given the Mississippi and Warrior Rivers. All there is in the bill is to incorporate language in the Inland Waterways Act so that it will read "Mississippi, Columbia, or Snake Rivers." As it is today, under the Transportation Act, before we can get water rates in our section of the country we have to petition the Interstate Commerce Commission, but under the Inland Waterways Act, by a certificate of public utility and necessity, we can get immediate action.

Mr. ZIONCHECK. Why does the gentleman want a certificate of convenience and necessity, when we want competition?

Mr. MARTIN of Oregon. We have competition. This does not stifle competition at all. The rivers are open now to anybody who wants to use them.

Mr. ZIONCHECK. But when you require a certificate of convenience and necessity, then somebody, in order to put another barge or a boat on, will have to go before the Commission and prove that there is a public need.

Mr. MARTIN of Oregon. It does not stifle competition.

Mr. ZIONCHECK. But the gentleman is making a blind statement.

Mr. MARTIN of Oregon. I have only a few minutes here.

Mr. ZIONCHECK. But the gentleman should make an accurate statement.

Mr. MARTIN of Oregon. I decline to yield further, Mr. Chairman.

This measure would give to the farmers and producers of the Columbia and Snake Rivers districts the same privileges and benefits that are granted to the farmers and producers in the region served by the Mississippi and Warrior Rivers transportation lines. It undertakes nothing new. No new principles are involved. It means that if this provision benefits the people of the Mississippi and Warrior Basins, the same benefit should be extended to the people of the Columbia and the Snake. There is no purpose herein or as an aftermath hereto of setting up a Government-owned transportation system on the Columbia and the Snake.

There is no disposition here to stifle or repress competition but rather to make the water lines more effective in reaching the available crop.

There will be no difference in the matter of granting certificates of convenience and necessity. Legitimate needs will be covered in the Columbia-Snake Basin where transportation service for producers is offered the same as happens today in the Mississippi and Warrior Rivers service.

For instance, we have to pay 14 cents a bushel freight from Pendleton to Portland, a distance of only 200 miles—about the same rate that they have to pay from Minneapolis to New Orleans.

There is no local interest in the bill here.

Mr. ZIONCHECK. Except Portland.

Mr. MARTIN of Oregon. No; no local interests are involved. This is to help all those farmers and producers in the interior of Washington, Idaho, and Oregon.

Mr. ZIONCHECK. Are the railroad men in favor of this bill?

Mr. MARTIN of Oregon. I do not know. I decline to yield further.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Oregon. Yes.

Mr. CULKIN. The bill is intended to give relief from oppressive railroad rates?

Mr. MARTIN of Oregon. That is correct.

Mr. CULKIN. And they are more particularly oppressive in that section of the country than in any other part of the United States?

Mr. MARTIN of Oregon. That is correct. In the Mississippi and Warrior Rivers there is competitive service on the water. We would have competitive service on the Columbia and Snake under the provisions of this minor amendment, the same as they do in the Mississippi Valley.

Navigation is now possible on the Columbia and the Snake a portion of the year a distance of about 450 miles. Of this total distance, about 150 miles is on the Snake, 200 miles on the Columbia down to the Willamette River at Vancouver, and 100 miles on the Columbia from Vancouver to the sea.

The 150-mile reach on the Snake cannot be navigated the year around, but we are working on the engineers to make this service continuous. We are making important improvements on the Columbia to make the navigation there much better. We are starting up boat and barge service that will help the producers. We need the power to make the railroads grant through or connecting rates in conjunction with these water lines. That is all we seek. That is all this bill proposes.

Approximately 12,000,000 tons of commodities are shipped out of the entire region tributary to the navigable portions of the Columbia and Snake Rivers. We figure that at least 2,000,000, maybe two and one-half million tons, may be moved on this waterway when we get conditions further improved, establish proper facilities, and get connections with the rail and truck carriers as you have the same in the Mississippi territory.

Our wheat farmers in the inland empire penetrated by the Columbia and the Snake seek a foreign or water-borne market for at least 75 percent of their total production. This means that from forty to sixty million bushels grown by our people must be brought to tidewater. We have some of the highest rates for hauling this wheat, grown by at least 6,000 farmers, to be found on the American Continent. Using these waterways is the only power we can get to force these rates down. This bill will help in our tremendous struggle to save our farmers, our interior lumber mills, and others from a pitiful struggle for existence.

I believe that this House should give us the benefit of this minor amendment to existing laws. It is intended to help the whole people and not any special interests. It is in keeping with every principle of the new deal and the new order of things wherein we are struggling to save the people.

I repeat, all this bill does is to extend to the Columbia and Snake Rivers the present privileges given to the Mississippi and Warrior Rivers as regards transportation facilities.

Mr. ZIONCHECK. How much would it cost to dredge the Snake River?

Mr. MARTIN of Oregon. It will cost to improve the Columbia River from Celilo to the Snake River, a 7-foot channel, $400,000.

Mr. ZIONCHECK. And when you come to the Snake River, how much will it cost to dredge it?

Mr. MARTIN of Oregon. They can operate boats now. It will cost $2,000,000, but we are not asking for that.

Mr. ZIONCHECK. But as soon as you get this through, you will come and ask for the $2,000,000. This is just laying the foundation for that expenditure.

Mr. MARTIN of Oregon. This is laying a foundation to reduce freight rates for farmers and lumber producers in the interior of the country.

Mr. ZIONCHECK. The times of the year they want to ship, the water is low.

Mr. MARTIN of Oregon. If by reducing these rates the producers use these rivers and their products go to river ports, it may militate against the gentleman's city. I hope so.

Mr. ZIONCHECK. Outside of the city interests, I am speaking of the expenditure of Federal money. It will involve the expenditure of five or six million dollars.

Mr. MARTIN of Oregon. Not at all. It will involve nothing.

Mr. ZIONCHECK. The gentleman just admitted that it will cost $2,000,000 to dredge the Snake River. He is just laying the foundation for the $2,000,000.

Mr. MARTIN of Oregon. We are laying the foundation for nothing but the public good. I reserve the remainder of my time.

Mr. TABER. I yield 3 minutes to the gentleman from Wisconsin [Mr. O'MALLEY].

Mr. O'MALLEY. Mr. Chairman, when this bill originally came up in the House on the Consent Calendar I opposed it. I do not have any interest in the part of the State from which the gentleman from Oregon, General MARTIN, comes, but I do know what the Inland Waterways Corporation has done in my section of the country. They operate on the Mississippi River. They started there some years ago, with the taxpayers' money, and they gave competition to the railroad companies in our section all up and down the Mississippi River. They took on cargoes at loss rates, and they shipped them down the river with the aid of underpaid barge labor, putting hundreds of railroad men out of work. The only argument for this bill seems to be that the freight rates now on carrying wheat to the Pacific seaboard are too high, and that if Government money will give competition to the railroads in that section the freight rates may be brought down. I cannot understand why the farmers of that section and the shippers have not appealed to the Interstate Commerce Commission to bring their rates down to where they think they are fair rates; but I do not see why the Inland Waterways Corporation should get a certificate of convenience and necessity to lower freight rates. This would mean, in effect, a monopoly, because if any other waterway organization desires to compete, they will then have to likewise get a certificate of convenience, and you and I know they will not get it. They propose on these two rivers to allow the Inland Waterways Corporation to operate boats in competition with railroads and other forms of transportation, both land and water, financed by taxpayers' money. This Inland Waterways Corporation competes with private business that we are asked to subsidize to keep going by R.F.C. loans. We either should stop giving the railroads Government competition or stop loaning them money to keep them going after competition we create puts them on the rocks.

Mr. MARTIN of Oregon. That is not the purpose at all.

Mr. O'MALLEY. A certificate of convenience is a monopoly, because nobody else can get a certificate once a monopoly is entrenched. Why do we have to come here with a bill to give a corporation that has already cost the American people millions, that has been a downright failure, that has thrown hundreds of men out of work, a monopoly on the Snake and Columbia Rivers?

Mr. ZIONCHECK. Will the gentleman yield?

Mr. O'MALLEY. I yield.

Mr. ZIONCHECK. And did not the gentleman from Idaho state recently that they were actually operating on this river now; that they were actually hauling wheat?

Mr. O'MALLEY. I cannot say. The gentleman from Idaho did say that boats were hauling wheat on the river now; that is, on the lower river.

Mr. ZIONCHECK. Two hundred and fifty miles, up around Lewiston, Idaho.

Mr. O'MALLEY. The Inland Waterways Corporation in our section has thrown out of employment skilled, decently salaried men, caused a part of our unemployment problem, with taxpayers' money, and they have not done anything for our section of the country except to drain the Great Lakes, which was the original excuse for authorizing the Corporation, not to help the farmer but to help the power companies get Lake Michigan water for their turbines.

I think this bill ought to be defeated.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. TRUAX].

Mr. TRUAX. Mr. Chairman, this bill has been stopped three times in this House, twice on the Consent Calendar, as I recall it. Why? Because it has no merit whatsoever. It is simply another attempt to give some of the plutocratic corporations a monopoly, an opportunity to farm the farmers of the Northwest. That is what has been going on in this country. This is simply another indication of what we are doing in this House in the closing days of the session, fiddling while the farmers' houses are burning. I will tell you what the farmers of this country want, and they want it now, before this Congress adjourns. They want the enactment of the Frazier bill or a similar bill. They want a moratorium. They want to stop the running of the moneylenders' strangling cord for another year. I am prepared to prove there are 3,000 mortgage foreclosures on American farms every day, yet we sit here and debate a bill to give special privilege to a monopoly under the guise that it is going to help the farmers of the Northwest. The only thing that will help the farmers is higher prices. The only measure that will help my farmers is higher prices, and the suspension of foreclosures, the suspension of confiscation of their farms. We have not done a single thing to stop the money lenders' greed. We have not done a single thing to stop the money lenders' legalized burglary, and taking over of these splendid American farms from the real knights of nature's nobility in this country, the men who have gone down close to the soil, who have produced the food that you eat and the clothes that you wear. We sit here and devote this valuable time to the passing of such a bill when we refuse to do anything to stop the bloody plundering of the money lenders.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. TRUAX. No.

Mr. MARTIN of Oregon. The gentleman does not know what he is talking about.

Mr. TRUAX. I would rather have that from better authority than the candidate for Governor of the State of Oregon, whom I want elected in his State.

Mr. MARTIN of Oregon. The gentleman does not understand a word of this bill.

Mr. TRUAX. I understand what the gentleman is trying to do.

Mr. MARTIN of Oregon. The gentleman has not the slightest conception of it.

Mr. TRUAX. The gentleman is not fooling me on that.

Mr. MARTIN of Oregon. The gentleman has never read it, and he does not know anything about it.

Mr. TRUAX. I know as much about it as the gentleman does about the economy bill.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. TABER. I wish to ask the gentleman from Oregon [Mr. MARTIN] two or three questions about this bill. Is not the effect of this bill simply this: It permits any carrier by water, on the Snake or Columbia Rivers, to apply to the Interstate Commerce Commission for a certificate of convenience and necessity?

Mr. MARTIN of Oregon. They cannot do that now. There are no joint rates. This simply gives joint water-and-rail rates. It gives the shippers the benefit of the rail-and-water rates, which they can get now only through a very circuitous arrangement.

Mr. TABER. It would not be impossible for shippers to take the initiative under this bill and ask for the Interstate Commerce Commission to have control over these rates?

Mr. MARTIN of Oregon. They could do it but it would be a complicated matter.

Mr. TABER. It would be impossible for them to do so under this bill, would it not?





Mr. MARTIN of Oregon. No; this simplifies it.

Mr. TABER. It simply permits those who are engaged in the business of conducting a common-carrier service on these rivers to make applications. Shippers are not taken care of.

Mr. MARTIN of Oregon. Shippers are taken care of by these reduced rates; that is the whole object of the bill.

Mr. TABER. But they cannot initiate anything.

Mr. MARTIN of Oregon. It is to give the farmers more money for their wheat and the lumber mills more money for their lumber by giving them reduced freight rates.

Mr. ZIONCHECK. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Oregon. I yield.

Mr. ZIONCHECK. In what way? Will the gentleman name one way in which they will benefit?

Mr. MARTIN of Oregon. Under the present Transportation Act they have to appeal to the Interstate Commerce Commission. Under the pending bill they appeal directly to the Inland Waterways Corporation.

Mr. ZIONCHECK. For a certificate of public convenience and necessity; and once a common carrier on the river is granted such a certificate, it has a virtual monopoly, for no other line can operate on the river without a certificate of public convenience and necessity.

Mr. MARTIN of Oregon. Others can get certificates, too.

Mr. ZIONCHECK. Not unless they make a positive showing that the present holder of the certificate is unable to transport all the goods and wheat offered to it at all times of the year.

Mr. MARTIN of Oregon. As a matter of fact, they are using boats on the lower reaches of the river; wheat is being shipped out by water. We want to extend this service farther up the river.

Mr. ZIONCHECK. Extend it into Idaho.

Mr. MARTIN of Oregon. We want to extend it many miles farther up the Colorado and Snake so wheat can be shipped down to Portland.

Mr. ZIONCHECK. Because they will get cheaper rates; is that the idea?

Mr. MARTIN of Oregon. This is a bill to aid the farmers in eastern Oregon and eastern Washington. Those farmers are crying out for this relief.

Mr. ZIONCHECK. The Government is now subsidizing the railroads. This will be a detriment to the railroads. We will be faced with the anomalous situation of the Government pouring millions of dollars into the railroads to keep them going, while at the same time the Government is spending other millions of dollars to improve navigation on the rivers to provide competition to the railroads.

Mr. MARTIN of Oregon. We want to take advantage of what God gave us—the Columbia River and the Snake River—and give the farmers the benefit of the reduced rates.

Mr. TABER. Mr. Chairman, it seems to me that this is the situation: There are at the present time boats operating on these rivers, carrying grain and other farm products. The only ones who are in a position to apply for Interstate Commerce Commission regulation of these boats on the rivers, if this bill is passed, would be those common carriers engaged in carrying merchandise and freight. The shipper would have no right to initiate that sort of thing.

Frankly, I cannot see where this fits into the situation. I would be glad to have the proponents of the bill tell the House where it does. I cannot see it.

Mr. Chairman, I reserve the balance of my time.

Mr. MARTIN of Oregon. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, I think I can make this proposition clear in a few minutes. This is a bill of Mr. White, one of the two Members from Idaho, Mr. White and Mr. Coffin. They are on the road to Idaho now, one never to return, and we are trying our best to pass this bill for them.

The only object in the bill is to afford an opportunity to make joint rates with trucks and barges on the Snake and Columbia Rivers so that the trucks may bring the wheat and freight to the river on a through joint water and truck rate.

No part of the United States has ever paid the high freight rates that this Snake and Columbia Rivers country is now paying. Freight rates in the inland empire have often been higher than the value of the wheat to the farmer. From my farm, 300 miles from tidewater, we are paying a freight rate today of almost 15 cents a bushel. Back in the days when we were shipping so much American wheat abroad we paid only 9 cents. The present rate is almost double that rate.

Now, we are trying to use the river. Boats operate from The Dalles to Portland, 100 miles, and we are just opening another link to Umatilla, which adds another 120 miles of navigation up the Columbia. The $400,000 that has been allotted by the Committee on Rivers and Harbors would blow out rocks and make the river navigable with a 7-foot channel to Lewiston, nearly 400 miles from tidewater. This bill will make it possible for the barge men on the river to make contracts with their truckmen to bring in wheat and freight from the country back from the river so that it could be shipped to tidewater on a through rate. The object is to bring freight rates down. No portion of the United States has ever paid the terrific high freight rates that that interior country has paid for 50 years. We want to force the freight rates down.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. PIERCE. I yield.

Mr. O'MALLEY. Admitting that the freight rates may be high and that the Interstate Commerce Commission has not given rates that are proper, if the railroads are put out of business they will come to Congress asking money to help them out.

Mr. PIERCE. That is another matter.

Mr. O'MALLEY. With one hand we give, while with the other hand we take.

[Here the gavel fell.]

Mr. TABER. Mr. Chairman, I yield 2½ minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, the United States is suffering at the present time from a surplus of transportation. It seems to me peculiar that this Congress is being asked year after year to subsidize additional methods of transportation in this country. This does not apply particularly to the Columbia River or to the Snake River, but it does apply to a large part of this inland waterway transportation system.

It is said that this is a cheaper kind of transportation. How is it cheaper? A railroad has to buy its right-of-way, generally speaking; it has to build and maintain its tracks; it has to pay taxes on that right-of-way. I venture to say that in the districts of nearly all gentlemen on this floor the railroads are the largest taxpayers.

For this inland water system, the so-called "cheap transportation method", the Government supplies the right-of-way, furnishes and maintains the tracks, and levies no tax for the use of that transportation system. Before the Committee on Rivers and Harbors, it has been said again and again that the people advocating inland waterways transportation had declined to cooperate in working out some method of taxation on a tonnage basis which would repay the Government to a small degree for the service which it renders to the boats and for the purpose of amortizing these expenditures. These boats and barges want all of this service free of charge.

A few years ago the railroads of the United States employed 1,750,000 persons. Within the last few years they have gone down to less than 1,000,000. They have now, I believe, about 1,000,000 persons employed. One of the jobs that this Congress should seriously consider during the few remaining days of this session, or the next session, is legislation affecting these 1,750,000 railroad employees. Let us not stultify ourselves by adding more transportation systems in this country when those now existing cannot make their own way. Let us not create more water transporta-

tion systems to compete with transportation systems that are now not able to conduct their businesses on a paying basis for want of patronage.

[Here the gavel fell.]

Mr. MARTIN of Oregon. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. THOMPSON].

Mr. THOMPSON of Illinois. Mr. Chairman, I have no particular interest in this bill, but it appears to me as though the Members do not understand it. All this bill does is to extend the effect of the Transportation Act of 1924 to the Columbia and the Snake Rivers, permitting the barge lines, whether they are owned or operated by the Government or individuals, to apply to the Interstate Commerce Commission for a certificate of necessity. Under this arrangement the Interstate Commerce Commission can order the rail and water carriers to make joint through rates which will accrue to the benefit of the shippers in that area. We have the same thing on the Mississippi and Warrior Rivers, and it is only fair to extend this privilege to these other two rivers.

[Here the gavel fell.]

Mr. MARTIN of Oregon. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, this bill is so simple that I am astonished at all the hubbub that has been raised. This is not a demand for the appropriation of a single dollar. It is simply an effort through this bill to have the same law that now applies to the Mississippi River applied to the Columbia and Snake Rivers, enabling those oppressed wheat farmers and lumber manufacturers in what we call the inland empire by the use of railroads, trucks, and barges to get greatly reduced freight rates and save that country.

There has been a lot of talk here about the improvement of these rivers ruining the railroads. It has been proven that every development of transportation on the Mississippi River has improved the condition of the railroads. The freight handled by these barges is a low-grade freight that the railroads do not get very much profit out of, but by the increased population and business of the territory, the freight which the railroads haul at a profit more than makes up the loss of hauling these heavy commodities.

Mr. CULKIN. Will the gentleman yield?

Mr. MARTIN of Oregon. I yield to the gentleman from New York.

Mr. CULKIN. Is it not a fact that the rate from the Mesaba Range to Cleveland, Ohio, and Pittsburgh, Pa., via the cheap transportation facilities by water was what made those two cities possible?

Mr. MARTIN of Oregon. It certainly is.

Mr. CULKIN. And added greatly to the income of the railroads serving those two cities?

Mr. MARTIN of Oregon. It is. It is the most short-sighted, narrow policy to talk about these barges and this cheap water transportation ruining the railroads. It does no such thing. It improves the railroads and improves the traffic of the railroads.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That subdivision (e) of section 3 of the act entitled "An act to create the Inland Waterways Corporation for the purpose of carrying out the mandate and purpose of Congress as expressed in sections 201 and 500 of the Transportation Act, and for other purposes", approved June 3, 1924, as amended, is amended by striking out after the word "Warrior" the words "River or the Mississippi River" and inserting in lieu thereof a comma and the words "Mississippi, Columbia, or Snake Rivers,".

Mr. ZIONCHECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I objected to this bill on two different occasions. At the time I objected I made my objection on a very general basis because of the feature of the issuance of a certificate of public convenience and necessity that this bill requires. I know the experience that we have had in the State of Washington with truck and bus lines with certificates of public convenience and necessity. They have caused us a great deal of trouble, and instead of creating competition they have actually created a monopoly of the worst kind.

Personally, coming from the city of Seattle, I am interested in grain shipments which go down the Snake River, then down the Columbia, and on to Portland. There is always competition between the cities of Seattle and Portland. But I do not direct my remarks to the particular local situation. This matter came up rather quickly this afternoon without notice and I did not have time to go to my office to get my notes.

There is at present a certain long portion of the Snake River which is not navigable except at times of high water, which is only 1 or 2 months of the year. The real underlying purpose of this bill is to lay a foundation to come to Congress a little later for an appropriation of two or three or five million dollars to dredge out this channel, just like the Chicago River, and this will be done under the same inland waterway act. That is the underlying purpose.

For the time being, so far as grain is concerned and so far as the rates down the Columbia River are concerned, the farmers obtain rates to Portland less than the railroads charge. This is a proposition to get up into Idaho and later on dredge that channel so they can go down to Portland all times of the year. As the river is now operated, there is real competition and any barge company or any boat company can go in there and say, "We will haul the grain of the farmers here for less money," but under this act you will provide that one company can come in and get a certificate of public convenience and necessity and before anyone else can go in there they will have to go through extensive and expensive hearings before commissions and before the courts and make a showing that there is a real, absolute, dire need upon the part of the farmers for another barge line or another boat line.

Mr. THOMPSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. ZIONCHECK. Yes.

Mr. THOMPSON of Illinois. Then, under the present system of these boats going up and down the river, the benefit of low transportation only accrues to those industries and those farmers and those citizens who have access to the river itself.

Mr. ZIONCHECK. And also those that have an opportunity to put it on trucks or rail and haul it to the river.

Mr. THOMPSON of Illinois. If this bill becomes a law, of course, the industries and farmers in the so-called "hinterland" back of the river will get their share of the benefits.

Mr. ZIONCHECK. Does the gentleman mean that the Government is going to dig canals into the hinterland so they can get to the river?

Mr. THOMPSON of Illinois. Absolutely not, because this bill puts the Snake and the Columbia Rivers under the Transportation Act and compels the making of joint water and rail rates and fixes the division of that revenue per ton proportionately between the two carriers.

Mr. ZIONCHECK. But there is no one here who knows the circumstances who will not say that the rates upon the Columbia River, so far as barges are concerned, are lower than the railroad rates.

Mr. PIERCE. Does the gentleman know anything about those rates?

Mr. ZIONCHECK. I do.

Mr. PIERCE. The rates of the barges on the river? I pay the rates down there myself.

Mr. ZIONCHECK. Has the gentleman ever hauled on the river?

Mr. PIERCE. No; and nobody else from my country, because we cannot get down there.

Mr. ZIONCHECK. Other people do, and they make the statement, without contradiction, that the rates are lower.

Mr. PIERCE. There are no rates on the Columbia River except on the lower river.

Mr. ZIONCHECK. Everyone who has a barge can make whatever rates he wants, and that is the reason there are

no blanket rates; but the rates are cheaper and the people ship on the river who are anywhere near it.

Mr. PIERCE. That shows the gentleman does not know anything about it.

Mr. ZIONCHECK. I asked the gentleman the question, and it shows he does not know anything about it. I admit that I have a local interest—that is one reason for my being here—namely, to represent the First Congressional District of the State of Washington. But I am satisfied that if the gentleman from Idaho [Mr. WHITE], who sponsors this bill, were here and the membership of this House knew all the facts, that this bill would not pass as it will so easily today. I sorely regret being in a position to be compelled to resist in his absence on such a sad mission of duty.

Mr. PIERCE. Mr. Chairman, I move to strike out the last two words.

This is certainly a tempest in a teapot, especially when the celebrated man from Ohio who aspires to the Senate makes the talk he did here a few moments ago on a subject he knows nothing about.

Several who have spoken are not particularly interested in any cheap rates for the farmers or the lumberman to bring their freight down the Columbia and down the Snake Rivers. The Snake River is not navigable now. The Columbia River is navigable with barges from Portland to The Dalles, 100 miles. They are attempting now to put on a barge line this year for 100 miles beyond The Dalles to Umatilla Landing.

The big body of the wheat raised in the Pacific Northwest, that part of the United States that really has a crop this year, raising nearly 100,000,000 bushels in a good year, is raised further up the river than The Dalles, although a part of it is raised at The Dalles. This is an attempt to give us a lower freight rate. We want competing rates on this freight, the railroads and the trucks and barges.

Near Lewiston there is one of the biggest forests of ponderosa pine in the United States. Freight rates are so high that it is not profitable to cut the ripe trees.

If a joint freight rate could be made for trucks and barges, and this river opened up by dredging and blowing out rock at a cost of $400,000, according to the engineers, we believe it would reduce freight at least to the rate charged before the World War.

Mr. SABATH. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. SABATH. All you aim to accomplish is to reduce the rate on wheat so as to help the farmer secure a low rate, as well as manufactured lumber?

Mr. PIERCE. Absolutely. We have proved time and again in the hearings before the Interstate Commerce Commission that we have the highest freight rates in the United States. We pay three times as much as they do in Canada over a similar distance and six times as much as they pay in many places in Missouri and Iowa. We are simply owned and held up by the bondholders of the railroad.

Mr. PEYSER. You want the same privilege on the Snake and Columbia Rivers as is enjoyed by the Warrior and Mississippi Rivers?

Mr. PIERCE. Yes.

Mr. BLANTON. Will the gentleman yield?

Mr. PIERCE. I yield.

Mr. BLANTON. Is this valuable timber that would come down, if this plan were carried out, owned by private individuals?

Mr. PIERCE. Most of it is forest reserves owned by the Government.

Mr. BLANTON. Is it more valuable to the Government in the state it now is or as lumber?

Mr. PIERCE. The forest reserves have much ripe timber, and that ripe timber should be cut out before it is killed by beetles and lost.

Mr. BLANTON. I am for the sane development of every water course in the United States. Our people are benefited by it.

Mr. PIERCE. That is just what we want.

Mr. BIERMANN. Mr. Chairman, I move to strike out the word "Mississippi" in line 2, page 2.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. BIERMANN. Mr. Chairman, I want to use my 5 minutes to talk about what I consider one of the greatest criminal follies that has been perpetrated on the American people in the last few months. This bill refers to the Columbia River and the Snake River. I refer to the upper Mississippi from St. Louis to St. Paul. Along this stretch of the Mississippi River we have a railroad on each side. One of these railroads is in the hands of a receiver and the other is barely making its way. We have theoretically a 6-foot channel in the upper Mississippi, on which to haul wheat and corn and other farm products, to give low freight rates to the farmer. I never knew of a farmer in my district who shipped a bushel of wheat or a pound of pork or a head of cattle on the upper Mississippi 6-foot channel.

Mr. PIERCE. But has not it affected the freight rate? You do not have to ship over the line. The railroads cut their rate.

Mr. BIERMANN. The farmers do not say so.

Mr. PIERCE. Why, sure. As quick as we commenced to ship wheat from The Dalles by boat, the railroad lines cut their rates almost half in two.

Mr. BIERMANN. The combined rate by rail and water today on the upper Mississippi River is 80 percent of the rail rate, so that the farmer theoretically saves 20 percent and he does not use it.

Mr. PIERCE. Sure, because the railroads cut theirs down.

Mr. BIERMANN. But the combined rate is still 20 percent under what the railroads charge, and the farmer does not use it.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. TRUAX. We have been talking about reducing the freight and transportation rates for 10 years to relieve the farmer, and he has gone deeper into the hole every year. I do not think this difference of 8 cents a bushel is going to make or break the farmer, but it will probably give a monopoly to a private corporation on those rivers.

Mr. LLOYD. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. LLOYD. Does the gentleman know that the freight rate from Puget Sound to Des Moines for 1,000 feet of lumber is $22.44, and that the freight rate from New Orleans to Des Moines, Iowa, a third of the distance, is only 75 cents per thousand as against $22.44?

Mr. BIERMANN. I am not aware of that, but the second low rate the gentleman speaks of can be very largely by water.

Mr. LLOYD. The reason for that is water competition on the Mississippi River.

Mr. PIERCE. And that is what we want.

Mr. CULKIN. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. Yes.

Mr. CULKIN. I am going to take the liberty of putting to the gentleman a hypothetical question: Assuming that unless these people in this locality, numbering about 6,000, get relief from these so-called "oppressive" freight rates, that they will have to move out of the country, then is not the gentleman in favor of this relief?

Mr. BIERMANN. But I am not talking about the Columbia and the Snake Rivers.

Mr. CULKIN. I know; but is not that true? Assuming the rates are so oppressive that these farmers must move out and make homes elsewhere, should not they have relief under this bill, despite any demagogy that is allowed here?

Mr. BIERMANN. But I want to say a word in regard to the upper Mississippi River Channel. About 35 years ago the mental ancestors of the people who now propose a 9-foot channel, proposed a 4-foot channel, and the Government dumped money into the Mississippi for the 4-foot channel. It was not a success. They later proposed a 6-foot channel, which we are now supposed to have, and they dumped other millions of money into that. The 6-foot

channel is not a success, and now they propose a 9-foot channel. At the last session of Congress the Rivers and Harbors Committee considered the proposition of spending $11,600,000 on the 9-foot channel and did not even report it out, but Mr. Ickes puts thirty-three and one-half million dollars as an allotment in that project for which Congress had declined to appropriate $11,600,000.

Mr. BANKHEAD. Is the gentleman offering this amendment as a pro forma amendment?

Mr. BIERMANN. I offered the amendment as a pro forma amendment and now ask to withdraw it.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn. Under the rule, the Committee rises.

Accordingly the Commitee rose; and the Speaker having resumed the chair, Mr. O'CONNOR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill S. 2347, and that under House Resolution 382 he reported the same back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. ZIONCHECK and Mr. TRUAX) there were—ayes 61, noes 19.

Mr. TRUAX. Mr. Speaker, I make the point of order that there is no quorum present and challenge the vote on that account.

The SPEAKER. Evidently there is no quorum present. This is an automatic call. The Clerk will call the roll.

The question was taken; and there were—yeas 220, nays 93, not voting 116.

[Roll No. 187]

YEAS—220

Adams	Disney	Kopplemann	Rogers, Okla.
Arens	Dockweiler	Kramer	Romjue
Arnold	Dondero	Lambeth	Rudd
Ayres, Kans.	Doughton	Lanham	Ruffin
Bankhead	Doxey	Lanzetta	Sabath
Beam	Drewry	Larrabee	Sanders, La.
Beiter	Driver	Lehr	Sanders, Tex.
Black	Duffey	Lemke	Sandlin
Bland	Duncan, Mo.	Lewis, Colo.	Schulte
Blanton	Dunn	Lewis, Md.	Sears
Boehne	Eagle	Lloyd	Secrest
Boylan	Eaton	Lozier	Shallenberger
Brooks	Edmiston	Luce	Sirovich
Brown, Ga.	Ellenbogen	Lundeen	Sisson
Brown, Ky.	Ellzey, Miss.	McCormack	Smith, Va.
Brown, Mich.	Faddis	McDuffie	Smith, Wash.
Brunner	Farley	McFarlane	Smith, W.Va.
Buchanan	Flannagan	McGrath	Spence
Buck	Fletcher	McLeod	Steagall
Burch	Fuller	McReynolds	Strong, Tex.
Burke, Nebr.	Gasque	McSwain	Studley
Burnham	Gillette	Maloney, Conn.	Sutphin
Busby	Glover	Maloney, La.	Sweeney
Byrns	Goldsborough	Mansfield	Tarver
Caldwell	Granfield	Martin, Colo.	Taylor, Colo.
Cannon, Mo.	Gray	Martin, Oreg.	Taylor, S.C.
Carden, Ky.	Green	Mead	Terrell, Tex.
Carmichael	Greenway	Mitchell	Terry, Ark.
Carpenter, Nebr.	Greenwood	Monaghan, Mont.	Thom
Cartwright	Gregory	Montet	Thomason
Cavicchia	Griswold	Moran	Thompson, Ill.
Celler	Haines	Morehead	Thompson, Tex.
Chavez	Hancock, N.C.	Mott	Turner
Claiborne	Harlan	Murdock	Umstead
Cochran, Mo.	Hastings	Musselwhite	Underwood
Colden	Henney	O'Connell	Utterback
Cole	Hill, Ala.	O'Connor	Vinson, Ga.
Condon	Hill, Samuel B.	Oliver, Ala.	Vinson, Ky.
Connery	Howard	Oliver, N.Y.	Wallgren
Cooper, Tenn.	Hughes	Palmisano	Walter
Cox	Jacobsen	Parker	Warren
Cravens	Jenckes, Ind.	Patman	Wearin
Crosby	Johnson, Minn.	Peterson	Weaver
Cross, Tex.	Johnson, Okla.	Peyser	Weideman
Crowe	Johnson, Tex.	Pierce	Werner
Culkin	Johnson, W.Va.	Prall	West, Ohio
Cullen	Jones	Ramsay	West, Tex.
Cummings	Kahn	Ramspeck	Whitley
Darden	Kee	Randolph	Whittington
Dear	Kennedy, Md.	Rankin	Wilcox
Delaney	Kennedy, N.Y.	Rayburn	Williams
DeRouen	Kenney	Reilly	Wilson
Dickinson	Kerr	Richards	Wolverton
Dies	Kleberg	Richardson	Woodrum
Dingell	Kocialkowski	Robinson	Young

NAYS—93

Adair	Eltse, Calif.	Knutson	Sinclair
Ayers, Mont.	Englebright	Kurtz	Stokes
Bakewell	Evans	Lambertson	Stubbs
Beck	Fish	McCarthy	Swick
Beedy	Focht	McFadden	Taber
Biermann	Foss	McGugin	Taylor, Tenn.
Blanchard	Foulkes	Mapes	Thomas
Boileau	Gavagan	Martin, Mass.	Tinkham
Boland	Gilchrist	May	Tobey
Britten	Gillespie	Meeks	Traeger
Carpenter, Kans.	Hancock, N.Y.	Merritt	Truax
Carter, Calif.	Hess	Moynihan, Ill.	Turpin
Carter, Wyo.	Higgins	O'Brien	Waldron
Castellow	Hildebrandt	O'Malley	Welch
Christianson	Hoeppel	Owen	Wigglesworth
Collins, Calif.	Hollister	Pettengill	Willford
Colmer	Hope	Polk	Wolcott
Cooper, Ohio	Imhoff	Powers	Wolfenden
Crowther	Jenkins, Ohio	Ransley	Wood, Mo.
Darrow	Keller	Reed, N.Y.	Woodruff
De Priest	Kelly, Pa.	Rogers, Mass.	Zioncheck
Ditter	Kinzer	Schaefer	
Dobbins	Kloeb	Schuetz	
Dowell	Kniffin	Shannon	

NOT VOTING—116

Abernethy	Corning	Healey	Parks
Allen	Crosser, Ohio	Hill, Knute	Parsons
Allgood	Crump	Hoidale	Peavey
Andrew, Mass	Deen	Holmes	Perkins
Andrews, N.Y.	Dickstein	Huddleston	Plumley
Auf der Heide	Dirksen	James	Reece
Bacharach	Douglass	Jeffers	Reid, Ill.
Bacon	Doutrich	Kelly, Ill.	Rich
Bailey	Durgan, Ind.	Kvale	Robertson
Berlin	Edmonds	Lamneck	Rogers, N.H.
Bloom	Eicher	Lea, Calif.	Sadowski
Bolton	Fernandez	Lee, Mo.	Scrugham
Brennan	Fiesinger	Lehlbach	Seger
Browning	Fitzgibbons	Lesinski	Shoemaker
Buckbee	Fitzpatrick	Lindsay	Simpson
Bulwinkle	Ford	Ludlow	Snell
Burke, Calif.	Frear	McClintic	Snyder
Cady	Frey	McKeown	Somers, N.Y.
Cannon, Wis.	Fulmer	McLean	Stalker
Carley, N.Y.	Gambrill	McMillan	Strong, Pa.
Cary	Gifford	Marland	Sullivan
Chapman	Goodwin	Marshall	Sumners, Tex.
Chase	Goss	Millard	Swank
Church	Griffin	Miller	Thurston
Clark, N.C.	Guyer	Milligan	Treadway
Clarke, N.Y.	Hamilton	Montague	Wadsworth
Cochran, Pa.	Hart	Muldowney	White
Collins, Miss.	Harter	Nesbit	Withrow
Connolly	Hartley	Norton	Wood, Ga.

So the bill was passed.

The Clerk announced the following additional general pairs:

Mr. Chapman with Mr. Marshall.
Mr. Knute Hill with Mr. Frear.
Mr. Milligan with Mr. Allen.
Mr. Bloom with Mr. Guyer.
Mr. Crosser with Mr. Connolly.
Mr. Swank with Mr. Lehlbach.
Mr. Fiesinger with Mr. Rich.
Mr. Kelly of Illinois with Mr. Treadway.
Mr. McClintic with Mr. Simpson.
Mr. Gambrill with Mr. Muldowney.
Mr. Parsons with Mr. Andrew of Massachusetts.
Mr. Montague with Mr. Goodwin.
Mr. Bulwinkle with Mr. Reece.
Mr. Clark of North Carolina with Mr. Withrow.
Mr. Fitzpatrick with Mr. Perkins.
Mr. McMillan with Mr. McLean.
Mr. Fulmer with Mr. Strong of Pennsylvania.
Mr. Lamneck with Mr. Hartley.
Mr. Crump with Mrs. Clarke of New York.
Mr. Miller with Mr. Edmonds.
Mr. Wood of Georgia with Mr. Holmes.
Mr. Hamilton with Mr. Shoemaker.
Mr. Cannon of Wisconsin with Mr. Kvale.
Mr. Cady with Mr. Marland.
Mr. Snyder with Mr. Dickstein.
Mr. Eicher with Mr. Sadowski.
Mr. White with Mr. Hart.
Mr. Church with Mr. Hoidale.
Mr. Auf der Heide with Mr. Nesbit.

Mr. WOLVERTON changed from "no" to "aye."

Mr. CARTER of California changed from "aye" to "no."

Mr. WELCH changed from "aye" to "no."

Mr. ADAIR changed from "aye" to "no."

Mr. BYRNS. Mr. Speaker, the following subcommittee of the Committee on Interstate and Foreign Commerce, Messrs. LEA of California; CROSSER of Ohio; MILLIGAN, of Missouri; HOLMES, of Massachusetts; and REECE, of Tennessee, are engaged in hearings on the railroad pension bill, and for that reason they did not appear and answer to their names.

The result of the vote was announced as above recorded.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The doors were opened.

LEGISLATION OF THE SEVENTY-THIRD CONGRESS

Mr. TURNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. TURNER. Mr. Speaker, our Nation has been financially sick for some time and our best physicians have been unable to fully diagnose the case or prescribe proper treatment for quick recovery.

There are many theories as to the cause of our trouble. Some say our Nation's illness was brought about by poor management by those in charge of the legislative and executive branches of government during the 12 years immediately prior to the election of President Roosevelt. Others say high protective-tariff rates, loss of foreign markets for our farm and manufactured products, excessive gambling in stocks and securities, scarcity of money in circulation, and so forth.

For our illness, generally known as the "depression", numerous remedies have been suggested, many remedial laws enacted by Congress, and billions of dollars appropriated for various purposes. The farmers, laborers, and industries have financially suffered; but the remedies proposed and put into operation have brought about much improvement, and it is generally believed our great country will soon be normal.

I represent 12 of the leading agricultural counties of middle Tennessee. Up to a few years ago the people living in these counties were prosperous, happy, and contented with their financial and economic conditions. The burdens falling upon their shoulders, such as high taxes, excessive rates of interest on borrowed money, low prices for their farm products and lands, largely due to 12 years of Republican misrule, cast a shadow of despair which at times was hard to endure. The farmers of my district, however, are courageous, determined, and hopeful, and are now rejoicing that the legislative machinery set in motion by our fearless President and the United States Congress for their relief has brought a ray of sunshine and renewed hope for a better day.

Presumably there is as much money in the country now as ever before, but it is not in circulation. Statistics show that 5 percent of the people own 95 percent of the wealth of the country. This unequal division of wealth is unfair and unjust. The money of the country has evidently drifted from the rural sections into the coffers of the big bankers and corporations. Money is power. Therefore, too much power through our former system and control of governmental affairs has been placed in the hands of the few, which has been used to crush and destroy the many.

When money is plentiful farm products and wages are higher, when scarce everything is low; therefore, laws should and will be enacted by Congress, in addition to the many beneficial acts of the Seventy-third Congress, that will cause a just and equitable proportion of swollen fortunes, hoarded money, and securities to flow back into the hands of the masses.

The economic upheaval of the country brought in its wake many heartaches to the farmers, laborers, and small business men. The financial burdens to these three groups have been almost unbearable. Without experience no one can correctly visualize their former condition. The market of the farmer had been taken away, his home mortgaged, and he had been forced to sell his farm products below cost of production, and in many instances his fertile acres had been taken away from him by the money changers turning him out and placing him in the great army of the unemployed. It follows, as does the night the day, that when the farmers are broke the manufacturers, merchants, laborers, and professional men likewise, sooner or later, go to the wall. Our chief concern, therefore, as Members of Congress should be to return the farmer to his former prosperity in the economic structure of our Government, because on his prosperity the whole world depends.

During the Seventy-third Congress I have given much time and thought to measures designed to better the financial condition of the farmer. I have consulted with and taken the advice of leading representatives of farm organizations and friends who were in a position to give beneficial information, and it has been a pleasure to join hands with other friends of the farmers in the Seventy-third Congress to give them more financial relief than any other Congress in the history of the Nation. But in my zeal to lend a helping hand to the farmers and laboring men of our country, I do not want it understood that I am against corporations and men of wealth who use their money for honest and legitimate purposes and for the promotion and best interests of mankind. Wealthy men who use their money for the promotion of railroads and other transportation facilities, build factories for the employment of idle labor, schools and colleges to educate the coming generations, do a wonderful work for their country and are entitled to a fair return on their investments. The farmer could not well succeed without means of transportation to carry his products to the various markets of the world. The laborer could not long survive in the large cities without factories to give him and his family employment and schools and colleges to educate his children. As Representatives I feel it is our duty to enact laws that will give all classes a square deal in their efforts to meet and comply with the many responsibilities of life.

Reports from various parts of the country indicate the President's program for relief is producing good results, but, in my opinion, we will not have permanent prosperity until we in some way open up foreign markets for farm and factory products. The Tariff Act which gives the President power to make reciprocal trade agreements with foreign nations will, no doubt, bring about the desired results.

Some 20 or 30 important measures were recommended by President Roosevelt and enacted into law by the Seventy-third Congress for the purpose of giving immediate relief and restoring permanent prosperity, a few of which I will mention briefly.

THE FARM MORTGAGE ACT

The purposes of this act were to create emergency legislation authorizing the President to set up a farm-credit association. Under this act the President has consolidated the activities of the Federal Farm Board and various other boards and bureaus set up by preceding administrations in their futile efforts to deal with the farm crisis and save the agricultural industry from bankruptcy. Authority was also conferred upon the President to expand credit, stimulate prices of farm products, increase the currency in circulation, and to take such other steps as might be deemed necessary to restore agriculture to a basis of prosperity and end the orgy of bankruptcy that has swept away the homes and other property of millions of farm families. The sum of $200,000,000 was provided for additional farm credits, and more far-reaching in its effect will be the $2,000,000,000 in bonds, guaranteed by the Government as to both principal and interest, with which farm mortgages may be refinanced at the low interest rate of 4½ percent to the farm owner, who is also given 15 years' time in which to amortize the mortgage. Although this act will give relief to thousands of distressed farmers, it has not and will not take care of all who may need help.

I supported this measure, but at the same time felt the interest rate on loans was entirely too high. I saw no reason why the Government should loan money to the big bankers, the railroads, and other big corporations for nothing, or a very low rate of interest, and deny the farmer, who needed help, the same accommodation.

THE TENNESSEE VALLEY AUTHORITY ACT

This act is for the purpose of further developing the great project begun by our beloved Democratic President, Woodrow Wilson, which for the past 12 years has been permitted to go to waste, and provides for the completion of Cove Creek

Dam in Anderson County, for the purpose of reducing fertilizer costs to the farmer and furnishing a yardstick for determining a fair and reasonable rate for electricty, bringing cheaper power to consumers of electricity throughout the entire country, and marks the dawn of a new day of electrification in rural as well as in urban localities.

I have advocated and worked for cheaper electric-power rates for the past 12 years. Many of you, I am sure, will recall my two speeches in Congress on the development of Muscle Shoals. Nature has given us great power sites on the Tennessee and other rivers of the Nation for the use and benefit of all the people and not to enrich a special few. Let us have cheap electric-power rates so that every home, be it ever so humble, may be made bright and cheerful.

In communities where electricity has been furnished by the Tennessee Valley Authority the price has been reduced to the consumer to one-third of former prices. In addition to dams now being constructed on the upper Tennessee I have been informed by the Tennessee Valley Authority that work will soon begin on the construction of dams on the lower Tennessee River at Picwick Landing and Aurora, Ky. This will be the beginning of a new era in this section of Tennessee and Kentucky. The construction of these two dams and the clearing of thousands of acres of land that will be overflowed will give lucrative employment to hundreds now out of work. A cheaper rate for electricty will lighten some of the drudgeries of home life and lift from the shoulders of the farmer and his wife some of the burdens they are carrying as they wend their way along the pathway of life. Let us have cheaper power so that we may have cheaper fertilizer to make richer and more productive our many acres of farm lands. The development of Muscle Shoals will not only give employment and markets to our citizens but will also utilize our fine phosphate and iron-ore deposits in many of the counties of my district and elsewhere.

The bill providing for the Muscle Shoals development was considered and recommended for passage by the Military Affairs Committee of which I am a member, and I am proud of the part I played in bringing this wonderful project to the direct relief of the people of my district and of the Nation.

INDUSTRIAL RECOVERY AND PUBLIC WORKS

As defined by President Roosevelt, the purposes of this act are (1) to obtain wide employment, (2) to shorten the working week, (3) to pay decent wages for the shorter week, (4) to prevent unfair competition, and (5) to prevent disastrous overproduction.

The main purpose of this act is to afford industry an opportunity to regulate itself through trade associations which it will set up, the Government dealing with each industry through the association organized within itself. This measure is defined as a partnership with industry rather than a measure to control industry and provides for a bond issue of $3,300,000,000 to be retired at the rate of $220,000,000 annually. It is estimated that this act has put over 3,000,000 unemployed back to work.

SECURITIES ACT

This act provides for Federal supervision of interstate traffic in investment securities. It is designed to protect the public against the flotation of stocks, bonds, or other securities of doubtful value, the sale of which in recent years has cost the public millions of dollars.

The act was not intended to serve the purposes of a blue-sky law or to determine what securities may be sold, but requires the company issuing the securities to file a statement of its condition when the securities are issued and to disclose how the proceeds of the sale are to be expended.

It also requires the prospectus used in connection with the sale of the securities to be based upon the registration statement of the company, giving to the public a correct statement of its condition, investment policy, practical and corporate set-up, and provides that those selling the securities can be sued for the recovery of any losses on stock bought from the company through misrepresentation or false statements of any kind. The act does not operate so as to inflict penalties on any corporation selling stock in an honorable manner and applies only to those using dishonorable and unfair means to sell to an unsuspecting public.

In view of the fact that the liability of the officers and directors of corporations has heretofore been restricted so that damages could not be recovered from a misrepresentation of facts, this law will have a wholesome effect on the future sale of securities and afford a much-needed protection to the public.

THE STOCK EXCHANGE ACT

This act is known as the "Federal Securities Exchange Act of 1934."

President Roosevelt in his message to Congress in March 1933, proposing legislation for Federal supervision of national traffic in investment securities, said:

> This is but one step in our broad purpose of protecting investors and depositors. It should be followed by legislation relating to the better supervision of the purchase and sale of all property dealt with on exchanges.

After the passage of the Securities Act of May 27, 1933, he said:

> This Congress has performed a useful service in regulating the investment business on the part of financial houses and in protecting the investing public in its acquisition of securities.

While exchanges for dealing in securities and commodities are of infinite value to our commercial and agricultural life, it should be our national policy to restrict as far as possible their use for purely speculative operations.

Excessive speculation has brought social and economic evils which have affected the security and prosperity of the entire country. During the boom period a vast and unhealthy volume of credit was put into the securities market to the deprivation of agriculture, commerce, and industry, which inflated security prices far above their real value. This feverish speculation accelerated the process of inflation until October 1929, when the present depression began.

The market value of all stocks listed on the New York Stock Exchange slumped from $89,000,000,000 on September 1, 1929, to $15,000,000,000 on July 1, 1932.

The act forbids the use of the mails or instrumentalities of interstate commerce to any securities exchange which is not registered with the Commission as a national securities exchange.

The act further aims to protect the public by preventing officers, directors, and principal stockholders of a corporation from speculating in the stock on the basis of information not available to others.

It is not intended by the bill to give the administrative authority the power to interfere with the management of corporations.

The bill provides that securities traded in upon exchanges must be registered with the Commission, and that a condition of such registration shall be the furnishing of complete information relative to the financial condition of the issue, which information must be kept up to date by adequate periodic reports.

The Commission is given full discretion to exempt securities from the operation of many sections of the act and to require that corporate reports shall contain such information as it deems necessary and appropriate to protect the public interest and investors.

LOANS TO INDUSTRY

At the present session the House passed a bill authorizing the Reconstruction Finance Corporation to make loans to any industrial or commercial business established prior to January 1, 1934, when credit at prevailing bank rates for loans of such type is not available at banks or the Federal Reserve bank of the district of the applicant, not to exceed $300,000,000 in the aggregate amount, which shall have maturities not exceeding 5 years. The aggregate amount of loans to any one borrower shall not exceed $100,000 and the authority to make such loans ends January 1, 1935.

There are many industries now seeking loans that are in a distressed condition and need assistance. Many are of

medium-sized type and are risks that commercial banks cannot with propriety take, though ultimately good. These loans will stimulate business, provide for additional employment, and will render material aid in the recovery program.

The act does not call for any additional appropriation, as the Reconstruction Finance Corporation is expected to allocate funds for this purpose that it may save from other items in its budget and from repayments over and above those estimated.

This appropriation, plus the capital loans authorized under section 12 of the act to be made by the Federal Reserve banks, is expected to be sufficient to care for the need for credits for capital funds supplementary to the usual or normal bank credits.

THE ECONOMY ACT

The passage of this act, plus the reorganization of many departments of the Government, was expected to save about $1,000,000,000 during the current fiscal year. It temporarily reduced the salaries of Government employees 15 percent, but power was given the President to restore parts of the 15-percent cut as the prices of farm commodities and cost of living increased.

THE SOLDIER BONUS

Before I was elected, by act of Congress a soldier bonus was provided for, payable a few years in the future. I supported a bill for the immediate payment of this obligation. It created no new debt, but brought relief to thousands by paying a debt rather than by creating one, and, without extra cost, some relief has also been provided for worthy veterans. The payment of the bonus will not only benefit the soldiers but all the people, because it will put more money in circulation to stimulate the farmers and business enterprises of all kinds, especially in the rural sections.

VETERAN LEGISLATION

I favor a liberal compensation to the ex-service men who have been the Nation's defenders. We owe them a great debt of gratitude. The sick and wounded should be given proper treatment and medical attention in our hospitals.

I have supported legislation favorable to the ex-service men, and will continue to do so, especially those wounded in battle or suffering from disease as a result of exposure in service.

RESTORATION OF SALARIES

While considering H.R. 6663, an act making appropriations for executive offices and sundry independent executive bureaus, boards, and so forth, and restoring part of the pay cut to Government employees, Representative DOWELL offered the following amendment:

That no part of the appropriation carried in this act, or any other general appropriation bill for the fiscal year ending June 30, 1935, shall be used in payment in excess of 85 percent of any salary or compensation of any officer or employee of the Government (except judicial officers) where such salary or compensation is in excess of $6,000.

I voted for this amendment because I felt then, and I feel now, that Government officials receiving more than $6,000 per annum could afford to wait until the financial condition of the country improves before having their former salaries restored.

SCHOOLS AND ROADS

Schools and roads go hand in hand with the progress and development of our Nation. I have advocated and voted for appropriations giving Federal aid to our colleges and schools and our Federal, State, and county systems of roads. Federal aid has heretofore been given to certain classes of roads, more for the benefit of tourists and pleasure-seekers than any other class. The time has come when more attention should be given to strictly rural roads that are used by rural-route carriers and farmers in transporting their farm products.

No body of men and women has ever worked harder to bring success out of failure than the Members of the Seventy-third Congress. Regardless of party affiliations, they have, in the main, stood together like soldiers and faithfully followed the leadership of our President. This great Nation belongs to us all and it is our duty as good citizens, regardless of our station in life and political opinions, to pull together for better and brighter days. If we will do this we will soon fully emerge from the most disastrous depression into the most prosperous era of our entire history.

LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. BANKHEAD. Mr. Speaker, the Committee on Rules has reported a rule for the consideration of the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia. By agreement with the minority members of the Committee on Rules, I think it would be entirely agreeable, in order to save time, to request unanimous consent for the consideration of the bill under the terms provided in the rule. This matter ought not take very long. As I understand, there is no opposition to the bill itself. It is a matter that has been given very careful consideration for 3 or 4 years by the committee in charge of it. It is a matter of very great importance, I understand, for the protection of policyholders and other insured people in the District of Columbia against fake companies and fake agents. I, therefore, submit this unanimous-consent request, that the bill, H.R. 9178, may be considered in the House under the terms provided in the rule.

Mr. MARTIN of Massachusetts. Reserving the right to object, on Saturday when this bill was called up I objected to the unanimous consent because I was not acquainted with the text of the bill, which contained 133 pages. Since then I have made some inquiries, and I find the legislation is proper, and in fact should be enacted into law. Therefore, I join with the gentleman from Alabama in his request.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. ZIONCHECK. Does the gentleman mean to intimate that he has studied this 133 pages of legislation?

Mr. MARTIN of Massachusetts. Far be it from me to intimate that fact. I am confident, however, the bill is proper to pass.

Mr. TRUAX. Reserving the right to object, I would like to ask the gentleman from Alabama if it is the purpose to consider the bill today?

Mr. BANKHEAD. It is. Under the terms of the rule, if the gentleman is not familiar with it, it provides that there shall be 30 minutes' general debate, and the time shall be equally divided between and controlled by the chairman and the ranking minority member. The bill should then be considered as having been read for amendment. That is because of its great length. Amendments to all parts of the bill shall thereupon be in order.

Mr. TRUAX. I will say there were some of us who objected to the bill on that ground, that it was so long, and we wanted to see it. Personally, I have not had an opportunity, and I would like to read it tonight if the gentleman would call it up tomorrow morning.

Mr. BANKHEAD. Well, we have a great many more matters that we want to take up. There are a great many rules that I am being besieged to call up. The Speaker has a number of bills on his desk for which he intends to recognize Members to move to suspend the rules.

Mr. TRUAX. I understand the gentleman's position perfectly, and I am in sympathy with him, but I personally want to study this bill. At least, I want to read it before I vote upon it. I will have to object if the gentleman insists on his request.

Mr. BANKHEAD. Does the gentleman object?

Mr. TRUAX. Mr. Speaker, I object.

Mr. BANKHEAD. Mr. Speaker, I call up House Resolution 397 and ask its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9178, a bill to regulate the business of life insurance in the District of Columbia, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and shall continue not to exceed 30 minutes, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on the District of Columbia, the bill shall be considered as having been read for

amendment and amendments to all parts of the bill shall thereupon be in order. At the conclusion of the consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

Mr. HARLAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill, H.R. 9178, the life insurance bill, with Mr. SROVICH in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. HARLAN. Mr. Chairman, in the District of Columbia all the law pertaining to life-insurance companies is included in 13 sections of the code. These sections include also a lot of law pertaining to other kinds of insurance.

For the last 3 years the committee of which I am a member has been working upon a reasonable codification of the laws of the District on the subject of insurance. We have taken as a basis, to a great extent, the insurance codes of the States of New York, Massachusetts, Wisconsin, and Ohio, to draft the present bill.

This bill has the approval of the Life Presidents Association; it has the approval of the insurance superintendent in the District; it has the approval of the Commissioners of the District of Columbia. It is very urgently needed. Unlike almost any State in the Union there is no law in the District controlling the provisions of the policy. Any kind of a policy can be written and sold in the District of Columbia. Now, in your State and in mine certain provisions must be inserted in standard policies written by insurance companies and certain other provisions may not be inserted in insurance policies.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield at this point?

Mr. HARLAN. I yield.

Mr. BLANCHARD. This proposed insurance law is based upon the experience of the four States mentioned and others.

Mr. HARLAN. There is absolutely no provision in this proposed code that is not to be found in existing law in some State. All the provisions in the pending bill have been interpreted many, many times by the courts of the different States.

Under certain types of policies that may be sold in the District, there is no assurance that if the holder of the policy defaults in his premium payments he may share in the surplus arising out of the policy.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. BLANTON. Has the gentleman ever studied the evidence and my report of the investigation that I made of Insurance Commissioner Miller when he was superintendent of insurance here, and the charges I filed against him, which caused his removal, the papers being in the files of the District Committee?

Mr. HARLAN. While I have not seen it in the files, I have heard it discussed frequently.

Mr. BLANTON. I conducted that investigation, and I remember very distinctly that the evidence I produced showed that he had been charging each of the companies for doing business here so many hundred dollars a year, and was having each of them make him large annual donations, which he called his "entertainment funds." He had been collecting fraudulently thousands of dollars from the various insurance companies. Is there anything in the pending bill that will make such fraudulent practices impossible?

Mr. HARLAN. Unfortunately, that is, I think, beyond the law. That is just graft.

Mr. BLANTON. Well, it caused the immediate removal of Insurance Commissioner Miller. At that time there was no other way of punishing him. He was collecting what he called an "entertainment fund" and he claimed it was voluntarily contributed and that he was entertaining people all over the United States with the money. The authorities here claimed he could not be prosecuted. I was hoping that there would be some safeguards put in this insurance code that would make such practices a specific crime.

Mr. HARLAN. I may say to the gentleman from Texas that this code has little to do with anything except life-insurance business and the agents who sell life insurance. The acts complained of by the gentleman would constitute a crime almost any place in the country. It would come within the category of bribery, graft, and things of that nature. The pending bill contains no specific provision against that. It is not covered any further than it is covered in the Criminal Code.

Mr. TRUAX. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. TRUAX. The gentleman does not, of course, mean to infer that the outstanding life-insurance companies of the country, such as the Prudential, the New York Life, the Mutual Life, the Metropolitan, and many others I can name, are following in the District of Columbia in the settling of claims any different practice than they follow in the State of Ohio or any other State in the Union?

Mr. HARLAN. I may say to the gentleman that we are not attempting to cure any defect of the responsible companies.

Mr. TRUAX. It is not a defect; it is an established custom, and it is a good custom.

Mr. HARLAN. The reliable companies are following in the District of Columbia the same customs they practice elsewhere, and their policies contain the standard provisions. It is the "fly-by-nights" we seek to reach. For example, a little company was organized down here in one of the nearby States—I will not mention the name—which put out a perfectly fraudulent advertisement, setting up a ratio of liquidity which showed it to be more reliable and more stable than some of the big companies. It sold lots of insurance in the District of Columbia. There is nothing against that kind of advertising when it is justified by the facts. We have in this proposed code, of course, a provision against fraudulent advertising, just as they have in almost every other place except the District. The final outcome in the illustration I mentioned was that the company became insolvent and thousands of policyholders in the District of Columbia lost money.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HARLAN. I yield.

Mr. BLANTON. I have a complaint against a company here in the District that has been selling life insurance down in Texas. It sold life insurance to a great many people down there. Just 2 or 3 months ago it notified them that it was going out of business, and all these people suddenly found themselves with valueless policies in their possession.

Mr. HARLAN. Was that a company connected with a labor union?

Mr. BLANTON. It is the National Home Union, with offices at 723 Albee Building, Fifteenth and G Streets NW., Washington, D.C., and here is a notice that on March 20, 1934, it sent to one of my constituents, Mrs. Elsie F. Griffith, box 63, Anson, Tex., asking for the monthly remittance of $3.50; and that March 20, 1934, was the same day it closed its doors here. And when I got after them, here is the letter they sent:

WASHINGTON, D.C., *April 21, 1934.*

DEAR SIR: On the 20th day of March the National Home Union, by its president, W. T. Hardy, mailed out to all its members a

letter stating that it was voluntarily liquidating its business under an agreement made with Government officials, and that the undersigned had been selected as attorney to carry out this liquidation. After this letter was mailed, Mr. Hardy remained in the office of the Home Union for a number of days, handling correspondence, etc. He has now left Washington, since which time all correspondence addressed to the Union comes directly to me.

In Mr. Hardy's letter of March 20 he stated that unearned dues would be refunded. This has now been done. I have received a number of letters, among which yours is one, which indicate that many members misunderstood the term "unearned dues." "Unearned dues" means dues paid in advance as of the closing date. For instance, if a member had paid dues for 3 months in advance, and the certificate was canceled 6 weeks after this payment was made, then one-half of the amount paid would be "earned" because the certificate stayed in effect for one-half of the 3 months. The other half would be "unearned" and would have to be refunded. That is what has been done in this case. The closing date was March 20. Cutting the records off as of that date, all dues which were unearned have been refunded.

Obviously dues collected all the way back cannot be refunded. These dues have been expended to pay the expense of the organization and to pay claims. I am now engaged in settling claims and other obligations which were still outstanding as of the 20th day of March. It will not be possible to tell exactly what these debts and claims come to until about the 1st of July. At that time if any funds remain on hand which are not required to pay debts and outstanding claims, such funds will be distributed to members of 1 year's standing, as provided by the bylaws of the organization. Beyond this there will be no funds out of which other money paid into the organization can be refunded.

If the books of the union show that your dues were paid in advance as of the 20th day of March, you should have already received a check. This check would not be for all dues paid by you, but only for dues which were unearned as of the closing date. All checks mailed out were for the amount of unearned dues as appears on the records of the union. If you have not received a check, then the records do not show anything due you; unless, of course, some mistake has been made.

Trusting that this explains the situation fully, I am

Very truly yours,

VERNON B. LOWREY,
Attorney, 1518 K Street NW., Washington, D.C.

Mr. BLANTON. The officials of this company ought to be in the penitentiary.

Mr. HARLAN. In the early eighties a group of individuals pretending to be union-labor members had passed through Congress a bill allowing mutual-aid societies to be created. Although it was expressly stipulated in the floor discussions when this bill was being enacted that insurance features were not to be included under mutual aid, nevertheless this group went to Texas and organized a mutual-aid company and started to write life insurance. They did a lot of business in Texas. When the Texas Insurance Department required them to submit their books for examination they said that they were a Federal company and not under the supervision of the Texas Insurance Department. When the Insurance Department of the District of Columbia demanded the right to examine their books, they refused such examination because they said they were not writing insurance in the District of Columbia. This is probably the company to which the gentleman refers, as I am sure it is not the Union Labor Life Insurance Co. of Washington, in which I myself am carrying a policy, which company, I understand, is perfectly sound. The Texas company was really masquerading as a union-labor organization rather than as a real life-insurance organization.

Mr. BLANTON. The following is another letter I received:

ANSON, TEX., *May 28, 1934.*

Hon. THOMAS L. BLANTON,
Washington, D.C.

DEAR SIR: I have received a copy of a letter dated May 8 from you to Mr. W. T. Hardy relative to an insurance policy.

Attached is some correspondence of a neighbor and friend of mine relative to a similar policy. I think these letters are self-explanatory.

It seems as if Mr. Hardy has left Washington, and this business has been placed in the hands of Mr. Vernon B. Lowrey, 1518 K Street, Washington, D.C.

I am informed that the local agent, Mr. W. S. Dickerson, lives in Abilene, Tex., and has been selling policies of this nature for 15 years in this immediate section of the State. I am also informed that there are a large number of policyholders of this company in this surrounding territory.

Am sending the attached letters in order that you may understand more clearly the circumstances relative to this matter, and I trust that you will give the matter due consideration.

Thanking you in advance for any efforts on your part, I beg to remain,

Very respectfully,

Y. G. BARTLETT.

Is there anything in this proposed code to stop such fraudulent practices?

Mr. HARLAN. There is a provision in the law we passed 2 years ago that would stop it. That is probably the reason the company went out of business. It probably went out of business on account of the working of that law.

We had no law in the District whereby we could compel companies that organized in the District and went into some other States to come into the District for examination. We passed this law about a year ago, and I imagine that is what caused this company to go out of business.

There is nothing in the present law of the District to keep a man from walking out of the penitentiary and selling insurance. There is no way to control to whom licenses may be issued. There is no way to control advertising. There is no way to control the policies. In fact, Mr. Chairman, the District of Columbia here has absolutely no protection against fraudulent insurance companies. One company, the National Benefit Life, sold policies all over the United States to colored people. It came in here and dissipated its assets and became insolvent. There is no provision under our law here for the Insurance Commissioner to take over these insolvent companies and conserve their assets, as there is in your State and in my State. So this company had to go into court under the old procedure of asking for a receiver, which is slow and expensive, and by the time the receiver, appraisers, and all the experts had gotten through, there was no company that would take over this company and its policyholders. The colored people all over the South and throughout every part of the country lost every cent they had put into the company. There is nothing needed more in the District to protect the people here and to maintain decent, honest insurance than this code.

Mr. MALONEY of Connecticut. Will the gentleman yield?

Mr. HARLAN. I yield to the gentleman from Connecticut.

Mr. MALONEY of Connecticut. Has the gentleman been advised by or had the assistance of any of the insurance commissioners of the States in connection with this matter, or by insurance-company executives?

Mr. HARLAN. We have had the advice of the Life Presidents' Association, with their legal staff, and they unanimously approve this bill.

Mr. TRUAX. May I ask the gentleman about the case of the Gem Life Insurance Co., of Dayton, Ohio, which also dissipated its assets?

Mr. HARLAN. I do not yield to the gentleman.

Does the gentleman over there wish to yield any time?

Mr. MARTIN of Massachusetts. Mr. Chairman, I yield back our time.

Mr. HARLAN. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. PEYSER].

Mr. PEYSER. Mr. Chairman, I happen to be familiar with this bill that we have before us and I know that it embodies the best that is now carried in the various insurance laws throughout the country. The laws of Wisconsin, Massachusetts, and, I think, New York are considered as standard forms of insurance laws. Most States have followed these three States, and I understand that in framing this law they have taken the best from the State laws throughout the country and put it together in order to give the best to the people of the District of Columbia.

As the situation exists now, there is absolutely no protection for the insurance buyer in the District of Columbia. The companies of better standing naturally write insurance in the District on the same terms as they do in the various States, but there is nothing here to exclude the company that comes in writing what we may call "wildcat coverage." There is nothing to protect the buyer against the unscrupulous salesmen of insurance.

If these laws are put into effect, it would bring to the insurance buyer the protection that is accorded to the buyers of every State of the Union and which the District buyer of insurance has been deprived of. The Life Insur-

ance Presidents' Association, which I know collaborated in the preparation of this law, has taken into consideration the laws of the various States throughout the country, and from my knowledge of insurance and my knowledge of this law, I think it would be a terrible mistake if it were not passed. [Applause.]

[Here the gavel fell.]

Mr. WOODRUM. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WOODRUM: On page 102, line 9, after the last syllable and the word "establishment", insert "and to an association of Federal employees."

On line 10, after the word "only", strike out the word "all."

On line 11, strike out the first words "all of."

Mr. WOODRUM. I may say, Mr. Chairman, that I have discussed this amendment with the gentleman from Ohio and it is satisfactory to him.

Mr. BLANCHARD. Is it the purpose of this amendment to put the Association of Federal Employees under regulation?

Mr. HARLAN. No; that is not the idea. This is in the section of the bill pertaining to group insurance. When the group-insurance provision was taken up, it only carried such groups as are taken care of in other sections of the country. Here in the District we have a number of organizations of Federal employees. Personally I think the section is broad enough to cover them, but this just extends the privilege of group insurance to these Federal employees' unions; that is all.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia.

The amendment was agreed to.

Mr. BANKHEAD. Under the rule, the Committee now rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SIROVICH, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee having had under consideration the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia, pursuant to House Resolution 397, he reported the same back to the House with an amendment.

The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. TRUAX) there were—ayes 85, noes 1.

Mr. TRUAX. Mr. Speaker, I make the point of order there is no quorum present, and challenge the vote on that ground.

Mr. TABER. Mr. Speaker, a parliamentary inquiry. How long is the Democratic filibuster going to last? We have had 8 or 10 roll calls.

Mr. ZIONCHECK. Mr. Speaker, I object to that.

Mr. TRUAX. I will say to the gentleman that this is no Democratic filibuster. I had an amendment to offer to this bill and was not permitted to offer it.

HOUR OF MEETING TOMORROW

Mr. BYRNS. Mr. Speaker, if the gentleman will withhold his point a moment, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

Mr. ZIONCHECK. Mr. Speaker, reserving the right to object, are not 11 o'clock sessions rather early?

Mr. BYRNS. I appreciate that, but we will have to have a roll call or else we will have to stay here until 6 o'clock to finish this bill. I am trying to accommodate the convenience of the Members of the House by meeting at 11 o'clock tomorrow.

Mr. MARTIN of Massachusetts. Reserving the right to object, will the gentleman from Tennessee tell us what is to be the business in order tomorrow?

Mr. BYRNS. We will have up the housing bill tomorrow and that will take all day, and perhaps longer.

Mr. MARTIN of Massachusetts. How much general debate will be allowed on that bill?

Mr. BYRNS. A rule has not been granted, and I do not know.

Mr. MARTIN of Massachusetts. Will that be the first thing in order tomorrow?

Mr. BYRNS. We will first have to finish this bill and that is the reason I want to meet at 11 o'clock. I hope the gentleman will withdraw his point.

Mr. TRUAX. I will say to the gentleman from Tennessee that the gentleman will not withdraw it and the gentleman will also object to the gentleman's unanimous-consent request.

Mr. BYRNS. Then we will have the roll call now.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee that the House meet at 11 o'clock tomorrow?

Mr. TRUAX. Mr. Speaker, reserving the right to object, I had no chance to offer my amendment. I was deliberately shut out and I am tired of being gagged and hog-tied and bound.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

DEDICATION OF THE NEW POST OFFICE DEPARTMENT BUILDING

Mr. HAINES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein the address of the gentleman from New York [Mr. MEAD] delivered today at the dedication of the Post Office Department Building.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HAINES. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech by Hon. JAMES M. MEAD, Chairman of the House Committee on the Post Office and Post Roads, at the dedication of the new Post Office Department Building on June 11, 1934:

Today we are dedicating a building of primary importance to every citizen of our Republic. It is the headquarters of a service which reaches out to every nook and corner of our land, to rich and poor, to crowded city dwellings, to isolated farm homes.

This splendid building, one of the finest in America, is a fitting symbol of the progress made throughout the years by the largest business activity in the world.

Back in 1639 the little tavern of Richard Fairbanks in Boston became our first post office. There were no post roads in those days, and months would go by as the letters were passed along, until they at last reached their destination. But as trails were made and methods of transportation improved, the post riders became familiar figures on the highways, and the postal system got its real start.

The post roads have blazed the paths of history. Wherever man settled, the post followed, keeping him in communication with those left behind, encouraging others to forge ahead to the new lands; and as the settlements developed, the post roads became the lanes of traffic and commerce.

All through its development the watchword of the Service has been "Speed up the mails." The newest and fastest methods of transportation have always been quickly adopted by the Postal Service. The stagecoach, the pony express, the steamboat, the railroad, the airplane—each one has added something to the speed of the mails.

Carrying Lincoln's first inaugural address, the pony express set a record over the 2,000-mile pathway in 7 days and 17 hours; this year the air mail set a new high record of 11 hours and 31 minutes, flying the mail from Los Angeles to New York City.

Along with speed, the Department has developed accuracy. Compare the direct methods of today, the privacy insured your mail, the promptness with which it is dispatched, with the crude methods early in the history of the Service—the long, hazardous trails, the dangers lurking along the way, the uncertainty of delivery, when every man was relied upon to aid in the transmittal of the mail.

This monumental building we are dedicating today not only symbolizes the growth of the Postal Service in its relation to the patrons; it also symbolizes the growth of an establishment which has been a model for private enterprise in its relation to its employees.

Coupled with quick and accurate delivery for the patrons of the Service, must be humane working conditions for the postal employees. As the largest business in the world, it is up to the Postal Service to set a standard for private enterprise. Retirement benefits, short working hours, annual vacations and sick leave with pay, pay for overtime, extra pay for night work, are all milestones toward this goal. But our job is not finished; we must not stop; more improvements must be adopted; and when they have become a part of our Postal Service, and private enterprise adopts these policies, then we will have reached the objective of the new deal—security for the worker, security for his family, security in his home, the hope of our great President.

Our postal employees are the Department's representatives and a vital part of the Service. The efficiency of the Service depends upon the efficiency of the employees, and their efficiency in turn depends upon what we do to provide good working conditions for them—a living wage, so that they may meet their bills and enjoy some of the comforts of life; opportunities to add to their store of knowledge, so that they may keep step with the world's progress and bring more intelligence to their jobs.

The Post Office Department has a tremendous obligation to its employees and, by example, to all the employees of the country; at the same time, it has a magnificent opportunity to point the way in this emergency. Our Post Office Committee desires to do its part; I know our Postmaster General, Mr. Farley, and his able corps of assistants are striving to do their share. If we adhere to the rich traditions of the past and continue to blaze the paths of progress, development, and understanding, we are sure to be successful in upholding the prestige of the Service and maintaining a business which is the finest in the world.

In this connection I desire to commend our Postmaster General and those associated with him. Under the most severe conditions, with almost insurmountable obstacles in his pathway, he has met the emergency and weathered the storm without separating a regular employee from the pay roll and by improving conditions as rapidly as opportunity permitted. Mr. Farley, there remains no trace of favoritism in the administration of the affairs of the Postal Service. You are giving a real service to the American public, a square deal to all who do business with your Department.

We have paused today to remember the glories of the past; we have given recognition to the achievements of the present; we are looking ahead with dreams for the future. We know that just as we have come to our present development, so in the years to come greater things will be unfolded, distances will be bridged even faster, the methods of today will become antiquated, the Postal Service will keep step with progress, and help lead our country to its ultimate development.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. CLARK of North Carolina, indefinitely, on account of sickness in his family.

To Mr. HEALEY, indefinitely, on account of illness.

To Mr. FITZPATRICK, for 4 days, on account of important official business.

To Mr. ROBERTSON, for the day.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey; to the Committee on Interstate and Foreign Commerce.

S. 3739. An act authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti; to the Committee on Foreign Affairs.

S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes; to the Committee on the Public Lands.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 4337. An act to amend the judicial code by adding a new section to be numbered 274D;

H.R. 8781. An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act, approved July 11, 1916, as amended and supplemented, and for other purposes; and

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 5 o'clock and 35 minutes p.m.) the House, in accordance with its previous order, adjourned to meet tomorrow, Tuesday, June 12, 1934, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

500. A letter from the Governor of the Federal Reserve Board, transmitting the twentieth annual report, covering operations of the Board during the calendar year 1933 (H.Doc. No. 142); to the Committee on Banking and Currency and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. MALONEY of Louisiana: Committee on Interstate and Foreign Commerce. H.R. 9599. A bill to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics; without amendment (Rept. No. 1931). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSER of Ohio: Committee on Interstate and Foreign Commerce. H.R. 9861. A bill to amend the Railway Labor Act approved May 2, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; with amendment (Rept. No. 1944). Referred to the Committee of the Whole House on the state of the Union.

Mr. MITCHELL: Committee on Agriculture. S. 3419. An act to exempt articles of machinery belting from the tax on floor stocks imposed by the Agricultural Adjustment Act; without amendment (Rept. No. 1946). Referred to the Committee of the Whole House on the state of the Union.

Mr. BLAND: Committee on Merchant Marine, Radio, and Fisheries. H.R. 9223. A bill to amend section 27 of the Merchant Marine Act, 1920; with amendment (Rept. No. 1947). Referred to the Committee of the Whole House on the state of the Union.

Mr. STEAGALL: Committee on Banking and Currency. H.R. 9876. A bill to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act and certain laws relating to national banking associations, and for other purposes; with amendment (Rept. No. 1948). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. BLACK: Committee on Claims. S. 527. An act for the relief of Lillian Morden; with amendment (Rept. No. 1932). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 568. An act for the relief of Winifred Meagher; without amendment (Rept. No. 1933). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 762. An act for the relief of Teresa de Prevost; without amendment (Rept. No. 1934). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2074. An act for the relief of James R. Mansfield; with amendment (Rept. No. 1935). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2336. An act for the relief of the estate of Mrs. Donnie Wright, deceased; with amendment (Rept. No. 1936). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2343. An act for the relief of Herbert E. Matthews; without amendment (Rept. No. 1937). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2501. An act for the relief of Dr. R. N. Harwood; without amendment (Rept. No. 1938). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 2613. An act for the relief of Jewell Maness; without amendment (Rept. No. 1939). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3017. An act for the relief of Edwin C. Jenney, receiver of the First National

Bank of Newton, Mass.; with amendment (Rept. No. 1940). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3122. An act for the relief of H. N. Wilcox; with amendment (Rept. No. 1941). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3160. An act for the relief of Charles E. Secord; without amendment (Rept. No. 1942). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. S. 3656. An act for the relief of Robert N. Stockton; without amendment (Rept. No. 1943). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON of Wisconsin: A bill (H.R. 9901) prohibiting the transportation in interstate commerce of any questionable moving-picture film; to the Committee on Interstate and Foreign Commerce.

By Mr. IGLESIAS: A bill (H.R. 9902) to exempt certain articles processed in Puerto Rico from taxes imposed under the Agricultural Adjustment Act; to the Committee on Agriculture.

By Mr. RANKIN: A bill (H.R. 9903) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products; to the Committee on Banking and Currency.

By Mr. BROWN of Michigan: A bill (H.R. 9904) to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended; to the Committee on Banking and Currency.

By Mr. DOCKWEILER (by request): A bill (H.R. 9905) to amend the act entitled "An act authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California", approved May 18, 1928 (45 Stat.L. 602), by adding a new section thereto, to be known and designated as "section 8"; to the Committee on Indian Affairs.

By Mr. CARTWRIGHT of Oklahoma: A bill (H.R. 9906) providing for the cancelation of interest on loans to veterans on their adjusted-service certificates; to the Committee on World War Veterans' Legislation.

By Mr. BLOOM: A bill (H.R. 9907) to provide for the cooperation by the Federal Government with the several States and Territories and the District of Columbia in meeting the crisis in kindergarten education; to the Committee on Education.

By Mr. CROSSER of Ohio: A bill (H.R. 9911) to provide a retirement system for railroad employees, and thereby to provide unemployment relief, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DOUGHTON: Resolution (H.Res. 428) to provide for the expenses of the investigation authorized by House Resolution 418; to the Committee on Accounts.

By Mr. FISH: Resolution (H.Res. 429) providing for a select committee to investigate the activities of the Tennessee Valley Authority and its agents and subsidiaries; to the Committee on Rules.

By Mr. DUFFEY: Resolution (H.Res. 430) authorizing and directing the Committee on the Judiciary to inquire into and investigate the official conduct of James H. Wilkerson, a district judge of the United States for the northern district of Illinois, and Walter C. Lindley, a district judge of the United States for the eastern district of Illinois; to the Committee on the Judiciary.

By Mr. LEHR: Resolution (H.Res. 431) to provide for the expenses of the investigation authorized by House Resolution 430; to the Committee on Accounts.

By Mr. DUFFEY: Resolution (H.Res. 432) providing for the continuation of the investigation authorized by House Resolution 145; to the Committee on Rules.

By Mr. LEHR: Resolution (H.Res. 433) to provide for the expenses of continuing the investigation authorized by House Resolution 145; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. CLARKE of New York: A bill (H.R. 9908) granting an increase of pension to Jennette Knapp; to the Committee on Pensions.

By Mr. DOUTRICH: A bill (H.R. 9909) for the reinstatement in the United States Army of John Widder Bryan; to the Committee on Military Affairs.

By Mr. PARSONS: A bill (H.R. 9910) granting a pension to Alice Floyd; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5091. By Mr. LINDSAY: Petition of the Independent Petroleum Association, Washington, D.C., favoring the Federal petroleum bill (H.R. 9676); to the Committee on Interstate and Foreign Commerce.

5092. Also, petition of G. J. Farrell, 1323 Broadway, Brooklyn, N.Y., on behalf of Local 2325, Brotherhood Railway & Steamship Clerks, favoring 6-hour day bill and old-age pension for railroad employees; to the Committee on Labor.

5093. Also, petition of the Brooklyn Real Estate Board, Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5094. Also, petition of open-shop section of New York Employing Printers Association, opposing the Wagner labor bill; to the Committee on Labor.

5095. Also, petition of the Chamber of Commerce of the State of New York, opposing the silver legislation; to the Committee on Coinage, Weights, and Measures.

5096. Also, petition of the Chamber of Commerce of the State of New York, favoring further study of the Wagner labor bill; to the Committee on Labor.

5097. Also, petition of the Sunrise Coal Co., Inc., Richmond Hill, N.Y., opposing the Wagner amended labor disputes bill, S. 2926; to the Committee on Labor.

5098. Also, petition of the American Institute of Warehousing, Inc., Brooklyn, N.Y., opposing the passage of the Wagner labor disputes bill; to the Committee on Labor.

5099. By Mr. RUDD: Petition of the Progress Shoe Co., Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5100. Also, petition of the Sunrise Coal Co., Brooklyn, N.Y., opposing the passage of the Wagner amended labor disputes bill; to the Committee on Labor.

5101. Also, petition of the American Institute of Warehouses, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5102. Also, petition of Frank M. Strang, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5103. Also, petition of Brooklyn Fireproof Storage, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5104. Also, petition of the Kings County Warehouses, Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5105. Also, petition of Charles D. Strang, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5106. By Mr. SMITH of Washington: Petition containing approximately 200 names of residents of southwest Washington, supporting the Townsend old-age revolving pension plan; to the Committee on Labor.

5107. By Mr. VINSON of Kentucky: Petition of Judge W. A. Wilhoit, to provide a retirement system for railway employees; to the Committee on Interstate and Foreign Commerce.

5108. By the SPEAKER: Petition of the Hospital Association of Illinois; to the Committee on Ways and Means.

5109. Also, petition of the Cragin State Bank Depositors' Justice Committee, Chicago, Ill.; to the Committee on Banking and Currency.

5110. Also, petition of J. G. Thomas and others, supporting House bill 9596; to the Committee on Interstate and Foreign Commerce.

5111. Also, petition of the members of the South Orange Council, No. 1831, Knights of Columbus, urging adoption of the amendment to section 301 of Senate bill 2910; to the Committee on Merchant Marine, Radio, and Fisheries.

5112. Also, petition of C. E. Knight and others, supporting the lottery bill; to the Committee on Ways and Means.

5113. Also, petition of Mrs. R. N. Jones and others, supporting House bill 6097; to the Committee on Interstate and Foreign Commerce.

5114. Also, petition of the Baltimore Association of Commerce; to the Committee on Ways and Means.

5115. Also, petition of the Rayon Textile Workers' Union, Local 2032, supporting the Wagner labor bill; to the Committee on Labor.

5116. Also, petition of J. E. Kelly and others, supporting Senate bill 3231 and House bill 9596; to the Committee on Interstate and Foreign Commerce.

5117. Also, petition of the Provincial Board of Agusan; to the Committee on Ways and Means.

5118. Also, petition of the Illinois Steel Co., South Chicago, Ill., voicing the opinion of 10,000 employees to the Wagner bill; to the Committee on Labor.

5119. Also, petition of the Havana Chamber of Commerce, Havana, Ill., opposing the Wagner national labor-disputes board bill; to the Committee on Labor.

SENATE

TUESDAY, JUNE 12, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, June 11, was dispensed with, and the Journal was approved.

ORDER FOR CONSIDERATION OF CALENDAR TOMORROW

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent that when the Senate meets tomorrow it proceed to the consideration of unobjected bills on the calendar, commencing with Calendar No. 1243, and that if that call shall be completed the Senate recur to the consideration of the calendar for unobjected bills from the beginning.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

RAILROAD EMPLOYEES' RETIREMENT SYSTEM

Mr. KING. Mr. President, may I inquire of the Senator from Arkansas, what is the program with respect to Senate bill 3231, to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes? I should be very glad to have that bill taken up at as early a date as possible and placed on the preferred list for consideration.

Mr. ROBINSON of Arkansas. Mr. President, it is my desire that the bill to which the Senator from Utah refers shall be speedily taken up; but tentative arrangements have been made first to consider what is known as the "Indian bill", and then the grazing bill. After those two bills shall have been disposed of, I shall be glad to cooperate to bring forward the bill the Senator from Utah mentions.

Mr. KING. Then it is obvious that within a few days the bill will be on its way to consideration?

Mr. ROBINSON of Arkansas. I think it may be reached today.

INVESTIGATION OF MANUFACTURE OF MUNITIONS—NOTICE

Mr. CLARK. Mr. President, I desire to give notice that tomorrow, as soon after the meeting of the Senate as I may be able to obtain recognition, I desire to address the Senate on the subject of the investigation of the manufacture of munitions heretofore authorized by the Senate.

STATEMENTS AS TO VOTES AND PAIRS ON SILVER BILL

Mr. FESS. Mr. President, yesterday, about quarter to 6, I was called from the Senate Chamber. I realized that we were approaching a vote on the silver bill, but I felt that if I could secure a pair there would not be any jeopardy either in the vote on the issue or to the individual Senators; so I secured a pair with my friend from Illinois [Mr. DIETERICH]. On the basis of the amendments which were before me, I suggested that it was not essential that anything be stated except the fact of the general pair.

This morning as I read the papers and found that the bonus question had been voted on, I was not only amazed but I was shocked. I had no idea, not the slightest hint from any source, that a bill that had been reported would be sought to be attached to a piece of silver legislation in the form of an amendment. I am aware that the rules of the Senate are loose enough to permit it, but surely we ought to have some modification of our rules on a question like that. Consequently, I am mentioned as not voting, which is true, and in the list of pairs the Senator from Ohio [Mr. FESS] is announced as having a pair with the Senator from Illinois [Mr. DIETERICH]. As that stands, it would appear to some readers that I was for the bonus and the Senator from Illinois was against it.

I do not know how the Senator from Illinois stood on the matter, but the country knows how I have always stood upon it. I have invariably opposed the proposal known as the "cash payment" of the bonus; but unfortunately, having been called from the Senate Chamber without any suggestion that that sort of an amendment would be offered, I am somewhat embarrassed. I simply rise to make the statement that had I been here yesterday afternoon when the amendment was offered I should have voted against the proposal, and at any time that it might have come up I should have voted against it; and I should like, if it be in order, to have my statement appear in the permanent RECORD following the vote, because I do not wish to be misunderstood. In other words, there is not anything to me so distasteful as the charge that a Senator has dodged an issue. I despise a situation of that kind.

Mr. LEWIS. Mr. President, if the Senator will allow me——

Mr. FESS. I yield.

Mr. LEWIS. I assure the Senator that upon the motion made by the Senator from Minnesota [Mr. SHIPSTEAD], in the manner made and for the purposes made, both Senators from Illinois—my eminent colleague [Mr. DIETERICH] and myself—would have voted "nay." The able Senator from Ohio may rest assured of such position. Therefore, he should not be embarrassed by any assumption that my colleague's vote would have been "yea" on that motion. It would have been the same as that of the Senator from Ohio.

Mr. FESS. I thank the Senator.

Mr. President, have I the consent of the Senate to have my statement appear in the permanent RECORD following the vote?

The VICE PRESIDENT. Is there objection to the request of the Senator from Ohio? The Chair hears none, and it is so ordered.

Mr. TYDINGS. Mr. President, on yesterday, at the time the vote was taken on the silver bill and amendments thereto, I had been requested by the relief committee of the State of Maryland to attend a meeting with Mr. Harry Hopkins, and during the time the vote was being taken I was necessarily absent. I wanted to make the statement for the RECORD that I was in Mr. Hopkins' office conferring with the relief committee of Maryland, which had asked me to accompany them for that purpose.

Mr. LEWIS. Mr. President, at this point, touching the RECORD, I wish to confirm the statement made by the eminent Senator from Rhode Island [Mr. HEBERT] at the time of the vote on the silver bill. I was present in the Postmaster General's Department, where there was something of a celebration attendant on the opening of the new quarters of the Post Office Department, and I missed the vote.

The statement of the Senator from Rhode Island was correct, that had I been present I would have voted "yea", and the statement for himself that he would have voted "nay", I take it, was his announcement as to the silver bill.

Mr. HEBERT. That is correct.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Copeland	Hayden	Patterson
Ashurst	Costigan	Hebert	Pittman
Austin	Couzens	Johnson	Robinson, Ark.
Bachman	Cutting	Kean	Robinson, Ind.
Bailey	Davis	King	Russell
Bankhead	Dickinson	La Follette	Schall
Barbour	Dill	Lewis	Sheppard
Barkley	Duffy	Logan	Shipstead
Black	Erickson	Lonergan	Smith
Bone	Fess	Long	Steiwer
Borah	Fletcher	McCarran	Stephens
Brown	Frazier	McGill	Thomas, Okla.
Bulkley	George	McKellar	Thomas, Utah
Bulow	Gibson	McNary	Thompson
Byrd	Glass	Metcalf	Townsend
Byrnes	Goldsborough	Murphy	Tydings
Capper	Gore	Neely	Wagner
Caraway	Hale	Norbeck	Walcott
Carey	Harrison	Norris	Walsh
Clark	Hastings	Nye	Wheeler
Connally	Hatch	O'Mahoney	White
Coolidge	Hatfield	Overton	

Mr. LEWIS. Mr. President, I announce the continued absence of the Senator from California [Mr. McADOO], occasioned by illness; and the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Indiana [Mr. VAN NUYS], my colleague the junior Senator from Illinois [Mr. DIETERICH], and the Senator from North Carolina [Mr. REYNOLDS], who are necessarily detained.

I desire further to announce that the Senator from Idaho [Mr. POPE] is absent in attendance on the funeral of the late Representative Coffin, of Idaho.

Mr. HEBERT. I wish to announce that the Senator from New Hampshire [Mr. KEYES] and the Senator from Michigan [Mr. VANDENBERG] are necessarily absent, and that the Senator from Pennsylvania [Mr. REED] is absent on account of illness.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

ESTIMATE OF APPROPRIATION—CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S.DOC. NO. 213)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation submitted by the Department of Agriculture to pay claims for damages to privately owned property in the sum of $888.69, which have been considered and adjusted under the provisions of law and require appropriations for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

ESTIMATE OF APPROPRIATION—CLAIMS FOR DAMAGES BY COLLISION WITH NAVAL VESSELS (S.DOC. NO. 214)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting an estimate of appropriation submitted by the Navy Department to pay claims for damages by collision with naval vessels, in the sum of $3,072, which have been considered and adjusted under the provisions of law and require an appropriation for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

REPORT OF THE FEDERAL RESERVE BOARD

The VICE PRESIDENT laid before the Senate a letter from the Governor of the Federal Reserve Board, transmitting, pursuant to law, the annual report of the Federal Reserve Board covering operations for the year 1933, which, with the accompanying report, was referred to the Committee on Banking and Currency.

MONTHLY REPORT OF FEDERAL EMERGENCY RELIEF ADMINISTRATOR

The VICE PRESIDENT laid before the Senate a letter from the secretary of the Federal Emergency Relief Administration, transmitting, pursuant to law, the report of the Administrator covering the period from March 1 to March 31, 1934, inclusive, which, with the accompanying report, was ordered to lie on the table.

PHILIPPINE INDEPENDENCE

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of War, transmitting copy of a resolution adopted by the Municipal Council of Guinayangan, Province of Tayabas, P.I., expressing its gratitude for enactment of Public Law No. 127, Seventy-third Congress, known as the "new Philippine Independence Act", which, with the accompanying papers, was ordered to lie on the table.

PETITIONS

The VICE PRESIDENT laid before the Senate a telegram in the nature of a petition from Division 171, Order of Railway Conductors, Mechanicsville, N.Y., signed by H. I. Gardner, secretary, praying for the passage of Senate bill 3231, providing for the pensioning of railway employees, which was ordered to lie on the table.

He also laid before the Senate a telegram in the nature of a petition from sundry Santa Fe Railway employees of the Los Angeles Terminal, Calif., praying for the enactment of pending legislation for the benefit of railway employees, which was ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from Ralph Almsteadt, secretary-treasurer of Pension Chapter, No. 66, of New York City, N.Y., praying on behalf of sundry railway employees for the passage of Senate bill 3231, providing for the pensioning of railroad employees, which was ordered to lie on the table.

NOMINATION OF REXFORD G. TUGWELL

Mr. BARBOUR. Mr. President, I ask unanimous consent that the resolution, under date of June 9, of the American Coalition of Patriotic, Civic, and Fraternal Societies, with head offices in the Southern Building, at Washington, D.C., which I send to the desk and with which I am in complete sympathy and whole-hearted accord, and which, moreover, I feel is very timely at just the present moment, be spread in full in the CONGRESSIONAL RECORD and lie on the table.

There being no objection, the resolution was ordered to lie on the table and to be printed in the RECORD, as follows:

AMERICAN COALITION OF PATRIOTIC,
CIVIC, AND FRATERNAL SOCIETIES,
Washington, D.C.

Whereas Dr. Rexford Guy Tugwell, who has been nominated for Under Secretary of Agriculture, is known to be a pronounced advocate of principles of government which are subversive and inimical to our system of constitutional government: Now, therefore, be it

Resolved by the American Coalition, representing 94 patriotic, civic, and fraternal organizations throughout the United States, That we protest against his confirmation, which would amount to an authorization by the Senate of continuance of this radical course and a ratification of his many utterances aimed at the destruction of our most cherished institutions.

THE EXECUTIVE COMMITTEE,
By JOHN B. TREVOR, *President.*

JUNE 9, 1934.

REPORTS OF COMMITTEES

Mr. HAYDEN, from the Committee on Mines and Mining, to which was referred the bill (S. 3675) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", reported it without amendment and submitted a report (No. 1381) thereon.

Mr. STEPHENS, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 6238. An act for the relief of M. R. Welty (Rept. No. 1382);

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield (Rept. No. 1383);

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas (Rept. No. 1384); and

H.R. 8650. An act for the relief of B. J. Sample (Rept. No. 1385).

Mr. STEPHENS also, from the Committee on Commerce, to which was referred the bill (S. 3780) for the relief of persons engaged in the fishing industry, reported it without amendment and submitted a report (No. 1393) thereon.

Mr. GIBSON, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

H.R. 206. An act for the relief of Pierre E. Teets (Rept. No. 1386);

H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army (Rept. No. 1387);

H.R. 5606. An act for the relief of W. R. McLeod (Rept. No. 1388); and

H.R. 6998. An act for the relief of Capt. Frank J. McCormack (Rept. No. 1389).

Mr. GIBSON also, from the Committee on Claims, to which was referred the bill (S. 2771) for the relief of Thomas F. Cooney, reported it with amendments and submitted a report (No. 1390) thereon.

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 2927) for the relief of Las Vegas Hospital Association, Las Vegas, Nev., reported it without amendment and submitted a report (No. 1391) thereon.

He also, from the same committee, to which was referred the bill (S. 3472) for the relief of Stefano Talanco and Edith Talanco, reported it with amendments and submitted a report (No. 1392) thereon.

Mr. LOGAN, from the Committee on Claims, to which was referred the bill (H.R. 3595) for the relief of St. Ludgers Catholic Church, of Germantown, Henry County, Mo., reported it without amendment and submitted a report (No. 1397) thereon.

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (H.R. 1766) to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties, reported it without amendment and submitted a report (No. 1394) thereon.

Mr. SMITH, from the Committee on Agriculture and Forestry, to which was referred the concurrent resolution (H.Con.Res. 32) authorizing and directing the Federal Trade Commission to investigate conditions with respect to the sale and distribution of milk and other dairy products in the United States, reported it without amendment and submitted a report (No. 1395) thereon.

He also, from the same committee, to which was referred the bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes, reported it without amendment and submitted a report (No. 1396) thereon.

Mr. MURPHY, from the Committee on Agriculture and Forestry, to which was referred the bill (H.R. 9646) to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge, reported it without amendment.

He also, from the same committee, to which was referred the bill (S. 2246) to amend the Packers and Stockyards Act, reported it with an amendment in the nature of a substitute.

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2603) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission, of Maryland, for park purposes, reported it with amendments and submitted a report (No. 1398) thereon.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, reported it without amendment and submitted a report (No. 1399) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3014) to authorize the transfer of the Green Lake Fish Cultural Station, in Hancock County, Maine, as an addition to the Acadia National Park, reported it without amendment and submitted a report (No. 1400) thereon.

He also, from the same committee, to which was referred the bill (S. 3684) to provide for the establishment of a national monument on the site of Fort Stanwix, in the State of New York, reported it with an amendment and submitted a report (No. 1401) thereon.

Mr. GORE, from the Committee on Interoceanic Canals, to which was referred the bill (H.R. 8700) to establish a code of laws for the Canal Zone, and for other purposes, reported it without amendment and submitted a report (No. 1402) thereon.

Mr. McCARRAN, from the Committee on the Judiciary, to which was referred the bill (S. 3779) to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934, reported it without amendment and submitted a report (No. 1404) thereon.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 3764. An act to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation (Rept. No. 1405);

S. 3765. An act to enable the Postmaster General to withhold commissions on false returns made by postmasters (Rept. No. 1406);

S. 3766. An act to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended (Rept. No. 1407);

H.R. 8460. An act to amend section 392 of title 5 of the United States Code (Rept. No. 1408); and

H.R. 9595. An act to increase the compensation of letter carriers in the village delivery service (Rept. No. 1409).

CONSIDERATION OF RESOLUTIONS REPORTED BY THE COMMITTEE ON PRINTING

Mr. HAYDEN. From the Committee on Printing I report back favorably without amendment Senate Concurrent Resolution No. 20 and ask unanimous consent for its present consideration.

There being no objection, the Senate proceeded to consider the concurrent resolution, which was read and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Foreign Relations of the Senate be, and is hereby, empowered to have printed for its use 2,000 copies of the hearings held before a subcommittee of said committee during the second session of the Seventy-second Congress, on the resolution (S.Res. 278) entitled "Resolution authorizing the Committee on Foreign Relations to make an investigation and to hold hearings respecting matters touching the St. Lawrence Waterways Treaty", part 1 and part 2.

Mr. HAYDEN. From the Committee on Printing I also report an original resolution and ask unanimous consent for its present consideration.

There being no objection, the resolution (S.Res. 269) was considered and agreed to, as follows:

Resolved, That the letter from the vice chairman of the Public Utilities Commission of the District of Columbia, dated May 31, 1934, transmitting, in response to Senate Resolution No. 86, part II of a report of investigation of facts relating to the cost and character of housing in rented premises in the District of Columbia, be printed, with illustrations, as part 2 of Senate Document No. 125.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on the 11th instant that committee presented to the President of the United States the following enrolled bills and joint resolution:

S. 74. An act to authorize payment of expenses of formulating claims of the Kiowa, Comanche, and Apache Indians of Oklahoma against the United States, and for other purposes;

S. 870. An act for the relief of L. R. Smith;

S. 1173. An act for the relief of Gladding, McBean & Co.;

S. 2130. An act to authorize an appropriation for the purchase of land in Wyoming for use as rifle ranges for the Army of the United States;

S. 2674. An act to amend an act entitled "An act to relieve the existing national economic emergency by increasing agricultural purchasing power, to raise revenue for extraordinary expenses incurred by reason of such emergency, to provide emergency relief with respect to agricultural indebtedness, to provide for the orderly liquidation of joint-stock land banks, and for other purposes", approved May 12, 1933;

S. 2898. An act conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on certain claims of George A. Carden and Anderson T. Herd against the United States;

S. 3040. An act to give the Supreme Court of the United States authority to make and publish rules in actions at law;

S. 3237. An act to repeal certain provisions of the act of March 4, 1933, and to reenact sections 4 and 5 of the act of March 2, 1929;

S. 3502. An act authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg.;

S. 3521. An act to facilitate purchases of forest lands under the act approved March 1, 1911;

S. 3615. An act authorizing the county of Wahkiakum, a legal political subdivision of the State of Washington, to construct, maintain, and operate a bridge and approaches thereto across the Columbia River between Puget Island and the mainland, Cathlamet, State of Washington; and

S.J.Res. 100. Joint resolution authorizing suitable memorials in honor of James Wilson and Seaman A. Knapp.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. STEPHENS:

A bill (S. 3782) to provide for the commemoration of the two hundredth anniversary of the Battle of Ackia, Mississippi, and the establishment of the Ackia Battleground National Monument, and for other purposes; to the Committee on the Library.

By Mr. THOMPSON:

A bill (S. 3783) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.; to the Committee on Commerce.

By Mr. ERICKSON (by request):

A bill (S. 3784) to provide for the issue of a supplementary currency without interest based on certain commodities and payable in commodities; to create a Supplementary Currency Board with power to fix wholesale prices on the commodities on which this supplementary currency is based in cooperation with representatives of agriculture and industry, and to regulate the issue and use of such currency; to provide for the organization of associations in agriculture, industry, and business that may receive such supplementary currency upon giving title to the United States to commodities against which this supplementary currency may be issued; to strengthen the control of production and distribution of the basic commodities directly affected through regulating the issue and use of this supplementary currency; to regulate imports and foreign trade to the extent necessary to protect the economic and financial structure of the United States; and to accomplish other related purposes; to the Committee on Banking and Currency.

By Mr. FLETCHER:

A bill (S. 3785) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products; to the Committee on Banking and Currency.

By Mr. COPELAND:

A bill (S. 3786) for the relief of Heinrich Schmidt, of Flensburg, Germany; to the Committee on Claims.

By Mr. HARRISON:

A joint resolution (S.J.Res. 139) to protect the revenue by regulation of the traffic in containers of distilled spirits; to the Committee on Finance.

RETIREMENT SYSTEM FOR RAILROAD EMPLOYEES—AMENDMENTS

Mr. METCALF submitted seven amendments intended to be proposed by him to the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which were ordered to lie on the table and to be printed.

AMENDMENT OF BANKING ACT OF 1933—AMENDMENT

Mr. RUSSELL submitted an amendment intended to be proposed by him to the bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, which was ordered to lie on the table and to be printed.

DIVERSIFICATION OF PRISON INDUSTRIES—AMENDMENT

Mr. HEBERT submitted an amendment intended to be proposed by him to the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, which was ordered to lie on the table and to be printed.

REGULATION OF TOBACCO-GROWING INDUSTRY—AMENDMENTS

Mr. FLETCHER submitted two amendments intended to be proposed by him to the bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes, which were ordered to lie on the table and to be printed.

INVESTIGATION OF ACTIVITIES OF FREIGHT ASSOCIATIONS

Mr. GEORGE submitted the following concurrent resolution (S.Con.Res. 22), which was referred to the Committee on Interstate Commerce:

Resolved by the Senate (the House of Representatives concurring), That the Federal Trade Commission be, and the same is hereby, directed to make an investigation and study of the activities of the freight associations of the United States and of the action of the railroads in jointly prescribing rates through such associations, and report the results thereof to the Congress as soon as practicable, showing specifically the action of said associations, especially in making rates between different freight territories and reporting whether or not such activities violate the antitrust laws as applied to the *Act to Regulate Commerce in the Central Yellow Pine and Tift Lumber cases* (10 I.C.C. 505, 548; 138 Fed. 753; 206 U.S. 441).

JENNIE JONES

Mr. WALSH submitted the following resolution (S.Res. 266), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Jennie Jones, widow of George R. Jones, late an employee in the Senate Office Building under direction of the custodian of said building, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

INVESTIGATION OF RELATIONSHIP OF FREIGHT RATES

Mr. GEORGE submitted the following resolution (S.Res. 267), which was referred to the Committee on Interstate Commerce:

Resolved, That the Interstate Commerce Commission be, and the same is hereby, requested to make an investigation and study



of the relationship of rates in different parts of the United States and report the result thereof to the Congress of the United States as soon as practicable, showing:

First. The relative book value and value fixed by the Interstate Commerce Commission of the properties of class 1 railroads in the United States, separating such values so as to show the same in the three large freight territories of the country.

Second. The cost of hauling freight, so far as the records disclose, in each of the said several territories.

ADDITIONAL COPIES OF HEARINGS ON INVESTIGATION OF RACKETS

Mr. COPELAND submitted the following resolution (S.Res. 268), which was referred to the Committee on Printing:

Resolved, That, in accordance with paragraph 3 of section 2 of the Printing Act approved March 1, 1907, the Committee on Commerce of the Senate be, and is hereby, empowered to have printed for its use 1,000 copies of part 4 of the hearings held before a subcommittee of said committee during the second session of the Seventy-third Congress on the resolution (S.Res. 74) entitled "A resolution authorizing an investigation of the matter of so-called 'rackets', with a view to their suppression."

NATURAL BEAUTIES OF KENTUCKY

Mr. LOGAN. Mr. President, I ask permission to have printed in the RECORD an address delivered by the Honorable Desha Breckinridge, editor of the Lexington Herald, at the fourth annual mountain laurel festival in Bell County, Ky., and also an editorial appearing in the same publication on June 5, 1934, entitled "Go to the Hills Where Beauty Abides."

There being no objection, the address and editorial were ordered to be printed in the RECORD, as follows:

[From the Lexington (Ky.) Herald, Sunday, June 3, 1934]

TRIBUTE IS PAID TO RESIDENTS OF MOUNTAINS—DESHA BRECKINRIDGE LAUDS SONS OF HIGHLANDS WHO HAVE GAINED GREAT FAME

Tribute to the noble race that inhabits the Kentucky mountains was paid in the speech delivered by Desha Breckinridge, editor of the Herald, last Friday, at the fourth annual mountain laurel festival in Bell County.

Mr. Breckinridge, in his address, pointed out that in every State sons from these highlands have played a great part, and he lauded the new spirit which is tending to bind all sections of the great Commonwealth of Kentucky into one homogeneous unit.

The complete text of Mr. Breckinridge's address at the mountain laurel festival follows:

"Mr. Chairman and fellow Americans, I cannot express my appreciation of the opportunity to be present here today, given to me because of the partial friendship of Mrs. Cromwell and those in charge of this celebration.

"More than half a century ago it is since I first came to this section. That great Kentuckian, Nathaniel S. Shaler, who created the Kentucky Geological Survey and became the best beloved professor at Harvard, to whom Kentucky owes a great debt, and John R. Proctor, who succeeded Professor Shaler as head of the Geological Survey in Kentucky, persuaded my father to take his family to spend the summer in Cumberland Gap with the students brought by Professor Shaler for the Harvard summer school. That journey was far different from the trip I have made today. We went by train from Lexington to Louisville, from Louisville to Knoxville, and by wagon drawn by mules from Knoxville to Cumberland Gap, where for 6 weeks we camped.

"Impossible it is for my faltering tongue to describe, even to indicate the difference between that trip and this country then, and the trip I have made to come today and this country now.

"Again, in later years, upon my return to Kentucky from college I came to this region and witnessed something of the intense activity of which Big Stone Gap and Middlesboro were the products.

"There has never been an hour since those days of long ago that I have not had love for this section, have not had keen realization of the truth uttered by David when in the Psalms he said: 'I will lift up mine eyes unto the hills from whence cometh my help.'

"I have understood something of the joy, mayhap I should not confess that I have often envied the fate that led those who came through Cumberland Gap and along the Wilderness Trail to stop and build their homes where they could look to the hills from whence they got strength and inspiration. Kindred all were they who came from North Carolina and Tennessee and Virginia along that trail and through that gap to build a Commonwealth, that in my judgment has had more potent influence in the development of American civilization than any of her sister States.

"Inheritors they were of common traditions, in whose veins there flowed the commingled blood of the Norman, the Angle, the Saxon, the Dane, and the Celt, fused into that marvelous race, speaking the English language, preserving valiantly and rigorously the principle of Anglo-Saxon liberty.

"Worthy descendants they were of those who sat in judgment upon a king, who followed Cromwell, who established the greatest Commonweath of the world. They carried with them always, even to the uttermost parts of the earth, the principle of liberty regulated by law, freedom of speech, and right of individual ownership of property; that found its concrete expression in the accepted dictum that a man's home is sacred, whether it be castle or cabin, into which, though the wind enters through the crevices, the king himself may not enter except in response to the invitation of the owner or in accord with the mandate of the law.

"In 1750, a hundred and eighty-four years ago, Dr. Thomas Walker and his companions first penetrated through Cumberland Gap, named by him, as was the river, for the Duke of Cumberland. Fitting it is that one whose ancestors sprang from his loins, Mrs. Annie Walker Burns, has had her thought translated by descendants of companions of his into this great celebration.

"Dr. Walker's coming marked the very beginning of the conquest of the West, the Southwest, the Northwest and the South. From that day on until 1769, when Daniel Boone and four companions left Yadkin to explore the land that the vision of Richard Henderson beheld as a great empire, there were a number driven by the zest of adventure, impelled by the quest for land, who penetrated the forests and braved the dangers of the Indians. Christopher Gist, in 1750; John Finley, in 1752 and 1767; Henry Skaggs, in 1764; James Smith and his companions under Isaac Lindsey; James Harrod and Michael Stoner are some who during those years explored the hunting grounds of Kentucky.

"But the real exploration of Kentucky came after the Stanwix Treaty of 1786, by which the Six Nations ceded to Virginia their claims to the country between the Ohio and Tennessee Rivers, and thus gave to Virginia the nominal right to the Kentucky country.

"With the coming of Boone and the long hunters there began a migration that is among the most remarkable in all the annals of the world. The settlement of Kentucky was in defiance of royal edict. In 1763 a royal proclamation expressly forbade the granting of warrants of survey or patents beyond the heads or sources of any of the rivers which fall into the Atlantic Ocean or further west.

"There were already then mutterings of the storm that found its expression in the American Revolution, so that the King desired to limit the growth of the colonies west of the Alleghenies and to confine the increase to the narrow scope between the mountain range of the seacoast, that was accessible by navigable rivers and could, therefore, be controlled from the seacoast and those rivers.

"Kentucky is the only State whose very existence was created in express disobedience of all governmental authority. Before the Revolution broke, in 1774 when the merchants of the old Bay Colony were preparing for Bunker Hill, Henry was thundering in Williamsburg and Franklin leading toward revolution, a house was built where this State now exists—a log cabin, it is true, yet it consecrated all the State to that Anglo-Saxon civilization which founds the State on the family and was evidence, proof that they who came as adventurers were settlers and builders of States.

"Could one but revive that long ago, contemplate the present and project himself into the future with full realization of what the brief years since Boone came through Cumberland Gap have brought, what would be the picture he would paint?

"I cannot even indicate in the time that I may take, the contrast. I can but suggest what mayhap another more able, more devoted, though loving Kentucky no more than do I, may paint. June 7, 1769, it was, when Boone first feasted his eyes 'with the unrivaled valley of the Kentucky.' What a contrast the picture of today would be by the side of the picture of that date if artist or poet or orator could in fitting colors or apt words paint America in 1769 as we see it today. It would stagger human credulity.

"The records of those days have been scattered. In the Draper collection at Madison, Wis.; in the Dunne collection at the University of Chicago; in the Breckinridge collection at the Congressional Library; in garrets and in old desks there are priceless records of the toil and the dangers, the sacrifices and the triumphs of those who explored the wilderness and laid the foundation of the State. The records should be gathered in Kentucky, in this section marking the very doorstep to the great domain that is largely due to Kentucky. There should be gathered the letters and the diaries and the maps, the records of those glorious days when the buckskin-clad pioneers came to Kentucky.

"It is fitting that the American Order of Pioneers, a national organization, with headquarters in Washington, has designated this year—that is, the bicentenary of the birth of Daniel Boone—as 'Pioneer Year' in honor of the pioneers to whom this Nation and the world owes an unpayable debt of gratitude. At Boonesboro on September 3 there will be a national gathering to make recognition of that debt to Boone and those of whom he is typical.

"And then there should be an adequate history written of what their coming has meant. I may but faintly indicate the part that Kentucky played, but suggest what would be the difference in the world had those who came through Cumberland Gap obeyed instead of defied the royal edict forbidding the settlement beyond the headwaters of the streams that flowed into the Atlantic to the eastward.

"It is 142 years ago today that the long efforts of those who settled and led Kentucky were crowned with victory—Kentucky admitted to the Union. The records of the years during which the settlers of Kentucky strove to secure an independent State government are full of romance and pregnant with mighty events. Even with that victory it is impossible for us of today to appreciate the condition of Kentucky on June 1, 1792. There were less than 100,000 residents of Kentucky. The British posts in the Northwest had not been surrendered. Indian tribes, led by the great statesman and warrior, Tecumseh, were active and aggressive. There was haunting fear of the closing of the Mississippi. As measured

by modes of travel of today, she was months separated from the seat of the Federal Government and the capitals of her sister States, the interests of some of which she held justly to be hostile to her interests.

"As revealed by the vote of the majority of her representatives in the Virginia convention, she was opposed to the ratification of the Federal Constitution, sharing the views of the seer, statesman, orator, Patrick Henry. With no stable financial system, pressed with the burden of military organizations and Indian campaigns, the prospect might daunt the bravest. Yet her very settlement, her history during the brief years from the entrance of Boone in '69 till her admission as a State in '92 had revealed and developed a spirit of heroic self-reliance, of superb fortitude, of surpassing political wisdom.

"Kentucky pioneers made three great contributions to political science. For the first time in all the world there was granted the right of suffrage to man as man. For the first time representation was based on numbers, not on wealth nor education nor station of the inhabitants. For the first time they separated and reduced to definite terms the separation of the functions of government, separated not only the functions but the persons who should discharge legislative, executive, and judicial duties.

"They recognized the imperative necessity that the Mississippi should be free, to which in large, in major measure was due the acquisition of the Louisiana Territory. During the dangerous years, filled with hardships, the Kentuckians who followed Boone never faltered in their rigid determination that there should be free navigation of the Mississippi River. In largest measure it was due to them that Jefferson's dream became a reality. It was a Kentuckian, John Breckinridge, who introduced in the Senate the bill for the government of the Louisiana Territory and was appointed by Jefferson as Attorney General in his Cabinet largely for the purpose of codifying and administering the laws governing that Territory.

"It was Merriwether Lewis who with William Clark headed the Lewis-Clark expedition that went to the Pacific and laid the foundation for the creation of the States of the West. The mere list of the States created from the Louisiana Purchase indicates something of how great would have been the change had they remained under Spanish or French dominion—Louisiana, Missouri, Arkansas, Iowa, Minnesota, Kansas, Nebraska, Colorado, North Dakota, South Dakota, Montana, Wyoming, and Oklahoma. It is true that part, one-third of Minnesota and Colorado and mayhap one-fifth of Wyoming and Montana, was not included in the Louisiana Purchase, but had a hostile power obtained control of the Louisiana Territory, no part of those States would today be included in the boundaries of the United States. Had the royal edict forbidding the settlement of Kentucky been obeyed, George Rogers Clark would not have won the Battle of Vincennes and gained an empire for the young Nation.

"Can human imagination picture the difference in the history of the world had the French or the Spaniard remained in control of the Louisiana Territory, from which has been carved the empire States of the West and the Southwest, and had the English retained the Northwest?

"Kentuckians they were who persuaded Jefferson to abandon or disregard his view that the Constitution as adopted did not permit the acquisition of new territory but required an amendment thereto. George Rogers Clark—Lewis and Clark would never have conducted their expeditions had it not been that because of the migrations from Virginia and North Carolina and Tennessee, Kentucky was won by the English-speaking race.

"And that is but a part of the influence that Kentucky has had. Henry Clay, elected Speaker of the House of Representatives in his first term in Congress, changed the office of Speaker from that of a mere presiding officer to the second greatest office in the Government. Primarily due to him it was that the second war of independence was launched, the last battle of which was won at New Orleans by Kentuckians under Jackson, who, behind their cotton bales, held their fire until they could see the eyeballs of the advancing Redcoats.

"Kentuckians they were, led by the son of Henry Clay, who won the Battle of Buena Vista, where young Henry Clay gave his life for his country and helped make certain the independence of Texas.

"Had the citizens of Kentucky been united either for the Confederacy or for the Union, the story of the War between the States might have been different. Here in these hills and valleys and coves there was such passionate devotion to the Union that from them went an army greater in numbers than the quota fixed by the Federal Government for the State to furnish. Abraham Lincoln and Jefferson Davis were but typical of the division among Kentucky's sons. It may well be that the devotion of the people of the mountains of Kentucky to the Union made the Federal forces triumphant.

"A noble race it is that inhabits these mountains. In every State sons from these highlands have played a great part. I know of no other instance in American history where a man who followed one vocation until past 40 and then gave up the profession of medicine to become a lawyer achieved the highest distinction that can be given to an American lawyer—an appointment to the Supreme Court—as did Justice Miller, of Barbourville. And he was but a type of the brain, the spirit, and the blood that is found throughout this land where they look to the hills from whence cometh strength.

"And what of the future? In the days when I first came to these mountains, more than 50 years ago, Kentucky was divided into six great territories—the valley of the Cumberland, the valley of the Big Sandy, the valley of the Kentucky, the valley of the Licking, the valley of the Tennessee, and the valley of the Green. Today, with good roads, we from the blue grass, from the valley of the Kentucky, others from the valley of the Licking, the Tennessee, the Green, can come in fewer hours than it then took days to come, fewer hours than it took our pioneer forebears weeks.

"Homogeneous, we are, in tradition and in blood. But we have not always been alike in aspiration. Now, we may become so; with better acquaintance, with more frequent visits, with freer intercommunication and with full knowledge and deep reverence for the past, we may turn our face to the future with the assurance that they who are descendants from the builders of the State, from the men who led to the Pacific, who won an empire at Vincennes, who demanded and obtained the right to free navigation of the Mississippi, who waged triumphantly the second war of independence, who helped to preserve the Union, will carry on as worthy sons and daughters of the pioneer men and women who trod the Wilderness Trail, builded a commonwealth of homes where virtue abides and courage rules, and won an empire for the English-speaking race of which they are today so great a part."

[From the Lexington (Ky.) Herald, Tuesday, June 5, 1934.]

GO TO THE HILLS WHERE BEAUTY ABIDES

Have you ever been to the mountains in laurel time? Have you ever driven from Lexington past the fallow fields of Fayette, down the gorge of the Kentucky, up the hill that leads to the rolling meadows of Madison, on to Berea, through Mount Vernon, London, Corbin, across the Rockcastle to Pineville, then to Middlesboro, Cumberland Gap, and climbed the mountain to the Pinnacle?

You have never driven over more beautiful roadways, never traveled through more varied and more alluring scenery. No one can adequately picture, we do not even attempt to describe, the beauty of the fields and meadows, the charm of the ravines and the gorges, the lure of the hillsides, the glory of the mountains.

The laurel, magnolia, tulip trees are now in bloom. The rhododendron will quickly come. For the next several weeks the varied greens of the shrubs and trees will be splashed with the vivid color of the blossoms. And that drive is but an introduction to the hills and the valleys of the Cumberland. Only some 4 or 5 hours it takes to run from Lexington to Cumberland Gap. Yet much longer time may well be taken. Days are spent by many in visting lands not nearly so lovely, so redolent with romance, so pregnant with great possibilities as is the territory traversed in the trip from the Blue Grass to the Cumberlands.

Thousands and tens of thousands visit Pike's Peak. We found in our mail upon our return from a trip to Pineville, pictures of the Chilean Andes, the Pao de Assucar, Rio de Janeiro; the Lago del Inca in the Chilean Andes, and the Aconcagus from the Argentine side. The altitude of these mountains is higher, the gorges are deeper, it is true, than the mountains of Kentucky, Virginia, North Carolina, and Tennessee. But the country is little more striking, the sense of space and of power is scarcely less.

From the Pinnacle Rock one can see Kentucky, Tennessee, Virginia, North Carolina, Georgia, and Alabama, the six great States that are the reservoir of the purest blood of the English-speaking race, in which there are contrasts between the leaders of the civilization of today and representatives of the civilization, customs, language, and thought of centuries ago.

Only a century and a half it is since the long hunters started the migration that led to the settlement of Kentucky, to the conquest and preservation of the continent by that civilization known today as American.

Can anyone standing on that peak and gazing over that far-flung land picture what the next century and a half will hold? Is it not worth while for us of the lowlands to become familiar with both the people and the beauties of the highlands?

The Pinnacle and Cumberland Gap are but two of the innumerable points of interest in that great domain drained by the Cumberland, the Kentucky, and the Big Sandy. Cumberland Falls, which is reached by a road that passes through one of the most beautiful sections we have ever traversed, is well worth visiting, even by those who have feasted their eyes on the glory of Niagara Falls and have seen the falls of Yosemite.

Days, if not weeks, may well be spent in becoming acquainted with the hills and the valleys of eastern and southeastern Kentucky. The cities and towns and villages that have grown up in those hills are well worth visiting. There are tourist camps scattered throughout the whole region. There are numerous excellent inns and traverns and hotels where the courtesy of generous hospitality makes the visitor feel as though among home folk. There are golf courses and country clubs. The second oldest golf course in America, so it is said, and as beautiful as any in all America, is at Middlesboro. At Harlan the country club and golf course give indication that the men and women of that highland country have time for social companionship and healthful recreation.

The streams and the lakes give the disciples of Izaak Walton opportunity to display their skill with the assurance of fitting reward. In the not-distant future there will be great game and fish preserves, as there should be, where deer and wild turkey will roam the forests, where bass and trout and blue catfish will teem the rivers and streams.

We do not now attempt to tell of the pageant held at Pineville June 1, the one hundred and forty-second anniversary of the admission of Kentucky to the Union. We have never seen so

remarkable a natural amphitheater as that in which that pageant was held. It must be seen for one to have even an adequate realization of its charm and unique construction by the Master's hand. The sounding board that projects the music of instruments, the voices of speakers and singers hundreds of feet, faces a gradually rising slope upon which thousands may sit and everyone see the natural platform at the base of the cliff.

There could not be a lovelier sight than the procession of young girls from a score of schools and colleges, garbed in striking colors, as they marched from the thicket of the bending, blooming laurel onto the stage and then, as the court of the queen gathered, a hundred or more all gowned alike, holding the royal court.

One of the most inspiring, as it was the most striking, features of the pageant was the demonstration of generous, whole-hearted cooperation between the various communities of that region. From London and Barbourville, from Corbin and Williamsburg, from Middlesboro and Harlan there were men and matrons and maids who united with the citizens of Pineville in making of the pageant a revelation of a people instead of only a pageant of a country.

It has been many years since we were last in that section. Pressure of obligation, lack of time kept us from staying so long as we wanted to stay, or visiting so many people as we wanted to visit. But it will not be long till we go back. We do a favor to whomever is induced by what we say to make the tour of the mountains and become acquainted with the people and familiar with the beauties of our State.

ADDRESS BY DEAN WEST, OF PRINCETON

Mr. LONERGAN. Mr. President, I ask unanimous consent to have inserted in the RECORD an address by Dean West to the Nassau Club, of Princeton University, as published in the Princeton Alumni Weekly.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

[From the Princeton Alumni Weekly]

Dean West

Gentlemen of the Nassau Club, in view of these encomiums of the president, if I were modest, I would blush; I do not blush, whatever be the reason. I am grateful indeed for this complimentary dinner, and so will anyone in this room be at a similar dinner when he is 81.

Princeton is a home town. When its men are not at their work they are at home, as a rule; and that characteristic of this community has persisted from generation to generation. So much so that one English visitor, coming back to Princeton after 20 years' absence, said: "In the regularity and stability of its life, it is the analogue of the solar system."

So it is the fact that it is a home-living and home-loving town that makes Princeton a delightful place to live in; and if those born here are fortunate, we who were not born here and live here may consider ourselves fortunate that we were born at all.

It is a good place to grow old in, and it seems to me that there are more happy old persons here than in other communities. It is indeed a good place to grow old in, and I can say truly that the last few years have been among the happiest of my life.

I am reminded of a conversation I had with Thomas Hughes, the author of Tom Brown, at Oxford, at a time when I was 25 and he was very old. He spoke of some of the lessons a long life can teach, and said to me, "The two finest times in life are the sunrise and the sunset." One lesson it seems to me is this: That we should seek happiness and wish to live at all times in a happy manner. That is not always a very easy thing to do. It is not the spirit of great self-esteem which is the great spirit. Anybody can have that. It has also been constantly impressed upon me that we should not live on our dislikes, but should realize there is some good in every man and should look out for that; and if that is developed other good things will develop. That was one of the reasons for the very happy success of President Hibben. He looked for the good in every man.

And then there is another thing. A man should have the instincts of a gentleman. The humblest laborer in the ditch is often a better gentleman than his employer. Being a gentleman is not a matter of speech, clothes, or manner; it is a matter of something inside; and that something inside has two factors: First, a gentleman will not take a mean advantage of another; he may take an honorable advantage, but a mean advantage, never; and the second and higher trait, the highest in fact, is that a gentleman is always considerate of others, even if they are not considerate of him. Another element that affects our happiness is station in life, position, wealth, public office, or distinction. All well enough. But position and wealth alone will not lead to happiness. They do not settle the internal things, the real things of life.

In this connection I am reminded of a very wise remark by President Patton in commenting on the attempts to construct a Christianity without Christ. He said: "If you take from anything everything which makes it something, you have nothing." If you take from life certain invisible things and then talk of happiness, you have nothing. What are those invisible things? Well, I should say courage, courage not merely to dare, but the higher courage to endure; another is fidelity; another is patience; another, kindliness; another, the greater one, is friendliness. Leave these out and life is scarcely worth living. The everything which made life something is nearly all gone. And so, if this is true, and I believe it is, the internal life counts most and the external life least. If the inside is right, the outside will take care of itself, whether we have wealth and station or not.

Then, there are faith and hope, the two guiding lights which help do much toward making a really happy life. These are things beyond the range of the physical elements, beyond the range of the ponderable; they are the imponderable things, the things that determine our careers.

And so, as I come to the close of this talk, I am reminded of the words of William Watson, the English poet who went insane, afterward recovered his reason, and expressed the beautiful spirit of life in his lines:

"As we wax older on this earth,
Till many a toy that charmed us seems
Emptied of beauty, stripped of worth,
And mean as dust and dead as dreams—
For gauds that perished, shows that passed,
Some recompense the fates have sent:
Thrice lovelier shine the things that last,
Things that are more excellent."

And now let me close with the familiar and beautiful words of Browning:

"Grow old along with me!
The best is yet to be,
The last, for which the first was made."

TEXTILE-LABOR SETTLEMENT—GENERAL JOHNSON'S STATEMENT

Mr. BAILEY. Mr. President, I ask unanimous consent that there may be printed in the RECORD the text of the statement of Gen. Hugh S. Johnson on the textile labor settlement.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TEXT OF JOHNSON STATEMENT ON TEXTILE LABOR SETTLEMENT

(WASHINGTON, June 3.—The text of Gen. Hugh S. Johnson's statement that his order for 25-percent curtailment in the cotton textile industry would stand and that the strike scheduled for tomorrow had been averted follows:)

The threatened cotton textile strike was conditioned on N.R.A. rescinding its own order restricting machine hours 25 percent during the usual summer slump, which for the past few years has averaged approximately 25-percent decline in production. At present there is a very large surplus of goods unsold and disastrous shut-downs were threatened. The idea of the order was to spread these inevitable reductions over the whole industry equally (with exceptions for the smaller mills and certain special cases) and thus to sustain employment on the widest possible basis.

PREVENTS LONG SHUT-DOWNS

The order prevented shut-downs for long periods by requiring that reductions be by days instead of weeks or months, except that shut-downs for normal causes, such as inventory, repairs, etc., shall not be prevented.

No argument against either the wisdom or the equity of this order has been presented. On the contrary, labor representatives in the present conference admitted the necessity for this action and that the strike was not against the order at all, but only to secure a 33⅓-percent increase in hourly rates of pay and certain other demands.

STRIKE ORDER RESCINDED

While N.R.A. is willing to do anything it can to compose differences as they arise it cannot proceed to any action under the threat of a strike against its own order. Accordingly, the first article of settlement countermands the strike order.

Labor representatives in the present conference now concede that the real issues are:

1. Their right to represent members of their union in collective bargaining.

2. Certain other grievances alleged to be in violation of the code; but principally.

3. A demand for an increase of 33⅓ percent in the labor element of the cost of cotton textiles.

There is no question that labor is entitled to prompt and effective relief of any just complaint under 1 and 2, or of the duty of N.R.A. to secure it. The most effective instrumentality we have as yet tried in labor disputes was the President's suggestion in the settlement of the automobile strike.

There is already an industrial relations board in the cotton textile industry and it has functioned exceptionally well—better, perhaps, than any similar set-up; but to bring it into the field of action of the Wollman board its powers required further definition and its membership had to include a representative of labor in the cotton textile industry.

ACCEPTED BY LABOR

A basis of settlement was the administrator's agreement to urge upon this industry such definition and amendment of the industrial relations board as would accord with the President's formula in the automobile settlement. Labor accepts this and it is believed that this will go far to quiet the present unrest and prevent future disturbance.

Labor in this industry is also to be given representation on the labor advisory board and is to have an adviser to the Government members on the code authority. Studies of all assertions of other general grievances are to be continued.

So much for the first two causes of complaint. As to wages, it is clear that no such violent increase as 33⅓ percent in all wage scales, if any, can be considered at this time. The rise in the price of cotton textiles has been one of the chief consumer complaints.

INCREASE IN COST

Including the processing tax, raw cotton costs have increased 150 percent. There has been a 70 percent increase in labor costs due to the code and other influences, and an increase of 94 percent in cost of labor, material, and supplies in cotton textiles.

A very clear cause of decreased consumption is this increased cost and increased prices which flow from it. In this situation any such increase in cost would paralyze production and employment and defeat the very ends aimed at.

The course of negotiations has not been helped by the concurrent newspaper debate between the parties to them. Fairness to N.R.A. and to a great industry and to its accomplishments for labor under the N.R.A. compels me to correct several inaccurate statements which appeared in news dispatches yesterday and which were attributed to officials of the United Textile Workers.

A statement that the administration of the cotton textile code "through lack of enforcement has brought it to a point of precode conditions" is simply without foundation in fact. I know of no code under the N.R.A. that is administered more conscientiously and more effectively than this code has been and is being administered by its code authority.

FINDS WAGES HIGHER

The statement that wages "have been forced down to lower than ever before" is equally unfounded. The very opposite is true. The record shows that the present hourly wage rate as well as weekly earnings adjusted to living costs (real wages) have reached and passed the highest 1929 level.

Between April 1933 and April 1934 pay rolls in this industry increased over 100 percent; between March 1933 and April 1934 employment increased 34 percent. Average actual weekly earnings increased between March 1933 and February 1934 about 35 percent.

The improvement of labor conditions under this code surpasses that in any other industry and, in addition to the wage improvements mentioned, includes the wiping out of unfavorable working conditions, such as child labor, unconscionable hours, and unregulated stretch-out.

WORK OF INSTITUTE

The improvements have been retained and at the time they were obtained through an N.R.A. code hearing and months of patient work with the Cotton Textile Institute prior to the code there was no substantial labor organization in the industry.

For that work the generous cooperation of the industry, with the steady insistence of N.R.A., deserves credit. In such circumstances insistence that labor in this industry cannot expect protection under the code except through membership in a particular union is also unwarranted. It is not necessary to be a member of a particular union in order to enjoy the benefits of the cotton-textile code.

This is code no. 1—that of the first industry to answer the President's early observations on the benefit of the principles of N.I.R.A., made weeks before the enactment of the law. Strictures on the good faith of that industry are unwarranted and unjust.

TEXT OF SETTLEMENT

The text of the settlement follows:

1. Strike order to be countermanded without prejudice to the right of labor to strike.

2. One representative of employees of the cotton-textile industry to be appointed by the Secretary of Labor to labor advisory board.

3. One representative of employees of the cotton-textile industry to be appointed labor adviser to Government members on cotton-textile code authority.

4. Authority of cotton-textile national relations board to be defined by administrative order to include all subjects mentioned in paragraph 7 hereof. Membership of said board to be increased by one representative of employers and one representative of employees from the cotton-textile industry.

5. If these conditions are accepted I will urge the cotton textile code authority to accept and agree to abide by the foregoing amendment to the industrial relations board provisions.

6. Investigation and reports upon the following questions to be made by N.R.A. division of planning and research in conjunction with revised industrial relations board:

(a) What productive machine hours are necessary to meet normal demand (within 10 days)?

(b) What increase, if any, in wage rates is possible (within 14 days)?

(c) Have wage differentials above the minimum been maintained (within 30 days)?

(d) What changes have taken place in man-hour productivity?

(e) The division of planning and research to cooperate with the industrial relations board in completing its studies of the work load for the use of the board in dealing with all controversies over the stretch-out or specialization system.

7. The cotton-textile industrial relations board will continue to handle all pending or future claims and complaints of discrimination, representation, inaccurate entries on pay envelopes, unwarranted reductions in classification, increased stretch-out, alleged violation of section 7 (a) and all other alleged violations of the code.

8. The seasonal character of the cotton-textile business and the necessity for temporary reductions in machine hours from time to time is recognized by the representatives of the labor organizations.

EXTENSION OF TEMPORARY PLAN FOR DEPOSIT INSURANCE—CONFERENCE REPORT

Mr. FLETCHER. I move that the Senate proceed to the consideration of the conference report on the bill to amend the Federal Reserve Act, being Senate bill 3025. It will, I think, take but a few moments.

Mr. HAYDEN. Mr. President——

The VICE PRESIDENT. The Chair will state that the adoption of the motion will not displace the pending unfinished business, the motion of the Senator from Florida having relation to a privileged report.

Mr. HAYDEN. I have no objection to the consideration of the report.

The VICE PRESIDENT. The question is on the motion of the Senator from Florida.

The motion was agreed to; and the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes.

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3025) to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following:

"That section 12B of the Federal Reserve Act is amended—

"(1) By striking out 'July 1, 1934' wherever it appears in subsections (e), (l), and (y), and inserting in lieu thereof 'July 1, 1935';

"(2) By striking out 'June 15, 1934' where it appears in the last sentence of the third paragraph of subsection (y) and inserting in lieu thereof 'October 1, 1934';

"(3) By striking out 'June 30, 1934' where it appears in the first sentence of the fifth paragraph of subsection (y), and inserting in lieu thereof 'June 30, 1935';

"(4) By amending the second sentence of the fifth paragraph of subsection (y) to comprise two sentences reading as follows: 'The provisions of such subsection (l) relating to State member banks shall be extended for the purposes of this subsection to members of the fund which are not members of the Federal Reserve System, and the provisions of such subsection (l) relating to the appointment of the Corporation as receiver shall be applicable to all members of the fund. The provisions of this subsection shall apply only to deposits of members of the fund which have been made available since March 10, 1933, for withdrawal in the usual course of the banking business.';

"(5) By adding to the sixth paragraph of subsection (y) the following: 'The Corporation shall prescribe by regulations the manner of exercise of the right of nonmember banks to withdraw from membership in the fund on July 1, 1934, except that no bank shall be permitted to withdraw unless 10 days prior thereto it has given written notice to the Corporation of its election so to do. Banks which withdraw from the fund on July 1, 1934, shall be entitled to a refund of their proportionate share of any estimated balance in the fund on the same basis as if the fund had terminated on July 1, 1934.';

"(6) By adding to the end of the fourth paragraph of subsection (y) the following new paragraphs:

"'On and after July 1, 1934, the amount eligible for insurance under this subsection for the purposes of the October 1, 1934 certified statement, any entrance assessment, and, if

levied, the additional assessment, shall be the amounts not in excess of $5,000 of the deposits of each depositor.

"'Each mutual savings bank, unless it becomes subject to the provisions of the preceding paragraph in the manner hereinafter provided, shall be excepted from the operation of the preceding paragraph and for each such bank which is so excepted the amount eligible for insurance under this subsection for the purposes of the October 1, 1934 certified statement, any entrance assessment, and, if levied, the additional assessment, shall be the amounts not in excess of $2,500 for the deposits of each depositor. In the event any mutual savings bank shall be closed on account of inability to meet its deposit liabilities the Corporation shall pay not more than $2,500 on account of the net approved claim of any owner of deposits in such bank: *Provided, however,* That should any mutual savings bank make manifest to the Corporation its election to be subject to the provisions of the preceding paragraph the Corporation may, in the discretion of the board of directors, permit such bank to become so subject and the insurance of its deposits to continue on the same basis and to the same extent as that of fund members other than mutual savings banks.

"'The Corporation, in the discretion of the board of directors, may open on its books solely for the benefit of mutual savings banks an additional Temporary Federal Deposit Insurance Fund (hereinafter referred to as the "Fund For Mutuals") which, if opened, shall become operative on or after July 1, 1934, but prior to August 1, 1934, and shall continue to July 1, 1935. If the Fund For Mutuals is opened on the books of the Corporation, each mutual savings bank which is or becomes entitled to the benefits of insurance during the period of its operation shall be a member thereof and shall not be a fund member. All assessments on each mutual savings bank, including payments heretofore made to the Corporation less an equitable deduction for liabilities and expenses of the fund incurred prior to the opening of the Fund For Mutuals, if opened shall be transferred or paid, as the case may be, to the Fund For Mutuals. All provisions of this section applicable to the fund and not inconsistent with this paragraph shall be applicable to the Fund For Mutuals if opened, except that as to any period the two are in operation the fund shall not be subject to the liabilities of the Fund For Mutuals and the Fund For Mutuals shall not be subject to the liabilities of the fund. Each mutual savings bank admitted to the fund shall bear its equitable share of the liabilities of the fund for the period it is a member thereof, including expenses of operation and allowing for anticipated recoveries.';

"(7) By striking out the period at the end of the first sentence of the fifth paragraph of subsection (y) and inserting in lieu thereof a comma and the following: 'if the member closed on or before June 30, 1934, and not more than $5,000 if closed on or after July 1, 1934.';

"(8) By (a) striking out 'July 1, 1936', in the first sentence of subsection (l) and inserting in lieu thereof 'July 1, 1937', (b) striking out the words 'July 1, 1936' in the seventh paragraph of subsection (y) and inserting in lieu thereof 'July 1, 1937', and (c) adding after the seventh paragraph of subsection (y) the following new paragraph:

"'Until July 1, 1937, any State bank may obtain the benefits of this section on and after the date the fund is terminated upon the conditions with regard to examination, certification, and approval governing the admission of State banks to the fund and upon purchasing such class A stock or making such a deposit as is prescribed in the preceding paragraph for former fund members.'

"(9) By adding at the end of the first paragraph of subsection (v) the following new paragraph:

"'Every insured bank shall display at each place of business maintained by it a sign or signs to the effect that its deposits are insured by the Federal Deposit Insurance Corporation. The Corporation shall prescribe by regulation the form of such sign and the manner of its display. Such regulation may impose a maximum penalty of $100 for each day an insured bank continues to violate any lawful provisions of said regulation.'; and

"(10) By amending the first sentence of the second paragraph of subsection (y) by inserting within the parentheses and immediately after the words 'District of Columbia' the words 'and the Territories of Hawaii and Alaska.'

"SEC. 2. The first paragraph of section 9 of the Federal Reserve Act, as amended (U.S.C., title 12, sec. 321), is amended by adding after the second sentence thereof a new sentence to read as follows: 'For the purposes of membership of any such bank the terms "capital" and "capital stock" shall include the amount of outstanding capital notes and debentures legally issued by the applying bank and purchased by the Reconstruction Finance Corporation.'

"SEC. 3. (a) The Reconstruction Finance Corporation Act, as amended, is amended by adding before section 6 thereof the following new section:

"'SEC. 5e. (a) The Corporation is authorized and empowered to make loans upon or purchase the assets of any bank, savings bank, or trust company, which has been closed on or after December 31, 1929, and prior to January 1, 1934, and the affairs of which have not been fully liquidated or wound up, upon such terms and conditions as the Corporation may by regulations prescribe. If in connection with the reorganization, stabilization, or liquidation of any such bank, assets have been trusteed or are otherwise held for the benefit of depositors or depositors and others, the authority, subject to regulations, as provided in the preceding sentence, shall be extended for the purpose of authorizing the Corporation to purchase or make loans on such assets held for the benefit of such depositors or depositors and others. This authority shall also extend to any such institution that has reopened without payment of deposits in full. In making any purchase of or loan on the assets of any closed bank, the Corporation shall appraise such assets in anticipation of an orderly liquidation over a period of years, rather than on the basis of forced selling values in a period of business depression. This authority shall also extend to assets of the character made eligible by this section as security for loans without regard to whether the Corporation has heretofore made loans thereon.

"'(b) The Corporation shall purchase at par value such debentures or other obligations of the Federal Deposit Insurance Corporation as are authorized to be issued under subsection (o) of section 12B of the Federal Reserve Act, as amended, upon request of the board of directors of the Federal Deposit Insurance Corporation, whenever in the judgment of said board additional funds are required for insurance purposes: *Provided,* That the Corporation shall not purchase or hold at any time said debentures or other obligations in excess of $250,000,000 par value: *Provided further,* That the proceeds derived from the purchase by the Corporation of any such debentures or other such obligations shall be used by the Federal Deposit Insurance Corporation solely in carrying out its functions with respect to such insurance.

"'(c) The amount of notes, bonds, debentures, and other such obligations which the Corporation is authorized and empowered to issue and to have outstanding at any one time under existing law is hereby increased by $250,000,000.'

"SEC. 4. So much of section 31 of the Banking Act of 1933 as relates to stock ownership by directors, trustees, or members of similar governing bodies of member banks of the Federal Reserve System, is hereby repealed."

And the House agree to the same.

DUNCAN U. FLETCHER,
CARTER GLASS,
ROBERT J. BULKLEY,
JOHN G. TOWNSEND, JR.,
F. C. WALCOTT,
Managers on the Part of the Senate.

HENRY B. STEAGALL,
T. ALAN GOLDSBOROUGH,
ROBERT LUCE,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the report.

Mr. COUZENS. Mr. President, may I ask the Senator what the conferees did with respect to the provisions in the House amendment liberalizing the payments to depositors in closed banks?

Mr. FLETCHER. They authorized the Reconstruction Finance Corporation to make loans to closed banks or to purchase the assets of closed banks.

Mr. COUZENS. Is it in different form from what it was prior to the agreement of the conferees?

Mr. FLETCHER. No; there is no difference.

Mr. COUZENS. Does the conference report change the provision with respect to loans by the Reconstruction Finance Corporation in any way?

Mr. FLETCHER. I think not. I do not recall any change.

Mr. COUZENS. In other words, the conferees have not liberalized the provision?

Mr. FLETCHER. Oh, yes; in this case the provisions were liberalized. Under the Reconstruction Finance Corporation Act they could make loans only on full and adequate security. That is liberalized to the extent that loans may be made on terms extending over a period of time in order to give time to liquidate the assets of closed banks. There is a more liberal basis provided for loans.

Mr. COUZENS. What yardstick is set up for making loans? Was that changed in any way?

Mr. FLETCHER. We agreed to the House provision as to that.

Mr. COUZENS. Is there any change in the maximum of loans permitted to any one bank or industry? The Senator will recall that the act provides, I think, a maximum loan of $90,000,000 to one industry. Was there any change in that respect?

Mr. FLETCHER. There was no change in that part of the bill that I recall. It was liberalized to the extent that the Reconstruction Finance Corporation making the loans will consider them on the basis of long-term liquidation. That is about the only change made.

I will say that the conference report has been agreed to by the House. It is a unanimous report. I shall be glad to answer any further questions about it.

The main features are that the temporary insurance fund provision is extended for 1 year and the amount insured is raised according to the House provision, from $2,500 to $5,000. There is no change in the permanent policy except that the plan is extended for 1 year.

Provision is made to enable State banks to come in and enjoy the benefits of the system provided they qualify before July 1, 1937. Provision is made for eliminating the requirement of the National Banking Act of 1933 whereby in order to qualify as a director the stockholder had to have $2,500 par value of stock. That has been repealed and we now go back to the provisions of the original act.

Those are the particular provisions which are affected by the bill.

Mr. COUZENS. Did the conferees have any information before them as to the probable amount of additional loans which would be made by the Reconstruction Finance Corporation under the liberalized authority?

Mr. FLETCHER. The bill now provides that the Reconstruction Finance Corporation's borrowing power shall be extended by the amount of $250,000,000. They may invest in the debentures of the Federal Deposit Insurance Corporation up to $250,000,000 if it shall be needed in order to pay off the depositors.

Mr. COUZENS. Did the conferees take into consideration the appropriation bill passed by the House authorizing the President to use the funds of the Reconstruction Finance Corporation in any manner he chooses?

Mr. FLETCHER. I think no reference was made to that.

Mr. COUZENS. It seems to me there is developing a conflict with respect to the use of the Reconstruction Finance Corporation funds. Different measures which have been passed have provided for use of the Reconstruction Finance Corporation funds without having those uses coordinated in any respect. I am wondering where we are drifting with respect to the use of the Reconstruction Finance Corporation funds.

Mr. FLETCHER. I think the question with which we are concerned is whether there will be funds to meet the demands of the depositors. I believe ample provision has been made for that purpose. The assessment on the banks under the temporary fund is 1 percent of the amount of the deposits, one-fourth of which is paid at the beginning when they enter the system and the remaining three-fourths as called for by the insurance corporation. This will furnish resources to the amount of some $400,000,000 for this fund, and in addition to that the Reconstruction Finance Corporation can provide for $250,000,000 more. It is thought that will be ample to cover any possible contingency. There is no limit to the assessment on the banks in the permanent fund, and that is a matter which may be taken up within a year, because the plan is extended for a year.

Mr. COUZENS. May I inquire if the funds which the Federal Deposit Insurance Corporation are authorized to secure from the Reconstruction Finance Corporation are to be repaid?

Mr. FLETCHER. It is an emergency provision in case that fund should be needed. I do not believe they will ever need it at all, but in order to make it safe we provided for the extension of the power of the Reconstruction Finance Corporation to enable it to borrow $250,000,000 to put into the fund.

Mr. COUZENS. Is it contemplated that the Federal Deposit Insurance Corporation will repay that at some time?

Mr. FLETCHER. Oh, yes.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

ANNUAL CONSIDERATION OF PERMANENT APPROPRIATIONS

Mr. HAYDEN. Mr. President, I ask that the unfinished business be laid before the Senate.

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

Mr. HAYDEN. I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that committee amendments be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. HAYDEN. I also ask unanimous consent that the clerks be authorized to correct all section and paragraph numbers of the bill.

The VICE PRESIDENT. Without objection, it is so ordered.

AMENDMENT OF MINERAL LANDS LEASING ACT OF 1920

Mr. O'MAHONEY. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of the bill (S. 3723) to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases. This is a bill which is in the nature of an emergency measure for drought relief. There is no objection to it. I have consulted Members of the Senate on both sides of the Chamber.

The leasing act authorizing the issuance of oil and gas permits and leases on the public domain does not in its present form authorize the development of water wells, and as a result, valuable supplies of water, discovered in the search for oil, have been shut off. It frequently happens that water rather than oil or gas is found by operators. This bill will make such water available for beneficial use.

Some years ago, on what is known as the "Red Desert" in Wyoming, prospectors under an oil and gas permit drilled to a depth of 2,250 feet but failed to encounter oil. At a depth of 1,750 feet a large flow of water was discovered amounting to approximately 42,000 gallons a day.

The operators deserted the well, but by virtue of the regulations were liable under their drilling bond for the cost of

plugging the well. To do this work properly, saving the casing which was in the hole, would, it was estimated, cost about $10,000 more than the salvage value of the casing. The bonding company rather than go to this expense elected to allow the Government to develop the well as a source of water, paying the cost of this work which amounted to something less than $1,400. Although the water is not suitable for domestic purposes it is altogether suitable for stock water and it is now being used for that purpose.

However, under the present law both the oil company and the bonding company could have plugged the well and destroyed its usefulness. This undoubtedly is what would have happened had it not been that the cost of conditioning it as a water well was much less in this instance than that of removing the casing and plugging the well.

The cost of drilling 1,750 feet for water itself would probably have been prohibitive. This bill affords the means whereby these deep wells—and all others, of course—drilled for oil may be put to a beneficial use when water is discovered.

Mr. McNARY. Mr. President, the Senator from Wyoming asked unanimous consent the other day for the consideration of the measure, and I objected at the time. Since then I have made some investigation and the Senator from Wyoming has discussed the matter with me. It applies to some of the exhausted oil wells in the oil fields of the West. I have no objection to the present consideration of the bill.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming?

Mr. HAYDEN. Mr. President, if it may be understood that the measure has been generally agreed to and its consideration will not lead to debate, I shall not object to temporarily laying aside the unfinished business for the purpose of its consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Wyoming?

There being no objection, the Senate proceeded to consider the bill (S. 3723) to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases, which had been reported from the Committee on Public Lands and Surveys with amendments.

The amendments were, on page 2, line 1, after the word "valuable", to strike out "for agricultural or domestic use" and insert "and usable at a reasonable cost for agricultural, domestic, and other purposes"; in line 6, after the word "Secretary" to insert, "*Provided*, That the land on which such well is situated shall be reserved as a water hole under section 10 of the act of December 29, 1916"; in line 18, before the word "disposing", to strike out "selling or otherwise"; in line 18, after the word "water" to insert "for beneficial use on other lands"; on page 3, line 1, before the words "such water" to strike out "purchase or lease" and insert "make beneficial use of"; after line 9 to strike out "(e) Nothing in this section shall be construed to apply to water wells which are necessary for operations under any such lease or permit", and to insert in lieu thereof "(e) Nothing in this section shall be construed to restrict operations under any oil or gas lease or permit under any other provision of this act"; so as to make the bill read:

Be it enacted, etc., That the act entitled "An act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain", approved February 25, 1920, as amended, is amended by adding the following new section:

"SEC. 40. (a) All prospecting permits and leases for oil or gas made or issued under the provisions of this act shall be subject to the condition that in case the permittee or lessee strikes water while drilling instead of oil or gas, the Secretary of the Interior may, when such water is of such quality and quantity as to be valuable and usable at a reasonable cost for agricultural, domestic, or other purposes, purchase the casing in the well at the reasonable value thereof to be fixed under rules and regulations to be prescribed by the Secretary: *Provided*, That the land on which such well is situated shall be reserved as a water hole under section 10 of the act of December 29, 1916.

"(b) In cases where water wells producing such water have heretofore been or may hereafter be drilled upon lands embraced in any prospecting permit or lease heretofore issued under the act of February 25, 1920, as amended, the Secretary may in like manner purchase the casing in such wells.

"(c) The Secretary may make such purchase and may lease or operate such wells for the purpose of producing water and of using the same on the public lands or of disposing of such water for beneficial use on other lands, and where such wells have heretofore been plugged or abandoned or where such wells have been drilled prior to the issuance of any permit or lease by persons not in privity with the permittee or lessee, the Secretary may develop the same for the purposes of this section: *Provided*, That owners or occupants of lands adjacent to those upon which such water wells may be developed shall have a preference right to make beneficial use of such water.

"(d) The Secretary may use so much of any funds available for the plugging of wells as he may find necessary to start the program provided for by this section, and thereafter he may use the proceeds from the sale or other disposition of such water as a revolving fund for the continuation of such program, and such proceeds are hereby appropriated for such purpose.

"(e) Nothing in this section shall be construed to restrict operations under any oil or gas lease or permit under any other provision of this act."

The amendments were agreed to.

Mr. KING. Mr. President, I should like to ask the Senator whether the bill is confined to the State of Wyoming, or whether it applies to other States, and if so, to what extent?

Mr. O'MAHONEY. Mr. President, this is an amendment to the General Leasing Act. It authorizes the Secretary of the Interior to make use of water wells which are drilled anywhere upon the public domain by operators in search of oil or gas, and place the water at the disposal of farmers and ranchers to be used for the benefit of the public domain. It has the approval of the Department.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANNUAL CONSIDERATION OF PERMANENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H.R. 9410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

Mr. AUSTIN. Mr. President——

Mr. HAYDEN. I yield.

Mr. AUSTIN. I desire to ask the Senator from Arizona whether the pending bill in any manner disturbs the permanent appropriations for aid to the States for agricultural extension work, land-grant colleges, vocational education in agriculture, home economics, and trade and industry.

Mr. HAYDEN. None of those appropriations are in any manner disturbed, and it is so stated in the House report on the bill. The Senate committee went further than the House, not only in no manner affecting the permanent appropriations mentioned by the Senator, but we came to the conclusion that wherever there was a permanent appropriation upon which a State legislature had a right to rely it should not be disturbed.

Mr. AUSTIN. I thank the Senator for that statement. May I ask the Senator another question? It relates to item 21, on page 6—

Salaries and expenses, Federal Board for Vocational Education (fiscal year) (D–801).

Will the Senator please explain that item?

Mr. HAYDEN. That item very properly should be made an annual appropriation. It is for the salaries and expenses of a bureau operating in Washington. The money disbursed and supervised by that Bureau, which goes to the States, is not disturbed; but there is no reason why the salaries of the members of the Board should be carried in a permanent appropriation.

Mr. AUSTIN. I thank the Senator from Arizona.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. FESS. On the same page—page 6, in line 16—what is the disposition of the Library of Congress trust fund? What is to be done with it?

Mr. HAYDEN. A trust fund was created by donations of individuals to the Library of Congress. The House proposed to transfer that fund to the Federal Treasury. The committee could not see that such action was proper, because the money was not derived from the taxpayers of the United States. It was a gift to the Library to carry out a trust.

Mr. FESS. So the bill as it now stands, with the amendment, will not disturb that?

Mr. HAYDEN. No; it will leave the trust fund exactly as it is.

Mr. FESS. I think that is very wise, since something like $2,000,000 has come to the Library of Congress in contributions that are to be applied in accordance with the donations. That money surely ought not to be put into the general fund.

Mr. HAYDEN. The committee followed a uniform rule that where the source of a fund was a donation or gift, and in the nature of a trust, the trust should not be disturbed. In such a case as that of the Smithsonian Institution, we did not deem it proper to take funds donated to carry out the purposes of a particular trust, put them in the Treasury of the United States, and then have Congress review each year whether or not the purpose of the gift should be carried out.

Mr. FESS. I think that is a wise decision.

Mr. HAYDEN. For many years, beginning in the early history of the Government, we find instances where appropriations were made for a particular purpose beginning in a particular year, and then a provision that annually thereafter a certain sum of money might be expended for that purpose. That problem has been studied for some time by various committees of the House, but nothing was definitely done until a subcommittee of the House Committee on Appropriations attacked the problem most vigorously during the past year.

I desire to compliment the members of that subcommittee and the members of the House Committee on Appropriations for the care and the diligence and the profound study they gave to this subject. They have done, on the whole, a remarkable piece of work, which the Senate should be glad to approve.

However, when the bill came to the Senate, the Committee on Appropriations deemed it to be only proper that every department of the Government and every independent establishment should be notified that this legislation was pending; and a letter was written to the head of every such department or independent establishment, directing attention to the bill, and asking if there was anything in the bill to which the department or establishment had any objection.

Of course, a large number of departments had no objection at all, but in a number of instances reasons were presented why action taken by the House should not be concurred in by the Senate. The committee held extensive hearings, gave every bureau and every independent establishment full opportunity to be heard, and on the basis of the evidence thus adduced we have reported this bill, which we have amended in a number of particulars.

The two guiding thoughts with respect to amendments to the bill are, first, that where there is an annual appropriation upon which a State has a right to depend, it should be continued as a continuing appropriation, and not made subject to annual review by Congress. In no other way could the legislatures of the various States make their appropriations, which usually match these funds, except upon a definite understanding that certain sums should be available. The second principle is that wherever moneys have been placed in the custody of any institution of the Government in the nature of a trust—money that does not originate from taxation but is in the nature of a gift for the purpose of the trust—we would not disturb trusts of that nature.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. COUZENS. What is the meaning of the numerals after the respective items on page 2 and other pages?

Mr. HAYDEN. The House Committee on Appropriations, in making this very careful study, went through the books of the Treasury Department to find how the accounts were carried in the Treasury; and the symbols that Senators see throughout the bill refer to specific accounts carried on the books of the Treasury Department for ready identification.

With this brief explanation of the bill, I ask to have the bill read for action on the committee amendments.

The VICE PRESIDENT. The clerk will state the amendments reported by the committee.

The first amendment of the Committee on Appropriations was, on page 3, line 12, before the word "amounts", to insert "in such"; in the same line, after the word "by", to insert "the laws authorizing"; and in line 18, after the name "Treasury", to insert a colon and the following proviso: "*Provided*, That in addition to amounts in lieu of the permanent appropriation 'Meat inspection, Bureau of Animal Industry (fiscal year)' there is authorized to be appropriated such other sums as may be necessary in the enforcement of the meat-inspection laws (U.S.C., title 21, secs. 71 to 96, inclusive): *Provided further*, That the accounts of receipts and expenditures of the Soldiers' Home at Washington, D.C., shall be audited by the Comptroller General of the United States, and he shall report to Congress any irregularities disclosed", so as to read:

SEC. 2. (a) Effective July 1, 1935, the permanent appropriations under the appropriation titles listed in subsection (b) of this section are repealed, and such portions of any acts as make permanent appropriations to be expended under such accounts are amended so as to authorize, in lieu thereof, annual appropriations from the general fund of the Treasury in identical terms and in such amounts as now provided by the laws authorizing such permanent appropriations, except that any appropriation for "Adjusted losses and contingencies, postal funds", is authorized to be made from the postal revenues. Any unobligated balances remaining in the permanent appropriations under these accounts on June 30, 1935, shall be covered into the surplus fund of the Treasury: *Provided*, That in addition to amounts in lieu of the permanent appropriation "Meat inspection, Bureau of Animal Industry (fiscal year)" there is authorized to be appropriated such other sums as may be necessary in the enforcement of the meat-inspection laws (U.S.C., title 21, secs. 71 to 96, inclusive): *Provided further*, That the accounts of receipts and expenditures of the Soldiers' Home at Washington, D.C., shall be audited by the Comptroller General of the United States, and he shall report to Congress any irregularities disclosed.

The amendment was agreed to.

The next amendment was, on page 4, after line 4, to strike out:

(b) (1) Bequest of Gertrude M. Hubbard, Library of Congress, interest account (0x257).

The amendment was agreed to.

The next amendment was, on page 4, after line 6, to strike out:

(2) Expenses of Smithsonian Institution, interest account (0x795).

The amendment was agreed to.

The next amendment was, on page 4, after line 16, to strike out:

(8) Soldiers' Home, interest account (8x185).

The amendment was agreed to.

The next amendment was, at the top of page 5, to strike out:

(13) Refund of excessive duties (Customs) (2x324).

The amendment was agreed to.

The next amendment was, on page 5, after line 19, to strike out:

(23) Recoinage of silver coins (2x106).

The amendment was agreed to.

The next amendment was, on page 6, line 11, before the word "Operating" to strike out "(31)" and insert "(26)", and in line 13 to strike out "(8-962.51)" and insert "(8-962.60)" so as to read:

(26) Operating snag and dredge boats on upper Mississippi, Illinois, and Minnesota Rivers (fiscal year) (8-962.60).

The amendment was agreed to.

The next amendment was, on page 6, after line 15, to strike out:

(33) Library of Congress trust fund, interest on permanent loan account (0x263).

The amendment was agreed to.

The next amendment was, on page 6, after line 17, to insert:

(c) Hereafter the Secretary of the Treasury is hereby authorized and directed to make payments on accounts arising under "Allowance or drawback (Internal Revenue) (2x438)", "Redemption of

stamps (Internal Revenue) (2x432)", "Refunding legacy taxes, act March 30, 1928 (2x430)", "Allowance or drawback (industrial Alcohol) (2x440)", and "Repayment of taxes on distilled spirits destroyed by casualty (2x431)", from the annual appropriation entitled "Refunding taxes illegally collected."

Mr. COUZENS. Mr. President, I should like to ask the Senator from Arizona to explain that section. I am not interested particularly in the whole section, but I notice at the top of page 7 there seems to be a provision for a continuing appropriation for refunding taxes illegally collected.

Mr. HAYDEN. No, Mr. President; it is not a continuing appropriation. The purpose of the amendment was to make provision so that the payments would be from one fund annually appropriated. Payments are now made from five different accounts, which are to be consolidated into one account, "Refunding taxes illegally collected", and that money is to be annually appropriated by Congress.

Mr. COUZENS. That is the provision of the bill, as I understand it.

Mr. HAYDEN. Yes; this amendment was requested by the Treasury Department.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 10, after line 5, to strike out:

(b) (1) Payments to States and Territories from the national forests fund (3s206).

The amendment was agreed to.

The next amendment was, on page 10, after line 7, to strike out:

(2) Roads and trails for States, national forests fund (3s212).

The amendment was agreed to.

The next amendment was, on page 10, after line 9, to strike out:

(3) Payments to school funds, Arizona and New Mexico, national forests fund (3s207).

The amendment was agreed to.

The next amendment was, on page 10, after line 11, to strike out:

(4) Payments to States under Federal Water Power Act, special fund (0s509).

The amendment was agreed to.

The next amendment was, on page 10, after line 13, to strike out:

(5) Payments to States from receipts under Mineral Leasing Act (4s171).

The amendment was agreed to.

The next amendment was, on page 10, after line 15, to strike out:

(6) Wagon roads, bridges, and trails, Alaska fund (4s524).

The amendment was agreed to.

The next amendment was, on page 10, after line 17, to strike out:

(7) Public schools, Alaska fund (4s366).

The amendment was agreed to.

The next amendment was, at the top of page 11, to strike out:

(11) Annette Islands reserve, Alaska, fund from leases (5s740).

The amendment was agreed to.

The next amendment was, on page 11, after line 5, to strike out:

(14) Additional income tax on railroads in Alaska (2s442).

The amendment was agreed to.

The next amendment was, on page 11, after line 23, to strike out:

(23) Redistribution, funds for indigent, Alaska fund (2a109).

The amendment was agreed to.

The next amendment was, on page 12, after line 5, to strike out:

(27) National Guard, section 87, National Defense Act, fiscal year (8–715).

The amendment was agreed to.

The next amendment was, on page 12, after line 11, to strike out:

(30) Payments to States from receipts under Mineral Leasing Act (4s171).

The amendment was agreed to.

The next amendment was, on page 12, after line 13, to strike out:

(31) Yuma auxiliary irrigation project, Arizona (4s507).

The amendment was agreed to.

The next amendment was, on page 12, after line 15, to strike out:

(32) Alaskan reindeer fund (4s365).

The amendment was agreed to.

The next amendment was, on page 12, at the beginning of line 21, to strike out "(35) Migratory" and insert "(21) After June 30, 1938, migratory", so as to read:

(21) After June 30, 1938, migratory bird conservation fund (3s362).

The amendment was agreed to.

The next amendment was, on page 14, line 10, after the name "Patent Office", to strike out "and the Alaska Railroad", and in line 11, after the word "section", to strike out "21" and insert "19", so as to read:

SEC. 6. (a) Effective July 1, 1935, receipts theretofore authorized to be credited to the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section shall be deposited into the Treasury of the United States as miscellaneous receipts, and there are hereby authorized to be appropriated from the general fund of the Treasury such amounts as may be necessary for the Patent Office: *Provided*, That this paragraph shall be subject to section 19 insofar as such section is applicable to Patent Office fees.

The amendment was agreed to.

The next amendment was, on page 14, after line 13, to strike out:

(2) Alaska Railroad special fund (4s526).

The amendment was agreed to.

The next amendment was, on page 15, line 5, after the name "South Carolina", to insert "(2T084)", so as to read:

(3) Trust-fund interest for support of free schools in South Carolina (2T084).

The amendment was agreed to.

The next amendment was, on page 15, after line 5, to strike out:

SEC. 8. Effective July 1, 1935, the appropriation account on the books of the Government entitled "Recreation Fund, Army" (8T078) is abolished and the balance thereof shall be covered into the surplus fund of the Treasury.

And in lieu thereof to insert:

SEC. 8. No portion of the "Recreation Fund, Army", constituted by the War Department Appropriation Act approved March 4, 1933, shall be available for expenditure at any time except in accordance with the terms of any appropriation which may be hereafter made.

The amendment was agreed to.

The next amendment was, on page 15, after line 14, to strike out:

SEC. 9. Effective July 1, 1935, (a) the naval hospital fund (7S815) is abolished, and any unobligated balance therein, as of that date, shall be covered into the surplus fund of the Treasury; (b) moneys theretofore required by law to be collected and paid into the credit of such fund shall be collected and deposited into the Treasury of the United States as miscellaneous receipts; and (c) there are hereby authorized to be appropriated from the general fund of the Treasury, commencing with the fiscal year 1936, for the purposes of the same character as those for which such naval hospital fund was available prior to July 1, 1935, such sums as annually may be necessary.

The amendment was agreed to.

The next amendment was, on page 16, after line 2, to strike out:

SEC. 10. Effective July 1, 1935, all sums received from fines and forfeitures imposed by naval courts martial shall be covered into the Treasury as miscellaneous receipts, and, commencing with the fiscal year 1936, there are authorized to be appropriated from the general fund of the Treasury annually such sums as may be necessary to meet the character of expenses which, prior to July 1, 1935, were chargeable to the account entitled "Navy Fines and Forfeitures (7S984)." Any unobligated balance in such account,

as of July 1, 1935, shall be covered into the surplus fund of the Treasury.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, there is an inconsistency between the amendment offered by the committee on page 17 and the text itself. In order to take the matter to conference, I move that section 12, page 17, line 1, be stricken out.

The motion was agreed to.

The next amendment was, on page 18, line 11, after the word "from", to strike out "assessments authorized to be made against national banks to cover the cost of salaries and expenses of national-bank examiners, contingent expenses of the national currency, and for the salaries of Deputy Comptrollers of the Currency and other personnel in the office of the Comptroller of the Currency, and the amounts received from", so as to read:

SEC. 11. Effective July 1, 1935, the amounts received from assessments authorized to be made against the Federal home-loan banks for salaries and expenses of the Federal Home Loan Bank Board, and assessments on carriers under section 14 of the Emergency Railroad Transportation Act of June 16, 1933, shall be covered into the Treasury as miscellaneous receipts. Commencing with the fiscal year 1938 there are authorized to be appropriated annually, from the general fund of the Treasury, such sums as may be necessary to defray the cost of such activities.

The amendment was agreed to.

The next amendment was, on page 21, after line 2, to insert:

(4) Policemen and firemen's relief fund, District of Columbia (DCt614).

The amendment was agreed to.

The next amendment was, on page 21, line 21, after "Sec.", to strike out "19" and insert "17", and on page 22, line 12, after the name "Secretary of the Treasury", to strike out "shall submit with his" and insert "or the Commissioners of the District of Columbia, as the case may be, shall submit with their", so as to read:

SEC. 17. (a) Effective July 1, 1935, the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section, as well as appropriation accounts bearing similar titles on the books of the Government, are abolished, and any unobligated balances under such accounts as of June 30, 1935, shall be covered into the surplus fund of the Treasury. Any appropriations to which expenditures under such accounts have been chargeable theretofore are hereby repealed. On July 1, 1935, there shall be established on the books of the Government an account to be designated "Unclaimed moneys of individuals whose whereabouts are unknown", and there are authorized to be appropriated such sums as may be necessary to meet any expenditures of the character now chargeable to the appropriation accounts abolished by this section. The Secretary of the Treasury or the Commissioners of the District of Columbia, as the case may be, shall submit with their annual estimates of appropriations an amount necessary to meet expenditures properly chargeable to this account.

The amendment was agreed to.

The next amendment was, on page 24, after line 6, to insert:

(21) Rosa Goldman—cash bail exacted (6T472).

The amendment was agreed to.

The next amendment was, on page 24, after line 7, to insert:

(22) Unclaimed funds of Jei Bei Ota, deceased Japanese alien (6T473).

The amendment was agreed to.

The next amendment was, on page 24, line 10, after "Sec.", to strike out "20" and insert "18"; and in line 18, after the word "On", to strike out "such latter date" and insert "July 1, 1935", so as to read:

SEC. 18. (a) Effective July 1, 1935, the appropriation accounts appearing on the books of the Government and listed in subsection (b) of this section, as well as appropriation accounts bearing similar titles on the books of the Government, are abolished, and any unobligated balances under such accounts as of June 30, 1935, shall be covered into the surplus fund of the Treasury. Any appropriations, to which expenditures under such accounts have been chargeable theretofore, are repealed. On July 1, 1935, there shall be established on the books of the Government an account to be designated "Refund of moneys erroneously received and covered", and there is authorized to be appropriated such sums as may be necessary to meet any expenditures of the character now chargeable to the appropriation accounts herein abolished and other collections erroneously received and covered which are not properly chargeable to any other appropriation. The Secretary of the Treasury shall submit with his annual estimates of appropriations an amount necessary to meet expenditures properly chargeable to this account.

The amendment was agreed to.

The next amendment was, on page 26, line 19, after "Sec.", to strike out "21" and insert "19"; and in line 25, after the word "to", to strike out "approximately" and insert "appropriately", so as to read:

SEC. 19. Effective July 1, 1935, moneys received as: Patent Office fees; unearned moneys, lands (Interior Department); reentry permit fees (Labor Department); naturalization fees (Labor Department); and registry fees (Labor Department); and held in the official checking accounts of disbursing officers, shall be deposited in the Treasury of the United States to appropriately designated trust-fund accounts and shall be available for refunds and for transfer of the earned portions thereof into appropriate receipt-fund titles on the books of the Government.

The amendment was agreed to.

The next amendment was, on page 27, line 12, after "Sec.", to strike out "22" and insert "20", and in line 17, after the word "moneys", to insert a comma and "except moneys received by the Comptroller of the Currency or the Federal Deposit Insurance Corporation", so as to read:

SEC. 20. (a) The funds appearing on the books of the Government and listed in subsection (b) of this section shall be classified on the books of the Treasury as trust funds. All moneys accruing to these funds are hereby appropriated, and shall be disbursed in compliance with the terms of the trust. Hereafter moneys, except moneys received by the Comptroller of the Currency or the Federal Deposit Insurance Corporation, received by the Government as trustee analogous to the funds named in subsection (b) of this section shall likewise be deposited into the Treasury as trust funds with appropriate title, and all amounts credited to such trust-fund accounts are hereby appropriated and shall be disbursed in compliance with the terms of the trust.

The amendment was agreed to.

The next amendment was, on page 28, line 1, after the word "trust", to strike out "funds" and insert "fund"; in line 2, after "(8T184)", to strike out "and "Policemen and Firemen's Relief Fund, District of Columbia" (DCt614)", so as to make the proviso read:

Provided, That, effective July 1, 1935, expenditures from the trust fund "Soldiers' Home, Permanent Fund" (8T184) shall be made only in pursuance of appropriations annually made by Congress, and such appropriations are hereby authorized.

The amendment was agreed to.

The next amendment was, on page 28, line 11, after the word "be", to strike out "covered into the surplus fund of the Treasury such portion of the" and insert "transferred such portion of the"; in line 14, after the word "established" and the comma, to insert "except those balances pertaining to the several "retirement funds" authorized to be established on the books of the Government,"; in line 20, after the word "the", to strike out "appropriation" and insert "trust fund"; and in line 22, after the word "section", to strike out "19" and insert "17", so as to make the further proviso read:

Provided further, That on June 30 of each year there shall be transferred such portion of the balances in any trust-fund account hereinbefore or hereafter listed or established, except those balances pertaining to the several "retirement funds" authorized to be established on the books of the Government, which have been in any such fund for more than 1 year and represent moneys belonging to individuals whose whereabouts are unknown, and subsequent claims therefor shall be disbursed under the trust fund account "Unclaimed money of individuals whose whereabouts are unknown", authorized to be established in section 17 of this act.

The amendment was agreed to.

The next amendment was, on page 29, after line 19, to strike out:

(13) United States Government life-insurance fund, Veterans' Administration (0t875).

The amendment was agreed to.

The next amendment was, on page 31, after line 14, to strike out:

(38) Estates of deceased soldiers, United States Army (8t189).

The amendment was agreed to.

The next amendment was, on page 33, after line 9, to strike out:

(60) Teachers' retirement fund deductions (DCt624).

The amendment was agreed to.

The next amendment was, on page 33, after line 13, to strike out:

(63) Policemen and firemen's relief fund, District of Columbia (DCt614).

The amendment was agreed to.

The next amendment was, on page 34, after line 13, to strike out:

(77) Expenses of Smithsonian Institution, trust fund (principal) (0t596).

The amendment was agreed to.

The next amendment was, on page 34, after line 15, to strike out:

(78) Civil Service retirement and disability fund (0t843).

The amendment was agreed to.

The next amendment was, on page 34, after line 17, to strike out:

(79) Canal Zone retirement and disability fund (0t850).

The amendment was agreed to.

The next amendment was, on page 34, after line 19, to strike out:

(80) Foreign Service retirement and disability fund (1t560).

The amendment was agreed to.

The next amendment was, on page 35, after line 8, to strike out:

(87) Teachers' retirement fund, deductions, District of Columbia (DCt624).

The amendment was agreed to.

The next amendment was, on page 35, after line 10, to strike out:

(88) Teachers' retirement fund, Government reserves, District of Columbia (DCt627).

The amendment was agreed to.

The next amendment was, on page 35, after line 14, to insert:

(80) Additional income tax on railroads in Alaska (2s442).

The amendment was agreed to.

The next amendment was, on page 35, after line 16, to insert:

(81) Yuma auxiliary irrigation project, Arizona (4s507).

The amendment was agreed to.

The next amendment was, on page 35, after line 18, to insert:

(82) Wagon roads, bridges, and trails, Alaska fund (4s524).

The amendment was agreed to.

The next amendment was, on page 35, after line 20, to insert:

(83) Public schools, Alaska fund (4s366).

The amendment was agreed to.

The next amendment was, on page 35, after line 21, to insert:

(84) Annette Islands reserve, Alaska, fund from leases (5s740).

The amendment was agreed to.

The next amendment was, on page 35, after line 23, to insert:

(85) Naval hospital fund (7s815).

The amendment was agreed to.

The next amendment was, on page 35, after line 24, to insert:

(86) Navy fines and forfeitures (7s984).

The amendment was agreed to.

The next amendment was, at the top of page 36, to insert:

(87) Redistribution, funds for indigent, Alaska fund (2s109).

The amendment was agreed to.

The next amendment was, on page 36, after line 2, to insert:

(88) Alaskan reindeer fund (4s365).

The amendment was agreed to.

The next amendment was, on page 36, after line 3, to strike out:

SEC. 23. Hereafter all checks drawn on the Treasurer of the United States shall be payable only until the close of the fiscal year next following the fiscal year in which such checks were issued, and the amounts of all such checks properly due and payable which have not been presented for payment within such period shall be deposited into the Treasury to the credit of a trust fund account entitled "Outstanding liabilities (fiscal year)", designated by fiscal years in which the checks were issued. The balances in the outstanding liabilities account now carried on the books of the Government, representing the amounts of unclaimed checks, shall be transferred to the account "Outstanding liabilities, 1934", and any balances remaining therein, or in any succeeding fiscal year account, unclaimed for 2 fiscal years after the deposit therein shall be covered into the surplus fund of the Treasury: *Provided*, That the balances to the credit of the outstanding liabilities account of any fiscal year which has not been covered into the surplus fund of the Treasury shall be available to pay claims on account of any check, the amount of which has been included in any balance so covered into the surplus fund.

The amendment was agreed to.

The next amendment was, on page 36, after line 24, to insert:

SEC. 21. Effective July 1, 1935, all undelivered checks, except those issued on account of public-debt obligations and transactions regarding the administration of banking and currency laws, drawn by any officer of the United States shall be payable only until the close of the fiscal year following the fiscal year in which such checks were issued, and the amounts of all such checks properly due and payable which have not been delivered and presented for payment within such period shall be deposited in the Treasury to the credit of a trust fund account entitled "Outstanding liabilities."

The amendment was agreed to.

The next amendment was, on page 37, after line 14, to strike out:

SEC. 25. All amounts received by the Government as liquidated damages and collections received as recoveries for erroneous and/or overpayments shall not be available for expenditure but shall be covered into the Treasury as miscellaneous receipts.

The amendment was agreed to.

The next amendment was, on page 37, after line 24, to strike out:

SEC. 27. The Comptroller General of the United States shall cause a survey to be made of all inactive and permanent appropriations and/or funds on the books of the Government and also funds in the official custody of officers and employees of the United States, in which the Government is concerned, for which no accounting is rendered to the General Accounting Office; and he shall submit to the Congress annually, in a special report, his recommendations for such changes in existing law relating thereto as, in his judgment, may be in the public interest.

The amendment was agreed to.

The next amendment was, on page 38, after line 14, to insert the following additional section:

SEC. 26. In addition to the regular estimates the President is authorized to submit to the Congress, for the fiscal years 1936 and 1937, in the annual budget for any department, independent establishment, bureau, or office, estimates of appropriations in alternate form whenever in his judgment such action would result in greater economy and efficiency in the control and use of public funds.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I ask to have printed in the RECORD in connection with the new section 26 a letter which I addressed to the Director of the Budget and his reply thereto.

The VICE PRESIDENT. Is there objection?

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MAY 21, 1934.

Hon. LEWIS W. DOUGLAS,
Director of the Budget, Washington, D.C.

DEAR LEW: The act of June 22, 1906 (34 Stat. 448), provides that the estimates for expenses of the Government shall be prepared and submitted each year according to the order and arrangement of the appropriations acts for the year preceding.

In order that there may be authority to effect economies and establish better budgetary control of estimates by the arrangement of appropriations, I have introduced the enclosed amendment to the bill H.R. 9410, known as the "Permanent Appropriations Repeal Act, 1934", to authorize, in addition to the regular estimates, the submission to Congress for legislative consideration of alternate estimates of appropriations in such form and arrangement as may be deemed proper by the President.

I am sure that it is your desire that the Budget estimates as submitted shall contain complete information for the benefit of the Committees on Appropriation of the House and Senate. I am also sure that you are as much opposed as I am to lump-sum appropriations which may be juggled about and diverted to other than the uses that Congress intended. However, if you believe that a provision along the lines indicated in my amendment would be advantageous, I shall be glad to urge that such provision be attached to H.R. 9410, which is now under consideration by the Senate Committee on Appropriations. Your views on the proposed amendment will therefore be greatly appreciated.

With best wishes, I am,

Yours very sincerely,

CARL HAYDEN.

BUDGET BUREAU,
May 22, 1934.

Hon. CARL HAYDEN,
United States Senate, Washington, D.C.

DEAR CARL: I have read with interest your letter of May 21, with which you enclosed a copy of the amendment you intend to propose to bill H.R. 9410.

I am in full agreement with the intention of this proposed amendment, but believe that you will readily appreciate the desirability of slightly amending the wording thereof so as to free it from any possible construction of requiring the preparation of alternate forms of estimates of appropriations. The preparation of alternate forms of the estimates is something which must be approached gradually, and I think that it would be better if the language of the proposed amendment were slightly changed so as to avoid conveying any other thought.

I am returning herewith the copy of the proposed amendment which accompanied your letter, and have indicated thereon the changes which I suggest be made.

Very truly yours,

L. W. DOUGLAS, *Director.*

Mr. HAYDEN. Mr. President, I offer an amendment, on page 11, to strike out line 3, and to insert the same on page 30, after line 3. It is a transfer of an item from one part of the bill to another.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 11, to strike out line 3, as follows:

(4) Relief of the indigent, Alaska fund (2s108).

And to insert the same on page 36, after line 3.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer the following committee amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 27, lines 7 and 8, to strike out the words "and donations", so as to read:

SEC. 19. Effective July 1, 1935, moneys received as: Patent Office fees; unearned moneys, lands (Interior Department); reentry permit fees (Labor Department); naturalization fees (Labor Department); and registry fees (Labor Department); and held in the official checking accounts of disbursing officers, shall be deposited in the Treasury of the United States to appropriately designated trust-fund accounts and shall be available for refunds, and for transfer of the earned portions thereof into appropriate receipt fund titles on the books of the Government: *Provided*, That any other unearned moneys carried in official checking accounts of disbursing officers or other accountable officers (including clerks and marshals of United States district courts), including quasi-public moneys administered by officers of the United States by virtue of their official capacity, shall be deposited similarly into the Treasury as trust funds and are hereby made available for disbursement under the terms of the trust.

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I offer another committee amendment.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 27, line 21, after the word "section", to insert the words "and not otherwise herein provided for", so as to read:

SEC. 20. (a) The funds appearing on the books of the Government and listed in subsection (b) of this section shall be classified on the books of the Treasury as trust funds. All moneys accruing to these funds are hereby appropriated, and shall be disbursed in compliance with the terms of the trust. Hereafter moneys, except moneys received by the Comptroller of the Currency or the Federal Deposit Insurance Corporation, received by the Government as trustee analogous to the funds named in subsection (b) of this section and not otherwise herein provided for shall likewise be deposited into the Treasury as trust funds with appropriate title, and all amounts credited to such trust-fund accounts are hereby appropriated and shall be disbursed in compliance with the terms of the trust:

The amendment was agreed to.

Mr. LOGAN. Mr. President, I send an amendment to the desk, which I desire to offer.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 4, to strike out lines 9 and 10, as follows:

(b) (1) To promote the education of the blind (interest) (2x093).

And to insert the matter stricken out on page 36, after line 3.

The amendment was agreed to.

The VICE PRESIDENT. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 2347) to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia; and

H.J.Res. 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes.

HOUSE BILL AND JOINT RESOLUTION REFERRED

The following bill and joint resolution were each read twice by their titles and referred as indicated below:

H.R. 9178. An act to regulate the business of life insurance in the District of Columbia; to the Committee on the District of Columbia.

H.J.Res. 322. Joint resolution to provide for the disposal of smuggled merchandise, to authorize the Secretary of the Treasury to require imported articles to be marked in order that smuggled merchandise may be identified, and for other purposes; to the Committee on Finance.

IN AID OF INDIANS

Mr. WHEELER. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 3645) to conserve and develop Indian lands and resources, to establish a credit system for Indians, to provide for higher education for Indians, to extend toward Indians the right to form business and other organizations, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mr. WHEELER obtained the floor.

Mr. McNARY. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Oregon?

Mr. WHEELER. I yield.

Mr. McNARY. Is this bill of general application to Indians throughout the country?

Mr. WHEELER. It is.

Mr. McNARY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bailey	Black	Bulkley
Ashurst	Bankhead	Bone	Bulow
Austin	Barbour	Borah	Byrd
Bachman	Barkley	Brown	Byrnes

Capper	George	Lonergan	Russell
Caraway	Gibson	Long	Schall
Carey	Glass	McCarran	Sheppard
Clark	Goldsborough	McGill	Shipstead
Connally	Gore	McKellar	Smith
Coolidge	Hale	McNary	Steiwer
Copeland	Harrison	Metcalf	Stephens
Costigan	Hastings	Murphy	Thomas, Okla.
Couzens	Hatch	Neely	Thomas, Utah
Cutting	Hatfield	Norbeck	Thompson
Davis	Hayden	Norris	Townsend
Dickinson	Hebert	Nye	Tydings
Dill	Johnson	O'Mahoney	Wagner
Duffy	Kean	Overton	Walcott
Erickson	King	Patterson	Walsh
Fess	La Follette	Pittman	Wheeler
Fletcher	Lewis	Robinson, Ark.	White
Frazier	Logan	Robinson, Ind.	

The PRESIDING OFFICER (Mr. TYDINGS in the chair). Eighty-seven Senators having answered to their names, a quorum is present.

Mr. WHEELER. Mr. President, the purpose of this bill is stated briefly in the report submitted by the Committee on Indian Affairs. This bill has the approval of the Bureau of Indian Affairs, of the Interior Department, and also has the approval of the Bureau of the Budget. The President himself has sent a letter stating that he desires to have the bill passed.

The purposes of the bill are as follows:

First, to stop the alienation, through action by the Government or the Indian, of such lands, belonging to ward Indians, as are needed for the present and future support of the Indians.

With respect to that, I will say that heretofore there has been pursued a policy whereby the Indians would get patents and fees to the lands, which would then be disposed of, and the Indians would find themselves without land and pauperized.

The second purpose is to provide for the acquisition, through purchase, of land for Indians now landless who are anxious and fitted to make a living on such land. The Committee on Indian Affairs and the Bureau of Indian Affairs have found that there are many Indians who have no lands whatsoever, and are unable to make a living. Consequently, the Government is constantly compelled to furnish money to these Indians; and it is thought by the Government that it would be much cheaper in the long run and would make better citizens of them if we could put them on small tracts of land where they could make their own living.

The third purpose of the bill is to stabilize the tribal organization of Indian tribes by vesting such tribal organizations with real, though limited, authority, and by prescribing conditions which must be met by such tribal organizations.

This provision will apply only if a majority of the Indians on any Indian reservation desire this sort of organization. As a matter of fact, however, it does not change to any great extent the present tribal organization, except that when a majority of the Indians want to establish this tribal organization and extend the provisions of the bill to it, they may do so.

The bill also provides that Indian tribes may equip themselves with the devices of modern business organization through forming themselves into business corporations. On some of the reservations the Indians are conducting fishing businesses, and on others they are conducting timber businesses. On other reservations they are conducting some other businesses. The bill provides that when a majority of the Indians on a reservation desire to form a corporation for the transaction of their business, they may do so in the manner prescribed in the bill.

The next provision is for the purpose of establishing a system of financial credit for Indians; that is, a revolving fund whereby the Government may loan to individual Indians in certain cases, and to the tribal organizations or the Indian corporations, certain money in the event that the Secretary of the Interior thinks they are worthy of such loans.

Then there is a provision to supply Indians with means for collegiate and technical training in the best schools. On many of the Indian reservations there are exceedingly bright, capable Indians who, as wards of the Government, are unable to get a higher education at the present time. There is no provision in the Interior Department by which the Department can make loans or provide funds to the Indians for such education.

The bill also has a provision to open the way for qualified Indians to hold positions in the Federal Indian Service on the Indian reservations. At the present time, by reason of the civil-service rules and regulations, we find that competent Indians are absolutely unable to take or hold positions in the Indian Service. For instance, we find many instances where Indian girls have graduated from a nursing school, are graduate nurses, but are unable to be employed in the Indian Service because of the fact that they have not had sufficient training outside, and they are unable to get the training because of the fact that most white training institutions would not give the Indian girls an opportunity to act as nurses in those institutions.

Likewise with regard to their timber, the rules and regulations of the Bureau of Indian Affairs and the civil service have been such that it has been necessary to employ white men to do the Indian work when there were Indians who were thoroughly competent to carry on their own business.

As an illustration of that let me call attention to the fact that the Indians on the Klamath Reservation, as well as on the White River Reservation and other reservations, have grown up in the timber business; and notwithstanding the fact that they knew the timber business probably as well as any white man, yet because of the fact that they have had no college education they were not permitted to be employed even as scalers of their own timber. The result has been that the Indians have been given no opportunity to handle their own affairs or to be trained in their own affairs. This bill, we think, gives them the opportunity to which they are entitled.

My observation has been that while the Government has been seeking to train the Indians of the United States, as a matter of fact most of them are in a much more deplorable condition economically than they ever have been in their lives. In many instances they have lost their land. They have not been given an opportunity to work their own timber or to use their own resources. We have pauperized them, and in many cases taken them to schools where we have given them an education which did not fit them for the work upon the reservation.

There is nothing in the bill as presented to the Senate which in any wise gives the Department of the Interior the right to impose its will upon the Indians on any reservation. If a majority of the Indians wish to have a corporation for the conduct of their own affairs, they may do so. If they want to establish tribal councils for the purpose of conducting their own affairs, they may do so. The bill originally presented by the Department of the Interior contained some provisions which were compulsory in character. The Committee on Indian Affairs eliminated all those compulsory provisions and eliminated from the bill as originally presented the right of the Indians to make laws upon the reservations.

As the bill now stands before the Senate the committee have given it long and careful consideration, and we feel that its enactment will be of great benefit to the Indians and in the long run will be much less costly than the present system to the Government of the United States. I feel that what we ought to be working for with reference to the Indians is eventually to abolish entirely the Indian Bureau, through which and on which we are spending millions of dollars. This bill is a step in that direction by seeking to impose upon the Indians self-government in their own affairs. I hope that the bill will pass.

Mr. KING. Mr. President, will the Senator permit an inquiry?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WHEELER. I yield.

Mr. KING. In the light of the last statement made by the able Senator from Montana, may I inquire if his appraisal of the bill meets the statements which have been made to me and which I am about to mention? I have been told that this bill may perpetuate the Indian Bureau, and that the Indian Bureau has been very anxious for a measure of this character, fearing that the life of that organization might be ended in the near future should the Indians take upon themselves the responsibilities of citizenship, much as they have taken upon themselves those responsibilities in the State of Oklahoma. I am told further that in the State of Oklahoma the Indians and those representing the Indians have declined to come under the terms of the bill because they feel that it superimposes upon the Indians for an indefinite period the harsh bureaucratic system of government under which the Indians for a century or more have been controlled.

Mr. WHEELER. Let me say to the Senator there is not a provision in this bill which superimposes upon the Indians bureaucratic control from Washington. On the contrary, this bill proposes to give the Indians an opportunity to take over the control of their own resources and fit them as American citizens. The bill as it originally came from the Department had many objectionable features, which were eliminated from it. Many of the Indians throughout the country were opposed to the original bill, and the committee was opposed to it, and amended it, so, as it is now framed, the Indian Bureau cannot impose its will upon the Indians in any case; but the vote of a majority of the Indians is required. If the Indians form a corporation or otherwise come within the provisions of this bill, if they want to change that status, they may do so.

Mr. DILL. Mr. President, will the Senator yield?

Mr. WHEELER. Yes.

Mr. DILL. I have not had time carefully to study the bill, but I have had a great many complaints about it from Indians in my State.

Mr. WHEELER. Let me say to the Senator from Washington, because I have had similar complaints, that the complaints were against the bill as originally introduced and not against the bill which is now presented.

Mr. DILL. I notice in section 10 that on petition of one-fourth of the adult Indians the Secretary of Interior may issue a charter of incorporation to a tribe.

Mr. WHEELER. The provision reads:

> The Secretary of the Interior may, upon petition by at least one-fourth of the adult Indians, issue a charter of incorporation to such tribe: *Provided*, That such charter shall not become operative until ratified at a special election by a majority vote of the adult Indians living on the reservation.

In other words, upon the petition of one-fourth of the Indians, the Secretary of the Interior shall offer a charter, which will have to be ratified by a majority of the Indians of the reservation.

Mr. DILL. I have very strong representations from one of the tribes in my State, namely, the Yakimas, who have a large amount of property, asking that I interpose an amendment providing that they shall be exempted from the provisions of this bill.

Mr. WHEELER. Mr. President, I hope the Senator will not press such an amendment, for the reason that unless a majority of the Indians on the Yakima Reservation want the provisions of this bill, then there is nothing in the world that can bring them within its provisions. As the bill originally came to the committee the Department could compel the Indians, whether or not they wanted to do so, to come within many of its provisions. That was eliminated by the committee. I will say further to the Senator that probably all the objections which were raised by the Indians on the Yakima Reservation and by Indians from other portions of the country with regard to the provisions of the bill have been eliminated.

Mr. COPELAND and Mr. McCARRAN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Montana yield; and if so, to whom?

Mr. WHEELER. I yield first to the Senator from New York.

Mr. COPELAND. In connection with the matter the Senator was just discussing, he will recall that yesterday I presented to him a letter from the Six Nations. I inquire if the Senator has that letter?

Mr. WHEELER. I have.

Mr. COPELAND. I have in my hand a letter which I just received from the Commissioner of Indian Affairs in which he says that the Indians in my State—the Six Nations—are unacquainted with the provisions of the bill as the Senator from Montana has now presented it. The Commissioner states:

> They are still thinking of the bill as originally introduced, which has been entirely superseded by the bill which the Senate Indian Committee reported.

Mr. WHEELER. That is correct.

Mr. COPELAND. The Commissioner goes on to say:

> The actual bill—

That is, the bill as presented—

> would leave the New York tribes altogether undisturbed except in the following particulars:

May I refer to them?

Mr. WHEELER. Certainly.

Mr. COPELAND. The first one is:

> (1) If they wanted it, they could have access to the $10,000,000 revolving-loan fund, which the bill creates.

Is that correct?

Mr. WHEELER. That is correct.

Mr. COPELAND. The letter continues:

> (2) If they wanted it, they could have access to the $2,000,000 land-purchase fund, which the bill creates.

Mr. WHEELER. That is correct.

Mr. COPELAND. The next particular is:

> (3) If they wanted it, they could have access to the $250,000 a year for scholarships for the higher education of Indians, which the bill creates.

Mr. WHEELER. That is correct.

Mr. COPELAND. The fourth particular is:

> (4) If they wanted it, they could have access to the $250,000 a year for the expenses of tribal organizations, which the bill creates.

Mr. WHEELER. That is correct.

Mr. COPELAND. The fifth particular is:

> (5) If they wanted it, they could secure a Federal charter for their existing corporate organization as tribes.

But all these things, as I understand, are optional with the Indians?

Mr. WHEELER. They are entirely optional.

Mr. SHIPSTEAD. Is that true in the case of all tribes?

Mr. WHEELER. That is so in the case of all tribes.

Mr. COPELAND. The bill, in section 17, as I understand, expressly leaves unaffected any claim or suit by an Indian tribe against the United States?

Mr. WHEELER. That is correct.

Mr. COPELAND. Then the Commissioner tells me that the bill is of vital importance to the Indians outside of New York State. So, if I am correctly informed—and I ask that this letter may be inserted in the RECORD—so far as the Indians of New York State are concerned, they are unaffected by the bill if they choose not to be affected by it?

Mr. WHEELER. That is correct. That is not only true of the Indians of New York but it is true of the Indians on every reservation throughout the country.

Mr. COPELAND. And, conversely, of course, if they choose to take advantage of the provisions of the bill, they are at liberty to do so?

Mr. WHEELER. That is correct.

Mr. COPELAND. I thank the Senator.

The PRESIDING OFFICER. Without objection, the letter referred to by the Senator from New York will be printed in the RECORD.

The letter is as follows:

DEPARTMENT OF THE INTERIOR,
OFFICE OF THE COMMISSIONER OF INDIAN AFFAIRS,
Washington, D.C., June 12, 1934.

Hon. ROYAL S. COPELAND,
United States Senate.

DEAR SENATOR COPELAND: The Wheeler-Howard Indian bill, I understand, will be called up today. I have just conferred with spokesmen of the Six Nations of New York, and find them opposed to the bill, but unacquainted with its provisions. They are still thinking of the bill as originally introduced, which has been entirely superseded by the bill which the Senate Indian Committee reported.

The actual bill would leave the New York tribes altogether undisturbed except in the following particulars:

(1) If they wanted it, they could have access to the $10,000,000 revolving-loan fund, which the bill creates.

(2) If they wanted it, they could have access to the $2,000,000 land-purchase fund, which the bill creates.

(3) If they wanted it, they could have access to the $250,000 a year for scholarships for the higher education of Indians, which the bill creates.

(4) If they wanted it, they could have access to the $250,000 a year for the expenses of tribal organizations, which the bill creates.

(5) If they wanted it, they could secure a Federal charter for their existing corporate organization as tribes.

All of the above will be optional with them.

The bill in section 17 expressly leaves unaffected any claim or suit, by any tribe, against the United States.

The enormous importance of the bill is for those Indians, not in New York State, who have been rendered landless by the allotment system. They number 150,000 and are victims of a stubborn error on the part of Congress and the administration. They, if the bill be passed, can be put back on land of their own and capitalized for the development of their own land and supplied with educational advantages.

Sincerely yours,

JOHN COLLIER, *Commissioner.*

Mr. McCARRAN. Mr. President, preliminary to the suggestion of an amendment to section 10, I should like to ask the Senator from Montana whether or not there are any safeguards or provisions in the bill whereby Federal agencies, such as we now know exist, may be limited in their control of the affairs of Indians? In other words, to be explicit, I have known instances where the Federal superintendent or the Federal agent has had absolute control because he gave out the blankets, he gave out the food, and he gave out everything else, so that if one wanted to talk to the Indians of a particular reservation he had to go to the superintendent, and if he did not have the superintendent's permission, in all probability he would not have the favorable consideration of the Indians of that particular agency. I am wondering, because I know the Senator from Montana is as much interested in these matters as I am, if there are sufficient safeguards in the bill so that the Indian agents may not wield their powerful influence over the Indians of any particular tribe to compel them to yield to their will?

Mr. WHEELER. I will reply to the Senator. I appreciate that what he says has been true in the past. For many years the Indian agent located upon an Indian reservation was a czar. There was a time when he could keep a white man even from going upon a reservation or stepping his foot upon it. He could drive anybody off the reservation if he did not like the color of his hair, and so forth. That, however, has been eliminated, so that at the present time anybody can go upon any of the Indian reservations unless it happens to be a closed reservation, and I know of no such reservation at the present time.

This bill, however, seeks to get away from the bureaucratic control of the Indian Department, and it seeks further to give the Indians the control of their own affairs and of their own property; to put it in the hands either of an Indian council or in the hands of a corporation to be organized by the Indians. I, myself, think that this bill, as now presented, is the greatest step forward the Department has ever taken with reference to Indians. It is inconceivable to me that any Indian who is not influenced by some white man who does not want to have the privileges of this measure extended to the Indians or who is not influenced by the Indian bureaucracy should be opposed to this bill. I say that because it has been found that in many instances the very people of whom the Senator is speaking were opposed to this bill for the reason that they felt their control over the Indians was going to be lost and that they might also lose their jobs because competent Indians would be put in their places.

Mr. McCARRAN. Then, I want to ask, if I do not unduly interrupt the Senator, and with his permission, with respect to section 10, from which I read as follows:

> The Secretary of the Interior may, upon the petition by at least one-fourth of the adult Indians, issue a charter of incorporation to such tribe.

I am wondering now, having in mind the percentages we have been using for various purposes for our own guidance, if that percentage should not be raised, and I respectfully suggest 51 percent.

Mr. WHEELER. Let me suggest that the Senator read further on in the section. The provision he has read simply means that when one-fourth of the Indians present to the Secretary of the Interior a petition asking for a charter, he will issue the charter, but it must be voted upon and approved by a majority of the Indians before it may become effective. We expressly put that provision in the bill. Then it is also provided that if the Indians want to rescind their action they can do so; I think it requires a two-thirds vote. That is provided in another section of the bill, so that the majority of the Indians on the reservation control the election in that respect; and as to other action which may be taken under this bill, it is exactly the same as the white people do in the various States.

Mr. THOMAS of Oklahoma. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Oklahoma?

Mr. WHEELER. I yield.

Mr. THOMAS of Oklahoma. Mr. President, I think that this is the fourth or fifth draft of this bill. To one of the earlier drafts I submitted an amendment, which was agreed to, but in a subsequent draft I think the entire section which embraced my amendment was eliminated.

My State is different from the other Indian States. There are in Oklahoma approximately 150,000 Indians. These Indians form about 36 distinct bands, and there are remnants or stragglers of some 20 bands attached to some of the other bands. We have in Oklahoma 52 separate and distinct tribes of Indians. Our Indian reservations have heretofore been allotted, and there are left in Oklahoma no great Indian reservations save the Osage Reservation, and that has been practically allotted as well.

Mr. President, section 5 of the bill provides for the appropriation of $2,000,000 a year for the purpose of acquiring additional lands for Indian reservations. I offered an amendment at one of the committee meetings to provide that the money should be used not only to buy lands for Indian reservations but that the money should be available to buy lands for individual Indians.

In my State we do not want any more Indian reservations. We have enough. Our Indians are already on reservations, so to speak, though they have been allotted. Some of our Indians have lost their lands, it is true.

So far as I am concerned, I want the bill amended, if that be possible, so as to provide that the money shall be available not only to buy lands for additions to Indian reservations but to buy lands for individual Indians. There is no chance to place them on reservations. They are living along the creeks in tepees and in tents. I want the money available to buy lands not only in my State for individual Indians but in other States where Indian lands have been allotted.

Mr. WHEELER. There is no question that the bill does provide for the purchase of lands for individual Indians.

Mr. THOMAS of Oklahoma. I have not found the language sufficiently broad for that purpose.

Mr. WHEELER. Let me invite the attention of the Senator to the language of section 5, as follows:

> The Secretary of the Interior is hereby authorized, in his discretion, to acquire, through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or

surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments, whether the allottee be living or deceased, for the purpose of providing land for Indians.

It is not for Indian tribes, but for both tribes and individual Indians.

Mr. THOMAS of Oklahoma. Then, to make that sufficiently clear, I suggest, on page 4, line 1, after the word "tribe", that there be inserted the words "or individual Indians." That is exactly as the Senator from Montana understands and as I understand, and I think the amendment will conform to the understanding we had in the committee.

Mr. WHEELER. That is correct.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma will be stated.

The CHIEF CLERK. On page 4, line 1, after the word "tribe", it is proposed to insert "or individual Indians," so as to make the sentence read:

Title to any lands or rights acquired pursuant to this act shall be taken in the name of the United States in trust for the Indian tribes or individual Indians for which the land is acquired, and such lands or rights shall be exempt from State and local taxation.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, in section 15 I have sought to exclude the Indians of my State from the operation of some sections of the bill. The bill proposes to extend the restrictions to all Indians forever. That would mean that many millions of acres of land in my State would never become taxable.

At this time, without conferring with the Indians of Oklahoma, I am unwilling to agree that they shall come under the provision, so I have exempted them. During the coming summer, if the bill shall pass now, I will confer with the several tribes in my State. If those Indian tribes desire to come under the provision, then I may come back at the next session and move to amend the section by striking from it such tribes as want to be eliminated. I make that statement in fairness to the Indians of my State. Otherwise I have no objection.

Mr. McCARRAN. Mr. President, I wish to concur in the statement of the learned Senator from Oklahoma [Mr. THOMAS] and to state, as regards the Indians of the State of Nevada, that I may join with him at a later time to have them eliminated from the provisions of the bill, if they so desire.

With the permission of the Senator from Montana [Mr. WHEELER] I wish to make a suggestion with reference to section 10. I desire to offer an amendment, on page 6, line 6, to strike out the words "one-fourth", and to insert in lieu thereof "one-third." In other words, I have in mind that it should be 51 percent who shall apply, but I think as a fair compromise between the two one-third would be fair.

Mr. WHEELER. Mr. President, I will say to the Senator that it is only upon request of one-fourth that a charter may be issued, and they do not do the voting. I have no objection to fixing it at one-third, but I think it will complicate the situation rather than help it. If one-fourth of the Indians petition the Government and say "We should like to have this done", then one-half of the entire number of adult Indians have to vote on it before it may be done; and it would seem to me that is all that should be necessary.

Mr. McCARRAN. I want to explain to the Senator why I propose to increase the percentage. I think he has in mind the very thing I have in mind, of which I have personal and intimate knowledge. In other words, we might control one-fourth of the Indians and have them in the hollow of our hand if we were agents or superintendents, whereas if we raised the percentage a little bit perchance we would have an element of independence involved which no agent could control.

Mr. WHEELER. I have no particular objection to the proposal of the Senator from Nevada.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 6, line 6, it is proposed to strike out "one-fourth" and insert "one-third", so as to make the sentence read:

The Secretary of the Interior may, upon petition by at least one-third of the adult Indians, issue a charter of incorporation to such tribe.

The amendment was agreed to.

Mr. KING. Mr. President, for a number of years, as Senators may recall, I have been endeavoring to secure legislation which would protect and preserve the Indians and prevent the dissipating of their property. Upon many occasions I have called attention to the fact that though the number of Indians was diminishing the costs of operating the Indian Bureau were constantly increasing. I presented incontrovertible evidence to the Government that the policies of the Government in dealing with the Indians were unjust and if persisted in would rob them of their property, if it did not lead to their extinction. I called attention to investigations made by various committees of Congress, which demonstrated that the treatment of the Indians could not be justified upon any rational, humane, or just grounds. Hundreds of millions of dollars' worth of property belonging to Indians have been taken from them either by treaties, in which the Indians were overreached, or by unwise, injudicious, and indefensible policies and procedure by representatives of the Government, including the Indian Bureau.

The record of our Government's dealings with the Indians is a dark and discreditable one. The Indians, I repeat, have been robbed of hundreds of millions of dollars' worth of property, real and personal. During the past few years funds which were under the control of the Indian Bureau and which belonged to the Indians have been drawn upon until now, I think, the aggregate is less than $25,000,000, and charges exist against the same which would completely absorb them.

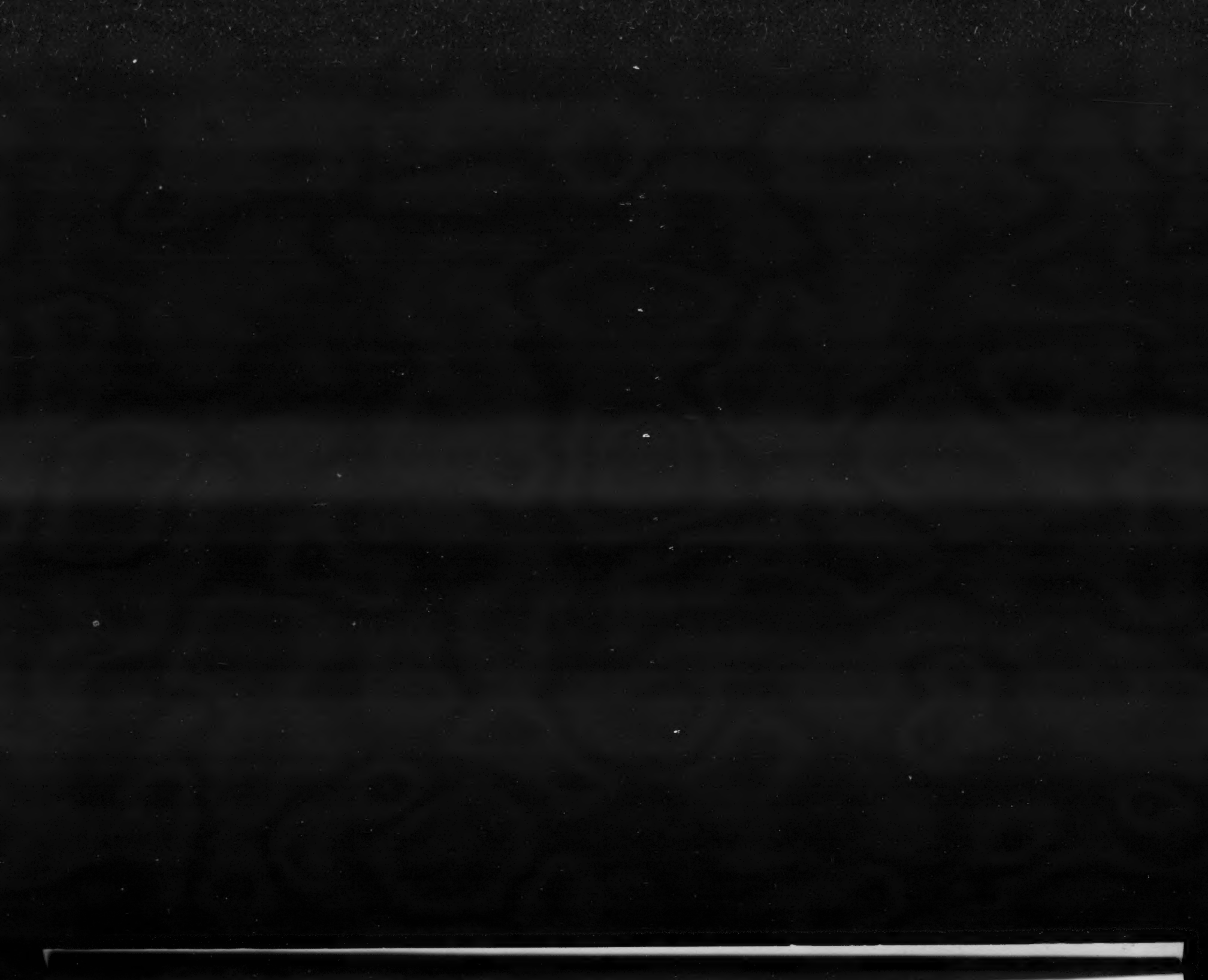
I remember at the last session of Congress it was demonstrated that more than 51 percent of the very large appropriations made by Congress for the support and benefit of the Indians were absorbed in meeting the salaries of a vast army of Federal employees. My recollection is there was 1 employee to every 25 Indians, and on some of the reservations the employees constituted one-eighth of the Indians. The Indians have been plundered by the Government and have been the victims of unjust treatment by the whites. The Indian Bureau has been incompetent, oppressive, and too indifferent to the needs of the Indians. Protests against the unjust and harsh treatment of the Indians have been unheeded, and as the years have gone by the lot of the Indians, speaking in a general way, has become more unbearable.

I visited a number of reservations, Mr. President, and have examined the reports of investigations made, and I have no hesitancy in saying that the treatment accorded the Indians cannot be squared with any rational, humane, or moral conduct.

The civil service as applied to the Indians has built up an inefficient and incompetent bureaucracy, under which the progress of the Indians has been interfered with and the individual, economic, and moral development has been impeded.

I was dissatisfied with the conduct of the Indian administration under the preceding administrations, and believed that a drastic change was required in dealing with the Indians. I supported Mr. Collier in his candidacy for the position of Commissioner of Indian Affairs because I believed that he would effectuate reforms and reorganize the Indian Bureau and inaugurate policies that would save the Indians and protect their rights. I believed that he would bring to the consideration of this important question a point of view not possessed by some of his predecessors, and that he would seek in a more humane and rational way to elevate the Indians, to preserve their rights, and to qualify them for citizenship in the United States.

I am not satisfied that this measure reaches all that I had in view. I am not satisfied that it will not perpetuate this bureaucratic system which has been so harmful to the In-



dians. I am rather afraid that this system will perpetuate for an indefinite period an expensive and oppressive bureaucratic organization which in its operation will lead to enervate rather than elevate the Indians. I know that is not the purpose of Mr. Collier. I know that he is anxious for the welfare of the Indians, for their protection and for their education, so that they may be ready to take a man's part in the various States in which they live, and become respected citizens of the United States, ready to participate in all the activities of progressive and patriotic citizens; but I cannot help but believe, from a cursory examination of the bill, that it will continue too much, and to too large a degree, the bureaucratic system, and will not allow a sufficient flexibility upon the part of the Indians for their development, individually and communally.

At any rate, I believe that any change from the past system should be welcomed. A system that called for the expenditure of more than 50 percent of the millions of dollars appropriated to pay the salaries of a great army of Federal employees cannot be defended.

I shall watch the operations of this bill, if enacted into law, and if at the next session of Congress it shall be disclosed that this bureaucratic organization is continued, that part of the appropriation which we make has been largely absorbed in the payment of salaries and bureau administration, I shall not hesitate to condemn the administration, because I insist that the appropriations which we make shall inure to the advantage of the Indians and not to the payment of an army of Federal employees.

I hope that a new deal shall come to the Indians; that the Indian Bureau will be reformed and rational and sound policies put into operation. The heavy hand of an incompetent and inefficient bureaucracy has cursed our Government, and the Indian has been caught within its powerful sweep.

I am compelled to leave the Chamber to meet an important engagement, and cannot examine the measure before us as I should like. I can only hope that if this bill passes it will be the harbinger of a brighter day to the wards of this great Nation.

Mr. SHIPSTEAD. Mr. President, I believe if this bill passes the Senate and the House it will be an epoch-making event in the history of Indian legislation.

The history of the Indian is one of tragedy and of shame so far as the white man is concerned. I shall not go into the history of that tragedy, but I hope it is coming to an end. The noble character of the original American has not been appreciated by the white race.

I desire to express my personal appreciation and gratitude to the Senator from Montana [Mr. WHEELER] and the Senator from North Dakota [Mr. FRAZIER] for the time and effort they have spent in studying Indian affairs and preparing this bill, with the assistance of the liberal-minded, the humanitarian Commissioner of Indian Affairs, Mr. Collier. I hope that under the administration of this bill, if and when it shall be passed, we may make some restitution for the injury and injustice we have done to the noble people who were the original Americans.

I trust the bill will pass.

Mr. FRAZIER. Mr. President, referring to the amendment of the Senator from Nevada [Mr. MCCARRAN], I call his attention to the provision which requires the vote of 51 percent of the adult Indians living on the reservation—not 51 percent of those who vote upon the subject, but 51 percent of the adult Indians living on the reservation.

I believe that is sufficient to guarantee that a great majority of the Indians are going to favor this proposition before they will adopt it; and it seems to me to require one-third of the adult Indians on the reservation to sign the petition would perhaps make it rather hard for them to get a vote upon the articles of incorporation. I believe one-fourth of the total number of adult Indians on the reservation is sufficient.

In the recall petitions or initiative petitions that the various States have, I do not think there is a single State which has a requirement that as many as one-fourth of the citizens shall sign a petition before they can inaugurate a recall or initiate a measure or have a referendum on a piece of legislation. I believe one-fourth is quite large enough; and I think the Indians are very well protected under the provisions of this paragraph.

It seems to me one-fourth would be much more desirable than one-third, under the circumstances.

Mr. MCCARRAN. Mr. President, just a word.

My policy and my position are not to defeat something that will be for the benefit of the future of the Indians. My policy, however, and my attitude, are to safeguard every step that may be taken, to the end that nothing shall be eventually accomplished that will destroy their development or their contentment. It was with that in mind that I offered the suggestion and the amendment providing for one-third.

We would not have a body corporate formed in our private affairs of life excepting by a substantial group. It seems to me that we are dealing here with the lowly and the humble, and, if I may use a rather harsh expression, perchance the ignorant, although we have tried to raise them to a position of literacy; but we are dealing, nevertheless, with the ignorant and those dependent upon them. Why should not that percentage be raised to an extent that would be at least representative of a fair cross section of the element with which we are dealing? It seems to me fair, and not an excessive requirement.

My first thought was to require 51 percent, and then I reduced it to one-third. It seems to me that no harm can flow from that, and yet it will accomplish the desired result.

Mr. FRAZIER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from North Dakota?

Mr. MCCARRAN. I do.

Mr. FRAZIER. I wish to call the attention of the Senator again to the fact that the purpose of having one-fourth sign the petition is only to bring the matter to a vote.

Mr. MCCARRAN. I know that; but I have seen post traders in Indian reservations who could bring in one-fourth of the Indians of a particular tribe or reservation, because they owed the trader bills running over months and months, and he said, "I am going to cut off your credit unless you sign."

Mr. FRAZIER. That might apply even to 50 percent; but we hope this bill will remedy that situation.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MCCARRAN].

The amendment was agreed to.

Mr. ASHURST. Mr. President, I send to the desk an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to insert, at the proper place, a new section, to read as follows:

SEC. —. That the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands of the Papago Indian Reservation in Arizona from all forms of mineral entry or claim under the public land mining laws, is hereby revoked and rescinded, and the lands of the said Papago Indian Reservation are hereby restored to exploration and location, under the existing mining laws of the United States, in accordance with the express terms and provisions declared and set forth in the Executive orders establishing said Papago Indian Reservation.

Mr. WHEELER. Mr. President, I hope this amendment will not be adopted.

Let me say that this has been a matter of controversy with the Indian Bureau for some time. The amendment is one that should not be added to the bill. It is something that is practically foreign to it. It provides that the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands

of the Papago Indian Reservation in Arizona from all forms of mineral entry, shall be revoked and rescinded.

This reservation was set aside for the Papago Indians, who, as I recall, were landless Indians, and the reservation was set aside by the Government. Some mining people went in and located mining claims upon these reservations, and a controversy grew up between the mining companies and the Interior Department; and the former Secretary of the Interior withdrew the lands and said that they should not be open to further mining operations. In my judgment it would very materially injure the reservation for the Indians, but, at any rate, the amendment should not be put on this bill, and I hope it will be rejected.

Mr. ASHURST. Mr. President, in my judgment, it is not necessary, at this time, for me to enter into any lengthy discussion of the history of the creation of the Papago Reservation. Hearings were held before the Senate Committee on Indian Affairs, which were printed and sent to all the Members of the Senate. Suffice to say that the question of the restoration to exploration and entry of the mineral lands within the Papago Indian Reservation in Arizona is an acute question, a question of principle, not particularly because the State of Arizona happens to be involved, but if the same question arose in any other State I would be found in the same attitude.

I take the ground that neither the Commissioner of Indian Affairs nor the Secretary of the Interior has any power to suspend the mining laws of the United States. Only an act of Congress can do that.

The Papago Indians are a worthy tribe of nomadic, wandering Indians who have never been at war with the United States. They inhabit, and have for years inhabited, the southwestern part of Arizona. They are in a small way stockmen. They catch birds and small mammals and live partly by limited agriculture. They take mesquite and other desert growth to towns and settlements.

They had no reservation, but roamed about, and the charitably disposed and humanitarian people of Arizona, although much opposed to the creation of Indian reservations because the withdrawal of public lands meant that that much more land was forever withdrawn from taxation; they nevertheless decided that it would be charitable, at least, to see to it that these Indians should have a reservation; that is to say, have the right to the surface, the usufruct of the land.

Whereupon an agreement was entered into between the Federal Government and the Governor of Arizona and the then Senators and Representative in Congress from Arizona. It was understood that the Indians were to be given a reservation, or, more strictly speaking, the right to have the use of the surface of something over 2,000,000 acres in southwestern Arizona.

It was distinctly understood and made a part of the agreement that the mining laws of the United States should not be suspended, and that the right of American citizens to prospect, to search and explore for minerals, and locate the same should be preserved intact. Whereupon, without now mentioning other orders which came afterward, and some that went before, but in no wise impairing the language, and always repeating the language I am going to read, the reservation was created upon this distinct, expressed, written agreement between the officials of Arizona and the Department of the Interior, as follows:

The foregoing reservation is hereby created with the understanding that—

I am now reading from the order creating the reservation—

The foregoing reservation is hereby created with the understanding that all mineral lands within the reservation which have been or which may be shown to be such and subject to exploration, location, and entry under the existing mining laws of the United States, and the rules and regulations of the Secretary of the Interior applying thereto, shall continue to be subject to such exploration, location, and entry, notwithstanding the creation of this reservation; and town sites, necessary in connection with the development of the mineral resources of the reservation, may be located within the reservation under such rules and regulations as the Secretary of the Interior may prescribe, and patented under the provisions of the town-site laws of the United States.

Mr. President, it was then absolutely within the power of the Arizona delegation in Congress to prevent the creation of this reservation. Indeed, every newspaper in the State of Arizona criticized the Arizona delegation then in Congress for consenting to the creation of any reservation. We had, indeed, no idea that there would ever come a Secretary of the Interior or a Commissioner of Indian Affairs who would violate the express, written agreement, the express terms upon which the reservation was created.

I ask Senators to take the pamphlet issued by the Indian Bureau, and they will find that in every order made concerning the Papago Indian Reservation this language was repeated. It is quite unusual, but it is clear, and at the risk of tediousness I repeat some of the phrases.

The foregoing—

Meaning the Papago Indian Reservation—

is hereby created with the understanding—

With whom? With the people of Arizona and with her officials—

that all mineral lands within the reservation—

Should be opened, as they had been from time immemorial, to location by prospectors and miners.

The reservation was created on February 1, 1917, and down through the years between 1917 and 1932 citizens now and then made some locations upon the lands of the so-called "Papago Indian Reservation"; and my able friend the Senator from Montana seemed to fear that large mining companies might acquire most of the claims. That is an erroneous impression the Senator has obtained, and I ask permission at this point to print in the RECORD a list of all the mining claims on the Papago Indian Reservation which have been patented, together with the names of the patentees and the area and when patented.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

List of approved mining claims in that portion of the Papago Indian Reservation, Ariz., embraced by Executive Order No. 2524, dated Feb. 1, 1917

[Compiled from the records in U.S. Public Survey Office at Phoenix, Ariz., on Oct. 31, 1932]

Patented claims	120
Unpatented claims	57
Total	177

No.	Name of claim	Mineral survey no.	Mining district	Section	Township	Range	Surveyed or unsurveyed	Serial no.	Date of patent
1	Sahuara	3369	Casa Grande	23	8 S	5 E	Surveyed		
2	Nugget	3369	do	23 and 24	do	do	do		
3	Nugget Fraction	3369	do	23	do	do	do		
4	Nugget Extension	3369	do	23	do	do	do		
5	Hornsilver	3369	do	23	do	do	do		
6	Hornsilver No. 1	3369	do	23	do	do	do		
7	Hornsilver No. 2	3369	do	23	do	do	do		
8	Lead Boulder	3369	do	23, 24, and 25	do	do	do		
9	Cholla	3369	do	23 and 26	do	do	do		
10	Santiago	3369	do	23 and 26	do	do	do		
11	Silver Nugget	3369	do	24	do	do	do		
12	Crown	1698	Silver Reef	24 and 25	do	do	do		Mar. 1, 1905
13	Esperanza	1698	do	24 and 25	do	do	do		Do.
14	St. Louis	1698	do	25	do	do	do		Do.
15	Chicago	1698	do	25	do	do	do		Do.

No.	Name of claim	Mineral survey no.	Mining district	Section	Township	Range	Surveyed or unsurveyed	Serial no.	Date of patent
16	Summit	1608	Silver Reef	25	8 S.	5 E.	Surveyed		Mar. 1, 1905
17	Cow Boy	1668	do	25	do	do	do		Do.
18	Mill Site	1698	do	25	do	do	do		Do.
19	Christmas Gift	640	Casa Grande	27	9 S.	3 E.	do		
20	Virginia	693	do	33 and 34	do	do	do		July 6, 1888
21	Reward	692	do	34	do	do	do		Feb. 2, 1888
22	Legal Tender	1353 Am.	do	36	do	4 E.	do		
23	Turning Point	1353 Am.	do	36	do	do	do		
24	Golden Wonder	1353 Am.	do	36	do	do	do		
25	Jack Rabbit No. 1	2441	do	36 to 95.4 E. 31 to 95.5 E.	do	4 E. 5 E.	do		Jan. 11, 1911
26	Keystone	2441	do	30 and 31	do	5 E.	do		Do.
27	Agwa	2441	do	30 and 31	do	do	do	08185	Jan. 5, 1911
28	Sahuarro	2441	do	31	do	do	do		Jan. 11, 1911
29	Silver Moon	3176	do	36 to 95.4 E. 31 to 95.5 E.	do	4 E. 5 E.	do	028204	Apr. 13, 1916
30	Golden Pea	3176	do	36 to 95.4 E. 31 to 95.5 E.	do	4 E. 5 E.	do	208204	Do.
31	Western Gold	2852	do	31	do	5 E.	do		June 6, 1912
32	Golden Chariot	2852	do	31	do	do	do		Do.
33	Old Gold	2852	do	31	do	do	do		Do.
34	Southern Gold	2852	do	31	do	do	do		Do.
35	Copperosity	609	do	14	10 S.	2 E.	Unsurveyed		
36	Little Chief	610	do	14	do	do	do		
37	Welshman	611	do	14	do	do	do		
38	Copper Giant	612	do	14 and 15	do	do	do Surveyed		
39	Copperosity	3556	do	14	do	do	Unsurveyed	044577	July 6, 1921
40	Copperosity E	3556	do	14	do	do	do	044577	Do.
41	Copperosity No. 1	3556	do	14	do	do	do	044577	Do.
42	Copperosity No. 2	3556	do	14	do	do	do	044577	Do.
43	Copperosity No. 3	3556	do	14	do	do	do	044577	Do.
44	Copperosity No. 4	3556	do	14	do	do	do	044577	Do.
45	Copperosity No. 5	3556	do	14	do	do	do	044577	Do.
46	Copperosity Extension No. 5	3556	do	14	do	do	do	044577	Do.
47	Copperosity Extension No. 6	3556	do	14	do	do	do	044577	Do.
48	Copperosity Annex	3556	do	14	do	do	do	044577	Do.
49	Arizona	3051	do	25	do	4 E.	4 E. surveyed	023260	Sept. 16, 1914
50	Copper Bell	3051	do	25 and 26	do	do	do	023260	Do.
51	Isabella	3052	do	36	do	do	do	023259	Do.
52	Prosperity	1488	do	31	do	5 E.	Unsurveyed		Apr. 17, 1902
53	Assurance	1904	do	31 to 10 S. 5 E. 5 to 11 S. 5 E.	do 11 S.	do	do		Nov. 26, 1906
54	Confidence	1489	do	5 to 11 S. 5 E.	do	do	do		
55	Copperton	2586	Silver Bell	25	12 S.	8 E.	do	01492	Nov. 1, 1909
56	Indiana	2586	do	25	do	do	do	01492	Do.
57	Portland	2586	do	25	do	do	do	01492	Do.
58	Climax	2586	do	25 to 12 S. 8 E. 30 to 12 S. 9 E.	do	8 E. 9 E.	do Surveyed	01492	Do.
59	Three B's	2586	do	25 to 12 S. 8 E. 30 to 12 S. 9 E.	do	8 E. 9 E.	Unsurveyed Surveyed	01492	Do.
60	Kokomo	2586	do	25 to 12 S. 8 E. 30 to 12 S. 9 E.	do	8E. 9 E.	Unsurveyed Surveyed	01492	Jan. 21, 1911
61	Aetna	2586	do	25	do	8 E.	Unsurveyed	01492	Nov. 1, 1909
62	Townsite	2586	do	25	do	do	do	01492	Do.
63	Souvenir	2586	do	25	do	do	do	01492	Do.
64	Homestake	2586	do	25	do	do	do	01492	Jan. 21, 1911
65	Paddy Woods	2697	do	25	do	do	do		Oct. 23, 1911
66	Poland	2586	do	25	do	do	do	01492	Nov. 1, 1909
67	Summit	2586	do	25 and 36	do	do	do	01492	Do.
68	Carbonate	2586	do	25 to 12 S. 8 E. 30 to 12 S. 9 E.	do	8 E. 9 E.	do Surveyed	01492	Jan. 21, 1911
69	Expansion	2586	do	25 and 36	do	8 E.	Unsurveyed	01492	Nov. 1, 1909
70	Metallic Beauty	1390	Silver Bell	25 to 12 S. 8 E. 30 and 31 to 12 S. 9 E.	12 S.	8 E. 9 E.	Unsurveyed Surveyed		
71	Metallic Copper	1390	do	25 and 36 to 12 S. 8 E. 30 and 31 to 12 S. 9 E.	do	8 E. 9 E.	Unsurveyed Surveyed		
72	Silver Hill	1390	do	36 to 12 S. 8 E. 31 to 12 S. 9 E.	do	8 E. 9 E.	Unsurveyed Surveyed		
73	Silver Hill West Extension	1390	do	36	do	8 E.	Unsurveyed		
74	Dandey	4037	Brownell	36	13 S.	2 E.	do	061466	May 9, 1929
75	Native Copper No. 2	2612	Silver Bell	35 and 36	12 S.	8 E.	do		
76	Native Copper No. 1	2612	do	35 and 36	do	do	do		
77	Cuprite	2612	do	35 and 36 to 12 S. 8 E. 1 and 2 to 13 S. 8 E.	12 S. 13 S.	8 E.	Surveyed		
78	Copper Valley	2612	do	1 and 2	do	do	do		
79	Virginia	2612	do	36 to 12 S. 8 E. 1 to 13 S. 8 E.	12 S. 13 S.	do	Unsurveyed Surveyed		
80	All Right	2612	do	36 to 12 S. 8 E. 1 to 13 S. 8 E.	do do	do	Unsurveyed Surveyed		
81	Dale	2612	do	1	do	do	do		
82	Lime Butte No. 1	2612	do	35 to 12 S. 8 E. 2 to 13 S. 8 E.	12 S. 13 S.	do	Unsurveyed Surveyed		
83	Lime Butte No. 2	2612	do	35 to 12 S. 8 E. 2 to 13 S. 8 E.	12 S. 13 S.	do	Unsurveyed Surveyed		
84	Little Sulphide	2612	do	35 to 12S. 8 E. 2 to 13S. 8 E.	12 S. 13 S.	8 E.	Unsurveyed Surveyed		
85	East Sulphide	2612	do	2	do	do	do		
86	Great Sulphide	2612	do	2	do	do	do		
87	Great Chalco	2612	do	2	do	do	do		
88	Little Chalco	2612	do	2	do	do	do		
89	Blue Carbonate	2612	do	2	do	do	do		
90	Green Carbonate	2612	do	2	do	do	do		
91	Silver Bullion	655	Quijotoa	23	14 S.	2 E.	Unsurveyed		Mar. 17, 1902
92	Silver Bullion mill site	656	do	23	do	do	do		
93	Wine Gold	3678	do	28	do	do	do	063051	Oct. 12, 1931
94	No. 1	621	do	36	15 S.	do	do		Sept. 23, 1904
95	No. 2	622	do	35	do	do	do		Do.
96	No. 3	623	do	35	do	do	do		
97	No. 4	624	do	35	do	do	do		
98	No. 7	625	do	35	do	do	do		
99	Santa Tomas mill site	31	Cababi	36 to 13S.4 E. 31 to 15S.5 E.	do	4 E. 5	do		July 19, 1883
100	Cokespa mill site	35	do	36	do	4 E.	do		Apr. 15, 1882
101	Monarch	1179	do	36 to 14S.5¼ E. 1 to 15S.5½ E.	14 S. 15S.	5½ E.	do		Mar. 20, 1896
102	Hercules	1179	do	1	do	do	do		Do.
103	Minie Mine No. 1	4066	do	12	15S.	5½ E.	do		Do.

No.	Name of claim	Mineral survey no.	Mining district	Section	Township	Range	Surveyed or unsurveyed	Serial no.	Date of patent
104	Wadsworth	1825A	Quijotoa	{34 to 158.2 E {3 to 168.2 E	15 S. 16 S.	2 E.	Unsurveyed		Do.
105	Bill Nye	1825A	do	3	16 S.	do	do		Do.
106	Weldon	1825A	do	3	do	do	do		Do.
107	Weldon mill site	1825A	do	9	do	3 E.	do		Do.
108	Garfield No. 2	3074	Cababi	2	do	4 E.	do	025545	July 20, 1915
109	Coyote	3074	do	2	do	do	do	025545	Do.
110	Deal	3074	do	2 and 11	do	do	do	025545	Do.
111	Gladys	3074	do	2 and 11	do	do	do	025545	Do.
112	Doctor	3074	do	2 and 11	do	do	do	025545	Do.
113	Picacho	32	do	2 and 3	do	do	do		July 30, 1881
114	Picacho mill site	33	do	2 and 3	do	do	do		Do.
115	Conduit	3074	do	2	do	do	do	025545	July 20, 1915
116	Sulphide	3074	do	2	do	do	do	025545	Do.
117	Oxide	3074	do	2	do	do	do	025545	Do.
118	Wilson	3074	do	2 and 3	do	do	do	025545	Do.
119	Peak	3074	do	{2, 3 {10 and 11	do	do	do	025545	Do.
120	Bernice	3074	do	3 and 10	do	do	do	025545	Do.
121	Extension	3074	do	3	do	do	do	025545	Do.
122	Kershner	3074	do	3	do	do	do	025545	Do.
123	Little Joe	3074	do	3	do	do	do	025545	Do.
124	Mac	3074	do	3	do	do	do	025545	Do.
125	Schoonover	3074	do	3	do	do	do	225545	Do.
126	Cokespa	34	do	3	do	do	do		Apr. 15, 1882
127	Off	3074	do	3	do	do	do	025545	July 20, 1915
128	Agnes	3074	do	3	16 S.	4 E.	Unsurveyed	025545	Do.
129	Daisy	3074	do	3	do	do	do	025545	Do.
130	Cokespa No. 2	3074	do	3	do	do	do	025545	Do.
131	Glance	3074	do	3	do	do	do	025545	Do.
132	Queen Mary	3074	do	10	do	do	do	025515	Do.
133	Garfield	3074	do	10 and 11	do	do	do	025545	Do.
134	Little Field	519	do	10	do	do	do		Jan. 8, 1890
135	Petanke	520	do	10	do	do	do		Feb. 5, 1890
136	Little Monarch	521	do	10	do	do	do		Mar. 5, 1890
137	First Prize	531	do	10	do	do	do		Feb. 5, 1890
138	Grand Prize	532	do	10	do	do	do		Do.
139	Cunguian	3068	do	10, 15, and 16	do	do	do	058048	Apr. 7, 1926
140	Hibben Summit	3074	do	11	do	do	do	025545	July 20, 1915
141	Summit	3074	do	11	do	do	do	025545	Do.
142	Midway	3074	do	11	do	do	do	025545	Do.
143	Base	3074	do	11	do	do	do	025545	Do.
144	Garfield No. 3	3074	do	11	do	do	do	025545	Do.
145	Watkins	3074	do	11	do	do	do	025545	Do.
146	Molly No. 3	3074	do	11	do	do	do	025545	Do.
147	Molly	3074	do	11 and 12	do	do	do	025545	Do.
148	Triangle	3074	do	11 and 12	do	do	do	025545	Do.
149	Dome	3074	do	11 and 12	do	do	do	025545	Do.
150	Jack	3070	do	11 and 14	do	do	do	024401	June 28, 1916
151	Golden Rod	3070	do	11 and 14	do	do	do	024401	Do.
152	Golden West	3070	do	11 and 14	do	do	do	024401	Do.
153	Molly No. 2	3074	do	12	do	do	do	025545	July 20, 1915
154	Conch	3074	do	12	16 S.	4 E.	do	025545	Do
155	Copper Glance	3070	do	13 and 14	do	do	do	024401	June 28, 1916
156	Golden Rod No. 2	3070	do	14	do	do	do	024401	Do.
157	Golden Cross	3070	do	14	do	do	do	024401	Do.
158	Florida	545	do	14	do	do	do		
159	Desert	338	do	15	do	do	do		Mar. 22, 1887
160	Fernandez mil. site	40	do	12 and 13	do	5 E.	do		June 15, 1881
161	Fernandez	39	do	13	do	do	do		Do.
162	Cobreza	36	do	13	do	do	do		Do.
163	Emperor	164	do	15	do	do	do		
164	Dutchess	165	do	15 and 22	do	do	do		
165	Santa Tomas	30	do	{13 to 16 s, 4 E {18 to 16 s, 5 E	do	{4 E {5 E	do		July 19, 1883
166	El Cautivo	21	do	18	do	5 E.	do		Jan. 31, 1877
167	Third Term	544	do	30	do	do	do		
168	Oro Plato	543	do	30	do	do	do		
169	Reilly	4032	do	31	do	do	do		
170	Pocahontas	166	do	1	do	5½ E.	do		
171	Sunbeam No. 1	4063	Fresnal	28 and 33	18 S.	7 E.	do	065661	Sept. 1, 1931
172	Senator No. 1	4063	do	28 and 29	do	do	do	065661	Do.
173	Enterprise	2063A	Ventana	18	19 S.	do	do		Nov. 15, 1906
174	Ninety Nine	2063A	do	18	do	do	do		Do.
175	Orndorff	2063A	do	18	do	do	do		Do.
176	Colorado	2063A	do	18	do	do	do		Do.
177	Orndorff	2063B	do	18	do	do	do		

Mr. ASHURST. Mr. President, I would be false to my own sentiment and to my own feelings if at this time I failed to say that the present Commissioner of Indian Affairs, Mr. Collier, did not withdraw these lands from mineral entry. The present Commissioner of Indian Affairs did not violate the agreement that was made with the State of Arizona. That agreement was violated by a former Secretary of the Interior, Hon. Ray Lyman Wilbur, by order of October 28, 1932. Therefore, when I inveigh against the action of the Department of the Interior for violating the agreement made with Arizona, I am not criticizing, even by innuendo, the present Commissioner of Indian Affairs. Indeed, while I do not agree with all of the theories and conclusions of the present Commissioner of Indian Affairs, and I do not agree with many of his acts, I am pleased to say that he is a gentleman of high character, of devotion to what he thinks would be best for the Indians. He is a gentleman of culture and wide information. I have no particular quarrel with him. He is frankness personified, and in the hearings held by the Senate Committee on Indian Affairs, the committee so ably presided over by the senior Senator from Montana [Mr. WHEELER], I asked the Commissioner whether he held the opinion that these mineral rights on the Papago belonged to the Indians. He frankly replied: "I do not. I find no evidence whatever tending to show that the mines or the minerals belong to the Indians."

Moreover, the Department of the Interior, through its Solicitor, has rendered its opinion, to wit, on March 7 of this year, holding that these mineral lands do not belong to the Indians, and are not subject to the jurisdiction of the Indian Bureau, but that the minerals, the right to explore for minerals and extract the same and acquire patents, does now and always has reposed in the Federal Government, just as in the case of all other mineral lands on public domain.

Mr. President, in my opinion, if the Solicitor could have, by any stretching of the imagination, by any intentment, reached an opinion holding that the mineral belonged to the Indians, the Solicitor would have done so, and he is secure from my prejudice in his desire to see that these lands

pass from out the jurisdiction of the Federal Government itself and into the domain of the Bureau of Indian Affairs, because sitting here in Washington some persons absorb the idea that a prospector is someone who is anxious to exploit the public domain. Mr. President, quite the reverse. The prospector smites the face of nature. He goes out upon the hills and there by patient toil, depriving himself, in many cases, of social contact, he discovers minerals. He complies with the law of the land, and if he be successful the money metals that he extracts are poured into the channels and veins of trade, thereby enriching the country at large.

Indeed, Mr. President, it was none other than the prospector himself who opened the great West, who made it possible for the people of the littoral on the Atlantic side of our continent to become a part of the citizenship of the great West. Indeed, Mr. President, the prospector, so far from being a detriment to our country, as he has been pictured by so many bureaucrats, is preeminently the forerunner of civilization, he is the forerunner of prosperity, and one of the great reasons why the depression has been so poignant and so severe is because we have strangled by bureaucratic rule the activities of the prospector.

Mr. President, it was, I repeat, Secretary Ray Lyman Wilbur who by his mere ipse dixit paralyzed the mining law of the United States, or attempted to do so in the instant case. I have never recognized his order as law; in fact, I have advised some prospectors to disregard the promulgation by Secretary Wilbur and to go ahead and locate mining claims, knowing that the courts would hold that only Congress can suspend the mining laws. But the former Secretary, Mr. Wilbur, zealous to do something, as he thought, for the Indians, misadvised, under a misapprehension, proceeded to sign this order which has brought chaos in southwestern Arizona, which has upset a whole county—indeed, two counties—which has suspended all mining operations on the reservations, and even the Papago Indians themselves are largely opposed to this order of the Secretary of the Interior.

Mr. President, whence comes the title to these lands? When the treaty of Guadalupe Hidalgo was ratified it was indeed provided that all valid grants within the domain acquired by the United States from Mexico should be recognized.

Later when the lands under the Gadsden Purchase were acquired—and these lands in question are within the Gadsden Purchase—it was repeated that all valid titles should be deemed and be considered to be valid by the United States. But no lawyer, no court has in the course of 80 years pretended that these Papago Indians had any title to the lands that could be recognized under either treaty. The Department of the Interior has never held that there was any recognition of such rights.

Therefore, Mr. President, it seems to me that while we are dealing with the subject of Indians, this would be an appropriate place for this amendment, which would do no more than restore the status quo, do no more than restore the mining rights as they existed from the time of the ratification of the Gadsden Treaty down to the day when Hon. Ray Lyman Wilbur in 1932 issued his order withdrawing all the mineral lands within the Papago Indian Reservation from sale and settlement.

If Congress now is prepared to countenance an order issued by the Secretary of the Interior withdrawing lands from settlement, withdrawing mineral lands, then, forsooth, any Secretary of the Interior may at any time withdraw all the mining lands, withdraw all the lands within the Senators' several States, and declare that they shall not be eligible to mining or prospecting.

It is not particularly because this land happens to be within the State which I in part represent that I take the position I do. I inveigh against the principle involved. I say that Congress alone has the right and the power to suspend the mining laws. We may some time have a Secretary of the Interior, if these orders are countenanced, who would do quite the reverse and would say that for the general public it is wise to deprive these Indians of their mining rights when their rights are recognized by Congress. Laws are made by Congress and executed by the bureaus and by the departments of the Government. So, Mr. President, I ask for a vote on my amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Arizona [Mr. ASHURST].

Mr. PITTMAN. Mr. President, let the amendment be read.

Mr. ASHURST. Mr. President, I should like to have the amendment stated once more at the request of the Senator from Nevada.

The LEGISLATIVE CLERK. It is proposed at the proper place to insert a new section as follows:

SEC. —. That the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands of the Papago Indian Reservation in Arizona from all forms of mineral entry or claim under the public land mining laws, is hereby revoked and rescinded, and the lands of the said Papago Indian Reservation are hereby restored to exploration and location, under the existing mining laws of the United States, in accordance with the express terms and provisions declared and set forth in the Executive orders establishing said Papago Indian Reservation.

Mr. WHEELER. Mr. President, I am unable at this time to disagree with what the Senator from Arizona has stated with reference to the interpretation which he has placed upon the order of the Secretary of the Interior; but I submit that if what he has said is true, it is necessary for an act of Congress to be passed in order that the people in his State should get the rights which they claim they have. But this goes further than merely setting aside the order of the Secretary of the Interior, because it declares that from now on, regardless of whether or not these Indians at the present time hold these valuable mineral rights, if they are mineral rights, they shall be taken away from them, and that the lands shall be thrust open to development by anyone who wishes to go in there.

I also desire to call attention to the fact that by the proposed amendment not only do we take the mineral rights away from them and leave the lands open to exploration, but in addition to that we make it possible for people to go onto that reservation and to mine without paying the Indians anything for that right.

Mr. President, I submit that this is not the proper place for the amendment of the Senator from Arizona. The matter is in controversy between the Department and one of the mining companies in Arizona, and I have volunteered to go to Arizona with the Senator from Arizona, or to have the Committee on Indian Affairs go there and to hold hearings and investigate the matter further, and then, if the committee and the Department can work out something which is satisfactory and just both to the Indians and to the mining companies there, we are quite willing to do it. But this is not the time and this is not the place to attach this kind of an amendment to the bill.

Mr. ASHURST. Mr. President, my sense of fairness and justice compels me to say that no one could have been more considerate than the able Chairman of the Committee on Indian Affairs, the senior Senator from Montana [Mr. WHEELER]. No one could have been more patient. Indeed, I feel like apoligizing for the way I abused his patience and the patience of the committee in the hearings on this subject. The Senator from Montana, with due deference to all other Members of this body, is one of the ablest lawyers of the Senate. The Senator from Montana is one of the ablest lawyers who was ever in the State of Montana, which has produced many great lawyers. Surely the Senator, with his keen intellect, must perceive that I am not asking that any additional rights be granted to citizens. I am simply asking that the conditions which existed from the time of the ratification of the Gadsden Purchase Treaty until 1932 be restored—that that status quo be restored. That is all.

Surely the Senator from Montana is not prepared to say that any Commissioner of the General Land Office or any Commissioner of Indian Affairs or any Secretary of the Interior has the power to suspend the mining laws of the United States. The Senator will not say that, for he is an able lawyer.

The Senator has indeed been so courteous and so kind as to offer to proceed to Arizona upon the adjournment of Congress, or soon thereafter, to investigate this subject. But, Mr. President, before any investigation is made, before any person begins to hold pourparlers with me as to a particular subject, he must first return that which he has taken illegally.

Not intending to imply that the able Senator from Montana has taken anything illegally, I mean that the Secretary of the Interior, having set up his own judgment as law, now, by a successor in office, is saying, "Unless you agree that my previous illegal order shall be ratified and confirmed, I decline to have anything further to do with you." Mr. President, with contempt I refuse to enter into any such an agreement. Not with indignation, I repeat, but with contempt, I decline to hold pourparlers or make any arrangement with those who say, "Allow me to keep that which I took unlawfully, and then I will talk with you as to how much more I am going to take."

I ask Senators to restore the status quo. Then we will talk about some other arrangements.

Mr. WHEELER. Mr. President, if I may say just a word in reply to the Senator, I offered to go to Arizona at his request——

Mr. ASHURST. Yes.

Mr. WHEELER. And to investigate this situation. There are questions of law involved in it as well as questions of fact, upon which it has not been possible to agree. With those questions the Committee on Indian Affairs is not sufficiently conversant at this time, nor is the Senate sufficiently conversant with them, to enable them to pass an intelligent judgment upon them. It may be that everything the Senator stated is correct with reference to the agreement; but, if correct, then the Secretary of the Interior acted illegally; and if he did act illegally it is not necessary to pass a law of this kind to set aside his illegal act.

Mr. ASHURST. Mr. President, prospectors, as a rule, are men of limited means. The Senator invites prospectors to go into court to test this question. It is a lengthy, it is a protracted, and it is an expensive procedure for a lone prospector to go into court to contest the order of the Interior Department.

Mr. WHEELER. Mr. President, may I interrupt the Senator?

Mr. ASHURST. Certainly.

Mr. WHEELER. Let me say to the Senator that those involved in this case are not lowly, poor prospectors. As a matter of fact, they have had legal counsel employed to come to Washington, who have been to the Committee on Indian Affairs on several occasions. Some of the men who are interested in this mining claim and this property are men of some means, because they have followed me clear to Montana to talk to me with reference to it. They are not the lowly prospectors the Senator has pictured to the Senate this afternoon.

Mr. ASHURST. Mr. President, it is my information that a vast majority of these claims are held by individuals. In order to prove that contention which I make I am going again to invite Senators to peruse pages 16, 17, 18, and 19 of the hearings before the committee on April 24, from which it would appear that the vast majority of these claims are held by individuals. Each claim has a different name; each one apparently was patented at a date not quite related to any other date. It is not a fact that the large mining companies of Arizona are interested in acquiring these lands. I hold no brief for the large mining companies in Arizona or any other State. The able Senator from Montana, if he will pardon me, is absolutely mistaken in his conclusion that the so-called "large mining companies" in Arizona or any other State are interested per se, as mining companies, in throwing the lands of the Papago Indian Reservation open to settlement.

Mr. WHEELER. Let me say to the Senator that I made no such statement as that. I simply said that some of the people who were interested in some of these claims were men of means, and that they employed counsel. I do not contend that the large mining companies of Arizona own these claims, because my understanding is that they do not; but there are some promoters there and some people who are interested in some of these claims who apparently have means.

Mr. ASHURST. That may be so. If the Senator knows of anyone in these days who has means he has discovered a sort of individual I do not frequently meet. Now, therefore, I shall make a disclosure to the Senate in order to be perfectly frank. All the information I possess on this subject comes either from personal examination of the land, or from data sent to me by the Chamber of Commerce of Tucson, Ariz. I know of only one man who has talked with me in Washington on the subject of the Papago Indian Reservation, a Mr. Mitke, who is a mining engineer and an able citizen. He has been here and talked to me probably for 5 minutes, and has written me dozens of letters on the subject. He is the only person, except my own colleague and the Member in the House from the State of Arizona, who has talked with me in Washington about the Papago Indian Reservation except, of course, department officials. So I am sure that, if the Senator has been able to discover any lobby, insidious or otherwise, around Washington, in favor of restoring these lands to mining, the Senator's already great fame as an investigator is enhanced by the discovery he has thus made.

No, Mr. President; the prospectors, the miners of the State of Arizona are anxious not to be subjects of public charity, anxious not to be living on the dole, anxious to secure work, want to go out on the reservation and begin to develop and search for minerals. Not only is it a worthy cause, but it is a romantic one, and I think the Senate owes it to itself, owes it to the State of Arizona, owes it to law and proper procedure, to restore these lands to the status they occupied from the day of the Gadsden Treaty until Secretary Wilbur by his ipse dixit presumed to withdraw these lands from entry.

It is not a sufficient answer when citizens' rights are assailed to say, "Go hire a lawyer; go to a court." No; if his rights have been stricken down, we have the power to correct the situation and we should do so.

The PRESIDING OFFICER (Mr. THOMAS of Utah in the chair). The question is on agreeing to the amendment offered by the Senator from Arizona.

Mr. PITTMAN. Mr. President, may I make some inquiries of the Senator from Montana?

Mr. WHEELER. Certainly.

Mr. PITTMAN. Does this bill in any way attempt to deal with the so-called "inherent water rights" of the Indians on reservations?

Mr. WHEELER. No; it does not. It leaves all the water rights just exactly as they have been in the past.

Mr. PITTMAN. There is no attempt to confirm any particular policy with regard to the water rights of the Indians?

Mr. WHEELER. None whatever.

Mr. PITTMAN. The reason I make that inquiry is this: As the Senator knows, there has been a legal dispute for a number of years as to just what rights the Indians obtained under treaties with regard to the flowing waters of a Territory prior to its becoming a State. While I desire, of course, that every Indian in my State shall have an equal right with every citizen of the State and an equal benefit under the utilization of the few waters we have, I should not like to vote for a bill which would in any way attempt by legislation to confirm a policy which is now in dispute.

Mr. WHEELER. There is nothing touching water rights in any way, shape, or form in the pending bill, I will say to the Senator.

Mr. PITTMAN. I may say, for instance, we have two reservations in the State, which were established by proclamation just prior to the admission of the Territory of Nevada to statehood. One of those reservations lies across the Walker River and the other, the Truckee River; one where it flows into Walker Lake and the other where it flows into Pyramid Lake. The Government has contended for years that, by virtue of the establishment of those reservations

and the inducing of the Indians to go upon the particular reservations, there was implied an agreement to supply them with sufficient water to irrigate the entire area within the reservations, without regard to whether or not it was susceptible of irrigation. That holding made it necessary eventually for the Government to build a dam on the Walker River and to impound water to meet that demand of the Indian Bureau. So that the water, under the ruling, might not be taken away from the settlers who had appropriated the use of the water for 50 or 60 years.

Mr. WHEELER. I am familiar with that situation.

Mr. PITTMAN. The Senator is familiar with it?

Mr. WHEELER. I am very familiar with it.

Mr. PITTMAN. And this bill in no way affects that situation?

Mr. WHEELER. It does not affect it in the slightest degree.

Mr. ASHURST. Mr. President, before the vote is taken I ask permission to read from page 5 of the hearings before the Senate Committee on Indian Affairs held on April 24, 1934. Mr. Collier, the able Commissioner, was giving his statement or testimony. I quote from page 5:

Mr. COLLIER. I have previously stated my view pertaining to this particular contract, that I do not myself see any evidence to support the contention that the tribe owned or had ever owned the minerals.

Who is this speaking? Not the able Senator from Montana, not your humble servant; it is the Commissioner of Indian Affairs speaking, on page 5 of the hearings held April 24 last. I repeat:

Mr. COLLIER. I have previously stated my view pertaining to this particular contract, that I do not myself see any evidence to support the contention that the tribe owned or had ever owned the minerals.

Senator ASHURST. I commend your frankness, Mr. Commissioner. In other words, you do not contend that the tribe owns the minerals?

Commissioner COLLIER. That has seemed to me at all times clear.

There is intellect. The Commissioner of Indian Affairs is able quickly to perceive facts and state them accurately and truthfully. He continued:

That has to me at all times seemed clear. Of course, that is a layman's view, and, furthermore, here is the opinion of the solicitor who holds that view.

That is, the attorney for the Department of the Interior.

Senator STEIWER. Do you say that is the Solicitor's view also?

Commissioner COLLIER. Yes, sir.

Senator STEIWER. And it is the Department's view now?

Commissioner COLLIER. Yes.

Senator STEIWER. I think it is more than a mere layman's view, then. It is the Government's attitude deliberately arrived at.

Commissioner COLLIER. Well, I had expressed this view before the Solicitor rendered his opinion.

Mr. President, I repeat that if the present Secretary of the Interior, if the present Commissioner of Indian Affairs, the present Solicitor of the Department, could by any stretching of the law, could by any intendment, have reached a conclusion that those minerals belonged to the Indians, those officials would have done so, because they are zealous for power, they are anxious for jurisdiction, but their intellectual honesty prevented their reaching such a conclusion.

I am asking the Senate to live up to the agreement made with Arizona and the statement of the Department of the Interior that the minerals do not belong to the Indians.

Mr. BORAH. Mr. President——

Mr. ASHURST. I yield to the Senator from Idaho.

Mr. BORAH. Am I to understand the effect of the order made by Secretary Wilbur is to prevent prospecting on that portion of the lands?

Mr. ASHURST. Absolutely.

Mr. BORAH. How long has that condition prevailed?

Mr. ASHURST. The order is presumed to have taken effect October 28, 1932. Mark you, from 1852 until that time prospecting, searching for minerals, the location of minerals, took place, and 120 mining claims were located in good faith and patented.

Mr. BORAH. What is the objection to the Senator's amendment, except it is claimed it does not belong in the bill?

Mr. ASHURST. That is the only objection. The objection of my able friend from Montana is that it might destroy the symmetry of his bill.

Mr. WHEELER. Oh, no!

Mr. ASHURST. The able Senator feels it is a contested question that ought to have more thorough investigation.

Mr. WHEELER. Not only that, but let me say to the Senator from Idaho there has been a conflict, and there is some question in my mind, from a thorough investigation of the matter, as to whether title was conveyed and whether or not the Indians took title. Also I should like to ask the Senator from Arizona this question: Suppose a mining company or individuals go in there to engage in mining, are they willing to pay the Indians a rental for the surface rights?

Mr. ASHURST. I cannot speak for them. So far as I am concerned, I would reject such a proposal. I decline to live by any man's leave underneath the law.

Mr. WHEELER. The situation would simply be that if these lands were all thrown open to mining claims, as the Senator from Idaho knows, what they would do would be to go in and stake out the mining claims and virtually take the reservation away from the Indians.

Mr. ASHURST. Oh no, Mr. President.

Mr. WHEELER. Oh, yes!

Mr. ASHURST. Why did they not do it from 1852 up to 1932? They have taken only 120 claims out of a total of 2,300,000 acres.

Mr. WHEELER. There are many tracts of land. They could go in and cut a reservation all to pieces by taking up mining claims. As I understand, the Bureau of Mines has even suggested that if they did that, they should lease from the Indians the surface rights which belong to them; but these people are unwilling to lease or to pay anything for the surface rights for the use of the title to the Indian lands. There is no question at all that under the law the surface rights to the Indian lands belong to the Indians. These people want to take the surface rights an pay nothing for them.

Mr. BORAH. Would it not be within the power of the Indian Commissioner or the Bureau of Indian Affairs to require that they take a lease?

Mr. WHEELER. As I understand, the Indian Bureau is trying to work out a bill for the purpose of settling the dispute in a proper way and providing that they shall have the power to lease the land for this purpose under certain conditions.

As I said a while ago, when the Senator came to me and asked me if I would go to Arizona, I said I would. I do not think at the present time they can lease the lands in the fashion the Senator has suggested. I do not think they have the authority to do it.

Mr. ASHURST. As to the able Senator from Montana—and I am not using mere words of flattery when I say "able Senator from Montana"; we were college mates in the university in other days—not happier days, but other days—as I said, my friendship and admiration for the Senator from Montana go back long before we came to the Senate. In my judgment, he has never postulated an argument upon more uncertain grounds that the argument he makes today. These lands were subject to exploration and mineral entry from 1852 until 1932. There were during that time 120 claims filed upon and patented. It is not true that the people of Arizona are gathered around like a lot of cormorants to rush in and "take" the lands from the Indians.

The fact is that the Arizona delegation in Congress could have prevented the creation of this reservation in 1917, but we consented that the Indians should have surface rights with an understanding, and the understanding was written into the proclamation creating the reservation in 1917. I ask the able Senator from Montana to listen to this and say if he is prepared to repudiate an agreement between the

United States and the State of Arizona. This is how the reservation was created. This is the agreement made before we consented to the creation of the reservation. The proclamation was signed by Woodrow Wilson, to which all parties agreed, as follows:

The foregoing reservation is hereby created with the understanding that all mineral lands within the reservation which have been or which may be shown to be such and subject to exploration, location, and entry under the existing mining laws of the United States and the rules and regulations of the Secretary of the Interior applying thereto, shall continue to be subject to such exploration, location, and entry notwithstanding the creation of this reservation; and town sites, necessary in connection with the development of the mineral resources of the reservation, may be located within the reservation under such rules and regulations as the Secretary of the Interior may prescribe, and patented under the provisions of the town-site laws of the United States.

President Wilson and his Secretary of the Interior respected that proclamation. President Harding and his Secretary of the Interior, as well as President Coolidge and his Secretary of the Interior, respected that provision, and there was no swarming of land grabbers.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Idaho?

Mr. ASHURST. Certainly.

Mr. BORAH. Has anyone ever sought to contest by court action the legality of that order?

Mr. ASHURST. Not so far as I know; but a number of citizens have written me and I have replied to them to go ahead and make their locations, set up their monuments if they made a valid discovery of minerals, and allow themselves to be arrested. Of course, the court would instantly hold that such a citizen was not a trespasser in going upon the public lands and searching for minerals and locating them if he discovered them. That is my judgment as a lawyer. I do not feel that it is immodest, on this point at least, for me to put myself in opposition to the opinion of my able friend the Senator from Montana.

Mr. President, I am ready for a vote.

Mr. DILL. Mr. President, I am not only concerned about the amendment of the Senator from Arizona but I am concerned about the implications of this bill, which go to the very kind of thing the Senator is talking about.

Section 3 of the bill proposes that in the case of every Indian reservation in this country that has been opened to settlement, where any land is left that has not been taken up, the land shall be put back into a reservation. I am not familiar with the conditions in other States, and I cannot speak as to what the effect will be in those States; but I know that in my own State, where some years ago we opened to settlement an Indian reservation of more than a million acres of land, only a comparatively small amount of which has been settled, there are homes of white men on homesteads which they took, scattered all through that reservation; but it is an open country. It is not a closed reservation, as it was prior to the time when they could settle there. This bill now proposes to give the President the power to put all the surrounding land back into the Indian reservations; in fact, it directs the Secretary of the Interior to do so. We are breeding more trouble by this proposed legislation than we have ever dreamed of, if that is to be the effect of it.

Mr. WHEELER. Mr. President——

Mr. DILL. I yield to the Senator from Montana.

Mr. WHEELER. No; I will not interrupt the Senator. I thought he was through.

Mr. DILL. I am not through, and if I had known this measure was to come up, I would not be through for a long time.

For years and years Members of Congress from Western States have made a long fight here to open Indian reservations to settlement and to make it possible to use these lands that the Indian never did use, and has not the ability to use, and will not for generations to come. These lands that have been opened and are not used are now by this bill to be thrown back into a closed reservation, and we shall find ourselves in another session of Congress or two confronted with the demands of the people to open the reservations which we fought for many years to have opened. It is the most backward step, so far as the opening of the western country is concerned, that I have seen in the Congress in the 20 years I have had the honor to be about the Capitol.

I do not believe Representatives and Senators have any conception of what it is going to mean if we put back into a closed reservation every area that has been opened to settlement that is not now taken up by white ownership.

Mr. BORAH. Mr. President, do I understand that it is conceded that the effect of this bill will be to put these lands back into reservations?

Mr. DILL. If the Senator will read section 3, I think he will agree that there cannot be any misunderstanding of what it means:

The Secretary of the Interior is hereby authorized and directed to restore to tribal ownership the remaining surplus lands of any Indian reservation heretofore opened or authorized to be opened, to sale, or any other form of disposal by Presidential proclamation, or by any of the public-land laws of the United States.

Mr. FRAZIER. There is a proviso at the end of section 3.

Mr. DILL. Oh, that the valid rights or claims of persons to lands withdrawn shall not be interfered with, of course; but these white men who have taken up their homes, homesteaded them, and own them, will find themselves set down in a closed Indian reservation.

Mr. WHEELER. That is not correct. That is not the effect of the bill.

Mr. DILL. What is the effect of it?

Mr. WHEELER. There is no closed Indian reservation in the sense that that term was formerly used.

Mr. DILL. I think I have lived among Indian reservations about as long as anybody.

Mr. WHEELER. A closed reservation means that white people cannot go on the reservation. If there is any question at all about that in the mind of the Senator, if he will investigate the law upon the subject, he will find that that is true.

Mr. DILL. What is the meaning of this section?

Mr. WHEELER. The meaning of it is simply this:

On a few of the reservations in the country at the present time there are some lands belonging to the Indian tribes that have been offered for sale. They have not been sold. Some of them belong, for instance, to deceased Indians. They are still being held and have not been sold. What this bill seeks to do is to take those lands that have not been sold and to put them back where they can be used by the Indians themselves, instead of having them sold by the Government or held without getting practically any revenue at all from them. Those who framed and administered the General Allotment Act apparently assumed that after the passage of the act no more children would be born to Indians. Nearly all tribal land not needed for distribution was declared surplus land and this so-called "surplus land" was thrown open to entry by white purchasers.

Mr. DILL. I am not talking about that kind of land. The bill says "surplus land." These lands that have been opened to settlement are no longer the lands of the Indians.

Mr. WHEELER. Oh, yes, they are.

Mr. DILL. Except that they are for sale to the public.

Mr. WHEELER. Oh, yes; they are surplus lands. They belong to the Indian. The Senator again does not understand the situation.

Mr. DILL. But not for his use.

Mr. WHEELER. But what has happened is that the Government has been in a position where it could sell these lands. Now the Government seeks to stop that, because of the fact that these poor, unfortunate Indians are being found landless. The Government has taken the lands and sold them to white people, and then the Indians have been absolutely at the mercy of the white people, have been poverty stricken.

The Senator talks about white people coming down here and wanting to open these reservations. As far as I am concerned, let me say to the Senator that I do not care if every white man in my State wants to rob the Indians; I

am not going to stand on the floor of the Senate and be a party to it.

Mr. DILL. Oh, well, nothing about robbing the Indians is involved here.

Mr. WHEELER. Oh, yes, it is. What we are seeking to do by this bill is to protect the Indians.

Mr. DILL. These reservations have been opened after long fights in both Houses, by proclamation of the President; and now it is proposed to take back this land and put it under Indian control, instead of allowing it to be sold and disposed of and developed. The Indian never did develop it. He never will. The only thing he will ever get out of it will be what money he will sell it for.

Mr. WHEELER. That is not a correct statement of the facts. In many instances today, as the Senator would know if he were familiar with it, where Indians have had an opportunity at all, and where they have been given any help at all, they are working their lands; and even in the Senator's own State, where I visited the reservations, Indians will be found there who are working lands, and prospering and getting along. That is true not only in his State but in every other State.

Mr. DILL. But that is not the land which the Senator proposes to put back under Indian control.

Mr. WHEELER. Oh, yes, it is!

Mr. DILL. I know about that land in my own State, because when I was in the House of Representatives I brought about the opening of about a million acres of land. The Indian never has and never will settle those lands, and yet we are going to put them back in Indian reservations again.

Mr. WHEELER. I will say to the Senator that if he will go out and visit the open reservations in his own State he will find that many of the Indians are working lands.

Mr. DILL. Certainly.

Mr. WHEELER. The white people have not taken those lands. They have not wanted them. They have used them, but they have not bought them.

Mr. DILL. The Indian has been given the choice land in his allotments, and he is working some of it and renting some of it. That is what I am talking about; and great bodies of land which might be taken up and used by white men are just withdrawn now by one fell swoop of a statute that wipes them all out.

Mr. WHEELER. The Secretary now can prevent the sale of these lands if he wants to at any time.

Mr. DILL. Oh, no; he cannot, unless he gets the President to make a proclamation reversing what has already been done by him.

Mr. WHEELER. The Senator is wrong again about that.

Mr. DILL. I am not wrong.

Mr. WHEELER. The Senator is wrong as a matter of law.

Mr. STEIWER. Mr. President, I merely desire to call attention to the fact that section 3, which is the subject of discussion at this moment, relates only to surplus lands.

Mr. WHEELER. Exactly.

Mr. STEIWER. It does not relate to allotted lands, and in my own opinion it would not relate to unallotted tribal lands. It relates only to those tribal lands not necessary for allotment or for other purposes, but are regarded as surplus lands and usually are embraced in the area which is excluded from the reserved area where the size of a reservation is diminished by Executive order.

Mr. DILL. Yes; and it is proposed now to put the land back into the reservation.

Mr. STEIWER. These surplus lands are offered for sale, the proceeds of sale to be employed for the benefit of the Indians. The question is whether the Indian is to have such proceeds or the use of land which he does not need.

These surplus lands, generally speaking, are not considerable in amount. I think there is no great area of surplus lands that would be affected by section 3 of the bill. Such areas as there are under this language would no longer be offered for sale but they would be held by the United States Government for the use of the Indians, either to be allotted at a subsequent time or to be treated as tribal lands, to be used in common, or for some other purpose, for the benefit of the Indians. So, although there is force in the contention of the Senator from Washington, I think it is not of the major importance which he has ascribed to it.

Mr. DILL. The Senator now advances the practical proposition that these lands that have not been sufficiently valuable in an agricultural way or for any other purpose for the white men to homestead and take up may be allotted to the Indian. What good will they be to the Indian? He has not made use of the good land that was given to him; but we are going to put this land back into the Indian reservations.

Mr. STEIWER. I hope the Senator from Washington is not disturbed by the suggestion he is now making. On three reservations in Oregon— and I think on the Yakima Reservation in Washington—the tillable land was allotted to the Indians. In addition to the tillable land, those reservations contained land that lay up against or upon the mountains, in some cases upon very high mountains. That mountainous land was not allotted in the first instance. As the years have gone by, the Indians found in some areas that they have a real necessity for making use of that land for the purpose of providing pasturage for their livestock; so, in more recent years on certain reservations in my State, and I think upon reservations in the State of Washington, the Interior Department has allotted portions of these surplus lands. They are additional allotments, or supplemental allotments in many cases. That has not worked hardship upon the Indians; on the contrary, the allotment of these lands is beneficial to the Indians; and I am convinced these surplus lands ought still to be reserved from sale, that they may in the future be subject to further allotment in those cases in which they are valuable to the Indians.

Mr. DILL. I have not any objection to the allotment of lands that were reserved when these reservations were thrown open. What I am objecting to is the backward step that proposes to reverse and wipe off the statute books every law that has been passed opening Indian reservations in Western States, so far as the lands not now taken up and sold to white men are concerned. That is what I am objecting to. This bill does that, and nobody can change that language, and nobody can change the results of that language, because the Secretary of the Interior is directed to put all these lands back into Indian reservations.

Mr. FRAZIER. Mr. President——

Mr. DILL. I yield to the Senator.

Mr. FRAZIER. I desire to ask the Senator how long ago this land in his State was thrown open.

Mr. DILL. It does not make any difference when it was thrown open.

Mr. FRAZIER. Yes; it does.

Mr. DILL. The land of which I am particularly thinking, more than a million acres, was opened in 1915 or 1916, and I should say that probably 100,000 or 150,000 acres of it have been opened to settlement. Some of it has been bought, and the properties that have been bought in that particular reservation are like the squares in a checkerboard; they are scattered here and there among the Indian lands.

Now, instead of leaving those other lands open for sale, I may say that a development that is going on will make much of that land valuable that heretofore has not been valuable, because of cheap electricity—those lands are all to be thrown back into the Indian reservation, under direct Indian control. It is that to which I object. It will cause trouble all over the western country, and we shall be back here in the next session of Congress to repeal this law and direct the President to issue a new proclamation.

Mr. FRAZIER. I cannot agree with the Senator from Washington on that point.

Mr. DILL. What does the Senator think is the effect of section 3?

Mr. FRAZIER. I think the land that has not been bought these 8 or 10 or 12 or 15 or 20 years, because no one wanted

it, and which is now Indian land, should go back to the Indian who needs it.

Mr. DILL. What will be done with it?

Mr. FRAZIER. It will be used for grazing purposes and similar purposes.

Mr. DILL. Then there will be Indians trying to graze stock in and around all these tracts where white men are now living.

Mr. FRAZIER. That can be arranged by fencing.

Mr. DILL. Who is to pay for fences in that country?

Mr. O'MAHONEY. Mr. President, I desire to ask a question, both of the Senator from Washington and of the Senator from Montana in charge of the bill. What would be the effect of the language contained in section 3 upon the settlers and entrymen on Indian lands under the public land laws of the United States?

Mr. DILL. There could not be any more settlement. It would be lost.

Mr. WHEELER. The Senator is wrong as to that. This would not affect the public-land laws of the States in the slightest degree.

Mr. O'MAHONEY. I mean of the United States.

Mr. WHEELER. It would not affect the public-land laws of the United States in the slightest degree.

Here is why the bill is necessary: When the lands were allotted on some of the Indian reservations it was said that all the remainder of the lands which had not been allotted would be sold and the proceeds would be turned over to the Indians. Now it is found that many of these Indians have had children, and they are seeking allotments for those Indian children. What is to become of the Indian children if they cannot get allotments? They will become paupers, they will be turned, eventually, upon the State of Washington, upon the State of Oregon, and upon the other States. The bill simply seeks to take the surplus lands which have not been sold, which no white man has wanted to buy, and turn them back, so that they will be allotted to the Indians for the purpose of grazing their stock; or in the event that they are good for farming, the lands may be tilled by the Indians.

Is there anything fairer in this world than saying to these Indians, "This land belongs to you; it is your land; and all we are going to do is to save the land that belongs to you for the benefit of your children who have not been allotted any land"?

Is there anybody in the Senate who wants to take that land away from these Indians, and sell it to some white man who may never use it, and turn the Indian children out to be paupers? I cannot conceive of anyone wanting to do that.

Mr. O'MAHONEY. Mr. President, what the Senator says goes to the merits of the proposal.

Mr. WHEELER. Yes.

Mr. O'MAHONEY. I am trying to develop the facts. My question is, Does the section put an end to settlement and sale of lands which have heretofore been opened by proclamation of the President to operation of the public-land laws?

Mr. WHEELER. That is exactly what it seeks to do, to stop the sale of Indian land which has been opened heretofore, and there is only a small amount of it in a few States. The bill seeks to stop that so that the lands can be allotted to the Indian children.

Mr. O'MAHONEY. Has the Senator any report from the Department showing the amount involved?

Mr. WHEELER. I have not a report showing the amount involved. I know, however, that it does not amount to much, and affects only a few reservations.

Mr. O'MAHONEY. As I understand the argument of the Senator from Washington, it is that heretofore Congress, and the President by proclamation, opened to settlement and entry by white men certain Indian lands.

Mr. WHEELER. Surplus lands.

Mr. O'MAHONEY. Certain surplus lands.

Mr. DILL. And they became available to settlement under the public-land laws.

Mr. O'MAHONEY. Yes. In many instances white settlers have gone upon those lands.

Mr. WHEELER. Yes.

Mr. O'MAHONEY. In the belief that the remainder of the lands would in time also be settled by whites. They were expecting to see the development of white communities in those particular areas. Now, I ask the Senator, Will the effect of the pending bill be to cut off that expectation, so to speak?

Mr. WHEELER. I do not know with what expectation they went on the lands.

Mr. O'MAHONEY. It was with the expectation that the neighbor would be a white person, and not an Indian.

Mr. WHEELER. I do not think they had any right to expect that.

Mr. O'MAHONEY. Why not?

Mr. WHEELER. Because in every instance, upon every one of these reservations where land has been thrown open, and people have gone in, there were an Indian's house here and a white man's house there. Take the Flathead Reservation, with which I am very familiar, or the Fort Peck Reservation, or the Crow Reservation; every single one of these reservations has been thrown open to settlement, and every one of them contains a small amount of surplus land, and in every instance white people have gone upon those lands. Some of them have settled upon the land and have built homes there. In most instances, however, the white men have not been able to go out and make a living on the land, and most of them have moved away. As a matter of fact, many of them would be delighted to sell the land back to the Indians if they could get what they put into it.

The Indians have to be protected. They have to have lands, or they will be paupers, and this bill seeks to protect the Indians.

Mr. O'MAHONEY. Let me ask, what lands will come within the definition of surplus land?

Mr. WHEELER. Simply the lands which have not been sold, which were offered for sale and have not been sold to anybody.

Mr. O'MAHONEY. I have in mind a reclamation project upon an Indian reservation which is partially settled. That project is now open to entry to whites. Will it continue to be open to entry, or will it, under this bill, be closed?

Mr. WHEELER. I do not think that would come within the definition of surplus lands, because, as I recall, that project comes entirely under a separate law passed with reference to that subject, unless it is an Indian irrigation project.

Mr. O'MAHONEY. Would the Senator accept an amendment to the bill to the effect that the provisions of section 3 shall not apply to any lands within the boundaries of any reclamation project heretofore defined?

Mr. WHEELER. It would depend on what it was. If it was purely an Indian project, I should not want to accept the amendment. If it was a white-Indian irrigation project, that would be an entirely different thing.

Mr. O'MAHONEY. What does the Senator mean by a "white-Indian irrigation project"?

Mr. WHEELER. There are some irrigation districts, as I recall, although I am not sure of it, which are purely Indian irrigation districts.

Mr. O'MAHONEY. I think the Senator will agree with me that where Congress has authorized the opening of lands within an Indian reservation to reclamation and development, and has expended money for the construction of a reclamation project, nothing in this measure should be so construed as to interrupt that work.

Mr. WHEELER. Exactly. I am perfectly willing to accept an amendment, if the Senator will draft one, applying to irrigation districts.

Mr. O'MAHONEY. I shall present an amendment later.

Mr. ASHURST. Mr. President, if I may again presume to solicit the attention of my able friend the Senator from Montana, let me say that in his argument against my amendment he addressed a part of his remarks to the point

that if the amendment were adopted it might tend to do more than restore the status which the lands occupied before the order of the Secretary of the Interior in 1932.

I have so much respect for the opinions of my able friend, particularly his opinions on legal subjects, that, after carefully studying and exploring my amendment, I have determined to modify the amendment to this extent, as follows: On line 7 in the amendment, after the word "rescinded", to strike out the remainder of the amendment, so that it would read:

That the order of the Department of the Interior signed, dated, and approved by Hon. Ray Lyman Wilbur, as Secretary of the Interior, on October 28, 1932, temporarily withdrawing lands of the Papago Indian Reservation in Arizona from all forms of mineral entry or claim under the public-land mining laws is hereby revoked and rescinded.

I am exercising my right to modify my amendment.

The argument which the able Senator makes is that the language of the remainder of the amendment might tend to disturb the status existing before that date. I do not think it would change the status, but, yielding to the able Senator's argument, I wish to remove all doubt, and I wish to be free from the suggestion or the imputation that I am trying to do more than return to the former status. I therefore exercise my right to modify my amendment as indicated.

Mr. WHEELER. I will accept the amendment as modified and take it to conference.

Mr. ASHURST. I am profoundly gratified with the announcement of the Senator, and before I conclude my argument I want to say: I know the Senator is diligent; I know he is opposed to the amendment. I know, however, that he has been fair, and whenever a man, whether in the Senate or out of the Senate, makes me a proposition so fair and so manly as that, my sword arm is paralyzed and my voice is silent, and while I think I have a right, under our precedents and our rules, to be on the conference to which this amendment is to be committed, I shall not ask that I be allowed to exercise that right, because I am biased in favor of my own position, and I shall ask the Senator from Montana to excuse me from serving on the conference. I do so without any reluctance, because I have so much confidence in his intellectual integrity that I believe he will manfully try to sustain an amendment adopted by the Senate, even though he might not agree with the same.

The PRESIDING OFFICER (Mr. HATCH in the chair). The question is on the amendment of the Senator from Arizona [Mr. ASHURST], as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. The bill is still open to amendment.

Mr. DILL. Mr. President, I desire to recur to section 3. After the explanation made by the Senator from Montana [Mr. WHEELER], I am now more convinced than ever that I am right in my position; and I wish the Senator from Montana would give his attention, for I desire to propose an amendment.

The effect of enacting this bill will be that those parts of the reservations which have been open to entry under the public-land laws and have not yet been taken will be restored to tribal ownership. I take it there are instances in the country where that might be a wise thing to do. I know that in my own State in certain reservations it will cause endless trouble. I believe that, instead of being a direction, the provision should be an authorization that it be done only if the Secretary finds, after an investigation, that it is in the public interest to do it.

Permit me to call the attention of the Senator to what happened in regard to the Colville Indian Reservation in my State. For many years we fought to get a law to open to settlement the southern half of that reservation. In 1909 we passed such a law. It was not until some 8 or 9 years later that we could induce the President, on the recommendation of the Commissioner of Indian Affairs, to open the reservation to settlement. He did open it to settlement. A large part of it has been taken up by white settlers; but in opening the reservation, in spite of the law, four townships were reserved to be kept for Indian children who might be born in the future. Four of the best townships of the reservation were kept for the purpose of having lands which could be allotted to these children in the years to come. Those lands have not been absorbed; and it does not seem to me there is any necessity of bringing about the trouble that will be brought about in that area, at least at this time, when we have several townships of land still open to allotment.

There may be some cases where they will want to take the land. I do not know whether or not the land is worth anything.

Mr. WHEELER. Mr. President, what amendment has the Senator in mind?

Mr. DILL. I should like to amend section 3 by striking out the words "and directed", in line 2, and in line 6, after "United States", by adding "in those States where he shall find it to be in the public interest", so that it would be within the Secretary's power to do so, but he would not be compelled to do so. If the bill should be passed as it now reads, he will be compelled to do it. He will have no discretion. If we strike out the words "and directed", in line 2, and after the words "United States" insert "in those States where he shall find it to be in the public interest", he will have the power, but he will not be compelled to do it.

Mr. WHEELER. I do not think it should be "in those States." Let us pass over the matter and work out the amendment.

Mr. DILL. The Senator from Montana sees what I want. I do not want the law to be compulsory, so that in cases where it ought not to be done the Secretary will say, "I have no discretion."

The PRESIDING OFFICER. The bill is still open to amendment.

Mr. McCARRAN. Mr. President, is there an amendment now pending and undisposed of?

Mr. WHEELER. There is no amendment pending.

Mr. McCARRAN. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to add an additional section at the end of the bill, as follows:

SEC. —. The rights to the use of public waters on lands allotted or acquired or allocated or held for Indian purposes under the provisions of this act, or lands affected hereby, shall in all instances be governed by the statutes and decisions of the respective States applicable thereto as regards duty, appropriation, and beneficial use of said public waters, and where the same have been determined by the constituted authority such determination is hereby recognized, subject to all the rules and laws of the respective States applicable thereto, and subject to all rights of review or appeal as now existent, and no rights or litigants or claimants shall be affected hereby.

Mr. WHEELER. Mr. President, permit me to say to the Senator from Nevada that there is not a thing in this bill at the present time which affects the situation as he has outlined it in his amendment, and there cannot possibly be anything in the bill that affects it. It does not deal in any way, shape, or form with water rights or the acquiring of additional water rights, excepting by purchase by the Secretary of the Interior. I cannot conceive of any reason why an amendment of that kind should be added to the bill.

Mr. McCARRAN. Mr. President, this amendment is offered pursuant to a long and historic review where the rights to the use of water flowing in public streams and public natural waterways have been matters of controversy.

If the statement of the learned Senator from Montana is correct—and I am entirely agreeable to accept it as being correct—then certainly no harm can flow from the adoption of this amendment. The fact is, however, that this very matter is controversial and has been for years past in all the Western States which have the rule of prior appropriation of water as distinguished from the rule of riparian rights. In other words, where prior appropriation prevails, as distinguished from the riparian doctrine, the appropriation of water attaches to the land; and when the land is set aside or

segregated, water is presumed, in accordance with some theories—I am not advocating this—but in accordance with some theories, water from public natural streams is presumed to be allocated by reason of the necessity growing out of climatic conditions.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. FRAZIER. I think the Senator will agree with me that the Indians have been robbed of water rights a great deal more than the Indian reservations have ever robbed the white men of their water rights. I think that statement applies in his own State, too.

Mr. McCARRAN. I will not go that far. I know that the learned Senator was a member of a committee which went to that part of the country and held hearings, which I attended, which was the first time I had the opportunity of meeting the learned Senator from North Dakota. I do not go so far as the Senator goes, however. I say that the lands allocated to the Indians should have their proper water rights, but they should have them in conformity with rules, customs, and laws prevalent, by which the white man is governed and willing to be governed, and no more.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. WHEELER. The Senator's amendment, it seems to me, goes much further than it should go. While it is not necessary, in my judgment, at all, still if the Senator desired to insert something of the kind in the bill he could simply say:

> Nothing in this act shall be construed to amend or repeal the laws relating to the use of public waters on lands allotted or acquired or allocated or held for Indian purposes under the provisions of this act.

That would cover what the Senator has in mind.

Mr. McCARRAN. Mr. President, I ask to have the Official Reporter read the language suggested by the Senator from Montana.

The PRESIDING OFFICER. The Official Reporter will read the language.

The Official Reporter read as follows:

> Nothing in this act shall be construed to amend or repeal the laws relating to the use of public waters on lands allotted or acquired or allocated or held for Indian purposes under the provisions of this act.

Mr. McCARRAN. Mr. President, I will adopt that language. I modify my amendment by the insertion of the language just read and suggested by the learned Senator from Montana.

The PRESIDING OFFICER. The amendment of the Senator from Nevada [Mr. McCARRAN], as modified, will be stated.

The CHIEF CLERK. It is proposed to add an additional section at the end of the bill, as follows:

> SEC. 20. Nothing in this act shall be construed to amend or repeal the laws relating to the use of public waters on lands allotted or acquired or allocated or held for Indian purposes under the provisions of this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN], as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is still open to amendment.

Mr. O'MAHONEY. Mr. President, I send an amendment to the desk to be added at the end of section 3, which I ask to have stated. This is in pursuance of the discussion in which we engaged just a few moments ago.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to add at the end of section 3 the following proviso:

> *Provided further*, That this section shall not apply to lands within any reclamation project heretofore authorized in any Indian reservation.

Mr. WHEELER. Mr. President, I think this is a perfectly proper amendment, and I think it should be adopted.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wyoming [Mr. O'MAHONEY].

The amendment was agreed to.

Mr. HAYDEN. Mr. President, I desire to invite the attention of the Senator in charge of the bill to page 3, lines 8 to 21, as follows:

> There is hereby authorized to be appropriated for the acquisition of such interests in lands, water rights, and surface rights, and for expenses incident to such acquisition, a sum not to exceed $2,000,000 in any one fiscal year: *Provided*, That no part of such funds shall be used to acquire additional land for the Navajo Indians in Arizona and New Mexico, in the event that the proposed Navajo boundary-extension measures now pending in Congress and embodied in the bills (S. 2499 and H.R. 8927) to define the exterior boundaries of the Navajo Indian Reservation in Arizona, and for other purposes, and the bills (S. 2531 and H.R. 8982) to define the exterior boundaries of the Navajo Indian Reservation in New Mexico, and for other purposes, become law.

One of the bills, House bill 8927, has passed both Houses of Congress and will undoubtedly be approved by the President. In that bill, and I am quite sure in respect to the other measure, which relates to the State of New Mexico, there are authorized appropriations of sums of money to acquire land within the proposed boundaries, which is entirely proper; but this language, it seems to me, would repeal that authorization, being a subsequent law. I do not know exactly how to get at it, but I suggest that the bill be amended by inserting after the word "land" in line 13, the words "outside of the Navajo Indian Reservation."

Mr. ASHURST. Mr. President, will my colleague kindly restate his amendment?

Mr. HAYDEN. I move to insert after the word "land", in line 13, on page 3, the words "outside of the exterior boundaries of the Navajo Reservation."

Mr. WHEELER. I see no objection to the amendment. This particular section was put in by the Department so as to protect the Department in the event that the other bills did not happen to get through Congress.

Mr. HAYDEN. I offer the amendment, Mr. President.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 13, after the word "land", it is proposed to insert the words "outside of the exterior boundaries of the Navajo Reservation."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DILL. Mr. President, I call the attention of the Senator from Montana to an amendment which I desire to offer on page 2, line 2, to strike out the words "and directed" and after the word "Interior", in line 1, to insert "if he shall find it to be in the public interest", so that the section will read:

> The Secretary of the Interior, if he shall find it to be in the public interest, is hereby authorized to restore to tribal ownership—

And so forth.

Mr. WHEELER. Mr. President, I think if the Secretary finds it is "in the public interest" he should be authorized and directed.

Mr. DILL. I think that direction ought to be left out. I think if he is authorized that is sufficient.

Mr. WHEELER. I repeat, I think if he finds it "in the public interest", that he should be authorized and directed to take the action.

Mr. ASHURST. I should provide "that he shall have the power to do so."

Mr. WHEELER. "Or that he shall have the power."

Mr. ASHURST. Instead of directing, why not provide that he shall have the power?

Mr. DILL. I propose to leave out the words "and directed"; I do not think it ought to be made compulsory.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 2, line 2, after the word "authorized", it is proposed to strike out the words "and directed" and, in line 1, to insert, after the word "Interior", the words "if he shall find it to be in the public interest."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington.

The amendment was agreed to.

Mr. FESS. Mr. President, is there any amendment pending?

The PRESIDING OFFICER. There is no amendment pending.

Mr. FESS. There is an absent Senator who desires to offer an amendment, and therefore I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll, and called the names of Mr. ASHURST and Mr. AUSTIN.

Mr. FESS. Mr. President, if no Senator has answered to his name, I withdraw the suggestion of the absence of a quorum.

The PRESIDING OFFICER. No Senator has responded to his name, and the suggestion of the absence of a quorum is withdrawn.

Mr. STEIWER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 9, in line 14, after the word "Seminole" and the period, it is proposed to insert a colon and the following proviso:

And provided further, That the provisions of section 4 of this act shall not apply to the Indians of the Klamath Reservation in Oregon.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

Mr. STEIWER. Mr. President, I hope we may avoid the necessity of extended debate on this amendment. I want to say to the Senator from Montana that this is the amendment of which I spoke to him some days ago, concerning which we made an agreement. The only purpose of the amendment is to provide that one section of the bill, and one section only, shall not be applicable to one tribe of Indians in the State of Oregon. This is in accordance with the desires of the Indians, and I hope that there may be no resistance offered to the effort as made by the amendment.

Mr. WHEELER. Mr. President, I cannot agree with that amendment, let me say, because it seems to me if the majority of the Indians do not want to go into it they have a perfect right to stay out, and this particular section 4 provides that they must have, as I recall——

Mr. STEIWER. Mr. President, if I may correct him, the Senator has the wrong section.

Mr. WHEELER. I beg the Senator's pardon. I see that that is so.

Mr. STEIWER. This is the section dealing with the disposition of restricted lands, trust lands, and this is the amendment of which I spoke to the Senator from Montana some days ago at the time the calendar was called. It has no relation at all to the incorporation of the properties of the Indians or the right of the Indians by majority vote to remain out of the corporation. I am not seeking to disturb that proposal at all.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. STEIWER].

The amendment was agreed to.

Mr. ASHURST. Mr. President, before voting on the passage of the bill, I wish to suggest that I presume, in the interest of symmetry, my amendment should go at the end of the bill. I will ask the Senator in charge of the bill as to that.

Mr. WHEELER. It should go at the end of the bill.

Mr. ASHURST. I am content with that. Let it be added as a new section at the end of the bill.

The PRESIDING OFFICER. The amendment has been placed at the end of the bill as section 19. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF PUBLIC GRAZING LANDS

Mr. ADAMS. I move that the Senate proceed to the consideration of House bill 6462, known as the "grazing bill."

The PRESIDING OFFICER. The question is on the motion of the Senator from Colorado.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, which had been reported from the Committee on Public Lands and Surveys with amendments.

Mr. ADAMS. Mr. President, in a brief word I wish to offer an explanation of this bill. The bill is commonly known as the "Taylor bill" or the "grazing bill." The public domain, formerly vast, covering all the western part of the United States has by various processes, by withdrawal of the forest reserves for national parks and through homestead entries, gradually been reduced. There is now an area of 173,000,000 acres of land, which is the residue after all the forest withdrawals, after all the national park withdrawals, after all the homestead entries. In fact, very little of it is suitable for homesteads. The homesteader occupied the public domain under the 160-acre homestead law, then under the enlarged 320-acre homestead law, and then under the 640-acre homestead law, until there remains this vast tract suitable almost exclusively for grazing purposes at best.

This land is wholly unregulated. The domain is now open, without limitation or restriction and without cost, to any use that the public may see fit to make of it. Its principal use is that of grazing. Unfortunately the results have been that much of the land, especially that which is the preferable grazing land, has been overgrazed, and it is in a sadly eroded and damaged condition. This bill provides for the creation of grazing districts for the purpose of protecting this residue of the public domain against further damage by water erosion and wind erosion and by limiting the number of stock that may be grazed within the grazing capacity of the land.

The bill does not authorize the creation of grazing districts comprising the entire 173,000,000 acres, but has been limited to 80,000,000 acres. There was some question as to whether or not all this land should be included; consequently the committee has modified the House bill by restricting the authority of the Secretary of the Interior so that he may create grazing districts out of but 80,000,000 acres.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. MCGILL in the chair). Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ADAMS. I yield.

Mr. BORAH. May I ask the Senator why the limitation was made? In other words, out of the entire 173,000,000 acres, I understand the bill operates only on 80,000,000?

Mr. ADAMS. That is correct.

Mr. BORAH. Is the Secretary of the Interior to determine for himself in what particular portion of the 173,000,000 acres he will select the 80,000,000 acres?

Mr. ADAMS. That is true. It was the idea to have compact grazing areas, and, perhaps, leaving out the fragmentary areas which were not suitable for compact grazing districts.

Mr. BORAH. Then it gives the Secretary of the Interior complete power to determine for himself on what portion of the 173,000,000 acres he will operate?

Mr. ADAMS. Yes; the original bill gave him the power to act with respect to the entire 173,000,000 acres, but the bill now pending really restricts his power rather than enlarges it.

Mr. BORAH. Yes; if he is to have the authority to deal with a portion of the land, why is it not wise to give him authority over the entire acreage?

Mr. ADAMS. I will be quite frank in saying to the Senator that my own judgment is that it would be preferable to have the entire area of public lands subject to that jurisdiction, but the committee seemed to feel it was preferable to provide a limitation. That action was agreeable to the Secretary of the Interior, who stated, through his representatives, that their survey indicated that only approximately 50,000,000 acres were so located as to be available for the creation of such grazing districts.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Wyoming?

Mr. ADAMS. I yield.

Mr. O'MAHONEY. I may say to the Senator from Idaho, in answer to his question that the amendment limiting the operation of the bill to 80,000,000 acres was the result of a belief upon the part of a great many of us in the public-land States that it would be unwise to clothe the Secretary of the Interior with the power to shut off all homesteading in the public-land States.

If the Secretary were permitted to create grazing districts without limitation it would have been possible for him to have stopped all homesteading. It was testified before the Committee on Public Lands and Surveys that the present prospects are, however, that only about 50,000,000 acres would be needed for districts which are contemplated. Consequently it was felt that a degree of assurance might be conveyed to those who still believe that opportunity for homesteading upon the public domain should be maintained, by inserting the amendment, which has the effect of saying to the Secretary, and to all who are interested in the development of the public domain, that only 80,000,000 acres will be affected by the bill without act of Congress. This gives us the assurance that all the public-land laws will continue to apply upon the area which is not included in the grazing districts.

Mr. BORAH. If the Senator will pardon me, I am not a member of the committee, and I did not know the bill was coming up at this time. I would assume that lands which the Secretary of the Interior would naturally select as those out of which to form districts would be the lands most desirable for homestead purposes.

Mr. ADAMS. That is a fair inference. However, the bill does make provision that lands included within the grazing districts which are more suitable for farming or cultivation than for grazing shall be set aside and segregated and shall be retained open to homestead.

Mr. BORAH. That is a wise provision.

Mr. ADAMS. Among the difficulties which have arisen in the handling of the public domain is this: The settler or the rancher or the homesteader, with his herd or his flock and his fixed habitation, has been in the habit of grazing his flock or herd in the forest reserves in the summer, relying upon the open grazing lands for winter feed. But at times he has found, after bringing his flock or herd from the summer pasturage, that herds or flocks from neighboring States or neighboring localities had been driven in and had consumed the pasturage. Frequently those who have come in have been likewise driven out by intrusions from the outside.

There has been no assurance and no certainty on the part of the homesteader or settler that he might have grazing land and forage for his flock or herd in the summer. That has interfered with him in many ways, among others with his capacity to borrow money, because, lacking the assurance of feed for his animals, it has been more difficult to procure necessary loans.

In the drafting of the bill and of the amendments which have been inserted by the Senate committee, great care has been exercised to preserve all the existing rights to the prospectors, the miners, to those having access to public lands for the construction of irrigation ditches, for fishing and hunting. There has been every effort to protect all existing rights, including rights of way for entry and exit, and including stock-driving ranges.

In the granting of permits upon these districts when created, the bill requires that the Secretary of the Interior shall grant preference to bona fide settlers in the neighborhood for the purpose of protecting those who have really a prior and a more just right to the preferences.

The range in our judgment, as the result of the bill, will be improved and filled up. We are convinced that it will be to the ultimate permanent good of the stock-raising industries of the West which are dependent to a large extent upon these grazing areas.

It should be added that before a grazing district can be created, public notice must be given and a hearing had, so that those who desire to make objection or to make suggestions may be heard.

Mr. BORAH. Mr. President——

Mr. ADAMS. I yield to the Senator from Idaho.

Mr. BORAH. With regard to the matter of hearings, to which the Senator has just referred, I understand the objectors, if there be objectors, have no power to stay the action of the Secretary of the Interior in creating a district.

Mr. ADAMS. No; no power.

Mr. BORAH. They are simply given an opportunity to be heard but no power to stay the forming of a district.

Mr. ADAMS. That is correct.

Mr. BORAH. That is found, I take it, at the bottom of page 3 and top of page 4, where it is provided:

> Before grazing districts are created in any State as herein provided, a hearing shall be held in the State after public notice thereof shall have been given, at such location convenient for the attendance of State officials, and the settlers, residents, and livestock owners of the vicinity, as may be determined by the Secretary of the Interior. No such districts shall be established until the expiration of 90 days after such notice shall have been given nor until 20 days after such hearing shall be held: *Provided, however,*—

And so forth. The only effect of the hearing is simply to inform the Secretary of the Interior?

Mr. ADAMS. That is correct.

Mr. BORAH. They have no power to stay his action?

Mr. ADAMS. It is based upon the assumption that the public official having charge of the administration will give heed to the just complaints and suggestions of those directly interested.

That is the substance of the bill. It has many details which it would be needless to explain. I think objections may be illustrated in this way. None of us like to be regulated and that is probably more true in western areas than anywhere else. But the condition has come to prevail where it seems that regulation, irksome though it may be, meddlesome as it will probably be in places, is preferable to overgrazing and lack of regulation which we have—somewhat as in the streets of Washington, where we do not enjoy regulation, and yet traffic would be utterly impossible in the streets if it were unregulated. That condition has come about in western grazing areas.

Mr. COSTIGAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to his colleague?

Mr. ADAMS. Certainly.

Mr. COSTIGAN. May I ask my colleague whether existing homestead laws are interfered with by the proposed legislation?

Mr. ADAMS. They are interfered with to the extent that, within the grazing areas, a homestead may not be filed until application has been made to the Interior Department to classify the land and set it aside; but after application has been made the person making the application has a prior right to file or homestead upon the land which the Interior Department says is suitable for homestead.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. ADAMS. I yield.

Mr. BORAH. Did the committee ascertain any facts or figures as to what proportion of the land is probable homestead land?

Mr. ADAMS. It is said there is very little of it available for successful homesteading. The statement is made that the land has been combed over and over and all the locations which are really suitable, and many others in fact, have been homesteaded, and that there does not seem to be much available homestead land.

Mr. BORAH. Not even under the 640-acre homestead provision?

Mr. ADAMS. No. As a matter of fact, in consideration recently of the drought situation it has been developed that many of those who have gone upon the 640-acre homesteads have been the worst and the first sufferers. They have gone upon land which was so barely adequate to maintain them in fair or good years that they have been perfectly helpless in the bad years.

Mr. BORAH. On page 5, line 10, the bill provides:

> Any willful violation of the provisions of this act or of such rules and regulations thereunder after actual notice thereof shall be punishable by a fine of not more than $500 or by imprisonment for not more than 1 year.

Would that include such regulations as relate to the trespass of one grazer upon lands assigned to another?

Mr. ADAMS. I assume it would. If the Senator will notice, there are two provisions; one for a penalty for willful violation of the provisions of the bill.

Mr. BORAH. Yes.

Mr. ADAMS. Then there is a provision for violation of the rules and regulations. That is restricted to "after actual notice thereof." The Senate committee tried to avoid what seemed to be the harshness of the House provision, so as to provide that no man should be punished for violation of a rule or regulation until it should be established that he had had personal notice of the rule or regulation.

Mr. BORAH. I can understand that the phrase "after actual notice thereof" is a very desirable change; but I am thinking of the flockmaster, or the man who has his flock upon the public domain. Although he may have actual notice of the regulation, yet it seems to me it would be very difficult for him to be free from this punishment if he is to be punished every time he trespasses upon the territory of another, because this provision does not require that it shall be willful if it happens at all. So far as the violation of the act is concerned, it must be willful, but it says further "or of such rules and regulations thereof."

Mr. ADAMS. I should think the word "willful" would apply to both. That would be my interpretation.

Mr. O'MAHONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Wyoming?

Mr. BORAH. I yield.

Mr. O'MAHONEY. I was merely about to suggest that I cannot see how we could possibly construe this language so as to have "violations" apply to both and not have "willful" apply to both.

Mr. BORAH. The reason why I thought so was because of the fact that the words "after actual notice thereof" have been inserted, and the man certainly would not be willfully violating a regulation unless he did have notice of it.

Mr. O'MAHONEY. Yes; but the language is—

> And any willful violation of the provisions of this Act or of such rules and regulations—

The words "or willful violation of such rules and regulations" must be implied. The phrase "wilful violation" must be inserted before the second clause in any interpretation of the language.

Mr. BORAH. That is perhaps a correct construction; but it seems to me that after the words "after actual notice thereof" were inserted, it was contemplated that the word "willful" did not apply to the rules and regulations.

Mr. O'MAHONEY. Oh, no; I will say to the Senator that the committee was cognizant of the fact that all persons would be held to have knowledge of the law, but we wanted to make it clear that no such construction could be applied with respect to rules and regulations, and therefore that before there could be any criminal prosecution of a violation of rules and regulations it must be certain that the man had actual notice, and not constructive notice.

Mr. BORAH. Yes; but it seems to me it would be rather difficult for the person willfully to violate a regulation that he did not know anything about.

I ask the Senators who framed this measure if they do not think that in this particular kind of measure, where they are dealing with livestock which may pass from one subdivision to another—if these rules and regulations cover that, it would be a pretty harsh rule to subject a man to fine and to imprisonment for the straying of his stock over on to another man's land?

Mr. ADAMS. May I ask the Senator from Idaho what he would suggest?

Mr. BORAH. I would suggest to strike out "rules and regulations." It seems to me that in this particular kind of measure, to make a man subject to fine and imprisonment for the violation of rules and regulations makes it almost impossible for him to avoid that kind of punishment.

Mr. ADAMS. Do we not have the same situation now with reference to the forest reserves?

Mr. BORAH. I am not advised as to the details of that, but I think the Senator realizes that when we make people subject to fine and imprisonment for the violation of a regulation it is, on its face, pretty severe. I am opposed to it in principle, but it is peculiarly so when we come to making rules and regulations for the management of livestock. I think the Senator will find that it is going to be a very harsh rule and a very harsh regulation, make it the best we may.

Mr. ADAMS. But does not the Senator recognize that there must be some means of enforcing the rules and regulations?

Mr. BORAH. Yes; there must be a means of enforcing rules and regulations, like canceling the permit, or anything else we want to do; but here we are making the violation of rules and regulations a penal offense. The Secretary of the Interior has ample authority, if he finds that the party is guilty, to protect himself, because he has complete control of the situation in the granting of the license or anything else.

Mr. ADAMS. Let me suggest this case: Suppose I am the owner of a herd. I have no permit, and I proceed to drive my herd in upon the grazing district. I have no permit to be canceled; and if I am free from penalty, what is to prevent me really from trespassing to my own advantage and the detriment of those holding permits and paying for them?

Mr. BORAH. I may be in error as to the matter, but if I understand the bill, the man without a permit or a license would not be there. He is not permitted to go on this land and graze without a permit or license.

Mr. ADAMS. How are we to keep him off if there is no penalty? We have wrestled with some of those problems, I will say to the Senator from Idaho, and I am frank to say that the result has been somewhat unsatisfactory. We have worked out no very adequate solution.

Mr. BORAH. I think the bill discloses that the committee has spent a great deal of time upon this measure, and I have nothing but commendation for the work of the committee. The amendments which have been inserted seem to me altogether to the good. It may be my fundamental horror of making the citizen liable to fine and imprisonment for violating a regulation that does not enable me to see it in the light in which it should be seen.

Mr. ADAMS. Would the feelings of the Senator from Idaho be somewhat relieved if the imprisonment provision were stricken out so far as violation of rules and regulations is concerned?

Mr. BORAH. Yes; I think that would improve the bill a very great deal, and I think we would have all the power that is needed if we should simply assess a fine.

Mr. ADAMS. Will the Senator from Idaho be good enough to draft an amendment along that line?

Mr. BORAH. I would simply strike out "or by imprisonment."

Mr. CAREY. Mr. President, I should like to state that there would be no protection for the permittee if that provision with reference to regulations were not left in the bill. A man who had a permit could not protect his holdings.

Mr. ADAMS. That is correct.

Mr. BORAH. Mr. President, I desire to pass to another matter before I state my amendment.

I have had numerous letters in regard to this measure from those who style themselves the small users of the public domain. They seem to think that this bill will operate in the interest of the larger holders rather than the small holders. I should like to get the Senator's opinion as to whether or not this bill naturally, in its operation, would operate against the small holder.

Mr. ADAMS. I think not. I should think to the contrary, if anything, when the provisions of the bill in regard to preferences as to permits are considered. Of course, if we had a Secretary of the Interior who was willing to misapply the bill, that might happen. We are always at the mercy of the man having the authority; but I think the purpose as drawn from the bill itself is to the contrary of that impression.

Mr. BORAH. I have here a letter which says:

> If the bill passes, whereby most of the Government land will be withdrawn and put in the control of the Secretary of the Interior, he will undoubtedly lease the land to the highest bidder, and the highest bidder will be certain large cattle and sheep interests, who will divide it up among themselves in accordance with certain strategic positions and in accordance with the control of the water which many of them now have. * * * Unquestionably the little fellows will be shut out entirely—

And so forth.

Mr. ADAMS. It is not contemplated that there will be a lease. A grazing district will be created, as in the case of the forest reserves, and permits will be granted to A to graze 100 head of cattle, and to B to graze 10 head of cattle, and to someone else to graze a different number, and their payments probably will be on a headage basis, as in the case of forest reserves.

Mr. COSTIGAN. I may say to the Senator from Idaho that payments are not to be made on a competitive basis.

Mr. O'MAHONEY. Mr. President, I may say, in amplification of what the Senator from Colorado has said, that there is no provision at all in the bill for competitive bidding; and, as a matter of fact, there is language here, embraced in one of the amendments proposed by the committee, which I think makes it very certain that these permits shall go to the large or small operators who have the best right to them for the development of their grazing rights. The language to which I refer the Senator will find on page 6:

> Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights.

In other words, the effort of the committee was to make it as sure as it could that the small man, so-called, as well as the large operator, should have an equal chance. I think there is really no basis for the fear expressed in the communications which the Senator has received.

Mr. BORAH. I hope not. But I entertain a healthy fear for the small business where a bureau is in control.

Mr. CAREY. Mr. President, I desire to say just a few words regarding this bill, having been one of the members of the subcommittee engaged in working out the various amendments.

I have never favored a leasing bill. I have felt for some time—in fact, I have always felt—that the public lands should pass to the States, thence into private ownership, and should become taxable, and contribute their support to the State and county governments, and aid in the support of the public schools.

If one believes in a leasing bill, this bill is a particularly good bill. It has been carefully worked out by the subcommittee, and every effort has been made to protect the rights of those who are using the public domain as well as settlers.

I can say further that the Secretary of the Interior has been most fair and reasonable in agreeing to and accepting amendments which have been offered by the subcommittee.

The probabilities are that whether this bill becomes a law or not, grazing districts will be established by the Secretary of the Interior. Recently the Solicitor of the Interior Department rendered an opinion to the Secretary in which he advised him that, under the provisions of present laws which provided for the withdrawal of public lands for public purposes, the Secretary has authority to withdraw lands for the purpose of establishing leasing districts, and to prescribe rules and regulations for their management.

I ask unanimous consent to insert in the RECORD at this point the opinion of the Solicitor of the Interior Department.

The PRESIDING OFFICER. Is there objection?

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

> DEPARTMENT OF THE INTERIOR,
> OFFICE OF THE SOLICITOR,
> *Washington, January 25, 1934.*
>
> The honorable the SECRETARY OF THE INTERIOR.
>
> DEAR MR. SECRETARY: Relative to the proposed Executive order for public grazing withdrawal no. 4, Utah, you have requested my opinion as to the legal authority to create grazing districts upon public lands by exercising the Executive withdrawal power and to prescribe Executive regulations governing grazing in districts so created.
>
> It is my opinion that there is legal authority for the creation of grazing districts upon public lands by Executive withdrawal of the lands involved from settlement, location, sale, or entry for the purpose of reserving the lands for federally regulated grazing, and that there is legal authority for Executive regulation of grazing upon the lands so withdrawn.
>
> I
>
> The proposed Executive order recites its authority as derived from the act of June 25, 1910 (36 Stat. 847). Since, however, the Executive power of withdrawal derives from general nonstatutory sources as well as from statutory sources, I suggest that the order be changed to read as follows:
>
> "By virtue of the authority vested in me as President of the United States and pursuant to the authority vested in me by the act of June 25, 1910 (ch. 421, 36 Stat. 847), as amended by the act of August 24, 1912 (ch. 369, 37 Stat. 497), and subject to all valid existing rights, it is hereby ordered that the land hereinafter listed insofar as title thereto remains in the United States be, and the same is hereby, withdrawn from settlement, location, sale, or entry and reserved for classification, in aid of legislation, for conservation and development of natural resources and for use as grazing land in accordance with such rules and regulations as may be prescribed by the Secretary of the Interior."
>
> The leading case of *United States* v. *Midwest Oil Co.* (1915) (236 U.S. 459, 471, 483) definitely recognized the existence, independent of statutory grant, of the President's power to order withdrawal of public lands from private acquisition. This case involved the validity of "Temporary petroleum withdrawal no. 5", proclaimed by the President on September 27, 1909. Subsequent to its proclamation and before the Midwest Oil Co. case, the President's power in the premises was questioned; and in a message to Congress the President called attention to the existence of the doubt and suggested the desirability of legislation expressly granting the power and ratifying what he had already done. There resulted the act of June 25, 1910 (36 Stat. 847). In the Midwest Oil Co. case, however, the Court held that, as to the 1909 withdrawal, "The act left the rights of parties in the position of these appellees to be determined by the state of the law when the proclamation was issued." This express holding on the effect of the act of 1910 definitely limited the Court's decision to determination of the withdrawal power vested in the President independent of statute.
>
> On the question of the President's nonstatutory withdrawal power the Court concluded, "As heretofore pointed out, the long-continued practice, the acquiescence of Congress, as well as the decisions of the courts, all show that the President had the power to make the order." Mr. Justice Lamar's opinion for the Court described exhaustively the long-continued administrative practice, in which "there had been, prior to 1910, at least 252 Executive orders making reservations for useful, though nonstatutory purposes." The opinion pointed out that not one of those withdrawals was disaffirmed by Congress, that in many instances Congress enacted legislation in assistance of the purposes for which withdrawals were made and that not one of those withdrawals was declared invalid by the courts. The holding in this case, after the exhaustive consideration of the question by the Court, established with certainty in constitutional law the Executive's withdrawal power, independent of statute.
>
> The Midwest Oil Co. case was followed in *Mason* v. *United States* (1923) (260 U.S. 545, 553), in which a 1908 Executive order with-

drawing certain lands in Louisiana was upheld. Mr. Justice Sutherland in his opinion for an unanimous court stated:

"Whatever legitimate doubts existed at the time of the locations respecting the validity of the Executive order, were resolved by the subsequent decision of this Court in *United States* v. *Midwest Oil Co.* (236 U.S. 459), where it was held that a similar order, issued in 1909, was within the power of the Executive. Upon the authority of that case the order here in question must be held valid."

The Executive power of withdrawal, both under the act of 1910 and under the state of law existing prior to that act, has been recognized in several United States Supreme Court cases (*United States* v. *Wilbur*, 283 U.S. 414, 419; *Sinclair* v. *United States*, 279 U.S. 263; *Kinney Coastal Oil Co.* v. *Keiffer*, 277 U.S. 488, 490).

Among the many decisions in the lower Federal courts sanctioning the Executive withdrawal power, *Shaw* v. *Work* (9 Fed. 2d, 1014, 1015), certiorari denied (270 U.S. 642) is outstanding. There it was held that under the act of 1910 the President could withdraw public lands for purposes which by provision of the same statute could be accomplished only by means of legislation and that such a withdrawal remained effective notwithstanding the failure in Congress of the necessary legislation.

The decisions referred to above show definite judicial sanction of the Executive power of withdrawal, whether its basis be nonstatutory or statutory.

Section 1 of the act of 1910 provides:

"That the President may, at any time in his discretion, temporarily withdraw from settlement, location, sale, or entry any of the public lands of the United States, including the District of Alaska and reserve the same for water-power sites, irrigation, classification of lands, or other public purposes to be specified in the orders of withdrawals, and such withdrawals or reservations shall remain in force until revoked by him or by an act of Congress."

The statutory enumeration of certain purposes for reservation is followed by the omnibus clause, "or for other public purposes to be specified in the orders of withdrawals", so that the statute may properly be construed as declaratory of the general nonstatutory power. An Executive order withdrawing public lands for any public purpose may, therefore, with legal propriety rely for authority upon both the nonstatutory and the statutory powers.

It cannot be questioned that withdrawal of public lands for the purpose of reserving them for use as Federally regulated grazing lands is a withdrawal for a public purpose. Congressional determination supports this conclusion. Section 10 of the act of December 29, 1916 (39 Stat. 862), an act to provide for stock-raising homesteads, and for other purposes, provides:

"SEC. 10. That lands containing water holes or other bodies of water needed or used by the public for watering purposes shall not be designated under this act, but may be reserved under the provisions of the act of June 25, 1910, and such lands heretofore or hereafter reserved shall, while so reserved, be kept and held open to the public use for such purposes under such general rules and regulations as the Secretary of the Interior may prescribe: *Provided*, That the Secretary may, in his discretion, also withdraw from entry lands necessary to insure access by the public to watering places reserved hereunder and needed for use in the movement of stock to summer and winter ranges or to shipping points, and may prescribe such rules and regulations as may be necessary for the proper administration and use of such lands."

I have made particular reference herein to the proposed order's purpose of creating a grazing district because the second question herein considered is concerned with regulations of the use of the withdrawn lands for grazing. The other purposes expressed in the proposed order are expressly recognized in the act of 1910 or may be included in the act's omnibus phrase "other public purposes."

Although the act of 1910 makes certain exceptions to the effect of withdrawals and, although the proposed order subjects the withdrawal "to all valid existing rights", neither the statute nor the order would protect against the withdrawal's effect those who are using the lands involved for grazing stock at the sufferance of the landowner, the United States.

Protection under section 2 of the act of 1910 would not be available, unless the lands for which protection was claimed were at the date of the withdrawal embraced in any lawful homestead or desert-land entry theretofore made, or upon which any valid settlement has been made and is at said date being maintained and perfected pursuant to law" (36 Stat. 847, 848). Nor would mere use of the lands for grazing, at the sufferance of the United States, be sufficient to establish a valid existing right to which the proposed withdrawal is declared subject. The only right of those so using the lands is to graze stock upon the land so long as the United States suffers them to do so (*Buford* v. *Houtz*, 133 U.S. 320). The proposed withdrawal order would terminate the sufferance. There is direct authority for this position in *Omaechevarria* v. *Idaho* (246 U.S. 343, 352), which held constitutional an Idaho statute that regulated the United States public lands located in Idaho as between those grazing cattle thereon and those grazing sheep thereon. In affirming the Idaho Supreme Court decision upholding the act against objections made by sheep owners, Mr. Justice Brandeis stated in his opinion for the Court:

"This exclusion of sheep owners under certain circumstances does not interfere with any rights of a citizen of the United States. Congress has not conferred upon citizens the right to graze stock upon the public lands. The Government has merely suffered the lands to be so used (*Buford* v. *Houtz*, *supra*). It is because the citizen possesses no such right that it was held by this Court that the Secretary of Agriculture might, in the exercise of his general power to regulate forest reserves, exclude sheep and cattle therefrom (*United States* v. *Grimaud*, 220 U.S. 506; *Light* v. *United States*, 220 U.S. 523)."

The proposed withdrawal order necessarily would terminate the sufferance by the United States of the present grazing upon its public lands. The proposed withdrawal derives its authority under the act of 1910 from any one or a combination of the purposes expressed in the proposed order, i.e., "for classification" and "in aid of legislation." The Federal courts have repeatedly held that an appropriation of public lands for a public purpose by proper governmental action prevents the further use of the withdrawn lands by private persons for any purpose which is in conflict with the purpose for which the withdrawal was made. Case law supports this position. *United States* v. *Tygh Valley Land & Livestock Co.* (76 Fed. 693); *Shannon* v. *United States* (160 Fed. 870) (grazing on lands appropriated for a specified public purpose deemed inconsistent with the purpose, and therefore unlawful and subject to being restrained, notwithstanding *Buford* v. *Houtz*, 133 U.S. 320); *Scott* v. *Carew* (196 U.S. 100); *United States* v. *Hodges* (218 Fed. 87); *Stockley* v. *United States* (271 Fed. 632).

Examination of the pertinent case law and statute law makes it clear that the President has the power to make the proposed withdrawal order, and that the order would be effective to terminate the unregulated grazing on the public lands involved.

There is no specific legislative authorization for the Secretary of the Interior's regulation of Federal grazing districts, but specific legislative authorization is not needed. The proposed order's designation of the Secretary of the Interior as the official to regulate grazing upon the lands withdrawn clearly places the lands under his jurisdiction, and this designation of jurisdiction or regulatory authority is consonant with the Secretary's "general powers over the public lands as guardian of the people." And, having jurisdiction over the land withdrawn, the Secretary of the Interior, by virtue of his general authority, may prescribe such rules and regulations as are necessary to effectuate the public purposes for which the withdrawal and reservation are made.

There is a general statutory authorization of appropriate regulation by the Secretary of the Interior in the execution of those land laws not otherwise specially provided for. In title 43 of the United States Code (which contains the public-land laws, including the act of 1910 relied upon in the proposed order) section 1201 provides:

"The Commissioner of the General Land Office, under the direction of the Secretary of the Interior, is authorized to enforce and carry into execution, by appropriate regulations, every part of the provisions of this title not otherwise specially provided for."

Rules and regulations which had no statutory basis of authority other than the section set forth above have been given judicial sanction by the Supreme Court of the United States (*Caha* v. *United States*, 152 U.S. 211, 216; *Roughton* v. *Knight*, 219 U.S. 537).

When the general authorization of executive regulation (R.S. 2478, 43 U.S.C. 1201) is considered in the light of the withdrawal power granted in the act of 1910 (36 Stat. 847, 43 U.S.C. 141), and elaborated in section 10 of the Stock-Raising Homestead Act of December 29, 1916 (39 Stat. 862, 43 U.S.C. 300), the inevitable conclusion is that the Secretary of the Interior has legislative authority to prescribe such regulations for public lands withdrawn, under the act of 1910, as are necessary and proper to effectuate the public purposes of the withdrawals.

This conclusion is borne out by judicial pronouncements of the general powers of the Secretary of the Interior over the public lands (*Williams* v. *United States*, 138 U.S. 514, 524; *United States* v. *Wilbur*, 283 U.S. 414, 419).

Finally, since effective exercise of the well-established executive withdrawal power requires the concomitant power to regulate for the purposes for which the withdrawn lands are reserved, policy favors the legal conclusion I have reached.

Respectfully,

NATHAN R. MARGOLD, *Solicitor.*

Approved January 25, 1934.

T. A. WALTERS,
First Assistant Secretary.

Mr. CAREY. Mr. President, I also have a letter from the Secretary of the Interior which I think confirms my fears that grazing districts will be established without any further law if we do not pass the bill we are now considering. I will read that letter. It is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, Feb. 10, 1934.

Hon. ROBERT D. CAREY,
United States Senate.

MY DEAR SENATOR CAREY: In view of your interest in matters relating to the public domain and referring particularly to a protest submitted to the President by Hon. VINCENT CARTER, Member of Congress from your State, against the issuance of an Executive order withdrawing the public lands from their present grazing uses, I feel that you should be informed that I do not at present

contemplate asking the President to issue a general order withdrawing the public lands for grazing-control purposes. I favor passage of the Taylor bill, H.R. 6462, with which you are familiar, and shall continue to urge its enactment.

For some time the question of the authority of the President, without congressional action, by Executive order to withdraw these lands for grazing and regulate their use for that purpose has been under consideration. As you are doubtless aware the President has announced that he had exercised that authority and signed an Executive order withdrawing a gross area of approximately 1,200,000 acres of land in the desert range of west central Utah responsive to the petition of local range users.

The withdrawal is for the expressed purpose of classification, in aid of legislation, for conservation and development of natural resources and for use as grazing land in accordance with such rules and regulations as may be prescribed by the Secretary of the Interior.

Pending action on the Taylor bill, withdrawals of this character will be resorted to when found necessary, largely upon the application of local users of the range.

Sincerely yours,

HAROLD L. ICKES,
Secretary of the Interior.

Mr. President, in view of this letter, and the opinion of the Solicitor of the Interior Department, I believe that it is perhaps better for the West to accept this legislation, which carefully guards the rights of the users of the range, than to have leasing put into effect with no law whatever. If such a thing were done, we would take the chance of some Secretary of the Interior prescribing unfair rules and regulations. There would not be the restriction of his power or the protection of any rights which are carefully guarded in this bill.

While I am not in favor of any leasing bill and will vote against this bill if there is a roll call, it is possible, considering the determination of the Secretary to establish grazing districts, that those of us who represent the public-domain States should accept this bill as the best we can get at this time. However, it must not be taken as a final settlement of the public-land question.

Mr. O'MAHONEY. Mr. President, I have listened with interest to the remarks of my colleague [Mr. CAREY], and I desire to state that, like him, I have come to feel that the enactment of the pending bill is very highly desirable from the point of view of those who are interested in the most beneficial development of what remains of the public domain. I think it will be beneficial to the livestock industry as a whole, and to the people of the public-land States in general.

The demand for this legislation began many years ago. A bill somewhat like the one before us was introduced several years ago in the House of Representatives by a Member of Congress from the State of Utah. At the hearings which were held upon the pending bill there appeared representatives from various States who urged the enactment of the measure.

In Wyoming there are many who likewise feel that the bill should be enacted. I have received letters from some opposed, but I have had many letters also from those who urge this action. Because of the growing feeling among so many residents of many of the Western States that there should be action, I feel that, in the event that Congress should adjourn without enacting the bill, we would be certain to have withdrawal by Executive action; and if we had withdrawal by Executive action, we would have the rules and regulations for the administration of the grazing districts put into effect by the Secretary of the Interior or by whatever official was charged with the duty of administering the districts. In other words, the rules and regulations under which the grazing districts would be administered would be those which were defined by executive officials in the bureaus, without the advantage of the public comment and the public control which would be exerted through the terms of the pending bill.

OBJECTIONABLE PROVISIONS REMOVED

Mr. President, as the measure came from the House it contained many provisions which seemed to me to be objectionable, or, at least, seemed to be open to the possibility of abuse in administration. But the committee devoted several weeks to an intensive study of the measure, and the amendments which have been proposed, and which will be submitted by the committee, will, in my judgment, make the bill a beneficial one for all of the public-land States.

I think that there can be no argument that it is far wiser, from the point of view of our Western States, to have public grazing administered under the restrictions contained in this measure than under the broad powers of an Executive order. This bill has been, in effect, redrafted since it came to the Senate, but by the friends of development in the West. It is only proper that I should here say that Secretary Ickes has shown every disposition to cooperate with us. I believe that he will administer this measure to the satisfaction of the West.

Amendments have been added by the committee to limit the application of this bill to less than one-half of the remaining unreserved, unappropriated public domain. Amendments have been added to protect every right initiated under any existing public-land law and to make certain that the power and authority of any State will not be diminished as to matters within its jurisdiction. Care has been taken, for example, to provide that the right to hunt or fish within a grazing district in accordance with the laws of any State and of the United States shall not be affected.

Other amendments safeguard water rights and mining rights. Provision was made by the Senate committee to require public notice and a public hearing at a location convenient for State officials and others interested to attend before any district may be created.

The right of a State to exchange lands inside or outside of the boundaries of a grazing district is protected by another amendment.

In order to make certain that lands should not be improperly classified to cut off the right of homesteading, a mandatory amendment was adopted requiring the Secretary to classify any tract not exceeding 320 acres in area for which any qualified entryman should make application and providing that the filing of the application should entitle the applicant to a preference right to enter the lands in the event that they should be open to entry.

HOMESTEADING FALLING OFF

Mr. President, it might be worth while to call attention to the fact that homesteading upon the public domain has been gradually ceasing to be an effective means of passing title to the public lands into private ownership. There was presented at the hearing, at the request of the committee, a statement from the General Land Office showing the number of homestead entries which have been made in the last 16 years. In 1919, for example, there were forty-one-thousand-and-odd entries upon the public domain for homestead purposes. In 1933 the number had decreased to 7,769.

Mr. HATCH. Mr. President, from what page of the hearings is the Senator reading?

Mr. O'MAHONEY. I am referring to page 12 of the hearings before the Senate committee.

An examination of the table in the hearing shows that there has been a steady decrease not only in the number of homestead entries made but also in the number of homestead entries which have been patented. There has been a decline in the proportion of patented claims to original entries, thus showing that an increasing number of homesteaders have been finding it unprofitable to complete their entries. For example, in 1919, when 41,000 entries were made, 38,800 homesteads were patented, but in 1933, when 7,769 entries were made, only 3,664 entries were patented. In other words, these figures conclusively demonstrate that the area in the public-land States which is susceptible to homestead entry has been greatly decreased.

I ask unanimous consent to have the figures to which I have been referring inserted in the RECORD as a part of my remarks.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

Table showing number and area of homestead entries allowed and patented, beginning with the fiscal year 1918, the year the first stock-raising homesteads were allowed

NUMBER AND AREA OF HOMESTEAD ENTRIES ALLOWED

Fiscal year	Stock raising		All others		Total	
	Number	Acres	Number	Acres	Number	Acres
1918	734	236,578	38,426	7,761,531	39,160	7,998,109
1919	15,035	5,558,756	25,976	5,011,184	41,011	10,569,940
1930	20,979	8,228,749	30,106	5,787,012	51,085	14,015,761
1921	25,653	10,313,733	19,896	3,767,012	45,549	14,080,745
1922	17,922	7,070,176	12,348	2,137,906	30,270	9,208,082
1923	10,719	4,257,990	8,871	1,414,057	19,590	5,672,047
1924	7,006	2,812,664	7,500	1,171,941	14,506	3,984,155
1925	5,613	2,298,039	6,045	890,647	11,658	3,188,686
1926	5,254	2,250,485	5,536	750,918	10,790	3,001,403
1927	5,981	2,663,799	4,907	695,383	10,888	3,359,182
1928	5,878	2,751,213	4,896	727,006	10,774	3,478,219
1929	7,268	3,567,010	4,750	745,415	12,018	4,312,425
1930	8,520	4,125,120	4,728	795,722	13,248	4,920,842
1931	8,497	4,201,766	4,602	722,280	13,099	4,924,046
1932	7,291	3,543,582	3,719	506,272	11,010	4,049,854
1933	4,884	2,358,231	2,885	355,798	7,769	2,714,029
Total	157,234	66,237,891	185,191	33,239,634	342,425	99,477,525

NUMBER AND AREA OF HOMESTEADS PATENTED

1919	21	4,938	38,798	8,844,069	38,819	8,849,007
1920	1,411	376,066	44,042	9,826,905	45,453	10,202,971
1921	4,299	1,249,593	31,144	6,923,209	35,443	8,172,802
1922	8,399	2,919,820	31,653	6,712,816	40,052	9,632,636
1923	7,393	2,590,759	18,312	3,719,171	25,705	6,309,930
1924	7,767	2,932,158	12,229	2,407,792	19,996	5,339,950
1925	6,416	2,507,122	7,364	1,376,017	13,780	3,883,139
1926	6,490	2,513,676	6,505	1,163,786	12,995	3,677,462
1927	6,152	2,400,605	5,498	1,019,549	12,100	3,420,154
1928	3,460	1,387,278	3,324	540,591	6,784	1,927,869
1929	3,271	1,350,335	3,322	539,641	6,593	1,890,026
1930	2,530	1,057,262	2,461	376,643	4,991	1,433,905
1931	2,462	1,051,593	2,510	371,431	4,972	1,423,024
1932	2,460	1,099,643	2,201	338,432	4,661	1,438,075
1933	1,917	885,453	1,747	257,758	3,664	1,143,211
Total	64,448	24,326,351	211,560	44,417,810	276,008	68,744,116

NOTE.—Attention is directed to the fact that the data as to patented entries do not involve entries allowed during the corresponding fiscal year. Inasmuch as residence is ordinarily required for 3 years and the life of the entry is usually limited to 5 years, it accordingly follows that the entries patented during any particular year were allowed during the preceding 3 to 5 years.

The figures relating to homesteads canceled and relinquished cannot be given with any degree of accuracy. Our records of entries canceled because of failure to submit final proof within the period allowed by statute, of entries canceled for cause, and of entries canceled upon relinquishments, include all classes of entries, and the relinquishment record also includes partial relinquishments as well as relinquishments of entire entries. Furthermore such records relate to number of entries only (no data as to areas involved), being compiled merely for monthly work-report purposes.

Mr. O'MAHONEY. Mr. President, the great bulk of the land which remains is grazing land.

I also ask to have incorporated a table from page 50 of the hearing, showing the classification of the grazing lands in the various States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Table showing statistics of the public range

[Acres—000 omitted]

State	Vacant, unreserved public land	Principal public-range areas			
		Less-than-1-cent land	1- to 2-cent land	2- to 3-cent land	Total
Arizona	13,204	8,480	3,914	652	13,046
California	16,576	10,200	3,400	----------	13,600
Colorado	7,546	600	5,400	----------	6,000
Idaho	10,510	3,600	5,400	----------	9,000
Montana	6,177	----------	37	3,663	3,700
Nevada	51,270	35,890	15,380	----------	51,200
New Mexico	13,078	1,884	8,216	2,500	12,600
North Dakota	146	----------	----------	----------	----------
Oregon	13,012	1,170	9,945	585	11,700
South Dakota	517	----------	----------	----------	----------
Utah	25,011	16,175	7,465	1,240	24,880
Washington	710	----------	----------	----------	----------
Wyoming	14,327	3,900	7,800	1,300	13,000
Total	172,083	81,899	66,957	9,940	158,796
Average carrying capacity, in animal units, to the square mile	----------	—8	8–15	+15	----------
Stock-raising classification	----------	(1)	(1)	(2)	----------

[1] Too poor.
[2] Too poor in part.

IMPORTANCE OF DEVELOPING WATER

Mr. O'MAHONEY. Mr. President, there is another factor, however, which I think should give us a great deal of concern. That has to do with the development of the water resources upon the remaining public domain. If this bill is not enacted, I do not know how the water resources can be effectively developed, certainly not under existing law.

Only this morning the Senate passed a bill, which I introduced a few days ago, authorizing the Secretary of the Interior to make use of water discovered in wells which are drilled for the production of oil or gas. That bill, now in the House, if it shall be passed there, and the pending bill, if it shall be passed here, will enable the public-land States for the first time in history to have a well-rounded program for the development of water resources on the public domain. Such a program would be of incalculable value to the people of my State.

Upon inquiry from the Geological Survey I find that, in the opinion of that Bureau, the proper utilization of the grazing resources on the public domain will require the development of not less than 8,000 stock-watering places. Of these 2,000, it is estimated, will be wells and 6,000 will be tanks or reservoirs.

It seems to me, therefore, that this is an opportunity for the development of the grazing area in the public-domain States which we cannot well forego; and much as I would prefer to see the remaining public domain pass over to the States for development by the respective States, I recognize the fact that the temper of Congress is such that a bill of that kind cannot be passed at this time.

Mr. COSTIGAN. Mr. President, with respect to the question submitted by the Senator from Idaho [Mr. BORAH], is it not the judgment of the Senator from Wyoming that as to grazing rights and waters the man of moderate means will be better taken care of under Federal supervision than leaving the domain as it is or passing it to the States?

Mr. O'MAHONEY. That is certainly my opinion so far as the present system goes.

Mr. FESS. Mr. President, I desire to ask someone who knows—and I think the Senator from Idaho [Mr. BORAH] probably knows better than any other Senator—whether there has been any exhaustive study with regard to the advantage or disadvantage of the Government doing away with its public-land policy and making a conveyance to the States of the lands which lie within the borders of the States.

It strikes me, as I have followed the problem for years, that while it is perfectly legitimate, it does seem to be an anomaly for the Federal Government to own land within the limits of a State. While I confess I am perfectly ignorant on the subject, my first impression is that we ought to discontinue that policy, and the Federal Government ought to transfer the public land into the hands of the States, where the public lands belong.

Mr. ASHURST. Will the Senator permit me to attempt to answer that question?

Mr. FESS. Mr. President, I should be glad to have the Senator do so.

Mr. ASHURST. Mr. President, that question is one of the most refreshing, encouraging, and heartening I have heard on the floor of the Senate for years, and it is particularly gratifying and significant that the query should have been made by the learned Senator from Ohio.

Mr. President, I am in favor of, and have always been in favor of, the Government extinguishing its title or ownership, not sovereignty, of course, but its ownership or title to the public lands and relinquishing or granting the same to the States, so that the States may get the lands on the tax rolls.

The Senator, of course, being a historian, knows that the State of Texas retained her own land when she came into the Union. The Senator knows that to each State as it was admitted was granted considerable tracts of the public land in aid of the public schools, and so forth. And in my judgment, if the grasp of the Federal Government over the public domain could be relaxed and the lands passed to the States,

it would be one of the most, if not the most, beneficent act that Congress could pass.

The States are under a sort of coercion, or under a sort of absentee landlordism.

The Senator from Idaho pointed a moment ago to the fact that a man with a herd of cattle or a flock of sheep might trespass unwittingly upon the public domain or upon somebody else's grazing ground and would be subject to a fine administered by somebody sitting in Washington, not by a jury of the vicinage, and I regret to say that no European Government, unless it be one that I will not mention, deals more autocratically and more unjustly with its nationals who are attempting to secure homes and secure homesteads and mining rights than does the United States Government with its citizens who are far away from the seat of power here.

Mr. FESS. Mr. President, what was in my mind was that whatever wealth might accrue to the Federal Government from the treasures, such as minerals, and so on, if that were turned over to the States it would be the wealth of the United States anyway, possessed by its citizens in the States.

Mr. ASHURST. Exactly; and the present system has caused many States to lean upon the Federal Government for sustenance and support. Instead of having strong States with much land on the tax roll, we have sitting in Washington bureaucrats far removed and far absent from the tenant, administering these lands, but serenely oblivious to the great problems connected therewith; and nothing can break down the walls of ignorance that surround the ordinary bureaucrats regarding public lands.

I beg the pardon of the Senator from Wyoming [Mr. O'MAHONEY] for interrupting him. I know he would have made a better reply than I could.

Mr. O'MAHONEY. Mr. President, no one could have made a better reply than the gracious and eloquent Senator from Arizona [Mr. ASHURST].

I might say in addition to what he has stated, however, that the sentiment which has made itself manifest in both Houses of Congress with respect to the disposition of the minerals on the public domain has convinced me that at this time it would be impossible to hope for the passage of an act conveying the lands to the States. I should like to see such an act passed, because I know from my own experience that the Western States are well able to handle the public lands. I know for example that the State of Wyoming had a leasing system whereby all the people of that State shared, through royalties, in the development of the mineral wealth long before the Federal Government had a leasing system. The proposal was at one time made that the lands might be conveyed to the States but without the mineral rights. The general sentiment of the West is that it is not willing to accept a shell. If the lands are to be conveyed, they should be conveyed with the mineral resources as well as the surface rights. If the lands are to be conveyed, the States should receive a full title. But because Congress is not yet ready, apparently, to convey the mineral resources with the surface, we must await further opportunity to educate our eastern brethren.

This bill provides for the creation of grazing districts pending final disposal of the lands—an amendment, by the way, which was suggested by my distinguished colleague—so that the question remains open. Let me say to the Senator that if he returns to this body, and if I return, I shall probably remind him of the opinion he has expressed today.

Mr. HATCH. Mr. President, coming from one of the public-land States, I have been greatly interested in this particular bill. The feature that has just been under discussion, that of ceding the public lands to the States, is what I have desired, and what the people of my State want. We have long desired to have the lands turned over to the administration of the State, not only that we might receive the revenues from the lands but that they might the better be gotten into private ownership.

The State of New Mexico has been very successful in the administration of the lands which belong to it, and those who entertain any doubt or fear about the Western States not being able properly to care for the public land if it shall be turned over to them I think are wrong in that doubt, because all those States—especially my State, with which I am most familiar—can and will take care of the public lands.

Having that thought, at first I was somewhat opposed to the pending bill, because I feared it might interfere with the ultimate turning over of the lands to the States; but there is nothing in the bill which will prevent Congress taking such action at some future time.

As the Senator from Wyoming [Mr. O'MAHONEY] has just explained, it does not seem possible to have such a bill passed at this session of the Congress. If it were possible of course that would be the solution so far as the Western States are concerned.

It is apparent in my State that the public domain does need regulation. The present bill has been carefully worked out by the committee, and will prevent many things which have been injurious to the public domain.

It does not seem to me that the bill can be so interpreted that the large cattleman or sheepman, as has been suggested, may secure control of the public domain and exclude the small man. If that were so, I should vote against it; but there is nothing in the bill as I see it, which will bring about such a result.

Another phase of the bill which is particularly interesting to most of the Western States is the homestead provision. Some think that under this bill there will be no further homesteading. The bill provides that even though the lands are withdrawn, those lands which are chiefly valuable for agriculture shall be so classified by the Secretary, and then shall be open to homestead under the public-land laws of the United States.

There is only one provision in the bill which I think may prevent carrying out that policy, and I may offer an amendment to cure that defect later at the proper time; but the bill, as a whole, does not prevent homesteading; it does not give control to the large cattle raisers to the exclusion of the small ones, and, in my opinion, there is nothing which will prevent Congress ultimately turning these lands over to the States.

REIMBURSEMENT OF LOUISIANA FOR LAKE PONTCHARTRAIN CANAL

Mr. LONG. Mr. President, I am not opposing the pending bill. I merely wish to call the attention of the Senate to one of the things which should be done in connection with the transferring of these public lands. The State of Louisiana has borne most of the expense of creating these public lands. Contrary to what the public generally thinks, the domain in these public territories was derived almost wholly from cessions made through the State of Louisiana, particularly the Louisiana Purchase. The freedom of Texas was likewise accomplished largely through the intervention and assistance of citizens of Louisiana, and many of the benefits which today inure to the public generally, whether they go to the Federal Government or to the State governments, may largely be attributable to the efforts of Louisiana citizens. I have always believed that whenever land transfers were made back to the States, as an act of popular recognition, the citizens of Louisiana should be allowed to have some preemptory right of homestead in them. However, we will not contend for that; but there is one thing, Mr. President, which I am going to bring up here in the next Congress, of which I wish to give notice at this session of Congress, and I might as well give notice at this time as at any other time.

It had been advocated for many years by the Federal Government that there should be a canal built between Lake Pontchartrain and the Mississippi River.

As early as the days of Robert Fulton, when Mr. William Dearborn was Secretary of War, before the invention of the steamboat by Fulton, he was sent on an expedition down the mouth of the Mississippi River in order that he might make a survey and submit a report as to what should be done for the benefit of the national defense and for navigation in the interior of the United States. Fulton's report, made at that time to the Secretary of War and likewise communicated to the Congress, I presume, and to the President of the United States, recommended the building of a

canal between Lake Pontchartrain and the Mississippi River, in order that that great arm of the sea, Lake Pontchartrain, beginning in the city of New Orleans and extending to the Gulf, might be available for short routes and for connections between the waters of the Mississippi and the Gulf itself.

The United States Government was supposed to build that canal, and it was the duty of the United States Government to build that canal. A precedent may be found in the case of a canal of similar kind built in Massachusetts, which, I believe is called the "Cape Cod Canal." In that instance the United States Government took over the canal and reimbursed the parties for their cost, although it was not considered anything like as important as the building of a canal between Lake Pontchartrain and the Mississippi River. As I say, it was a matter of national navigation, a matter of national defense that the Mississippi River should be connected through Lake Pontchartrain as an arm of the sea.

That project waited upon the Federal Government, which had been investigating it for a number of years. Finally when the war came on the people of Louisiana were appealed to to take steps to build a canal connecting Lake Pontchartrain with the Mississippi River. Naturally it was under the expectation that whenever the United States had severed itself from the entanglements of the war the State of Louisiana would be reimbursed for its expenditure on this work of national necessity. So the people of Louisiana expended in the neighborhood of $25,000,000 in order to construct this valuable improvement for the defense of the United States Government and for the development of its internal waterways.

We have waited a long time hoping the day might come when our State would be reimbursed for the $25,000,000 which it has expended as a result of national necessities, national defense, and national conveniences. At every session of Congress, when they have undertaken to make some move or to get some steps taken in order that the State might be relieved of that burden of $25,000,000 which it assumed to carry on a national work, there has always been some emergency or some paralysis of Federal funds, so that the recommendation has always been to us, "Let it go by until the next Congress; the Treasury is not in shape to expend the money at this time."

Mr. President, we have been and are paying on those bonds a considerable amount of money. We are having to pay an annual interest rate of from 4½ to 5 percent. We are having to make retirements on those bonds, and there are still over $20,000,000 of those bonds outstanding, unpaid, and as yet the Federal Government has said nothing about taking them up.

We have felt some pride about urging this question ourselves. We had hoped that the Military Affairs Committee or the Appropriations Committee, through the ingenuity and activity of someone outside our State, would make the necessary move for the Government to take off the people of Louisiana the burden they incurred because of the national defense. Many States owe us that much. We had hoped that it would not ever be necessary for any Member of the Senate or of the other House from Louisiana to make this move; but apparently, Mr. President, the motion to have the Government reimburse Louisiana for an expenditure made for national defense and national convenience and the development of the internal-waterway system of the United States will have to be made by a Senator from that State.

So, Mr. President, at the next Congress, unless the action shall be taken by some of my colleagues in this body or by someone in the other House, I will undertake to secure an appropriation or some action on the part of the Government by which it will take over the obligation incurred by the State of Louisiana on behalf of and for the benefit of the United States.

REGULATION OF PUBLIC GRAZING LANDS

The Senate resumed the consideration of the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

Mr. BORAH. Mr. President, I am compelled to leave the Senate in a short time and I should like to ask the Senator from Colorado in charge of the bill if he would be willing to consider at this time an amendment striking out the following language on page 5, line 13:

> Or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

If that amendment were agreed to the bill would read at that point—

> Shall be punishable by a fine of not more than $500, in the discretion of the court.

It seems to me that a $500 fine is ample punishment, and I should like to strike out the provision relating to punishment by imprisonment.

Mr. ADAMS. Mr. President, such an amendment will be acceptable to me.

Mr. BORAH. I offer that amendment.

The PRESIDING OFFICER. Without objection, the amendment offered by the Senator from Idaho is agreed to.

The amendments reported by the committee will now be stated.

The first amendment of the Committee on Public Lands and Surveys was, in section 1, page 1, after line 2, to strike out: "That in order to promote the highest use of public land, the Secretary of the Interior in his discretion is hereby authorized to establish by order, grazing districts or additions thereto from any part of the public lands of the United States, exclusive of Alaska, not in national forests, national parks and monuments, Indian reservations, or revested Oregon-California Railroad grant lands, or other revested grant lands in Oregon, and which in his opinion are chiefly valuable for grazing and raising forage crops, and/or to modify the boundaries thereof", and in lieu thereof to insert: "That in order to promote the highest use of the public lands pending its final disposal, the Secretary of the Interior is authorized, in his discretion, by order to establish grazing districts or additions thereto and/or to modify the boundaries thereof, not exceeding in the aggregate an area of 80,000,000 acres of vacant, unappropriated, and unreserved lands from any part of the public domain of the United States (exclusive of Alaska), which are not in national forests, national parks and monuments, Indian reservations, revested Oregon and California Railroad grant lands, or revested Coos Bay Wagon Road grant lands, and which in his opinion are chiefly valuable for grazing and raising forage crops"; on page 2, line 21, after the word "thereof", to strike out "such orders shall be so worded as to safeguard valid claims existing on the date thereof and shall not"; on page 2, line 23, after the word "not" to insert "Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law, and which is maintained pursuant to law except as otherwise expressly provided in this act, nor to"; on page 3, line 5, after the word "State" to insert ", nor as limiting or restricting the power or authority of any State as to matters within its jurisdiction. Whenever any grazing district is established pursuant to this act, the Secretary shall grant to owners of land adjacent to such district, upon application of any such owner, such rights-of-way over the lands included in such district for stock-driving purposes as may be necessary for the convenient access by any such owner to marketing facilities or to lands not within such district owned by such person or upon which such person has stock-grazing rights"; on page 3, line 22, after the numerals "471", to insert "as amended"; in line 24, after the word "specify", to insert "Before grazing districts are created in any State as herein provided, a hearing shall be held in the State, after public notice thereof shall have been given, at such location convenient for the attendance of State officials, and the settlers, residents, and livestock owners of the vicinity, as may be determined by the Secretary of the Interior. No such district shall be established until the expiration of 90 days after

such notice shall have been given, nor until 20 days after such hearing shall be held: *Provided, however,* That the publication of such notice shall have the effect of withdrawing all public lands within the exterior boundary of such proposed grazing districts from all forms of entry of settlement. Nothing in this act shall be construed as in any way altering or restricting the right to hunt or fish within a grazing district in accordance with the laws of the United States or of any State, or as vesting in any permittee any right whatsoever to interfere with hunting or fishing within a grazing district", so as to make the section read:

That in order to promote the highest use of the public lands pending its final disposal, the Secretary of the Interior is authorized, in his discretion, by order to establish grazing districts or additions thereto and/or to modify the boundaries thereof, not exceeding in the aggregate an area of 80,000,000 acres of vacant, unappropriated, and unreserved lands from any part of the public domain of the United States (exclusive of Alaska), which are not in national forests, national parks and monuments, Indian reservations, revested Oregon & California Railroad grant lands, or revested Coos Bay Wagon Road grant lands, and which in his opinion are chiefly valuable for grazing and raising forage crops: *Provided,* That no lands withdrawn or reserved for any other purpose shall be included in any such district except with the approval of the head of the department having jurisdiction thereof. Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law, and which is maintained pursuant to law except as otherwise expressly provided in this act, nor to affect any land heretofore or hereafter surveyed which, except for the provisions of this act, would be a part of any grant to any State, nor as limiting or restricting the power or authority of any State as to matters within its jurisdiction. Whenever any grazing district is established pursuant to this act, the Secretary shall grant to owners of land adjacent to such district, upon application of any such owner, such rights-of-way over the lands included in such district for stock-driving purposes as may be necessary for the convenient access by any such owner to marketing facilities or to lands not within such district owned by such person or upon which such person has stock-grazing rights. Neither this act nor the act of December 29, 1916 (39 Stat. 862; U.S.C., title 43, secs. 291 and following), commonly known as the "Stock Raising Homestead Act", shall be construed as limiting the authority or policy of Congress or the President to include in national forests public lands of the character described in section 24 of the act of March 3, 1891 (26 Stat. 1103; U.S.C., title 16, sec. 471), as amended, for the purposes set forth in the act of June 4, 1897 (30 Stat. 35; U.S.C., title 16, sec. 475), or such other purposes as Congress may specify. Before grazing districts are created in any State as herein provided, a hearing shall be held in the State, after public notice thereof shall have been given, at such location convenient for the attendance of State officials, and the settlers, residents, and livestock owners of the vicinity, as may be determined by the Secretary of the Interior. No such district shall be established until the expiration of 90 days after such notice shall have been given, nor until 20 days after such hearing shall be held: *Provided, however,* That the publication of such notice shall have the effect of withdrawing all public lands within the exterior boundary of such proposed grazing districts from all forms of entry of settlement. Nothing in this act shall be construed as in any way altering or restricting the right to hunt or fish within a grazing district in accordance with the laws of the United States or of any State, or as vesting in any permittee any right whatsoever to interfere with hunting or fishing within a grazing district.

The amendment was agreed to.

The next amendment was, in section 2, page 5, line 4, after the word "range", to strike out "and to stabilize the livestock industry dependent upon the use of such public grazing lands"; in line 10, after the word "any", to insert "willful"; in line 11, after the word "or", to insert "of"; and in line 12, after the word "thereunder", to insert "after actual notice thereof", so as to make the section read:

SEC. 2. The Secretary of the Interior shall make provision for the protection, administration, regulation, and improvement of such grazing districts as may be created under the authority of the foregoing section, and he shall make such rules and regulations and establish such service, enter into such cooperative agreements, and do any and all things necessary to accomplish the purposes of this act and to insure the objects of such grazing districts, namely, to regulate their occupancy and use, to preserve the land and its resources from destruction or unnecessary injury, to provide for the orderly use, improvement, and development of the range; and the Secretary of the Interior is authorized to continue the study of erosion and flood control and to perform such work as may be necessary amply to protect and rehabilitate the areas subject to the provisions of this act, through such funds as may be made available for that purpose, and any willful violation of the provisions of this act or of such rules and regulations thereunder after actual notice thereof shall be punishable by a fine of not more than $500 or by imprisonment for not more than 1 year, or by both such fine and imprisonment, in the discretion of the court.

The amendment was agreed to.

The next amendment was, in section 3, line 22, after the word "time", to strike out "under his authority"; on page 6, line 1, after the word "and", to strike out "preference shall be given occupants and settlers on land within or near a district to such range privileges as may be needed to permit proper use of lands occupied by them. Such permits may be issued to individuals, groups, associations, or corporations authorized to conduct a livestock business under the laws of the State in which the grazing district is located for" and to insert: "to groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water, or water rights owned, occupied, or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler, whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive. Such permits shall be for"; on page 7, line 5, after the word "exists", to strike out "*And provided further,* That in such orders, and in administering this act, rights to the use of water for mining, agricultural, manufacturing, or other purposes, vested and accrued and which are recognized and acknowledged by the local customs, laws, and decisions of the courts, shall be maintained and protected in the possessors and owners thereof, and, so far as consistent with the purposes of this act, grazing rights similarly recognized and acknowledged, shall be adequately safeguarded" and in lieu thereof to insert "*Provided further,* That nothing in this act shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law or which may be hereafter initiated or acquired and maintained in accordance with law. So far as consistent with the purposes and provisions of this act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this act shall not create any right, title, interest, or estate in or to the lands", so as to make the section read:

SEC. 3. That the Secretary of the Interior is hereby authorized to issue or cause to be issued permits to graze livestock on such grazing districts to such bona fide settlers, residents, and other stock owners as under his rules and regulations are entitled to participate in the use of the range, upon the payment annually of reasonable fees in each case to be fixed or determined from time to time: *Provided,* That grazing permits shall be issued only to citizens of the United States or to those who have filed the necessary declaration of intention to become such, as required by the naturalization laws and to groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water, or water rights owned, occupied, or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive. Such permits shall be for a period of not more than 10 years, subject to the preference right of the permittees to renewal in the discretion of the Secretary of the Interior, who shall specify from time to time numbers of stock and seasons of use. During periods of range depletion due to severe drought or other natural causes, or in case of a general epidemic of disease, during the life of the permit, the Secretary of the Interior is hereby authorized, in his discretion to remit, reduce, refund in whole or in part, or authorize postponement of payment of grazing fees for such depletion period so long as the emergency exists: *Provided further,* That nothing in this act shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law or which may be hereafter initiated

or acquired and maintained in accordance with law. So far as consistent with the purposes and provisions of this act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this act shall not create any right, title, interest, or estate in or to the lands.

The amendment was agreed to.

The next amendment was, in section 4, page 8, line 6, after the word "approved", to insert "Permittees shall be required by the Secretary of the Interior to comply with the provisions of law of the State within which the grazing district is located with respect to the cost and maintenance of partition fences"; and in line 13, after the word "occupant", to strike out "a reasonable pro rata value for the use of such improvements. If the parties interested cannot agree, then the amount of such payment shall" and insert "the reasonable value of such improvements to", so as to make the section read:

SEC. 4. Fences, wells, reservoirs, and other improvements necessary to the care and management of the permitted livestock may be constructed on the public lands within such grazing districts under permit issued by the authority of the Secretary, or under such cooperative arrangement as the Secretary may approve. Permittees shall be required by the Secretary of the Interior to comply with the provisions of law of the State within which the grazing district is located with respect to the cost and maintenance of partition fences. No permit shall be issued which shall entitle the permittee to the use of such improvements constructed and owned by a prior occupant until the applicant has paid to such prior occupant the reasonable value of such improvements to be determined under rules and regulations of the Secretary of the Interior. The decision of the Secretary in such cases is to be final and conclusive.

The amendment was agreed to.

The next amendment was, in section 5, page 8, line 20, after the word "Interior", to strike out "may" and insert "shall", so as to make the section read:

SEC. 5. That the Secretary of the Interior shall permit, under regulations to be prescribed by him, the free grazing within such districts of livestock kept for domestic purposes; and provided that so far as authorized by existing law or laws hereinafter enacted, nothing herein contained shall prevent the use of timber, stone, gravel, clay, coal, and other deposits by miners, prospectors for mineral, bona fide settlers and residents, for firewood, fencing, buildings, mining, prospecting, and domestic purposes within areas subject to the provisions of this act.

The amendment was agreed to.

The next amendment was, in section 6, page 9, after the article "the", in line 5, to insert "acquisition"; in line 6, after the word "rights-of-way", to insert "within grazing districts"; in line 9, after the word "purposes", to strike out "nor" and insert "and"; in line 10, after the word "developing", to insert "mining"; and in line 11, after the article "the", to strike out "valuable", so as to make the section read:

SEC. 6. Nothing herein contained shall restrict the acquisition, granting, or use of permits or rights-of-way within grazing districts under existing law; or ingress or egress over the public lands in such districts for all proper and lawful purposes; and nothing herein contained shall restrict prospecting, locating, developing, mining, entering, leasing, or patenting the mineral resources of such districts under law applicable thereto.

The amendment was agreed to.

The next amendment was, in section 7, page 9, line 25, after the word "thereof", to insert "*Provided*, That upon the application of any person qualified to make homestead entry under the public-land laws, filed in the land office of the proper district, the Secretary of the Interior shall cause any tract not exceeding 320 acres in any grazing district to be classified, and such application shall entitle the applicant to a preference right to enter such lands when opened to entry as herein provided:", so as to make the section read:

SEC. 7. That the Secretary is hereby authorized, in his discretion, to examine and classify any lands within such grazing districts which are more valuable and suitable for the production of agricultural crops than native grasses and forage plants, and to open such lands to homestead entry in tracts not exceeding 320 acres in area. Such lands shall not be subject to settlement or occupation as homesteads until after same have been classified and opened to entry after notice to the permittee by the Secretary of the Interior, and the lands shall remain a part of the grazing district until patents are issued therefor, the homesteader to be, after his entry is allowed, entitled to the possession and use thereof: *Provided*, That upon the application of any person qualified to make homestead entry under the public-land laws, filed in the land office of the proper district, the Secretary of the Interior shall cause any tract not exceeding 320 acres in any grazing district to be classified, and such application shall entitle the applicant to a preference right to enter such lands when opened to entry as herein provided: *Provided further*, That no lands containing water holes, springs, or water supplies developed or improved by the holder of any grazing permit or his predecessor in interest shall be subject to classification, settlement, entry, or patent under the provisions of this section.

The amendment was agreed to.

The next amendment was, in section 8, page 10, line 14, after the word "Secretary", to strike out "be, and he hereby is, authorized, in his discretion" and insert "is authorized and directed"; in line 18, after the word "is", to strike out "hereby authorized, in his discretion" and insert "authorized and directed"; in line 20, after the word "any", to insert "privately owned"; in line 21, after the word "grazing", to strike out "district" and insert "district,"; in line 22, after the word "of", to insert "surveyed"; in line 24, after the word "State", to insert "or within a distance of not more than 50 miles within the adjoining State nearest the base lands"; on page 11, line 3, after the word "published", to insert "by the Secretary of the Interior"; and on page 12, line 4, after the word "thereon", to insert "Upon application of any State to exchange lands within or without the boundary of a grazing district the Secretary of the Interior is authorized and directed, pursuant to the provisions of this section as provided for privately owned lands, to proceed with such exchange at the earliest practicable date and to cooperate fully with the State to that end, but no State shall be permitted to select lieu lands in another State", so as to make the section read:

SEC. 8. That where such action will promote the purposes of the district or facilitate its administration, the Secretary is authorized and directed to accept on behalf of the United States any lands within the exterior boundaries of a district as a gift, or, when public interests will be benefited thereby, he is authorized and directed to accept on behalf of the United States title to any privately owned lands within the exterior boundaries of said grazing district, and in exchange therefor to issue patent for not to exceed an equal value of surveyed grazing district land or of unreserved surveyed public land in the same State or within a distance of not more than 50 miles within the adjoining State nearest the base lands: *Provided*, That before any such exchange shall be effected, notice of the contemplated exchange, describing the lands involved, shall be published by the Secretary of the Interior once each week for 4 successive weeks in some newspaper of general circulation in the county or counties in which may be situated the lands to be accepted, and in the same manner in some like newspaper published in any county in which may be situated any lands to be given in such exchange; lands conveyed to the United States under this act shall, upon acceptance of title, become public lands and parts of the grazing district within whose exterior boundaries they are located: *Provided further*, That either party to an exchange may make reservations of minerals, easements, or rights of use, the values of which shall be duly considered in determining the values of the exchanged lands. Where reservations are made in lands conveyed to the United States, the right to enjoy them shall be subject to such reasonable conditions respecting ingress and egress and the use of the surface of the land as may be deemed necessary by the Secretary of the Interior. Where mineral reservations are made in lands conveyed by the United States, it shall be so stipulated in the patent, and any person who acquires the right to mine and remove the reserved mineral deposits may enter and occupy so much of the surface as may be required for all purposes incident to the mining and removal of the minerals therefrom, and may mine and remove such minerals, upon payment to the owner of the surface for damages caused to the land and improvements thereon. Upon application of any State to exchange lands within or without the boundary of a grazing district the Secretary of the Interior is authorized and directed, pursuant to the provisions of this section as provided for privately owned lands, to proceed with such exchange at the earliest practicable date and to cooperate fully with the State to that end, but no State shall be permitted to select lieu lands in another State.

Mr. ADAMS. Mr. President, on behalf of the senior Senator from Utah [Mr. KING], who is compelled to be absent, I wish to submit an amendment to the committee amendment, on page 12, to strike out all of lines 7 and 8 and insert in lieu thereof the following:

Directed, in the manner provided for exchange of privately owned lands in this section, to proceed with such.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado [Mr. ADAMS] on behalf of the

Senator from Utah [Mr. KING] to the amendment of the committee will be stated.

The CHIEF CLERK. In the committee amendment, on page 12, it is proposed to strike out all of lines 7 and 8 and in lieu thereof to insert:

Directed, in the manner provided for the exchange of privately owned lands in this section, to proceed with such.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Public Lands and Surveys was, in section 9, page 12, line 14, after the word "stockmen", to insert "State land officials, and official State agencies engaged in conservation or propagation of wild life"; in line 16, after the word "districts", to strike out "and with such advisory boards as they may name. The views of authorized advisory boards shall be given fullest consideration consistent with the proper use of the resource and the rights and needs of minorities"; in line 21, after the word "for", to insert "local hearings on"; in line 22 after the article "the", to strike out "decision" and insert "decisions"; in line 23, after the word "charge", to insert "in a manner similar to the procedure in the land department", so as to make the section read:

SEC. 9. The Secretary of the Interior shall provide, by suitable rules and regulations, for cooperation with local associations of stockmen, State land officials, and official State agencies engaged in conservation or propagation of wild life interested in the use of the grazing districts. The Secretary of the Interior shall provide by appropriate rules and regulations for local hearings on appeals from the decisions of the administrative officer in charge in a manner similar to the procedure in the land department. The Secretary of the Interior shall also be empowered to accept contributions toward the administration, protection, and improvement of the district, moneys so received to be covered into the Treasury as a special fund, which is hereby appropriated and made available until expended, as the Secretary of the Interior may direct, for payment of expenses incident to said administration, protection, and improvement, and for refunds to depositors of amounts contributed by them in excess of their share of the cost.

The amendment was agreed to.

The next amendment was in section 10, on page 13, line 14, after the word "available", to insert "when appropriated by the Congress"; in line 17, before the numerals "50", to strike out "an additional"; and on page 14, line 1, after the word "therein", to strike out "*Provided further*, That no moneys shall be used or made available for the purposes hereinbefore set forth until appropriated by Congress", so as to make the section read:

SEC. 10. That, except as provided in sections 9 and 11 hereof, all moneys received under the authority of this act shall be deposited in the Treasury of the United States as miscellaneous receipts, but 25 percent of all moneys received from each grazing district during any fiscal year is hereby made available, when appropriated by the Congress, for expenditure by the Secretary of the Interior for the construction, purchase, or maintenance of range improvements, and 50 percent of the money received from each grazing district during any fiscal year shall be paid at the end thereof by the Secretary of the Treasury to the State in which said grazing district is situated, to be expended as the State legislature may prescribe for the benefit of the county or counties in which the grazing district is situated: *Provided*, That if any grazing district is in more than one State or county, the distributive share to each from the proceeds of said district shall be proportional to its area therein.

The amendment was agreed to.

The next amendment was in section 11, on page 14, line 20, to strike out "agreements, the", and insert "agreements. The"; and on page 15, line 3, after the word "public", to strike out "interest: *Provided*, That in such grazing districts established in Indian ceded lands, the Indians shall be classified as preferential applicants for grazing privileges, and surplus range may be allotted to the use of others only after the reasonable needs of the Indians for additional grazing lands have been met", and to insert the word "interest", so as to make the section read:

SEC. 11. That when appropriated by Congress, 25 percent of all moneys received from each grazing district on Indian lands ceded to the United States for disposition under the public-land laws during any fiscal year is hereby made available for expenditure by the Secretary of the Interior for the construction, purchase, or maintenance of range improvements; and an additional 25 percent of the money received from grazing during each fiscal year shall be paid at the end thereof by the Secretary of the Treasury to the State in which said lands are situated, to be expended as the State legislature may prescribe for the benefit of public schools and public roads of the county or counties in which such grazing lands are situated. And the remaining 50 percent of all money received from such grazing lands shall be deposited to the credit of the Indians pending final disposition under applicable laws, treaties, or agreements. The applicable public land laws as to said Indian ceded lands within a district created under this act shall continue in operation, except that each and every application for nonmineral title to said lands in a district created under this act shall be allowed only if in the opinion of the Secretary of the Interior the land is of the character suited to disposal through the act under which application is made and such entry and disposal will not affect adversely the best public interest, but no settlement or occupation of such lands shall be permitted until 90 days after allowance of an application.

The amendment was agreed to.

The next amendment was, in section 13, on page 15, line 17, after the words "United States", to strike out "upon the joint recommendation of the Secretary of the Interior and the Secretary of Agriculture, be, and he is hereby", and to insert in lieu thereof the word "is"; in line 21, after the word "administration", to insert "in any State where national forests may be created or enlarged by Executive order"; and on page 16, line 13, after the word "act" and the period, to insert:

Nothing in this section shall be construed so as to limit the powers of the President (relating to reorganizations in the executive departments) granted by title IV of the act entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933.

So as to make the section read:

SEC. 13. That the President of the United States is authorized to reserve by proclamation and place under national-forest administration in any State where national forests may be created or enlarged by Executive order any unappropriated public lands lying within watersheds forming a part of the national forests which, in his opinion, can best be administered in connection with existing national-forest administration units, and to place under the Interior Department administration any lands within national forests, principally valuable for grazing, which, in his opinion, can best be administered under the provisions of this act: *Provided*, That such reservations or transfers shall not interfere with legal rights acquired under any public-land laws so long as such rights are legally maintained. Lands placed under the national-forest administration under the authority of this act shall be subject to all the laws and regulations relating to national forests, and lands placed under the Interior Department administration shall be subject to all public-land laws and regulations applicable to grazing districts created under authority of this act. Nothing in this section shall be construed so as to limit the powers of the President (relating to reorganizations in the executive departments) granted by title 4 of the act entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes", approved March 3, 1933.

The amendment was agreed to.

The next amendment was, on page 16, line 20, to insert a new section 14.

Mr. O'MAHONEY. Mr. President, before the amendment is read, I desire to offer an amendment to the committee amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming to the committee amendment will be stated.

The CHIEF CLERK. In section 14, on page 16, line 22, after the numerals "2455", it is proposed to insert "notwithstanding the provisions of section 2357 of the Revised Statutes and of the act of August 30, 1890", so as to make the section read:

SEC. 14. That section 2455 of the Revised Statutes, as amended, is amended to read as follows:

"SEC. 2455. Notwithstanding the provisions of section 2357 of the Revised Statutes and of the act of August 30, 1890, it shall be lawful for the Secretary of the Interior to order into market and sell at public auction, at the land office of the district in which the land is situated, for not less than the appraised value, any isolated or disconnected tract or parcel of the public domain not exceeding 760 acres which, in his judgment, it would be proper to expose for sale after at least 30 days' notice by the land office of the district in which such land may be situated: *Provided*, That for a period of not less than 30 days after the highest bid has been received, any owner or owners of contiguous land shall have a preference right to buy the offered lands at such

highest bid price, and where two or more persons apply to exercise such preference right the Secretary of the Interior is authorized to make an equitable division of the land among such applicants, but in no case shall the adjacent land owner or owners be required to pay more than three times the appraised price: *Provided, further,* That any legal subdivisions of the public land, not exceeding 160 acres, the greater part of which is mountainous or too rough for cultivation, may, in the discretion of the said Secretary, be ordered into the market and sold pursuant to this section upon the application of any person who owns land or holds a valid entry of lands adjoining such tract, regardless of the fact that such tract may not be isolated or disconnected within the meaning of this section: *Provided further,* That this section shall not defeat any valid right which has already attached under any pending entry or location. The word 'person' in this section shall be deemed to include corporations, partnerships, and associations."

Mr. McCARRAN. Mr. President, will the Senator from Wyoming explain the amendment?

Mr. O'MAHONEY. Mr. President, an amendment was inserted in the bill for the purpose of enabling the Secretary of the Interior to sell certain isolated tracts which are not suitable for inclusion in grazing districts. It appears that the public-land laws now governing the sale of isolated tracts fix a minimum price of $1.25 an acre on some and $2.50 an acre on others. In view of the fact that the amendment changes the whole system by providing for appraisal, it was deemed advisable to do away with that limitation as to price and also with the limitation as to the amount of acreage a single purchaser may acquire. It is merely to clarify the amendment which has been approved by the committee and by the Department.

Mr. McCARRAN. I should like to know how that would affect State lands heretofore allocated pursuant to the agricultural college act and various other acts, where the restrictive acts were carried out at $1.25 per acre. Are we to understand now that a new policy is to go into effect even if the lands are still held by the State, although they were allocated for university and school purposes or may be under contract by the State?

Mr. O'MAHONEY. This would not affect them at all.

Mr. McCARRAN. Why not?

Mr. O'MAHONEY. This affects only lands which are under control of the Federal Government, which are embraced within the unreserved and unappropriated public domain, and upon which no contractual rights or any other private or State rights have been initiated.

Mr. McCARRAN. How would it affect sections 13 and 36 of each township?

Mr. O'MAHONEY. It would not affect them at all.

Mr. McCARRAN. Why not?

Mr. O'MAHONEY. Because it does not apply to them.

Mr. McCARRAN. That is not allocated land. It is simply land that may be allocated or may be selected for school purposes, or it may not. The State may select it or it may abrogate its right to select it.

Mr. O'MAHONEY. The purpose of the section is to provide for the sale of isolated tracts which are too small to be available for the creation of grazing districts. They are detached from the body of the public domain. They are not now likely to be entered because the land is not sufficiently good to invite any entrymen to go to the trouble of even making application to enter it, to say nothing about living upon it. The purpose of the amendment is to establish a system whereby such lands may be sold to others, homesteaders or ranchers, who may make good use of them. It applies only to an inconsiderable portion of the public domain and could not possibly affect any State interest except to the extent that it places additional land on the tax roll.

Mr. McCARRAN. I think I understand what the Senator has in mind. I am wondering if that means that where a homestead may have been taken up within an area which may be designated for a particular grazing district under the terms of the bill, the homestead entry may be canceled and the homesteader removed therefrom?

Mr. O'MAHONEY. Oh, no. No such authority is granted.

Mr. McCARRAN. Where is the guarantee against it?

Mr. O'MAHONEY. His rights are specifically guaranteed in the bill.

Mr. McCARRAN. Will the Senator kindly direct my attention to the particular language?

Mr. O'MAHONEY. At the bottom of page 2, this language was inserted by the committee:

Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law, and which is maintained pursuant to law except as otherwise expresly provided in this act, nor to affect any land heretofore or hereafter surveyed which, except for the provisions of this act, would be a part of any grant to any State.

No homestead may be cut off. No State may be denied any unsurveyed lands and any individual who desires to make an entry even in a grazing district may demand a classification of the lands.

We have left nothing undone to protect individual rights and State rights.

Mr. McCARRAN. Suppose, as a matter of instance, a district is about to be created according to the terms of the bill, and somewhere in the midst of that proposed district there is a homestead, perhaps not yet perfected, but in existence. The homesteader believes that he has certain rights on the public domain.

Mr. O'MAHONEY. He is entitled to those rights. He may maintain those rights. His homestead cannot be affected or taken away from him, but if he wants to do so he may exchange it for other land outside the district.

Mr. McCARRAN. Will the Senator kindly tell me what his rights would be under the bill if enacted into law?

Mr. O'MAHONEY. His right to his homestead would be just as it is now.

Mr. COSTIGAN. Mr. President, may I ask the Senator from Wyoming whether he should not have read the language on page 3, lines 5 to 7?

Mr. O'MAHONEY. Yes; I think that would have added strength to it.

Mr. COSTIGAN. The language there is definitely responsive to the question of the Senator from Nevada.

Mr. O'MAHONEY. Yes; it reads as follows:

Nor as limiting or restricting the power or authority of any State as to matters within its jurisdiction.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment of the Committee on Public Lands and Surveys was, on page 18, after line 2, to insert a new section, as follows:

SEC. 15. The Secretary of the Interior is further authorized in his discretion, where vacant, unappropriated, and unreserved lands of the public domain are situated in such isolated or disconnected tracts of more than 760 acres as not to justify their inclusion in any grazing district to be established pursuant to this act, to lease any such lands to owners of lands contiguous thereto for grazing purposes, upon application therefor by any such owner, and upon such terms and conditions as the Secretary may prescribe.

Mr. CAREY. Mr. President, I desire to offer an amendment to the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 18, lines 6 and 7, it is proposed to strike out "more than 760 acres" and to insert in lieu thereof "640 acres or more."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

Mr. McCARRAN. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. It is proposed, on page 6, line 19, after the word "inclusive", to insert:

and provide that any holder of a lien on the livestock of any qualified permittee shall be subrogated to all rights of such permittee under this act upon default under such lien, and all rights of such permittee under this act shall continue and be recognized in the holder of such lien so long as said permittee may be an obligor of or to any such loaning agency, governmental or private.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Nevada.

Mr. McCARRAN. I ask the Senator having charge of the bill to accept the amendment.

Mr. ADAMS. Mr. President, I should like to have the purpose and effect of the amendment explained. May I ask the Senator from Nevada whether that is one of the amendments that were submitted to the committee?

Mr. McCARRAN. In a different form. In other words, it has been submitted back to the Department; and the Department, through its representative who is now here on the floor sitting next to the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from Colorado [Mr. ADAMS], has accepted this amendment.

If I may explain in a very brief statement the object of the amendment, in the West there are some 160,000,000 acres of unappropriated public domain. I may say, without any desire to emphasize it, that of the one hundred and sixty-odd million acres of unappropriated public domain, 56,000,000 acres are in my own State; I think perchance a little more than 56,000,000 acres.

Wherever there may be water throughout the West, there the settler has made his homestead. Whether the water came from a spring or from a running stream, or whether he developed it out of the earth by wells tapping subterranean flow, wherever he has made a homestead he has created something that is green; he has made two blades of grass grow where no blades of grass grew formerly.

With that development there came the development of stockraising. Cattle and sheep are essential to agricultural pursuits. They are essential now to western agricultural pursuits. They will be as long as the mind of man may reach into the future. The homesteader, the man who took up the desert of the West and reclaimed it, became accustomed by reason of tradition, rules and regulations never written in statutes but recognized by mankind generally, to the use of the public domain. What controls the public domain in the arid West? Those who listen to me today know what controls the public domain in the arid West. It is a spring here, and a seepage of water there, and a little stream somewhere else.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield, gladly.

Mr. HATCH. In line with the Senator's thought, I desire to direct his attention to an amendment which I shall offer as soon as his amendment shall have been acted upon.

Mr. McCARRAN. Very well; I thank the Senator from New Mexico. So that those springs, those seepages, and those little trickles of water, have become the thing that has dominated and made possible the development of the great arid West.

There is not any question about that. Those of us who live out there know it. A man has 40 acres here, and a spring upon it. It is 25 miles remote from his home ranch. Let me make the picture.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. O'MAHONEY. I did not care to interrupt the thread of the Senator's argument, but I have just read his amendment, and I desire to ask him a question with respect to it.

The amendment reads:

And provided that any owner of a lien on the livestock of any qualified permittee shall be subrogated to all rights of such permittee under this act upon default under such lien—

To that point I quite agree with what the Senator is seeking to do; but I read the remainder of his amendment—

and all rights of such permittee under this act shall continue and be recognized in the holder of such lien so long as said permittee may be an obligor of or to any such loaning agency, governmental or private.

Is not the Senator fearful that that language would place the permittee under an unduly stringent degree of control by the person who had happened to loan him money?

Mr. McCARRAN. That is not the object.

Mr. O'MAHONEY. I know it is not the object.

Mr. McCARRAN. If the language conveys that idea, I am only too glad to submit to any amendment that will get away from that.

Mr. ADAMS. Mr. President, may I interrupt to suggest another point? If I read the suggested amendment correctly, if one of the loaning agencies referred to has a lien upon a single animal belonging to a permittee, he is thereby subrogated to all the rights of the permittee, regardless of how wide they may be; and, further than that, so long as that lien continues, the permit must continue, regardless of the provisions of the permit. In other words, it may continue indefinitely.

Mr. McCARRAN. I hope I did not hear the Senator incorrectly. As I caught his statement, if a loaning agency had a lien on any animals, regardless of how wide the rights might be, the rights of the agency would be subrogated. Some of them are not so wide out west right now, because of the drought. [Laughter.] I know what the Senator means, however, and I am only facetious to a certain point.

Mr. ADAMS. The Senator is justified.

Mr. McCARRAN. What I have in mind, however, is that one holding a farm or a homestead who has heretofore depended upon the public range as a part of an integral unit, of which his homestead may have been the minor part, shall have the privilege of going to a loaning agency and asking permission to borrow, and having recognition of the fact that he has certain rights upon the public domain which shall not be interfered with during the term of that loan. Do I make myself clear to the learned Senator from Colorado?

Mr. ADAMS. Yes; except to this extent, if I may point out again, trying to be more accurate: If the loaning agency has a loan upon 10 head of the permittee's stock, and the permittee has the right to graze a thousand head, the man with the loan upon 10 head is subrogated to the right of the permittee to graze a thousand head upon the range.

Mr. McCARRAN. All right, why not? It became a part of the security. It was a part of the security when the money was loaned.

Mr. ADAMS. I can understand that the money loaner would be very much delighted with it.

Mr. McCARRAN. Yes; more than that, the farmer would be delighted with it. If the farmers in Colorado today could get the benefit of the amendment I am offering, they would not be writing in here asking for this amendment to be offered; and they have been writing to the learned Senator from Colorado.

Mr. CAREY. Mr. President, I should like to call the Senator's attention to the language on page 6, line 9, which reads as follows:

Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands—

And so forth. The preferential right to these leases goes with the land; and certainly if the land passed, or the other property passed, it would pass with the land.

Mr. McCARRAN. The Senator is now speaking of leases. I am not speaking of leases at all. I am speaking of the right of user.

Mr. CAREY. That is what I am referring to, the right of using the range. Does the Senator mean the present users, or the people who are to have the preference under this bill?

Mr. McCARRAN. I do not consider that there will be any preference under this bill. Those who have used in the past should be preferred under this bill.

Mr. CAREY. I think this provision gives preference to the people who have adjacent land and who live nearby. If a man had given a mortgage on his livestock, that pref-

erence would go with his property, and I think anybody lending money to him would be protected under the bill as it is.

Mr. McCARRAN. Very well. Then let us assume that a loan is made to a man who has 100 acres of land in fee simple, and he has 200 head of cattle, which have been accustomed to range on the open public domain. He asks for a loan from some Federal agency. They say to him, "Yes; we will loan to you as much as is the value of your fee-simple land." He says, "But I have a right on the open public domain." They say, "You have no right. That belongs to the Government of the United States, and may be taken from you tomorrow, or at any other time."

Mr. CAREY. I call the Senator's attention to the fact that in making loans at the present time consideration is taken of the rights which people have on the forests, and that principle would apply to these lands as well as it would apply to the forests. That right is recognized by the Government and other agencies in making loans.

Mr. McCARRAN. I am informed, Mr. President, that the Forest Service have recently ruled in certain zones that loans are made pursuant to forest rights; but the same question has arisen with reference to forest rights that has arisen and will arise with reference to rights on the open public domain. They say, "You have a right today, but the Forest Service may cut you off tomorrow."

I have met that situation day after day, time after time. If the loans are now being made on the basis of forest rights, then that is something new, and I am glad to hear it.

Mr. CAREY. They are making permittees assign their permits when loans are made.

Mr. McCARRAN. That may be true; that is exactly what I want to apply to the open public domain which is not within the forest. The Senator and I understand that all western lands are not forest lands. Hence this bill is going to take into consideration the nonforest lands, and I think the same rule which the learned Senator from Wyoming tells me has now been applied to rights within the forests should apply to rights within the open public domain. That is the object and purpose of the amendment.

Mr. President, if the amendment, drafted under the guidance and with the full knowledge of the Department, is not to be accepted, then I am not going to yield to anything. If this amendment is not to be accepted, after its language has been submitted to the Department, and after the Department has assented to that language, notwithstanding the fact that I submitted it to the whole committee, then I am sorry for this bill. I say so now, and I am not taking advantage of anybody.

Mr. ADAMS. Mr. President, I trust the Senator does not propose to oppose a bill in its entirety because some Member of the Senate might see fit to oppose an amendment which he offers. Surely, I have to say to the Senator that he will have to exercise his own rights and privileges, because I will not accept what I regard as an improper amendment under threats of that kind.

Mr. McCARRAN. I was not speaking to the Senator from Colorado. I did not know the Senator from Colorado had charge of the bill. If I had known that, I would have addressed myself to him a long time ago, and I apologize to him if I am in error.

Mr. ADAMS. No apology is needed.

Mr. McCARRAN. If the Senator from Colorado is in charge of the bill on the floor, I should like to be advised, so that I may guide myself accordingly.

Mr. ADAMS. I am.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada seems to be an amendment to a committee amendment which has already been adopted. In order that it may be in order, the vote by which the committee amendment was agreed to will have to be reconsidered.

Mr. McCARRAN. I do not understand my amendment to be an amendment to a committee amendment. Am I in error in that?

The PRESIDING OFFICER. The Chair understands that the Senator's amendment is on page 6, line 19, immediately following the period, which would make it an amendment to a committee amendment.

Is there objection to the reconsideration of the vote by which the committee amendment was agreed to?

Mr. ADAMS. Mr. President, I was about to make a suggestion, that that objection could be very readily obviated by merely changing the point of application of the amendment, which is now offered to be inserted in the middle of the committee amendment. If it were dropped down to the end of the next sentence, it would not come within the rule. I merely suggest that. It would fit in as well below.

Mr. O'MAHONEY. Mr. President, may I say to the Senator from Nevada that the only discussion which I have heard with respect to his amendment has been designed to accomplish the same object he has in mind. There is no disposition, so far as I have been able to determine, to oppose the amendment as an amendment.

If I understand the Senator correctly, his purpose is merely to guarantee that the rights to grazing privileges which are conveyed by the bill shall be so definite and so certain that they may be recognized as security when the holder seeks a loan.

Mr. McCARRAN. That is correct.

Mr. O'MAHONEY. That is the purpose of the amendment?

Mr. McCARRAN. That is exactly correct.

Mr. O'MAHONEY. As I read the language, it goes much further than that, and it would subject the permittee to control and domination by the money lender, which I am sure the Senator from Nevada does not desire to put into effect.

Mr. McCARRAN. I do not, and if there is any clarifying language which could be employed, I will accept it in just a moment.

Mr. O'MAHONEY. I will be very glad to work it out with the Senator. For my part, I should say that ever since I saw the amendment, about an hour ago, I have been turning over in my own mind the problem, in the hope that I might be able to find a solution, but I confess to the Senator that I cannot now think of language by which we could make it mandatory upon any person lending money to accept any particular kind of security.

Mr. McCARRAN. I respectfully suggest to the learned Senator from Wyoming that it is not a question of requiring any mortgagee or loan agent to accept security. It is a question of crystallizing the security which the mortgagee or loan agent may and will accept, so that no intervening agency, governmental, or otherwise, may take from the value of the security. I hope I make myself clear.

Mr. FESS. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FESS. Is the amendment of the Senator from Nevada an amendment to a committee amendment?

The PRESIDING OFFICER. It is an amendment to the committee amendment on page 6.

Mr. FESS. Which has already been acted upon?

The PRESIDING OFFICER. The committee amendment has been adopted, and the Chair has inquired whether there is objection to reconsideration of the vote by which the amendment was agreed to.

Mr. FESS. I just wanted to ascertain the parliamentary status, so that if that were the status, I could ask for a reconsideration of the vote.

The PRESIDING OFFICER. Is there objection to a reconsideration of the vote by which the committee amendment on page 6 was agreed to? The Chair hears none, and the vote is reconsidered.

Mr. McCARRAN. I thank the Senator from Ohio.

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Navada to the committee amendment.

Mr. McCARRAN. Mr. President, the biggest thing there is in the West is that which is now under consideration.

We are just about ready to give up control of a majority of the public lands and the surface of some States. Fifty-six million acres out of seventy-odd million acres in one sovereign State will pass out of control of that sovereign State and pass into the control of the Federal Government. I do not know how many acres now a part of the States represented by the learned Senators will pass into the control of the Federal Government, but, regardless of the amount, whether it be a minimum or a maximum of acreage, the Federal Government is about to step in and take control.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. ADAMS. Partly in response to the inquiry or perhaps the challenge made a moment ago, it occurs to me that the Senator is slightly in error when he says that this bill will transfer to the control of the Federal Government property now controlled by the States. This bill does not change the title; it does not change the control of an acre of ground. It merely seeks to exercise power which is now in the Federal Government, and to exercise it for the benefit of the citizens of the States.

This suggests an inquiry that I should like to make of the Senator from Nevada. My inquiry is this: Is it the Senator's desire to make provision so that the lender of money may secure for additional security upon his loan the right which the permittee secures in the grazing district? If so, why not put in a provision that whatever rights he has may be assignable as security for the indebtedness?

Mr. McCARRAN. I respectfully answer the learned Senator from Colorado that under this bill he will have no rights. His rights have been written away from him.

Mr. ADAMS. The permittee secures a permit. That is what the Senator is dealing with in his amendment. The Senator is providing that in the case of the permittee who borrows money the lender shall be subrogated to his rights in the permit. The Senator is dealing with the permit. The permit has a definite period of time to run. All that he can give is that which he has. Why not say plainly in the amendment that he shall have the right to execute an assignment or some instrument of incumbrance upon his permit?

Mr. McCARRAN. That is exactly what the amendment prescribes.

Mr. ADAMS. If that was what the amendment provided, there would be no objection to it. The amendment provides more than that.

Mr. McCARRAN. Then there should be no objection to it.

Mr. ADAMS. The Senator has not, I am afraid, read his own amendment with care, because it provides in substance that the permit shall be extended indefinitely beyond the period prescribed, unless the indebtedness is paid. The man who has a 5-year permit, by delaying the payment of his indebtedness, may secure an indefinite permit. That would violate the very purpose of having a regulation.

Mr. McCARRAN. The Senator is simply throwing up a smoke screen now.

Mr. ADAMS. No; I am reading the Senator's amendment, which provides:

> And all rights of such permittee under this act shall continue and be recognized in the holder of such lien so long as such permittee may be an obligor of or to any such loan agency, governmental or private.

Mr. McCARRAN. That is correct. A farmer asks for a thousand-dollar or a five-thousand-dollar loan, and he says, "Here is all I have under fee simple, but here are my rights on the open public domain." He goes to a private loaning agency, he goes to a State bank, or he goes to a Federal loaning agency, and gets the money. Why should that security, which was security when he acquired the loan, be destroyed until the loan is paid? Will the Senator kindly answer that question?

Mr. ADAMS. I cannot answer it, because I cannot understand it. As a matter of fact, there is nothing in the act which destroys the permit which the man had when he made the loan. It continues it. The only thing I can suggest is, if the Senator wants a provision that may be assignable, that may be subject to a mortgage, why not draw an amendment which would make it plain?

Mr. McCARRAN. If the learned Senator from Colorado has read the bill—and I take it he has, because he has given it much study and time—he knows that this matter——

Mr. COUZENS. Mr. President, we cannot hear the Senators on this side of the Chamber. This is a part of the West.

Mr. McCARRAN. I am glad to take the Senator from Michigan into our fraternity. He knows that this whole matter is one of administration, one of rule and regulation; that the Interior Department will write rules and regulations under this bill, and those rules and regulations will become the law of the West from now on.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. O'MAHONEY. I may say that whatever the Senator from Nevada may believe, my desire at least is to cooperate with him in securing the object which he has stated and which I attempted to restate, and which he said I correctly restated.

Mr. McCARRAN. I am very glad to have the Senator's cooperation. I had hoped to have it when I presented this amendment to the committee, but evidently it did not then appeal to the Senator.

Mr. O'MAHONEY. The amendment was not presented in this form to the committee, to my knowledge.

Mr. McCARRAN. The substance of it was.

Mr. O'MAHONEY. Now we are discussing a matter of language, and I would desire to call the Senator's attention again to the language: "and all rights of such permittee under this act shall continue and be recognized in the holder"—how long? "so long as said permittee may be an obligor." What does that mean? Calling the Senator's attention to the language of the bill on page 6, I shall ask his opinion presently. This is the language: "Such permits shall be for a period of not more than 10 years."

Mr. McCARRAN. That is exactly what I want the Senator to dwell on. In other words, the right exists for 10 years, and to get that right extended it will be necessary to go to the Secretary of the Interior, but the loan from a Federal agency may extend over 30 years. How will one get a loan from a Federal agency where there is a spread of 30 years, when one has only 10 years of a right or permit by authority of the Department of the Interior under the provisions of this bill? That is exactly what I wanted brought out, and I am delighted that the Senator from Wyoming brought it out.

Mr. O'MAHONEY. I am delighted also, because we are trying to develop this bill. May I call the Senator's attention now to the fact that his amendment provides that these rights shall continue so long as the permittee may be an obligor; not only of a Government loaning agency, but of any private loaning agency? Would it not be possible under that language, which provides that the rights of the permittee shall continue so long as he is an obligor of a private agency, for a permittee who desires to extend his permit to the exclusion of the rights of homesteaders, of occupants, and settlers who are coming in on the public domain, to enter into an arrangement with some individual merely for the purpose of setting up an obligation so that it would be impossible to terminate the permit, so that permittee A with an associate, B, who was loaning money, could enter into a conspiracy to defeat the purposes of the act, and to prevent a homesteader or an occupant or a settler from acquiring rights upon the grazing district? May I ask the Senator, Would that not be possible under his amendment?

Mr. McCARRAN. I answer the learned Senator from Wyoming thus, that the ingenuity of man has never yet been able to legislate against connivance or scheming, but the ingenuity of man must at all times be bent along lines of broad, open development. I say, yes; there might be a chance for such as that; but it is a fraudulent thing. However, I cannot, neither can the Senator, legislate against prospective fraud.

Mr. O'MAHONEY. Then, why cannot we attempt to work out language here which will be acceptable to the committee and which will secure the thing sought for?

Mr. McCARRAN. I have tried it for a month, and I was turned down cold in the committee. They said they were going to put this bill through, and I say they are not going to put it through until there are amendments to this bill which will protect the rights of the man who has settled on the plains and made a livelihood and a homestead out of the lands where other men would not even dare venture.

Mr. ADAMS. Mr. President, will the Senator yield for an interruption?

Mr. McCARRAN. Certainly; I yield for a question.

Mr. ADAMS. No; I think for a correction. The Senator is in error when he says he was turned down cold by the committee.

Mr. McCARRAN. I took the Senator's own statement.

Mr. ADAMS. Careful consideration was given to the Senator's amendments. The Senator appeared and presented them. They were considered afterward, and no one on the committee has ever said that the bill was going to pass, or made any declaration on the subject. The bill is submitted upon its merits. We believe it should pass. Those two statements by the Senator, however, are erroneous.

Mr. McCARRAN. They are not erroneous; and I will take the Senator's own statement, made to me, in which the Senator said that my amendments had been rejected.

Mr. ADAMS. They were, but not without consideration.

Mr. McCARRAN. I do not know anything about the consideration, but I do know about the rejection. That they are before the Senate now, I do know also. If there is merit in this bill, we may have that merit. I am for merit, but I do not propose to legislate the trail-blazers of the West out of existence, and I am not going to stand for it so long as I have vitality sufficient to resist it.

This is a minor matter, and I am wondering what is behind the opposition to the amendment. It is a minor matter that we have been working on for months and months and months, asking the Federal agency if they will not recognize the rights of western farmers. They say, "No; unless you have a fence around your land, unless you own it in fee simple, unless it is something that we can ride over and understand, you cannot borrow a dollar on it."

Foreclosure after foreclosure is pending today in the West, not in my State alone, but in the State of the learned Senator from Colorado [Mr. ADAMS] and the State of the learned Senator from Wyoming [Mr. O'MAHONEY] and other Western States. One foreclosure brings on another; every time a foreclosure is brought about there is created one more incident to destroy confidence in the American Government. What I am anxious for is to build up something with a permanency that will have the public domain as a background and the public domain will mean something to those who live on it.

Mr. President, it is quite apparent that the learned Senator in charge of this bill does not intend to accept this amendment. I have appealed to him, but it is apparent that he does not propose to yield. Therefore, we must take such course as will guarantee the enactment of proper legislation.

Mr. O'MAHONEY. Mr. President, will the Senator from Nevada yield to me?

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Wyoming?

Mr. McCARRAN. I yield.

Mr. O'MAHONEY. The Senator from New Mexico [Mr. HATCH] has indicated that it is his desire to present an amendment to the bill. May I suggest to the Senator from Nevada that if he will allow his amendment to be temporarily laid aside while the Senator from New Mexico presents his amendment, I shall be very glad, so far as I am concerned, to cooperate with the Senator, and I am sure that the Senator from Colorado [Mr. ADAMS], who is in charge of the bill, will also be glad to do so in the effort to reach an effective solution of the problem which the Senator presents.

Mr. McCARRAN. What is the subject matter of the amendment proposed by the learned Senator from New Mexico?

Mr. HATCH. The amendment, Mr. President, which I desire to present——

Mr. McCARRAN. I desire to have it understood that I am not yielding the floor, Mr. President.

Mr. HATCH. Mr. President, the amendment which I desire to present is to section 7, on page 10, beginning in line 7, to strike out the proviso. Has the Senator a copy of the bill before him?

Mr. McCARRAN. I have not before me a copy of the bill, but I shall obtain one.

Mr. HATCH. Mr. President, I understand the Senator from Nevada consents that his amendment may be laid aside temporarily so that I may offer the amendment to which I have referred.

Mr. McCARRAN. I do so with the understanding that I shall not by yielding temporarily lose the floor. I am not especially familiar with the rules of the Senate, and I do not desire to yield if by so doing I lose the floor. Otherwise, I shall gladly yield to the Senator from New Mexico.

The PRESIDING OFFICER. By unanimous consent the Senator from Nevada may retain the floor.

Mr. DILL. The Senator from Nevada can again obtain the floor by offering his amendment. There will be no trouble about that.

The PRESIDING OFFICER. With that understanding, the Chair recognizes the Senator from New Mexico.

The Chair understands the amendment of the Senator from Nevada is temporarily laid aside.

Mr. McCARRAN. Very well.

Mr. HATCH. Mr. President, in line 7, I move to strike out the colon after the word "provided", and to insert a period and then to strike out the remainder of the section.

Mr. ADAMS. Will the Senator from New Mexico again indicate the location of his amendment.

Mr. HATCH. My amendment comes in on page 10, line 7. The Senator from Colorado is familiar with the proposal. By way of brief explanation of the amendment I will say that it was offered to the committee by the Senator from Montana [Mr. ERICKSON], but the committee rejected the amendment. Section 7, Mr. President, provides generally that lands which are chiefly valuable for agriculture may be so classified by the Secretary and may be thrown open to entry and settlement under the homestead laws. Those are the general provisions of that section, and under these provisions it is stated that lands which are chiefly valuable for agriculture may yet be subject to homestead entry. The section of the bill which provides that lands in a grazing district on the public domain shall automatically be withdrawn from settlement will not apply, but the Secretary of the Interior will have the right and the authority to classify the lands chiefly valuable for agriculture and permit their entry and settlement as such.

The proviso which my amendment seeks to strike out reads as follows:

> *Provided further*, That no lands containing water holes, springs, or water supplies developed or improved by the holder of any grazing permit or his predecessor in interest shall be subject to classification, settlement, entry, or patent under the provisions of this section.

That proviso, in my opinion, Mr. President, entirely nullifies all the preceding language of the section. It does effectually withdraw all the public domain from homestead entry, for, with that proviso in the bill, lands where there are waters of any kind, whether streams, springs, or what not, which have even been improved by the holder of the permit may never become subject to entry and settlement under the homestead laws.

I do not object to all possible protection being given to the public domain and to the grazing districts and to the cattlemen and sheepmen; in fact, I strongly favor those industries; but, nevertheless, there are in my State some sections

which may be chiefly valuable for agricultural purposes and which should be open to settlement and homestead entry. Under this proviso, however, they can never be classified as valuable for agricultural purposes and therefore may never be open to settlement. Under the terms of this section generally the Secretary of the Interior has full power to protect the cattle and sheep industries and the grazing rights, because if the lands are not chiefly valuable for agricultural purposes he does not have to classify them as such. I am willing that that power shall remain in the Secretary under the bill as drawn, but I want the Secretary to have the power, Mr. President, when lands are chiefly valuable for agriculture to classify them as such, so that they may be homesteaded and patented as the public domain has been throughout the years.

As I have stated, the committee rejected the amendment. I shall not press the amendment further. I felt that the Senate should know what the provisions of this section were and that, with the proviso in the bill as it is now drawn, no lands can be ever homesteaded in the West, for if there is no water, a homestead entry will be of no avail and to no purpose.

TUGWELL-ROOSEVELT "COLLECTIVISM" VERSUS THE CONSTITUTION

Mr. SCHALL. Mr. President, have we come to the parting of the ways? Shall we abide by the Constitution and the principles which have brought us world leadership, or shall we embrace that scheme of Federal control, midway between socialism and communism, which the doctors call "collectivism"?

Mark Sullivan, in the New York Herald Tribune of June 6 sees in the confirmation of the appointee, Professor Tugwell, the "collectivist" and "new dealer no. 1", to a high Government office, as a "milestone" in the possible trend of America from historic principles. Said he:

> There can be no doubt that approval of Professor Tugwell by one of America's two great political parties will be a historic departure.

"Professor Tugwell's philosophy", says Sullivan, "is 'collectivism'." What "collectivism" means we may gather from the five-page sample of Tugwell's thesis published in the RECORD of June 8. It appears to mean a Federal "consultative body" endowed with power to regiment national industry, commerce, and consumption. For the existing order, Tugwell sees this picture:

> There may be a long and lingering death, but it must be regarded as inevitable.

He would set up in Washington a "consultative body" and a "planning body." This sounds not unlike Moscow. Tugwell would also reduce this national system to a "plan", possibly something on the pattern of the "5-year plan" of Soviet Russia, of which he speaks approvingly.

Nor would he lose much time about it. Says Tugwell:

> It seems altogether likely that we shall set up, and soon, such a consultative body.

In a footnote concerning the nature of the "consultative body", Tugwell quotes an authority:

> Mr. L. L. Lorwin distinguishes four possible types of these bodies, which he calls: (1) The absolute socialist type, (2) the partial State-socialist type, (3) the voluntary-business type, and (4) the social-progressive type.

Apparently, the A.A.A. and the N.R.A. are the temporary forms of what Tugwell aims to solidify into his permanent "plan" which relegates our present American civilization to a "long and lingering death."

The transition from the A.A.A. and N.R.A. to Tugwell's permanent plan seems to be indicated in the following sentence:

> The setting up of even an emasculated and ineffective central coordinating body in Washington will form a focus about which recognition may gradually gather.

Tugwell's phrase, "emasculated and ineffective", is prophetic as applied to the A.A.A. and N.R.A. administrations. Doubtless he aspires to the high office of Undersecretary so that he may hold together what General "Crackdown" Johnson seems bent on rending asunder.

The job before Tugwell, he admits, is no playboy's job, "for", says he, "we have a century and more of development to undo."

Evidently, therefore, Dr. Rexford Guy Tugwell is going to undo everything America has done as far back as President Andrew Jackson if not as far as Washington and Jefferson. He and General Johnson will take the place in American history once held by Jefferson and General Washington—at least in the hearts of the Senate majority who are about to crown the professor with an olive wreath, unless, of course, the patriotic, courageous Senators from South Carolina and Virginia substitute something else.

The method by which Dr. Tugwell would bring about the "long and lingering death" of the present order and substitute his "collectivist" social order is highly enlightening. He says:

> The first series of changes will have to do with statutes, with constitutions, and with government.

It is now understandable why Dr. Tugwell is known as "New Dealer No. 1." Here we seem to have the prophetic forecast of what has happened to us during the past year—the 57 alphabetical varieties of new bureaus and administrations, the suspension of the Constitution in order to pass two dozen acts transferring the powers of Congress to the White House, the suspension of the antitrust laws and civil service act, the creation of thousands of high-salaried offices outside of civil service and without approval of the Senate, and, finally, the demand of the President that his "emergency" powers be made permanent. All this is coming to pass in accord with the epistle of Tugwell.

The next step in the evolution of the Tugwellian Democracy that is to take the place of Jeffersonian Democracy is pictured by Tugwell thus:

> It will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement.

The recent demand for an increased standing Army, the possible mobilization of the C.C.C. camps, the expansion of the Navy and air fleet, the seven new Federal criminal acts, and the assumption of dictatorial powers appear to dovetail with the gospel according to Tugwell. The prophet deserves his crown.

Tugwell's "enlarged and nationalized police power for enforcement" of his national planning aims to reduce, it is evident, the 48 States, the 3,000 counties, and the 130,000,000 population into obedient Federalist control—something after the plan of the districts and provinces under the central executive committee of the Union of Soviet Socialist Republics.

The people of the States are to be made to forget State sovereignty and accept the Federal dictatorship.

Undoubtedly he correctly says:

> There is no denying that the contemporary situation in the United States has explosive possibilities.

Even the suggestion of Tugwell has produced frequent outbreaks in this Senate Chamber, including the "blow up" of the patient country-loving Chairman of the Senate Committee on Agriculture, the Senator from South Carolina [Mr. SMITH].

Professor Tugwell is not oblivious of such outbreaks. Indeed, he seems to welcome them, for he says:

> Perhaps our statesmen will give way or be more or less gently removed from office; perhaps our constitutions and statutes will be revised * * *.

The vote which we take here within the next 48 hours may determine what "statesmen will give way" to Dr. Tugwell and his foreign doctrines and what statesmen prefer to defy the Tugwellian group to "more or less gently" remove them from the Senate Chamber and overthrow the Constitution.

Among the statesmen particularly concerned are, not only the 96 Senators of the 48 States and the 435 Members of the House, but the governors and attorney generals of the 48 States, together with the sheriffs and county boards of the 3,000 counties. It may indeed require "an enlarged and

nationalized police power for enforcement" of the Tugwell regime. The proposed expansion of the standing Army, even with the aid of the enlarged air force, may not be enough. The million in the C.C.C. forest reserves may not be enough, even if the boys were disposed to fight their own kith and kin to serve a "collectivist" new deal from Wall Street.

It is doubtful if the $10,000,000,000 of one or another kind of doles distributed during the past 15 months will buy enough fighting men to Russianize or Romanize the United States. The largesses distributed to banks, railways, utilities, and the high salaries of 57 kinds of Federal bureaus and administrations may vastly increase the number of generals and colonels, but may not stimulate the right kind of fighting men.

Brigadier General Johnson was not known to the country when he put over the draft in 1917. The country knows him now. In the steel strike now threatening, neither the workers nor the employers seem to be willing to have anything to do with Johnson. Nor does "Crackdown" Johnson appeal to the 10,000,000 farmers, nor to the townspeople, the small business shops, nor to the 130,000,000 consumers.

Nor is that all of the difficulty of an appeal to force. The women of the 40,000,000 homes will not rise to support "an enlarged and nationalized police power" that may mean civil war—a war of the centralized "collectivists" upon the commonwealths and homesteads.

What about the veterans of the World War and the sons of the veterans of other wars? Has there been anything in the attitude of this administration, anything in the attiture of the followers of the new deal to evoke patriotic support? Will the strong-arm tactics exhibited by the majority whip in this Chamber on measures for veteran relief inspire the veteran 4,000,000 to support a Federal police power and national force act?

Take the so-called "Economy Act" with its 25 percent cut in the relief pension of war-disabled veterans. Take the messages of the White House with relation to veteran relief. Take the President's speeches to veteran gatherings. Take the vote of the House and Senate in overriding the veto of the veteran act. Take the attitude of the veterans, their families and friends, in 48 States of this Union. These memories are too fresh in the minds of the country to warrant any possibility of a present or near-future veteran support for an imperialistic regime with an "enlarged and nationalized police power." Even starvation would not inspire the popular accord of a Nazist or Fascist movement. American youth cannot be brought to fight soon for any "collectivist" cult against the old homes and firesides.

This Tugwell idea of an "enlarged and nationalized police power" serves simply to produce one conviction, and that is, that he is unfit to hold a responsible public office, either as Under Secretary of the Department of Agriculture, or in any other position where he may foment domestic strife, poison the American mind with Old World false doctrine, and undermine the Constitution and the cause of American liberty.

Moreover, I see no good reason why there should be any such office as Under Secretary of the Department of Agriculture. The rider creating that superfluous office specially for him by will of the President, during a time when the Treasury is bankrupt with a deficit of four billions, appears, from the discussion in this Chamber, to have been sneaked through without the knowledge of the Senate Agricultural and Forestry Committee, which had charge of the bill. It seems that only one member of a large committee knew of the rider and its passage. That office was created by misunderstanding of the Senators handling it, and without the knowledge of the Senators most concerned—without debate and by subterfuge. That office is a fraud on the farmers of the United States, unasked for by agriculture, unasked for by any State in the Union or by any of the 300 farm organizations—a snake in the grass, a shame on Senate legislation, a treasonable rattlesnake that should be scotched by the Senate before it poisons the body politic.

The Senate committees having to do with this uncalled-for sinecure should take the necessary measures to rescind the vote creating the office or repeal that section of the bill.

That may be the best way of meeting this "collectivist" cult and delaying national recovery by the prospect of a fight on the Constitution and American institutions. That seems to be the speediest method of killing this proposal to lay "rough, unholy hands on sacred precedents", as threatened by Tugwell, and also put a quietus on his threat of "an enlarged and nationalized police power", which readily may precipitate the so-called "revolution", prospects of which his group seems to welcome.

We do not want Tugwell's "rationale", nor its "internationale." We are Americans and hold to that document which begins, "We the people of the United States." We do not wish any importations from an Old World which our fathers fled to set up a free government of their own. We are not going back to any raw deal, any slick deal, any old deal called "new deal", or Tugwell's "rationale." Let us abolish both the office and its emissary.

Let those who cast their lots with Tugwell and thereby make an "historic departure" from all we call American take the consequences of their action. Are you for the Constitution or the Tugwell "rationale"? Are you for the States or for the Tugwell-Moley "collectivism" and a "nationalized police power" to uphold a Russianized or Romanized dictatorship? Are your colors the Blue Eagle or the old Stars and Stripes? Are you for the N.R.A. or for the old U.S.A.?

Tugwell cites as his authorities for his "collectivist" cult about 40 authorities—substantially all foreign, such as Karl Marx, Hinrichs, Slichter, and the Soviets.

The "Gosplan" of which he speaks with such approval is that of the "State planning commission" of the Russian Soviets, the U.S.S.R.

Does the United States Senate propose to elevate Rexford Guy Tugwell to a post whereby he can impose the Russian "Gosplan" on the farmers of the United States?

Will Durant, in the Saturday Evening Post of June 9, reviews a recent German work by Spengler, who defines Communism as an "authoritative bureaucracy." How does that differ from the Tugwell plan, with its "central group" in Washington, and its "enlarged and nationalized police power for enforcement"?

Durant finally arrives at the following sound and rational view:

> We have listened to these alien mentors long enough; we have heard patiently the Fascists and the Communists, the Hitlers and the Stalins, the Spenglers and the Shaws; we perceive that they are all one—the dead fruit of a dying continent. Now let us renew ourselves at our own sources, drink again of Washington and Jefferson, of Franklin and Irving, of Lincoln and Whitman, of Emerson and Mark Twain. Our maturity cannot lie in the perfecting of another culture; it must grow from the development of our own, from the fulfillment of our own possibilities in our own way. There is only one thing that America needs today—though she needs it vitally—and that is to be completely herself.

Mr. President, the first step of the Senate in the direction of being completely itself is to recover the functions of the Senate that we have been weak enough to surrender to the White House. The next step is to put an end to the "emergency" powers of a dictatorship and thereby end the alleged "emergency." The obvious and ready-at-hand measure in that direction is to rescind the vote and repeal the rider which threatens the country with new mischief, and thereby scotch the Tugwell snake in its hole.

Thomas Jefferson looked upon free speech and a free press as so vital to the existence of a republic that he included them in article I of our American Bill of Rights.

Rexford Guy Tugwell recognizes free speech and a free press as evident sources of danger to his "national planning" control enforced by "an enlarged and nationalized police power." He has a phrase in his thesis which reads "unlikely to be allowed freedom of speech." Also, there is to be no venture of private enterprise, and no exemption from "compulsory social control." This implies no freedom of the press. The press is to come under "compulsory control" as under Nazist rule, Mussolini, and the Soviet.

Among the institutions to which Tugwell delegates a "long and lingering death" he doubtless looks upon article I of the American Bill of Rights as one of the first to take the

beheading block after a long strangling process by the N.R.A. press code, the Rayburn communications-control bill, and a general press and telegraphic censorship.

Secretary Wallace, to whom Tugwell is to be Under Secretary unless the Senate prevents, says "America must choose." This means that the Senate must choose. Shall we choose free speech and a free press under the American Bill of Rights, or shall we take the controlled press of a Hitler, Mussolini, Stalin, or Tugwell?

The Senate is about to make its choice. If we want American institutions to endure, we shall meet the issue now by voting out this new post of "collectivism" and its beneficiary and uphold the Constitution to which we have given our oaths of allegiance.

THE ALIBI OF TUGWELL

Mr. President, the alibi of Rexford Guy Tugwell, who seeks promotion to a $10,000 salary as Under Secretary of the Secretary of Agriculture, appears divisible, when cross-examined on what he meant by his thesis on "national planning", into the following parts:

First. In general, he did not mean what he said.

Second. In part, he meant the opposite of what he said.

Third. In part, he meant what he said, but the percentage thereof is small, and the particulars are hard to locate.

Fourth. That part of his suggestions which have been incorporated into the program of the new deal he meant all the time, but he is reticent in pointing them out.

Fifth. He is certain that he believes in anything, every "bold experiment" the administration pulls off. He believes in anything that will add $2,500 to his salary, plus the opportunity to try out his so-called "sociological" cult on the farmers.

It is obvious that no Senator, after reading Tugwell in his published statements and listening to him on the witness stand, will be able to arrive at any verdict as to the meaning or purpose of Tugwell and the value of his so-called "sociology" to the American farmer. No court would tolerate such a witness on the stand. No jury, in the face of such contradictory testimony, could agree on a verdict.

It is equally obvious that no such Under Secretary of Agriculture could be of any concrete, practical usefulness to the 10,000,000 dirt farmers of the United States. They need somebody who always means what he says, and always says something plain, simple, and direct about a concrete subject of which he has definite knowledge born of trained experience. Agriculture demands and already has experiment stations dealing in actual crops, livestock, and markets. It wants no "bold experiments" in "collectivism" by a self-styled philosopher who functions like a three-card monte sharp or a man who jumps upon a box with three shells and a pea and entertains the public with his cry: "Now you see it and now you don't. Who is the next gent?"

Anyone connected with the Department of Agriculture should be able to speak the American language and say what he means and mean what he says; and what he says should be useful—that is to say, a concrete, definite aid to the farmer, a plain way of helping farm production and marketing, lifting the mortgage and paying the taxes.

Tugwell's approach to farming indicates that he has got only as far as the Old World Machiavellian diplomat Talleyrand, who gave the world the following discoveries in sociology:

First. "Language is invented to conceal thought."

Second. "Society is divided into two classes, the shearers and the shorn. Be sure to stand with the former, and avoid the latter."

Beyond the teachings of Talleyrand, Tugwell does not appear, from what he has written and what he says on the witness stand, to have made any material progress. He is of no use to the farmer, and of no use to the country, except in the way of dangerous consequences, which he himself admits may be fraught with explosive possibilities.

ALIBI NO. 1—GENERAL DENIAL

The first alibi of Professor Tugwell is a general denial that he meant what he said in his national planning thesis published in the CONGRESSIONAL RECORD of June 8, last.

He now says that he does not favor the plan of the "central group in Washington" regimenting the industries, consumption, and prices of the country, as described in his 5,000-word exegesis before the American Economic Association, on the subject "The Principle of Planning and the Institution of Laissez Faire."

He did not mean it when he said:

> The interest of the liberals among us in the institutions of the new Russia of the Soviets, spreading gradually among puzzled business men, has created wide, popular interest in planning as a possible refuge from persistent insecurity * * *

He did not mean it, he says, when in the opening sentence of his paper before the American Economic Association, he starts out:

> There can be no secure peace in the world so long as its peoples are divided among absolute sovereignties.

He did not mean it, we are now led to presume, when he told the Association:

> We have, at once, illuminating public examples of successful planning, and a hidden development, on a vast scale, of techniques which ought to be brought into the open. But we have enough evidence to make it clear that no technical difficulty bars the way to national planning.

He asks us not to believe the evidence of our eyes when we read his defense of the Russian plan, as follows:

> Most of us ought not to have been quite so free in our predictions that the institutions of Soviet Russia would break down from a lack of motive.

He did not mean it when he wrote the following condemnation of the American business system:

> It ought rather to be a source of wonder that a society could operate at all when profits are allowed to be earned and disposed of as we do it.

Mr. President and gentlemen of the Senate, how can we place any confidence in a witness who in the same breath defends the Russian and condemns the American economic system, and does it in a calm and deliberate paper before a convention of economists, and now, when he is a candidate for increase of salary, turns about-face with a flat denial of his disinterested previous utterances? From Tugwell the candidate we must appeal to Tugwell the college professor. From Tugwell the job seeker we appeal to Tugwell the searcher for economic truth. From Tugwell the politician we appeal to Tugwell the teacher.

Did he tell the truth regarding his socialistic beliefs when he addressed the American Economic Association, or did he tell the truth when called before the Senate Committee on Agriculture and Forestry? Was he making false and evasive statements to the American Economic Association, or was he making false and evasive statements when cross-examined by Senators, and when he had a salary promotion at stake? That is the question for us to determine as the jury.

He told the association that "the liberals among us" are moved by the "institutions of the new Russia of the Soviets" to a "wide popular interest in planning."

He noted "illuminating public examples of successful planning."

He is convinced that "we have enough evidence to make it clear that no technical difficulty bars the way to national planning."

"Most of us", he told the association, "ought not to have been quite so free in our predictions that the institutions of Soviet Russia would break down."

What now, gentlemen of the Senate, are we to believe? Was he trying to fool the economists, or is he trying to fool us?

ALIBI NO. 2—HE MEANT THE OPPOSITE

He now tells us that he is not a radical; that he is a conservative. There is no "brain trust", he says, and therefore, I presume, no "bold experiments" concocted by them and sold to the President.

He is for the Constitution of the United States, and, I presume, for the constitutions of the 48 sovereign States. These constitutions reserve to the respective States the power over their own intrastate commerce, and the Constitution of the United States gives the Federal Government





authority over only interstate and foreign commerce. So, naturally, he believes in all that. He swears to support and uphold the Constitution, because otherwise he could not hold a Federal job. So when he talked about a "national planning", which would override State bounds, he meant the opposite of that.

When he laid before the American Economic Association, in as attractive a form as may be, the "illuminating public examples of successful planning" abroad, he was not a radical; he was a conservative. He believed in the American Constitution and in the Union of the "indestructible States."

Yet, note the views of his contemporaries and associates in the sociological and journalistic field. Note their respective reactions.

Says Ernest K. Lindley, sympathetic author of The Roosevelt Revolution:

Rexford G. Tugwell is the philosopher, the sociologist, and the prophet of the Roosevelt revolution, as well as one of the boldest practitioners; he has provided the movement with much of its rationale.

What does Lindley mean by "the movement"?

Listen to Mark Sullivan:

Professor Tugwell's philosophy is "collectivism."

Then Sullivan cites authorities, friends of Tugwell.

Is "collectivism" a conservative or a radical cult? Is it a development of the provisions of the United States Constitution, or is it subversive of the Constitution and of all the immunities thereof from compulsory social control?

Listen to Walter Lippmann, a supporter of Roosevelt:

Then there is a group, among whom Professor Tugwell is the most conspicuous, who may, I suppose, fairly be called "collectivist."

Mr. President, is it reasonably conceivable that Tugwell has been able to hoodwink his own friends and associates? Has he been fooling them into the belief that he is a radical, when, as he tells us, he has been all the time a conservative?

Listen to the work on The New Dealers:

When you reach Tugwell, you reach very close to the heart of the new deal.

Listen to Frank Kent, of the Democratic Baltimore Sun:

Dr. Tugwell is the irremovable part of the new deal.

Listen again to Mark Sullivan:

There can be no doubt that approval of Professor Tugwell by one of America's two great political parties will be a historic departure.

In other words, Tugwell's general denial, and his specific denials, in the light of his associates in the field of political writing, are absolutely worthless. They are an insult to any intelligent jury. He insults the United States Senate in order to gain a high office from which he can preach "collectivism" as a substitute for American institutions and the Constitution.

ALIBIS NOS. 3, 4, 5—TUGWELL'S ADMISSIONS

His first alibi of a general denial is ruined by his admissions. He admitted to the Senator from Virginia [Mr. BYRD], that he, Tugwell, still believes, as he held in his published thesis, that the ideal will be reached when "industry is government and government is industry." In that respect, he is an admitted socialist.

He ruins his general alibi when he admits his belief in the new-deal nostrums, though the latter as yet are only temporary expedients of an alleged "emergency." The courts permit them to stand, in violation of the Constitution, purely on the stated ground in the provisions of the respective acts that Congress has proclaimed an "emergency." Without such proclamation of "emergency", it is doubtful if the majority of these "bold experiments" would be countenanced in any court. When Tugwell states his belief in them per se, he admits himself a radical, and as holding doctrines repugnant to the Constitution.

These admissions demonstrate that the temporary regimentation of industry under the N.R.A. and the Blue Eagle, that the "national planning" of the A.A.A. in plowing under crops and slaughtering hogs and cows, and the one and sundry "bold experiments" of the 57 alphabetical varieties, are the entering wedges of Tugwell's "collectivism."

They check with his statement of the coming "movement", now called "new deal", when he told the American Economic Association:

The setting up of even an emasculated and ineffective central coordinating body in Washington will form a nucleus about which recognition may gradually gather.

That is precisely what has been developed during the past year pursuant to the outline of the so-called "revolution's prophet."

It is assumed by the wise men of the French police system, as by the police of Scotland Yard, that a well-laid alibi is the best evidence of guilt. It is the first clue. An innocent man prepares no alibi. A man equipped with an elaborate alibi has need of an alibi. He has a history to conceal. He must defend himself against the convictions produced by direct evidence. The lawyers of the Senate will have no difficulty in reading between the lines of the Tugwell alibi. Any layman can understand that Tugwell has a trail that requires many alibis, and Tugwell has them in plenty.

If he did not realize the consequences of what he was preaching, why did he tell the American Economic Association—

There is no denying that the contemporary situation in the United States has explosive possibilities.

Why did he continue with his picture by saying—

Perhaps our statesmen will give way or be more or less gently removed from duty; perhaps our constitutions and statutes will be revised.

What intelligent interpretation can be placed on his closing words to the American Economic Association—

Yet the new kind of order we have in prospect cannot function in our present economy. The contemporary situation is one in which all choices are hard; yet one of them has to be made.

What does he mean when he says "we have in prospect"? What does he mean when he says the hard choice "has to be made"?

What, finally, did he mean when he asserted—

There may be a long and lingering death, but it must be regarded as inevitable.

That is no idle statement from an economic teacher. It cannot be passed by as a "technical" or "scientific" remark. It is the threat of a fanatic against existing institutions—the prophet of a "new deal."

Mr. President, I ask that the clerk read the following resolution, and I ask Senators to note the names on the letterhead.

AMERICAN COALITION OF PATRIOTIC,
CIVIC AND FRATERNAL SOCIETIES,
Washington, D.C.

Whereas Dr. Rexford Guy Tugwell, who has been nominated for Under Secretary of Agriculture, is known to be a pronounced advocate of principles of government which are subversive and inimical to our system of constitutional government: Now, therefore, be it

Resolved, by the American Coalition, representing 94 patriotic, civic, and fraternal organizations throughout the United States, that we protest against his confirmation which would amount to an authorization by the Senate of continuance of this radical course and a ratification of his many utterances aimed at the destruction of our most cherished institutions.

THE EXECUTIVE COMMITTEE,
JOHN B. TREVOR, *President*.

JUNE 9, 1934.

Mr. President, before I close these remarks regarding the constitutional strength and secureness of the United States, I wish to mention that only today was I informed of the plan to commemorate the services of James Madison in the Madison Centennary on June 28 of this year. I understand that the chairman of the Madison memorial day is to be our courageous and distinguished colleague, the Senator from Virginia, HARRY FLOOD BYRD. I have learned that under his chairmanship, information regarding the Madison memorial day has been sent to all parts of the United States, and that each of the 48 States will be represented among those doing honor to the memory of the great Father of our Constitution, James Madison.

Among those approving of this affirmative response to services well performed for the country in great stress in the past history of the United States is a message from a distinguished son of Minnesota, Frank B. Kellogg, who says

that he believes the services of James Madison will not be forgotten in all the generations to come, not only for his distinguished services in establishing constitutional government, but also in leaving a record of the proceedings of that historic convention.

Mr. Kellogg went on to say that in times of national depression and great political upheaval the guarantees of the Constitution for a stable government and individual liberty and opportunity are of inestimable value. Then he stated:

It is under the guise of necessity in times of popular excitement that the Nation runs the greatest risks of lessening these constitutional guaranties.

This was foreseen by Madison and his contemporaries and guarded against by the greatest care and foresight in the Constitution itself.

Mr. President, I ask leave to print the following Tugwell questionnaire.

There being no objection, the questionnaire was ordered to be printed in the RECORD, as follows:

QUESTIONS AT HEARING OF DR. REXFORD GUY TUGWELL

By THOMAS D. SCHALL, United States Senator from Minnesota

CHAIRMAN OF SENATE COMMITTEE ON AGRICULTURE AND FORESTRY. In your hearing on the qualifications of Professor Tugwell for the office of Under Secretary of Agriculture, may I ask the courtesy of your committee to put to Mr. Tugwell the following questions and make them part of the record.

1. What is your experience or contact with agriculture?

2. As teacher and writer in economics and government you have been classed as a "collectivist"? Is that classification correct?

3. How does collectivism differ from socialism or communism? Can you cite examples? How does collectivism differ from the programs of Italy or Russia?

4. Please define the collectivist idea as you would apply it to the United States Government? Also, as applied to American agriculture?

5. In your thesis published in the CONGRESSIONAL RECORD of June 8, you advocate a national planning system, and appear to favor the plan of Soviet Russia. How does your national planning differ from that of Russia as applied to agriculture?

6. You are quoted as saying that your central group of experts charged with the duty of planning the country's economic life will be ineffective unless endowed with power. Is it your idea that a central group in Washington can govern the agriculture of the 48 States under the present Constitution?

7. You are quoted as saying that it seems altogether likely that we shall set up, and soon, such a consultative body. You then picture the existing order after the new social order becomes effective, in these words:

"There will be a long and lingering death, but it must be regarded as inevitable."

What is your interpretation of that statement, as applied, respectively, to the States, to the Constitution, to American agriculture, and to American liberty?

8. As Under Secretary of Agriculture would you deem it your opportunity and your public duty to put such national planning into effect and secure legislation, or Executive orders, with power so to do?

9. You are quoted as saying: "The first series of changes will have to do with statutes, with constitutions, and with government." Does this imply reconstruction of the "Union of indestructible States" and the substitution of a centralized control from Washington as from Moscow? Will the States be resolved into Federal cantons?

10. You are further quoted as saying: "and it will require the laying of rough, unholy hands on many a sacred precedent, doubtless calling on an enlarged and nationalized police power for enforcement." Is it your idea to employ force to override State and county bounds in order to put into effect your ideas of national planning?

11. Does this imply the expansion of the Army and air forces, the employment of the C.C.C. encampments, and the organization of a national police to control the 48 States and 3,000 counties—after some such policing plan as that enforced by the central executive committee of the U.S.S.R.?

12. Do you look upon your function as Under Secretary of Agriculture as akin to that of the commissar for agriculture in the U.S.S.R.? Does the status of the agricultural peasantry of Russia appeal to you as the ideal national planning for the farmers of the United States?

13. As Under Secretary of Agriculture would it be your plan to direct the acreage of each crop planted, the size of the flocks and herds, the methods of crop raising and stock breeding, the marketing and price making; in short, treat the agriculture of 48 States as a Federal institution, instead of 10,000,000 farms run by as many free and independent farmers?

14. What becomes of the status of the respective 48 sovereign States, in the light of your statements, as follows:

(a) "* * * consequently the States are wholly ineffective instruments for control"?

(b) "* * * planning will necessarily become a function of the Federal Government"?

Is your enlarged and nationalized police power for enforcement depended upon to reduce the States to a proper obedience?

15. Had you in mind the future status of the States when you announced, "There may be a long and lingering death, but it must be regarded as inevitable"?

16. You object to free competition as involving conflict. Do you foresee no conflict in your plan to use an enlarged and nationalized police power for enforcement upon the 130,000,000 people of 48 States and 3,000 counties?

17. What do you mean when you say: "There is no denying that the contemporary situation in the United States has explosive possibilities"?

18. Had you in mind the Congress of the United States and the Governors of the States when you said:

"Perhaps our statesmen will give way or be more or less gently removed from duty; perhaps our constitutions and statutes will be revised * * *."?

19. Do you take exception to the classification credited to Walter Lippman and Mark Sullivan, that "Professor Tugwell's philosophy is collectivism"?

20. Do you take exception to the characterization given you by Ernest K. Lindley, sympathetic author of "The Roosevelt Revolution", when he says: "Rexford G. Tugwell is the philosopher, the sociologist, and the prophet of the Roosevelt revolution, as well as one of its boldest practitioners; he has provided the movement with much of its rationale"?

21. Can you conscientiously take official oath that you will support and uphold the Constitution of the United States, with its guaranties of peace, justice, liberty, and the rights of the sovereign States?

22. Would not your national planning enforced by a nationalized police power better qualify you for Under Secretary of the Commissar of Agriculture in the U.S.S.R. than in the United States as organized under the present Constitution?

23. Does your national planning include a controlled press? Is the press to be subjected to your "miracle of discipline" as you term it?

24. Among the phrases in your published thesis are these: (1) no "freedom of venture"; (2) no "exemption from compulsory social control"; (3) "unlikely to be allowed freedom of speech." Among the institutions that are to suffer a long and lingering death do you include article I of the American Bill of Rights, guaranteeing freedom of speech and a free press?

25. Is it your idea that in producing the miracle of discipline you will have to follow the examples of Hitler, Mussolini, and Stalin in press and telegraphic and radio censorship, as a supplement to the enlarged and nationalized police power?

26. Do you recognize the recent press code, the communications control bill, and the control of banks that finance the publisher and meet his pay rolls—do you recognize these measures as in line with the plan of a controlled press?

27. When you say constitutions may have to be revised—referring doubtless to the Constitution of the United States and the State constitutions—would you eliminate the guarantee of a free press?

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that the President had approved and signed the following acts:

On June 9, 1934:

S. 3380. An act providing for the appointment of Richmond Pearson Hobson, formerly a captain in the United States Navy, as a rear admiral in the Navy, and his retirement in that grade.

On June 11, 1934:

S. 85. An act for the relief of Paul J. Sisk;

S. 176. An act for the relief of Harry Harsin;

S. 256. An act for the relief of Milburn Knapp;

S. 512. An act for the relief of Peter Pierre;

S. 620. An act for the relief of Catherine Wright;

S. 1077. An act for the relief of Lueco R. Gooch;

S. 1430. An act for the relief of M. Thomas Petroy;

S. 1460. An act for the relief of Edgar Stivers;

S. 1516. An act for the relief of Michael Bello;

S. 1772. An act for the relief of the Western Montana Clinic, Missoula, Mont.;

S. 2023. An act for the relief of Claudia L. Polski;

S. 2377. An act for the relief of A. E. Shelley;

S. 2636. An act for the relief of James Slevin;

S. 2790. An act for the relief of the Charlestown Sand & Stone Co., of Elkton, Md.;

S. 2889. An act for the relief of certain Indians of the Fort Peck Reservation, Mont.;

S. 2973. An act for the relief of First Lt. Walter T. Wilsey;

S. 2980. An act to modify the effect of certain Chippewa Indian treaties on areas in Minnesota; and

S. 3540. An act to amend section 32 of the Emergency Farm Mortgage Act of 1933.

On June 12, 1934:

S. 1780. An act to provide for the discontinuance of the use as dwellings of buildings situated in alleys in the District of Columbia, and for the replatting and development of squares containing inhabited alleys in the interest of public health, comfort, morals, safety, and welfare, and for other purposes; and

S. 3170. An act to revise air-mail laws and to establish a commission to make a report to the Congress recommending an aviation policy.

REGULATION OF PUBLIC GRAZING LANDS

The Senate resumed the consideration of the bill (H.R. 6462) to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes.

Mr. ADAMS. Mr. President, the amendment of the Senator from New Mexico [Mr. HATCH] really raises a rather fundamental question involved in the bill. He states that the wording of the bill as it stands would nullify the homestead law. The amendment which he proposes, I am afraid, would nullify the grazing bill which we are seeking to pass.

Grazing areas are absolutely without value unless there is drinking water for the cattle and sheep which graze upon the areas. A vast grazing district may be laid out with two or three small sources of water, springs or water holes, adequate for stock, but inadequate for irrigation purposes, sources which have been found inadequate as demonstrated by the fact that homesteaders have not located them.

The bill as it stands provides that the Secretary of the Interior shall not permit the location of homesteads taking in these water holes or springs upon which the grazing area depends, but imposes a still further limitation, that such water holes and springs, in order to be excepted from the homestead provisions, must have been developed or improved by the holder of the grazing permit. In other words, if a man with a grazing permit goes upon the land covered within the district and develops a source of drinking water for his cattle, this measure as it now stands provides that some homesteader, or someone under the guise of a homesteader, may not come in and locate about this water hole a homestead, thereby, in substance, drying up the whole grazing area.

It seems to me absolutely essential, if we are to maintain grazing districts, that the water upon which the grazing districts depend must be protected against those who would go in, locate a little water hole, and thereby exclude those who have grazing permits.

I would emphasize the fact that the only water holes which are excepted from homesteads are those which have been developed or improved by the man who holds the permit, and the amendment would permit someone to come in who had not developed, who had not improved, and take advantage of the situation, and, in substance, exclude the permittee.

Mr. HATCH. Mr. President, the Senator from Colorado is exactly correct when he speaks of the value of water in the Western States so far as the cattle and the sheep are concerned. I think I am exactly correct when I speak of the value of water to human beings who may try to homestead land in that arid region.

It is not, as the Senator from Colorado has said, for the purpose of nullification of the bill that the amendment is proposed. The section of the bill to which the amendment is directed would give the Secretary of the Interior authority and power to classify and open to public settlement such lands as may be chiefly valuable for agricultural purposes.

This land is not thrown open automatically to settlement. On the contrary, the bill would withdraw all the land from entry and settlement, and would only permit homestead entry in those cases and on those lands where the Secretary had opened the land to settlement.

If the Senator from Colorado can imagine a case where the Secretary of the Interior would open to public settlement a small area of 40 or 60 acres because it had one little water hole on it, if that is the sort of administration the bill is to receive, then the measure should be defeated now.

But, Mr. President, the bill will not be administered in that fashion; and this is simply an effort to give to section 7 some purport and meaning. I dislike the type of legislation which holds out to anyone the hope that he may go out into the West and take up some land and build a home. That is what the first part of section 7 does. It says that lands chiefly valuable for agriculture may be thrown open to settlement, and leads me and the people of my State to believe that we may yet encourage settlement of those lands, and that they may some day pass into private ownership. I know, however, and every other western Senator knows, that if the language dealing with all land upon which there is water, which has been developed, which has been improved by the permittee, shall remain in the bill there will be no settlement and no homestead entry of such land.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. HATCH. I yield.

Mr. O'MAHONEY. The Senator is aware, of course, that this bill applies to less than one-half of the remaining public domain.

Mr. HATCH. I am aware of that.

Mr. O'MAHONEY. So that homesteading may continue without any obstacle in more than one-half of the remaining public domain, regardless of this bill.

Mr. HATCH. It makes no difference how much is left. If lands which are chiefly valuable for agricultural purposes are not to be permitted to be homesteaded, then this section has no meaning, and that is the effect of the proviso in the bill.

Mr. O'MAHONEY. Mr. President, will the Senator further yield?

Mr. HATCH. I yield.

Mr. O'MAHONEY. Does the Senator construe the bill to provide that there may be no more homesteading unless the Secretary classifies the land?

Mr. HATCH. I am speaking now as to the lands embraced in the bill. Of course I do not refer to the lands which are not covered by the terms of the bill, to which the Senator from Wyoming refers. I am speaking now as to the lands covered in the bill.

Mr. President, I submit that the amendment should be adopted and that there will be no injurious result to anyone, for if the land is not chiefly valuable for agriculture the Secretary will not open it to settlement. If it is chiefly valuable for agriculture it should be open to settlement. As to the other language in the bill, if this amendment shall be defeated I will offer another immediately afterward.

Mr. ERICKSON. Mr. President, I am in full accord with the amendment under discussion. If section 7 shall remain as it now is in the bill, it simply will not mean anything.

The first part of the section provides that the right of homestead may be continued, giving the Secretary of the Interior the right to classify these lands. Then it provides that no land with any water on it shall be included in this classification and be open to homestead.

It is true, as has been said here, that either these public lands must be dedicated entirely to the stock interests, and the homesteads eliminated, or else this section cannot stand.

It seems to me the time has not yet come when we should say to the homeseeker, the man with the family, the man without a home, that he no longer has any right to the public domain for a home. We should not forget that the public lands in this great country in the early days were dedicated to the homeseeker and the homebuilder, and upon the public lands millions of prosperous homes have been located. Now we are asked to say in this day, when there are millions of homeless, that if there remain any portions

of the public land which are suitable for homesteads, the right to make homes there shall be denied.

It seems to me, Mr. President, that either this amendment should be adopted, or else the entire section should be stricken from the bill. Let us not pretend that by this bill we are holding forth to the homeless the right to homestead, because we are not doing it. When one is denied a piece of land because there is a spring on it, or a little stream, or a water hole, he is simply denied a privilege that was intended to go with this great public domain of ours. If it is the purpose to sound the final death knell to the homestead, if we are to have no more homes located on the public domain, very well; let this section remain as it is, without amendment.

I admit that perhaps there is not very much of the public domain now left which is suitable for homes. Yet I know there are some portions of it, there are some places where a homesteader might dam up a coulee, develop his spring, have a garden, have milch cows, and have irrigation plants, if he were permitted to do so.

I think the amendment ought to be adopted.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from New Mexico [Mr. HATCH].

The amendment was agreed to.

Mr. McCARRAN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 6, line 19, immediately after the period, it is proposed to insert a semicolon and the following:

Except that no renewal of any such permit shall be denied, if such denial will impair the value of the livestock unit of the permittee, if such unit is pledged as security for any bona fide loan.

Mr. McCARRAN. Mr. President, I ask for the adoption of the amendment.

The PRESIDING OFFICER. This is an amendment to an amendment of the committee, heretofore agreed to. Without objection, the vote by which the committee amendment was agreed to will be reconsidered. The question is on the amendment offered by the Senator from Navada to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

Mr. McCARRAN. Mr. President, I send to the desk another amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert, at the proper place, the following:

SEC. 16. Nothing in this act shall be construed as restricting the respective States from enforcing any and all statutes enacted for police regulation, nor shall the police power of the respective States be, by this bill, impaired or restricted, and all laws heretofore enacted by the respective States or any thereof, or that may hereafter be enacted as regards public health or public welfare, shall at all times be in full force and effect.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nevada [Mr. McCARRAN].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still open to amendment.

If there be no further amendment to be proposed the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill was passed.

RAILROAD EMPLOYEES' RETIREMENT SYSTEM

Mr. DILL. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes.

The PRESIDING OFFICER (Mr. LONERGAN in the chair). The question is on agreeing to the motion of the Senator from Washington.

The motion was agreed to; and the Senate proceeded to the consideration of the bill (S. 3231) to provide a retirement system for railroad employees, to provide unemployment relief, and for other purposes, which had been reported from the Committee on Interstate Commerce with an amendment.

Mr. DILL. Mr. President, the bill as now before the Senate is in the form of an amendment to the bill originally introduced by the Senator from West Virginia [Mr. HATFIELD] and the Senator from New York [Mr. WAGNER], being an amendment reported by the Committee on Interstate Commerce to strike out all after the enacting clause and insert.

It is the result of some 2 or 3 years of effort and negotiation on the part of those who have been interested in a pension system for railway employees. As Senators may remember, at the last session there were two bills introduced providing for a pension system for railway employees. One bill was sponsored by the executives of the railroad organization and the other by a band of independent employees. Hearings were held by the Senate Committee on Interstate Commerce through a subcommittee, but no agreement could be reached. At this session another subcommittee was appointed, hearings were held, negotiations were conducted for some weeks between the two disagreeing factions, and finally the bill was agreed upon as now reported by the Committee on Interstate Commerce in its amended form.

I shall not attempt to describe the bill in any detail, as the Senator from West Virginia [Mr. HATFIELD] and the Senator from New York [Mr. WAGNER] are better informed than I am with reference to it.

Mr. HATFIELD. Mr. President, as the able Senator from Washington [Mr. DILL] has just stated, the bill now before the Senate is the outcome of consideration and negotiations relating to a bill which has been before the Committee on Interstate Commerce for the past 2 years. Extensive hearings were held. Two bills were before the committee. Finally the Senator from New York [Mr. WAGNER] and I collaborated on the two bills, taking what was good from both, and reporting a new bill. The bill was introduced in the Senate and referred to the Committee on Interstate Commerce, where another subcommittee was appointed for further consideration of the proposed legislation. The bill before us at the present moment represents the efforts of at least two subcommittees, to say nothing of the labors of individual Senators.

Mr. President, this bill, while specifically designed to provide a retirement fund for railroad workers, is one of the few legislative measures which will make possible the employment of the many thousands of railroad workers furloughed or laid off during the depression. In fact, Mr. President, I am advised that the enactment of this measure will provide work opportunities for more than 100,000 unemployed railroad workers within a reasonable period of time. The bill proposes a single unified railroad retirement system for all railroad employees which can immediately be put into practical operation.

Mr. President, it is absolutely essential that I have the attention of Senators, for the reason that the subject which I propose to discuss is a technical one, one largely understood only by actuaries—men who have given their entire lives to the subject matter.

The steps taken are:

First. The President is to appoint a board of three members to administer the act. For this purpose the President will obtain, in such manner as he may choose, the recommendation of the employees and the carriers.

Second. The board is authorized to require that the carriers make advances against future payments as necessary to put the act into operation.

Third. Beginning the first day of the second month after the bill becomes a law, designated in the bill the effective date, the employees and the carriers begin making contributions, which are deducted from the employees' wages and paid quarterly or as the board may otherwise direct into the Treasury of the United States.

I may say that no expense is to be incurred by the Government of the United States. The entire fund is made up by the railway employees and by the railway companies. On the basis of present total wages of $1,500,000,000 in round figures, the amount to be paid in during the first 6 months by employees will be $15,000,000, and by the railroads $30,000,000, or a total of $45,000,000. This will be on hand before any pension payments are to be made.

Fourth. Pension payments are to be made monthly and are to begin at the end of 6 months from the effective date. The report submitted with the bill estimates for the first year of operation total pension payments paid in excess of $50,000,000. This would require a total monthly payment of $4,167,000 to meet which there will be available the accumulated $45,000,000, with a continuing income of $7,500,000 per month. There will accordingly be ample funds available for the current payment of pensions.

Fifth. The actuaries' estimates show that the 2 percent paid by employees on the wages, with twice that amount paid by the carriers currently, will more than provide for all pension payments and expenses during the first 4-year experience period, and undoubtedly will be more than sufficient for a much longer time. These figures are based on a 2-percent payment by employees on their compensation. The bill contemplates the accumulation of an excess fund for contingencies, but the board may in its discretion adjust the payments by the employees and carriers to the amounts required.

Sixth. The first 4 years of operation is intended to accumulate experience and data upon which the Congress can make such modifications in the system as in the light of experience may be found necessary or desirable.

COST IN TOTAL PENSION PAYMENTS

While the board is authorized to require one-third from the employees and two-thirds from the carriers, such combined payments as are necessary to provide the current pension payments, it is certain that during the earlier years the 2 percent of the employees' wages used as a basis, with the corresponding carrier contribution, will more than provide for all pension payments and leave a substantial margin.

The total cost in pension payments during the first full year of operation is estimated at possibly $50,000,000 or not to exceed $60,000,000.

These estimates are based on the testimony of Mr. Eddy, chairman pension committee, Standard Railroad Labor Executives, that the total first-year retirements will not exceed 50,000 employees, which, on the basis of an average pension of $83.33 a month, or $1,000 a year, will require a total of $50,000,000.

Mr. President, I am satisfied that is absolutely correct. I recall that some 20 years ago, when the Legislature of the State of West Virginia undertook to enact a compensation law it was found there were no industrial statistics upon which to base a rate, and it was necessary for the legislature to go elsewhere to secure statistics. They took the German method of regulation for the establishment of an adequate compensation system for the State of West Virginia. That was in the year 1913.

The purpose of the bill for the first 4 years would be an experimental one, so that data may be developed, and statistics and records prepared which will result in the board being able, at the conclusion of that time, to report to the Congress or to its appropriate committee what will be necessary in the way of amendments to secure a continuation of the principle, which I believe is a most humane one.

RETIREMENTS WILL BE FAR BELOW MAXIMUM

The testimony of Dr. Charles E. Brooke, actuary for the Railroad Employees National Pension Association, shows that out of the approximately 1,250,000 employees in 1932 there would be 75,000 who could retire at the age of 65 and over in 1934. However, the retirement is optional to the extent that the employee under an agreement with the carrier made from year to year may continue in the service but not beyond the age of 70 years.

In other words, 65 years is the age for retirement, but by a joint agreement between the employer and the employee an additional 5 years may be agreed upon. As the number in the group who are 70 years of age and over is only about 25,000, it is obvious that a large part of the 75,000 would not be required to retire immediately, and probably would not do so.

There is in the bill a provision permitting the retirement of those who are under the age of 65 years after 30 years of service. This would increase the maximum possible immediate retirements by about 40,000, to about 115,000. The probability that these additional 40,000 employees would retire immediately is very remote, and is greatly diminished by the fact that the pension is reduced by 4 percent of the wage for each year the employee is less than 65 years of age at the time of retirement.

To illustrate, an employee who would be entitled to receive a pension of 60 percent after 30 years of service at the age of 65 years would receive only a pension of 40 percent on retiring at the age of 60, or only a pension of 20 percent on retiring at the age of 55 years.

It is obvious that there will be few retirements at these younger ages on such small pensions, especially as the employee can obtain a materially increased pension by continuing a few years more in the service.

PENSION COSTS REASONABLE

From the foregoing it is fair to assume that the number of retirements during the first year of operation may be about 50,000, and will not exceed 60,000. In other words, about half as many will be retired during the first full year of operation as could possibly be retired if all elected to do so who are at or above age 60.

It is therefore obvious from all the figures submitted at the hearings that even if the number actually retiring immediately greatly exceeds one-half of those who could do so as estimated at the hearings, the actual requirements for pension payments during the first year will be less than $50,000,000, and during the earlier years, extending well beyond the 4-year preliminary-experience period, will be well within the payment of $60,000,000 annually to be provided by the carriers and $30,000,000 annually to be provided by the employees on the 2-percent basis.

Mr. President, I think the railway employees of this land have been very considerate, very enthusiastic in their attitude in going along with the employer to make up this fund, and I think they are entitled to a great deal of commendation for this attitude.

The figures for the possible maximum pension payments, in case all who can do so retire immediately, have been given by the actuaries at the hearings. It should be kept in mind that because the actual retirements have been estimated at about one-half of the possible maximum, the actual pension payments will be reduced somewhat proportionately from the maximum figures given by the actuaries.

DR. BROOKS' MAXIMUM FIGURES

The figures furnished by Dr. Brooks show in detail a total possible maximum of $87,500,000 pension payments during the first full year of making pension payments. This assumes that all the 115,000 employees entitled to do so who are 60 years of age or over would retire immediately.

Dr. Brooks' figures further show total possible maximum pension payments of $61,000,000 for the first year, assuming that the 75,000 employees who are 65 years of age and over retire immediately, and that there are no retirements below age 65.

In either case there will be a gradual increase in the figures from year to year arising from current retirements in excess of the deaths, and amounting to approximately $7,000,000 per year in the earlier years. This would bring the possible maximum pension payments the fourth year to $117,500,000 in the first case, assuming that all entitled to

do so immediately retire at age 60 and over, and to $91,000,000 in the second case, assuming immediate retirements by all entitled to do so at age 65 and over, and no retirements below that age.

As these maximum pension payments can in no event be reached, and the probabilities are that during the earlier years the number of retirements will be in the neighborhood of one-half the possible maximum, it is probable that the total pension requirements during the first 4 or 5 years of operation will range between one-half and two-thirds of the amounts above mentioned.

It is necessary to allow a wide range, because of the absolute impossibility of determining in advance the extent to which employees, who have an option with regard to retiring or continuing in the service, will take advantage of the opportunity to enter upon a pension before the retirement becomes compulsory.

Mr. WHITE. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Maine?

Mr. HATFIELD. I do.

Mr. WHITE. Has the Senator any figures which would throw light on the cost of this system above the amounts which the railroads are now paying in retirement pensions?

Mr. HATFIELD. The evidence given before the committee at the hearings on the bill was that the railways throughout the country combined were contributing to a voluntary pension fund, developed by the railway companies themselves, something around $34,000,000 a year.

Under this bill there will be paid into the new system $60,000,000 a year by the carriers.

This bill will relieve the railroads of great burdens from future pensions, which would have to be granted in continuing their present systems. The current payments of pensions under these present systems will rapidly decline, and the $60,000,000 payment will therefore absorb a large part of what may remain of the annual payments under present systems.

ACTUARY BREIBY'S MAXIMUM FIGURES

Actuary Breiby, testifying for the railroad carriers, stated that over a period of 27 years, from 1934 to 1961, on the basis of estimated total operating revenues of $160,000,000,000, out of which $77,000,000,000 would be paid in employee compensation, the total pension cost would be $5,800,000,000. As the bill provides that one-third is to be paid by the employees, the remaining two-thirds, or $3,900,000,000, to be paid by the railroad carriers will be less than 2½ percent of the operating revenues for the 27 years.

Mr. FESS. Mr. President——

The PRESIDING OFFICER (Mr. LONERGAN in the chair). Does the Senator from West Virginia yield to the Senator from Ohio?

Mr. HATFIELD. I yield.

Mr. FESS. Does the Senator recall what proportion of the railroads are now using the pension system?

Mr. HATFIELD. I do not recall exactly, but it is a very large percentage, but I understand that railways employing 90 percent of the employees now have such pension systems.

Mr. FESS. What proportion of all the railroad transportation would be classified as class 1?

Mr. HATFIELD. More than 90 percent.

Mr. FESS. I do not recall the figures, but does the Senator recollect the basis of the cost of the present system? Under the proposed system, would a larger percentage be paid by the railroads?

Mr. HATFIELD. It is, of course, obvious that their percentage will be less as the employees are to pay one-third the cost under this bill.

Mr. HEBERT. Mr. President, will the Senator yield to me?

Mr. HATFIELD. I am glad to yield to the Senator from Rhode Island.

Mr. HEBERT. I notice from the report accompanying the bill that it is stated that there is some form of retirement pension plan covering 90 percent of the entire mileage.

Mr. HATFIELD. That is as I recall it.

Mr. President, in response to the suggestion of the Senator from Oregon [Mr. MCNARY], I should be very glad, if it is agreeable, to finish my statement in the morning, leaving the bill the unfinished business, with the understanding that I may be recognized when the Senate convenes. It will take me but a short time to complete the statement.

Mr. DILL. Mr. President, I think the Senator should finish his statement. He is in the midst of it. I hope he will conclude this evening.

Mr. HATFIELD. I am agreeable to proceeding now.

The PRESIDING OFFICER. The clerk informs the Chair that the calendar will be in order when the Senate shall convene tomorrow.

Mr. CLARK. Mr. President, there is no opposition to the pending bill, and I think it should be disposed of tonight.

Mr. DILL. Let the Senator from West Virginia conclude his address.

Mr. HATFIELD. I am perfectly agreeable to finishing this evening.

Mr. MCNARY. Mr. President, I suggest that we conclude the session at this time. It is nearly half past 5; Senators are tired, and would like to go home, and we can proceed with the bill tomorrow. There are many on this side and on the other side who should be here when the matter is being so thoroughly discussed.

Mr. HATFIELD. I have only a little more to say.

Mr. COUZENS. I hope there is no understanding that the bill is to be laid aside tomorrow morning.

Mr. MCNARY. There is none, except that it is to be laid aside from 11 to 1, so that we may consider the calendar. That has been agreed to.

Mr. COUZENS. This is a very important measure, and time is getting short. I should like to see the consideration of the bill concluded tonight, rather than have it delayed tomorrow by being laid aside while we take 2 hours on the calendar.

Mr. MCNARY. It would be impossible to finish it tonight.

Mr. DILL. My thought was that the Senator from West Virginia might finish his speech, and that we could then lay the bill aside.

Mr. HATFIELD. It is not a speech; it is an explanatory statement.

Mr. DILL. I think it ought to be finished.

Mr. ROBINSON of Arkansas. Mr. President, I think I ought to explain that there is no limitation in the agreement that was entered into, in the time for the consideration of unobjected bills on the calendar tomorrow. The object of the agreement that was entered into was, and my request was, to provide for completing the call of the calendar of unobjected bills. This is probably the last opportunity that will be afforded during the present session. I do not anticipate, however, that it will require more than 2 or 3 hours at most. But I think the Senator from West Virginia should be permitted to conclude his speech this afternoon. I do not think it will be possible to dispose of the bill tonight.

Mr. MCNARY. I am perfectly willing that we should proceed, with the understanding that the Senate will take a recess at the conclusion of the remarks of the Senator from West Virginia.

Mr. WAGNER. Mr. President, may I make an inquiry of the Senator from Oregon?

Mr. MCNARY. Certainly.

Mr. WAGNER. Does the Senator know of any addresses to be delivered in opposition to the proposed legislation?

Mr. MCNARY. I am not aware of any, but I do know that some Senators have amendments they desire to offer to the bill.

Mr. ROBINSON of Arkansas. I wish to state that I am sure that it is not practicable to complete the consideration of the bill this afternoon. I myself am anxious to facilitate its passage as much as possible, but I understand the circumstances to which the Senator from Oregon refers impliedly, and I think that when the Senator from West Virginia shall conclude his remarks, we should hold a brief executive session, and then take a recess.

Mr. WAGNER. Mr. President, may I ask the Senator from Arkansas whether it would be possible tonight to reach an agreement as to the time tomorrow when we may vote upon the bill?

Mr. ROBINSON of Arkansas. I do not believe that is either necessary or practicable.

Mr. WAGNER. The Senator believes we can finish the consideration of the bill tomorrow?

Mr. ROBINSON of Arkansas. I think it will require only some 2 or 3 hours to complete the consideration of the bill, from what I know, and that we may remain in session tomorrow until it shall be disposed of. There is, however, an Executive nomination on the calendar, reported today by the Committee on Agriculture and Forestry, which I expect to ask the Senate to proceed with some time tomorrow.

Mr. WAGNER. I thank the Senator very much.

Mr. HATFIELD. Mr. President, it should be noted that the estimates of possible pension payments made by Actuary Breiby in testifying for the carriers assumed, among other differences, retirements down to age 55 and a materially higher basic wage, and are in excess of the estimates made by Actuaries Charles E. Brooks and Henry R. Corbett in testifying for the employee organizations.

It is recognized by all that the larger requirements for pension payments would not arise during the earlier years, and that many years must elapse before there will be need for payment of 2½ percent by the employees on their compensation. As heretofore indicated, it is clear that payments on the basis of 2 percent by the employees on their compensation will be more than sufficient for many years to come even if there shall be no increase in total compensation paid to employees.

Even on the basis of such higher basic wage, the cost figures during the first 4 or 5 years of operation are well within the payments into the fund which would be made on the basis of 2 percent of the employees' wage.

The 2-percent-basis payment on minimum aggregate wages of $1,500,000,000 would provide a payment into the fund by the employees of $30,000,000, and $60,000,000 by the carriers, or a total of $90,000,000 a year.

The total wage payments are now materially less than one-half of what these payments were in different years prior to 1929. As the total wage payments again increase, the percentages required to provide for the pensions will be proportionately decreased. There will be no proportionate increase in pension payments, in that for years to come the pension payments will arise almost wholly out of service before the taking effect of the act.

PROPORTIONATE PENSION COST SMALL

There surely can be little question as to the ability of the carriers to stand an immediate expense of $40,000,000 or even $60,000,000, with the employees ready to pay half as much more to provide for the retirement of aged employees on a satisfactory permanent plan.

At the most, except as to the possible increased number of immediate retirements, the proposed pension cost is little or no more than the carriers already have in prospect under their existing plans, if these are to be continued in operation. In other words, the cost of the voluntary pension plans as these are now carried on by the railroad companies will greatly increase as the years go by.

Mr. HEBERT. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. HEBERT. I have not examined the bill carefully, though I propose to do so. Is there a provision to increase the rate of contribution both by the railroads and by the employees?

Mr. HATFIELD. The rates of contribution are subject to adjustment from time to time by the board.

Mr. HEBERT. The reason why I made that inquiry is this: The entire contribution now is based upon a wage of $1,500,000,000 a year, and the contribution provided in the bill, as I understand, will yield $60,000,000 a year.

Mr. HATFIELD. I may say to the Senator that that is what it will yield on the side of the carriers, and an additional $30,000,000 from the employees.

Mr. HEBERT. Yes; which I understand is estimated to be sufficient to take care of these pensions. Suppose the wage is reduced to $1,000,000,000, the pension fund will be reduced by one-third. Will that be sufficient to take care of the pension payments?

Mr. HATFIELD. The fund will always be sufficient under the authority of the Board to adjust the contributions from time to time; however, Congress is in session every year, and what the Senator suggests will be a contingency with which Congress may deal, in case such a condition should develop, just as a State legislature would deal with a problem of that nature, in case of a deficiency in the operation of the compensation law.

Mr. DILL. Mr. President, will the Senator yield to me for the purpose of making a suggestion?

Mr. HATFIELD. I yield.

Mr. DILL. There are two things which might occur. For one thing, the Board would have the power to vary the rate.

Mr. HEBERT. That is the question I asked; whether the Board would have that power.

Mr. DILL. Yes; the Board would have that power. The idea is that as the rate of wages decreases the rate of new pensions will decrease.

Mr. HEBERT. It is not so much a question of decrease in the rate of wage as it is a decrease in the total payment of wages.

Mr. DILL. But the Board has the power to vary the rate, anyway.

Mr. HEBERT. That is the question I have in mind.

Mr. COSTIGAN. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. COSTIGAN. Is it fair to assume that the general approval of this measure expressed here this afternoon is fortified by actuarial standards and tests, as well as by the careful scrutiny and approval of the Hon. Joseph B. Eastman, Coordinator of Transportation?

Mr. HATFIELD. The rates and the costs, I will say to the Senator, have been approved by outstanding actuarial authorities such as Dr. Brooks, who formerly was connected with Northwestern University at Evanston, Ill., and the University of California at Berkeley, and also with the War Risk Insurance and the Carnegie Teachers Insurance and Annuity Association and has for years been engaged in pension work. Mr. Corbett, an actuary who represented the 21 brotherhoods, whose place of business is located in the city of Chicago also approved the estimates, Mr. Breiby, actuary for the railroads, whose business location is in the city of New York, thought possibly it would cost more. I discussed the conclusions of Mr. Breiby just a few moments ago, and I am quite sure the Senator remembers my statement of Mr. Breiby's position.

I do not think, Mr. President, there is any question but what this is a sound, stable basis upon which to predicate this fund, and in my judgment it will carry, and carry well. Instead of the fund falling off, it will increase as business increases, and as we come back to normal.

Their pension and relief payments—that is, the railroad companies—already amount to $34,000,000 a year. Even if the new pension payments for the first year and some years to follow might in large part be in addition to payments under present plans, a total carrier payment of $50,000,000 or even $60,000,000 amounts to less than 2 percent upon the present very low operating revenue of between $3,000,000,000 and $3,500,000,000.

As is shown by the testimony, the aggregate reports of the carriers for the early months of the present year show a material improvement in the operating revenues and in the margin between the operating revenues and operating expenses. It should also be noted that in these difficult times the carriers were able to charge off for depreciation in equipment alone in 1932, $190,000,000, against which a proposed carrier pension cost, in 1935, of $60,000,000 for human depreciation is a very modest sum.

The bill recognizes the necessity and desirability of taking over and combining existing systems now in operation, and authority is given to the Board to make arrangements for this purpose and to relieve any carrier from its obligations and to assume such obligations under such conditions as may be agreed upon.

It is, however, provided that the burdens to be assumed by the system shall not be in excess of those otherwise assumed in compliance with the provisions of the proposed act.

A further option is given to the Board to provide that all former employees of all carriers who, prior to the effective date, have become separated from the Service at the age of 70 years or over may be given the benefits of the act.

Until such arrangements or decisions are made by the Board, the existing pension systems of the railroads will not be affected as to pensions already being paid. However, it may be assumed that as all employees in or connected with the service on the taking effect of the act will come under the act, pensions will not thereafter be paid under existing railway pension systems to such employees as come under the act.

The amended bill, as reported by the committee, differs from the original Senate bill 3231 in the following respects:

Section 1: (a) In defining the term "carrier", the words "or the Interstate Commerce Act" are omitted, to make it clear that this does not include carriers other than those subject to the Railway Labor Act.

(b) The definition of the term "employee" is simplified by omitting the reference to a specific date. The inclusion of representatives of employee organizations has been revised to conform to the new section 7 of the amendment. In the same connection, the reference to an "employee organization" has been omitted in the other definitions and other parts of the amendment, and a new definition under (k), "Voluntary Contribution", is included, having reference only to representatives of employee organizations.

(f) The term "service period" is defined more specifically in the amendment.

(g) In the definition of the term "retirement" there have been added the words "with the right to receive an annuity."

Section 2: This section is in part section 9, and is now introduced by a statement of the purpose of the act. The preliminary experience period in the old section 9 is changed from 10 years to require the making within 4 years of a special report on changes to insure the adequacy and permanency of the system.

Section 3: This is former section 2, with a change in the definition of the "monthly compensation" to be the average of the monthly compensation except for service before the effective date, when it is to be the average of the monthly compensation for any 12 consecutive months selected by the employee. There is a further change which retains 60 percent of the compensation as the maximum pension, but permits an increase of the maximum to not exceeding 75 percent after 30 years from the taking effect of the act.

There is also added to the new section 3 a provision for the payment of a death benefit equal to the net accumulation from the employee payments less any annuity payments.

Section 4: Section 4 of the old bill, providing for disability benefits, is omitted.

Section 4 of the amendment is the same as section 3 of the original bill, except that the reference to an "executive position" is changed to an "official position" in the exception from the compulsory retirement provision.

Section 5 of the amendment omits the provision in the former section 5 for additional percentage payments and the accumulations to the individual employee, and the application of such accumulations to provide annuities and death benefits. The new section 5 provides for an employee contribution of a percentage of his compensation which, until otherwise fixed by the Board, is to be 2 percent. The carrier contribution is made twice the employee contribution. In determining the contribution percentage, the Board is required to provide for annuities, other disbursements, and expenses, with a reasonable margin for contingencies.

Section 6 is the same as the original section 6, with an additional provision giving the Board, at its option, in lieu of the other provisions of the section, the right to extend the provisions of the act to all former employees of carriers 70 years of age or over.

Section 7 of the amendment is new and provides that an employee representative of an employee organization may, at his option, continue or become a beneficiary, subject to specified conditions, by paying the combined contributions of an employee and a carrier.

Section 8 is the former section 7 rewritten to provide specifically for a separate "railroad retirement fund" in the United States Treasury.

Section 9 is the same as section 8 except that the first part has been rewritten, changing the number of members of the board from 3 to 5, and the initial terms to 2, 3, and 4 years, with regular terms of 5 years.

Section 10, relating to court jurisdiction, is unchanged.

Section 11 is changed by striking out the words "credit" and "disability."

Section 12, penalizing the carrier for delay in payment, is the same as former section 12.

Section 13, providing general penalties, is the same as former section 13, inserting the words "willfully" and "knowingly."

Section 14 is the same as former section 14.

In further reply to the able Senator from Colorado [Mr. COSTIGAN] respecting the Administrator of Railroads, Mr. Eastman, I will say that Mr. Eastman appeared before our committee and made some suggestions in the way of amendments. He also stated to the committee, Mr. President, that he was not ready at this time to recommend that the Congress pass this measure, but I understand that Mr. Eastman is arriving at some definite conclusion with the railway employees who are interested in this legislation as to the kind of legislation which he would approve, and he has suggested some amendments which have been incorporated in this bill. I understand that there has been a joint meeting between the representatives of Mr. Eastman's office and the representatives of the railway employees and that they have come to some agreement as a result of which it is hoped that Mr. Eastman will favor this legislation.

Mr. DAVIS. Mr. President, will the Senator yield?

Mr. HATFIELD. I yield.

Mr. DAVIS. I wish to say that all the railroad brotherhoods and railroad organizations and workers are for the pending bill.

Mr. HATFIELD. One hundred percent, Mr. President. They are enthusiastically for it. I take it that the Senator from Pennsylvania has received telegrams and has had visits to his office which compel him to arrive at the conclusion at which I have arrived, that the railroad employees throughout this country are very strongly for this legislation.

In conclusion, Mr. President, I desire to state some convictions which I have of my own, based upon 25 years of public life.

The dissatisfaction of employees so often found in the industry of our country, in my judgment, is due to their anxiety about the future. They are painfully aware of the fact that their wages do not permit them to save for the inevitable rainy day which eventually comes with old age. They are told that profit sharing is inequitable for the reason that they do not share losses, and that other methods are just as impractical. So my conviction, after considerable study of the problem, is that the best way to secure the peace and contentment of the workingman is by means of a mutual pension system such as is provided for in the Hatfield-Wagner bill, S. 3231, which will provide for those who have given the best part of their lives to the service of the railroad industry.

I have long entertained the conviction that the railways of this country should pay pensions to their worn-out

employees, just as industry in 44 of the States and the District of Columbia is required to pay compensation for disabilities arising in industries. The problem can be met by accumulating a fund, based on sound actuarial principles, to pay pensions to those who, in the sunset of their life, are no longer able to render the efficient service they so willingly gave to the industry in their earlier years.

Under our taxing- and rate-regulating laws the railways are permitted to take into consideration a depreciation of the physical structure of their industry, not only for the purposes of taxation, but also in the matter of rate making. Why should we not give the same consideration to depreciation of the investment of the railways and of the workers in the human equation.

This same idea, if developed for every basic industry in America, would go a long way in stabilizing our economic well-being, and it would serve to bring about a harmonious union between labor and capital. It would establish an amicable understanding that would eliminate misery, distress, and discontentment. The sad experiences of the past, such as disastrous labor disputes, would seldom occur for the reason that the toiler would feel that employers were showing an interest in the workers' welfare which has not been shown in most cases in past years.

His interest, therefore, would be like the investment of the individuals who furnished the capital that makes possible the founding, operation, and development of the industry.

Workingmen are the essential part of every industry and greater care and consideration should be shown to them than is given to the machinery and other physical equipment. The life, strength, and skill of the worker should not be used with the thought that later when he becomes a broken old man he will be cast away like a rotten tie or some other essential physical part of the industry that has disintegrated by constant wear, year after year.

These principles should all be based on reasonableness. They must be based upon equity and justice, and the impossible must not be demanded.

Much has been accomplished through the passing years in the interest of the workingman. His hours of labor have been shortened. There was a time when 14 and even 16 hours was demanded of him as an average workday. Then a reduction to 10 hours a day was decreed by many industries, and later the 8-hour day was established in most of the large industries throughout the land. At the present time some plants have shortened the work day to 6 hours.

The average wage earned by laboring men in 1860 was approximately $285 a year. The average wage in 1932 was approximately $1,000 a year.

My sympathy has always been with the toilers, as I fully understand it is they who developed and it is they who must support whatever civilization and progress we are to enjoy in the future.

Mr. President, I think there is no question that the enactment of this legislation will bring to the million railway employees of the land greater satisfaction than any act which has been considered by the Congress up to this time or that may be considered by any succeeding Congress, unless it be upon a subject which will provide for the employees of all industry of the land setting aside a certain amount of their daily, weekly, monthly, or annual earnings, together with a contribution from the industries which employ them, which will finally result in the accumulation of a nest egg to which they can look for protection, for housing, for clothing, and for food, when that time comes that they can no longer earn a living by the sweat of their brow.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Minnesota?

Mr. HATFIELD. I yield.

Mr. SHIPSTEAD. Can men who are not now working get the benefits of the system; I refer to men who had been in the railroad service for 15 or 20 years, but cannot now get any work and have had no work for 2 or 3 years?

Mr. HATFIELD. They can get the benefits if they have some continuing employment relationship with the railroads. That is as far as we can go. They will also get the benefits of their former service if reinstated. Better than that, the retirement of some 50,000 of men who are 65 years of age or more, or who have worked for a longer period than 30 years, will create vacancies for the reemployment of many of those men, and they will be recalled to the positions which they occupied previous to the time the depression came on, or before their connection was severed because of the increased efficiency of machinery which has been adopted by industry.

Mr. SHIPSTEAD. Is retirement compulsory after 30 years?

Mr. HATFIELD. No; retirement is compulsory after age 65, but the period of employment may be extended for 5 years to age 70 by mutual agreement between the employer and the employee. Retirement on a reduced pension is optional with the employee after 30 years of service.

MONOCACY BATTLEFIELD NATIONAL MILITARY PARK

Mr. WAGNER. Mr. President, from the Committtee on Public Lands and Surveys, I report back favorably without amendment the bill (H.R. 7982) to establish a national military park at the battlefield of Monocacy, Md., and I submit a report (No. 1403) thereon.

Mr. TYDINGS. Mr. President, the bill which has just been reported by the Senator from New York is a bill for which I desire to ask immediate consideration. We are very anxious that the ceremony in connection with the dedication of the military park may occur in connection with and as a part of the Maryland tercentenary exercises. Therefore, I ask unanimous consent for the immediate consideration of the bill.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I have discussed this matter with the junior Senator from Maryland [Mr. GOLDSBOROUGH]. I think the two Maryland Senators are cooperating in the matter. I have no objection.

Mr. ROBINSON of Arkansas. Mr. President, I hope the bill may be considered and passed.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the bill (H.R. 7982) to establish a national military park in the battlefield of Monocacy, Md., was considered, ordered to a third reading, read the third time, and passed.

"WHY REPORTERS LIKE ROOSEVELT"—ARTICLE BY RAYMOND CLAPPER

Mr. ROBINSON of Arkansas. Mr. President, I ask that there may lie on the table and be printed in the RECORD an article published in the Review of Reviews and World's Work for June 1934, from the pen of Mr. Raymond Clapper, entitled "Why Reporters Like Roosevelt."

There being no objection, the article was ordered to lie on the table and to be printed in the RECORD, as follows:

[From the Review of Reviews and World's Work of June 1934]

WHY REPORTERS LIKE ROOSEVELT

By Raymond Clapper

Newspaper reporters at Washington are hard and exacting critics, particularly of Presidents. It is not that they are born cynics. Your cub reporter begins his career fairly bursting with ideals. There is a touch of Don Quixote in him. Otherwise he would go to work at something which might, if he were lucky, make him rich. It is only after years of disillusionment that these trusting souls become hardened. In response to the laws of evolution they gradually acquire that fishy eye which gives the newspaper man the reputation of being a suspicious, doubting fellow, who thinks not very highly of his fellow man.

They get that way even around the White House. Have they not time and again heard a President profess ignorance about a matter when they knew he had discussed it at length with several advisers? They have heard a President say he did not know what man he would appoint to a Cabinet post, and have gone out of the Executive office to learn that the nomination already was speeding toward the Senate. They are inclined to judge a President not in the more majestic moments when the scarlet-coated Marine Band is playing "Hail to the Chief", but in his more human role, when he is in his working clothes wrestling with the details of the greatest executive and political job on earth.

So their judgments, as they talk in the pressroom, are of the man and not the office. They are as frank, as coolly detached, as if the subject on the dissecting table were the chief of police,

President Wilson they seldom saw. In general they were inclined to regard him as a great man scarred somewhat with egotism and petulance. He was a rather remote, Olympian figure even to newspaper men. Harding, on the other hand, was known by most newspaper men from his Senate days. He was liked as a good fellow and a well-meaning man, though many correspondents felt that he was not equal to the demands of the office. Coolidge they at first regarded as a joke. Then they found him amusing. Finally they came to regard him as a shrewd politician with plenty of Yankee common sense; not the great wise man that his legend made him, but smart enough to ride his tide and scramble to shore at the right time.

Hoover was regarded as a poor politician. Many newspaper men had predicted he would make an able President because of his career as an administrator. But most of them came to have doubts about almost everything he did. A man could scarcely be wrong as consistently as most Washington newspaper men thought Hoover was. He was a victim of the times, in part, but personal relations between him and the newspaper corps became so strained that he went out of office generally unpopular with them.

So it seemed as though no President would be able to please the critical fourth estate, and certainly a good many did not expect that Mr. Roosevelt would be able to. An accurate reflection of the state of mind among the Washington correspondents who were awaiting the arrival of the new President is recorded in a dispatch to Editor and Publisher from its Washington representative, carried in the issue of March 4, 1933, the very day Mr. Roosevelt took office. This dispatch, after reporting the Roosevelt plans for franker press relations, added: "In fairness to both Mr. Roosevelt and the press, however, it must be recorded that the new deal in press relations is hoped for rather than actually expected by the correspondents."

Mr. Roosevelt came on to Washington. The correspondents saw him and were conquered. He won them and he has still a larger proportion of them personally sympathetic than any of his recent predecessors. The percentage of dissenters grows slowly with time. But it is still small, relatively. He has the reporters more with him than their publishers are. It is the reverse of the line-up under Coolidge, when the publishers were generally supporting him and their correspondents at Washington had their tongues in their cheeks. Newspaper men in Washington are increasingly dubious about many of the policies of the Roosevelt administration, but this has reacted almost none at all on his own popularity with them. It is impossible to give accurate statistics, but the situation may be roughly suggested by saying that if the reporters are 60 percent for the new deal they are close to 90 percent for Mr. Roosevelt, personally.

Almost everyone regards him as an exceptionally skillful politician, with a sure instinct for the right note and, equally important, for accurate timing. When a group of Democrats in Congress, with more zeal than judgment, decided to parade to the railroad station with a brass band and welcome him back from his Florida vacation—an unprecedented thing, made somewhat ridiculous by the fact that the groveling legislators had overridden his veterans' veto and otherwise broken out of bounds when he went away—Mr. Roosevelt extricated himself by a little speech in which he good-humoredly showered the delegation with rhetorical razzberries.

Newspapermen are constantly amazed at his knowledge of administrative detail, as revealed in his off-hand answers to their questions at press conferences. Above all, they like his good-humored and smiling spirit, the mark of a man at peace with himself and at ease in his job. Occasionally there is a feeling that he is a little too blithe and casual—as when he annulled the air-mail contracts suddenly without a more thorough check with the Army before turning the task over to the Air Corps. The Chief of Staff, Gen. Douglas MacArthur, first heard that the Army would have to carry the mails when newspaper men raced across the street from the White House with the news. It had been discussed with some of his subordinates a short time before the announcement was made. That action and the much-debated spanking of Colonel Lindbergh are about the only two incidents in which Mr. Roosevelt's political judgment has been seriously questioned among Washington newspapermen—that is, as to technique, not as to the intrinsic merit of the policies involved.

In the judgment of this writer, there are at least five elements in this unusual popularity which President Rosevelt enjoys in the most critical circle at Washington.

First, the personal contacts between Mr. Roosevelt and the press are pleasant. He is on extremely intimate terms with the newspapermen who are regularly assigned full time to the White House. They are family guests at Sunday night suppers. On vacations and when he is traveling they are practically members of the family. He calls them all by their first names, knows their little jokes; and when one of them appears in the morning with a hangover, he is apt to ask for details. They play water polo with him. He has few secrets from them and often will discuss with them the most confidential policies in detail long before any publication is permitted.

Then for the vast group of correspondents who are not regularly assigned at the White House but who attend the semi-weekly press conferences, he also is pleasant. He is patient in answering their questions, never loses his temper, ducks delicate inquiries not by scowling in disapproval but with a wisecrack. Some of the best bon mots which circulate in Washington originate from the highest authority.

The second element in his popularity is that he never sends the reporters away empty-handed. They are always sure of plenty of news from Mr. Roosevelt's press conference. Usually a new President draws a large attendance. Then, as one conference after another produces no news, the reporters come to consider the regular White House interview a waste of time and attendance dwindles to a handful. But in this administration the number seems to grow rather than diminish. So reporters, thinking back upon past Presidents who were grumpy and had no news, are ready to cheer for one who can give them several laughs and a couple of top-head dispatches in a 20-minute visit.

At his first press conference Mr. Roosevelt announced abolition of the written question and said he would rather have the reporters shoot at him orally. Many doubted whether he could keep this up. The written question was adopted after Warren Harding almost upset the Washington Arms Conference by the wrong answer to a newspaper man's question about the Pacific four-power pact. He had to issue a written statement acknowledging his error. It was so humiliating that Mr. Harding decided that all questions thereafter should be submitted in writing, so that he might have time to ponder each query and confer with advisers if necessary to be sure of the correct answer. The same system was continued under Mr. Coolidge and Mr. Hoover. But toward the end of the Hoover administration fewer and fewer of these written questions were answered. Reporters practically quit offering them, and during the last 6 months of that administration the press conferences were held only at rare intervals.

Mr. Roosevelt threw the press conference wide open. No questions are barred. In the average session 20 or 30 questions will be asked—about Japan, war debts, the housing program, silver, tariff, liquor, whether a Cabinet officer is about to resign, literally any subject that pops up in a reporter's fertile mind. Sometimes the President will merely smile and say, "I will consider that question was not asked." More often he will duck by saying, "Let's wait until the next conference on that; maybe I'll be able to talk to you then." Or he will reply, "I don't know a thing about that, Fred; I wonder if you have it confused with something else which I will describe in this way." Answering another question, he will say, "I can give you a good tip on that if you don't say that I said it." Or he will explain a complicated question in great detail as a guide to the reporters. Again he will discuss a situation on the understanding that nothing will be printed at all—his purpose being to give the reporter a glimpse into the Presidential mind so that he will not jump to erroneous conclusions.

But most of the time what President Roosevelt says can be outlined as coming from him, though actual quotation marks are not to be used unless specifically authorized—the purpose here being to assume full responsibility for what is said but not for the exact language uttered offhand.

The system is accepted as fair to the President, to the press, and to the public; and no serious violations of confidence or other complications have resulted. Over more than a year it has been demonstrated that the President can talk to 200 men twice a week as frankly as he chooses, with complete assurance that what he says will be reported accurately and his confidences protected.

This open-door policy has been instituted throughout the Government departments generally. Cabinet officers and emergency executives like General Johnson and Harry Hopkins talk freely and endeavor to keep news writers fully and accurately informed. Performance is not 100 percent. General Johnson has of late been seeing the press only at long intervals. But, on the whole, the White House example is followed throughout the Government, and it is recognized that this is due largely to the President's desire that it should be that way.

In addition there is the elaborate set-up of Government publicity representatives or press contact men. Beginning with Stephen T. Early at the White House and running through practically every department and agency of the Government, these press contact men function to aid reporters. All of them are former newspapermen and most have records as excellent reporters. While they are sometimes inclined to put the best foot forward, they are energetic in assisting newspapermen. They will dig out information and arrange for a reporter to see the top man or any other official. They serve as ready-reference contacts for routine inquiries and in that way are timesavers. Though not above a little propagandizing now and then, for the most part they cultivate good will by rendering service. They have had enough experience in the newspaper business to know that a little propaganda goes a long way and that it is apt to curdle good will among reporters, and in the long run do more damage than good.

All this leaves most newspapermen with a feeling that the administration from President Roosevelt down has little to conceal and is willing to do business with the doors open. This makes the newspaperman's work infinitely easier and more effective; and since he remembers how hard the going was under some previous administrations he likes the new deal much better.

Third in the writer's list of reasons for the personal popularity of the President among newspapermen is their admiration for his political craftsmanship. This is the same sort of respect that accrues to a star in any activity. It is like the admiration for Babe Ruth, for Man o' War, for a skillful surgeon, a great artist, in short, for a man who knows how to do his stuff. After having seen the ball fumbled so often at the White House, reporters found themselves wide-eyed with astonishment at a man who could close

every bank in the country and call it a "holiday", who pocketed the dangerous greenback drive during his first 8 months in office by inducing Congress to give him discretionary power to issue paper money which in his discretion he refused to issue, who was always ready with a new rabbit to pull out of the hat when the audience began to grow restless.

Similarly they note his skill in beating the critics of C.W.A. to the draw by disclosing its failure first and his art of restraint in not overdoing his powerful radio appeals. All of this expertness has added to his reputation among newspapermen as a political craftsman.

Fourth, and much more fundamental, is a belief in his sincerity, his courage, his willingness to experiment. Often skill in politics connotes lack of sincerity. In Roosevelt it is regarded by his indulgent critics as technique, a method of reaching an end. To those who have heard him time after time discuss his objectives, there is little doubt that he is seeking to move—as his campaign speeches indicated—toward a civilization in which the fruits of industry will be more equitably distributed among the people. Much of what he said during his campaign for the Presidency sounded like the usual pre-election hokum, but his actions since inauguration have convinced most newspapermen that he is shooting for the goals to which he pointed.

Though many newspapermen do not agree with those objectives, almost all of them respect the courage which he displays in striving for them. This is especially so because politicians are notoriously timid. A man who is able, without batting an eye, to launch N.R.A., A.A.A., a $3,300,000,000 Public Works program, the Civilian Conservation Corps program, slam the banks shut, go off the gold standard, revalue the dollar, take on every sort of discretionary power instead of trying to shoulder off on Congress a share of the responsibility, was bound to register with a corps of newspapermen who were weary of trimmers, pussyfooters, and people who had not given them a new idea to write about since the World War. Al Smith was the newspaperman's hero in his day because of his courage and his sincerity. Those traits, so rare in politics, are certain to go a long way whenever newspapermen size up a public figure. This does not mean that a man has to be a fanatic or a blind zealot. Newspapermen know enough of practical politics to realize that the man who wants to get his ideas into operation must use political machinery for his purposes. Wilson lost because he neglected this. A large number of instances could be mentioned in which holders of lesser office came to grief in the same way.

Fifth, and last among our reasons, Mr. Roosevelt rode into office on a plea for the "forgotten man", and newspaper reporters are inclined to consider themselves among under-dog men. This ingredient in Mr. Roosevelt's popularity clicks with many Washington reporters just as it does with other toilers. Newspapermen are inclined to have an idealistic streak. In their work they see much sham and injustice. They see many getting away with much at the expense of others. So they are exceptionally susceptible to the appeal of the man who champions the under dog—provided he is sincere. For this reason the man most respected in Congress probably is Senator GEORGE NORRIS. The same was true of the late Senator La Follette.

During the formulation of the newspaper code many reporters were among themselves derisive of the fight which their employers made over the freedom of the press. They regarded it as a red herring thrown across the trail by publishers who wished to escape higher wages and shorter hours for their editorial forces under N.R.A. Scarcely any working newspapermen in Washington seriously thought that the administration was bent on limiting the freedom of the press. They regarded the whole issue as a cloud of dust raised to screen the fight against child-labor restrictions and other N.R.A. regulations. Many reporters thought that General Johnson made a tactical error and played into the hands of the publishers by resisting a freedom-of-the-press declaration, and thereby gave an appearance of color to the very contention of the publishers. They liked better President Roosevelt's method of accepting the freedom-of-the-press section with the remark that it was just like copying a clause of the Constitution into the code, but that if it made anybody feel better to repeat what the Constitution guaranteed, no harm could come from doing it.

As employees the Washington newspapermen have an emotional interest in the new deal, for they have rent to pay, babies to feed, groceries to buy, and they see all around them men of inferior ability making a more comfortable living. They are not so much interested in shorter hours, because most newspapermen work with little regard for the clock. They would like greater reward for the thought, the energy, the loyalty, and the complete absorption which they give to their work.

Furthermore, most of them are college-educated. They have studied and read enough, and heard enough in Senate investigations, to convince them that there are many grave abuses that need to be cleaned out. They believe Mr. Roosevelt is set on cleaning them out. So this portion of the newspaper corps is for him because of subjective reasons.

That, in general, is about the way the boys in the pressroom feel about it, and why.

ADDRESS BY POSTMASTER GENERAL AT DEDICATION OF NEW POST OFFICE DEPARTMENT BUILDING

Mr. O'MAHONEY. Mr. President, I present an address delivered by Hon. James A. Farley, the Postmaster General, upon the occasion of the dedication of the new Post Office Department Building, at Washington, D.C., on Monday, June 11, 1934, which I ask may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. Chairman, Members of Congress, distinguished guests, fellow Government workers, ladies, and gentlemen, we are assembled today to dedicate the new home and headquarters of the United States Post Office Department. It was just 134 years ago today—on June 11, 1800—that the Department first opened its doors in the city of Washington. We are happy to have you join with us in the dedication of this magnificent building, a building worthy of our great Republic.

Those of us in the Post Office Department are particularly honored to have on our dedication program Senator KEY PITTMAN, of Nevada, President pro tempore of the United States Senate; Speaker HENRY T. RAINEY, of Illinois, of the House of Representatives; Senator KENNETH MCKELLAR, Chairman of the Senate Committee on Post Offices and Post Roads; and Congressman JAMES M. MEAD, Chairman of the House Committee on the Post Office and Post Roads.

Upon this occasion I take the opportunity to acknowledge the splendid services which Senator MCKELLAR and Congressman MEAD have rendered the Post Office Department and the Postal Service of the United States.

We are also honored to have on this program Mr. Everett Marshall, the famous baritone, whose presence here has been made possible through the courtesy of Loew's Theaters.

Two noted bishops, Bishop William F. McDowell, of the Methodist Episcopal Church, and Bishop James H. Ryan, rector of the Catholic University of America, have, by their presence and participation, added a special distinction to the dedication exercises.

We are also grateful for the participation of the United States Marine Band, the Columbia Mixed Quartet, and Mr. Earl Carbauh, the well-known baritone soloist.

Words can but inadequately express the gratitude we feel toward those whose foresight developed this wonderful Capital City, founded by the immortal Washington himself, and bearing his honored name. Our generation is doing its part in carrying out the plans of making it the most beautiful of cities—a city which, we believe, will remain sacred to his memory and his ideals until time shall be no more.

But we must remember that outward ceremonials and the words we speak on such an occasion as this are but as sounding brass if they do not spring warm from the heart and reecho the profound sentiments of patriotism and devotion which lie too deep for words.

They are as nothing if we do not translate them into actions. When our career is over let it be truly said that we faithfully endeavored to serve the best interests of our country.

The story of the Post Office Department is the story of the development of the trade and commerce and the social and spiritual life of our country.

It is well on such an occasion to let our minds revert to our simple beginnings and learn again the lessons of wise frugality, devotion to duty, and the persevering faith of those whose work has culminated in the great postal establishment we have today.

Post offices may trace their beginnings to the early English taverns where horse relays were made by the King's messengers. When people began to leave their letters at the relay stations for delivery by the post riders, that part of the tavern devoted to their care became the post office, and the tavern keeper became the postmaster.

Elder Brewster kept such a tavern and was postmaster at Scrooby, England, before he led the Puritan migration into Holland, and afterward, in 1620, to Plymouth, Mass., in the *Mayflower*.

The development of the Postal Service in America to the time of the Revolution was of a slow but steady growth, which was greatly accelerated when Benjamin Franklin become postmaster at Philadelphia in 1737, with the additional authority to supervise the several other post offices. A historian in the 1750's stated that the headquarters of the Postal Service in North America was designated as New York in 1710, by that "by connivance the Postmaster General resides anywhere, at present in Virginia." The central offices of the postal establishment have been moved many times.

In 1753 the Service was divided, with headquarters in Charleston, S.C., and Philadelphia, Pa. This continued until the Revolution.

On July 26, 1775, the Continental Congress unanimously chose Franklin as Postmaster General and designated his headquarters as Philadelphia. It is believed that he used his home at the corner of Second and Race Streets for his office as Postmaster General. His salary was $1,000 a year with an allowance of $340 for a secretary. It is probable his son-in-law, Richard Bache, who succeeded him November 7, 1776, retained the same headquarters.

Ebenezer Hazard, the last Postmaster General under the Continental Congress, and who succeeded Bache on January 28, 1782, was a former assistant to Franklin. He established the headquarters of the Post Office Department at New York, where he had been postmaster.

Postmaster General Osgood, the first Postmaster General under the Constitution, had his headquarters in a room in connection

with the city post office in New York, then located in what was officially described as "the uppermost of two houses on Broadway opposite Beaver Street."

During the latter part of his administration, late in 1790, the Department moved to Philadelphia and headquarters were established on the east side of Water Street a few doors below High Street.

Mr. Osgood's successor, Timothy Pickering, wrote Alexander Hamilton that he had found a house in Philadelphia that would accommodate his family and give him office room. He said he would need the same force as his predecessor, namely, an assistant and a clerk. He stated also that for the two rooms for the Post Office Department and a cellar for wood, and including janitor service, he might make a charge of $300 a year.

Hamilton, as Secretary of the Treasury, approved and wrote him there was nothing in his proposal "but what appears consistent with the interests of the United States." This place was located at the northeast corner of Fifth and Chestnut Streets.

As nearly as can be determined, it was from here the Post Office Department moved to Washington, arriving May 30, 1800, with its force of nine people, including the Postmaster General.

Abraham Bradley, First Assistant Postmaster General, wrote on June 11, 1800, just 134 years ago today, that he had not been able to open the office until that date. He expressed the opinion that Washington would probably become the greatest city in America.

The Post Office Department was first established at the corner of Ninth and E Streets NW., in what Mr. Bradley described as a large 3-story house which would accommodate the Post Office Department offices, his family, and the post office.

Some time in 1801 it was moved to what was then known as "the Southwest Executive Office" on Seventeenth Street, between F and G. This building of 25 rooms was occupied by the Post Office, War, Navy, and State Departments.

In 1810 the Post Office Department and post office were again moved to the north side of E Street, between Seventh and Eighth, to a building known as "Blodgett's Hotel." It was burned in 1836 with a loss of many departmental records.

In the emergency Postmaster General Kendall rented Fullers Hotel, now the site of the Willard.

A new Post Office Department building was then erected at Seventh and E Streets, which still stands. This building, a beautiful specimen of white marble architecture, was occupied by the Post Office Department from 1841 until 1899. It was begun in 1839 and completed portions were occupied in 1841. It was completed wholly in 1859 at a cost of $2,150,000.

The Post Office Department building from which we moved within the last few days was acquired under an act of Congress approved June 25, 1890. The building was started in February of 1892 and occupied in November 1899. The structure cost $2,585,835, and the ground $655,490.77. The smooth finish given the granite above the mezzanine floor cost $229,000 extra, making a total of nearly $3,500,000.

It has served its purpose well and it was with natural feelings of regret that it was vacated by us, especially those who associate it with cherished friendships and pleasant memories accumulated through the years.

The building we dedicate today, the latest of the many homes of the Post Office Department, was erected under acts of Congress approved May 25, 1926, and July 3, 1930. The land cost $2,500,872 and the building costs were $686,000 for the foundation and $7,642,000 for the building itself, a total of $10,828,872.

Ground was broken November 10, 1931, and the cornerstone laid September 26, 1932.

The architects and contractors have completed their tasks in a most creditable manner. This structure will long remain a monument to their ability. We must not overlook the important part which the mechanics and laborers played in the erection of this building and the contribution made by the mechanics and laborers who fabricated the materials used in it.

To my loyal assistants and coworkers, the supervisors, clerks, messengers, laborers, and all, I express the hope they will always find within its walls the peace and happiness that come from work well done, and that they will always look upon it as a place of happy service amid pleasant surroundings.

I want them to know that I appreciate the fidelity and loyalty they have shown in carrying on their work during the trying times through which the country has passed.

We will continue our efforts to increase the efficiency of our service which we proudly look upon as the largest business operation in the world, employing as it does some 242,000 men and women and having cash revenues approximating $587,000,000.

Our Postal Savings deposits amount to one billion one hundred and ninety-nine millions, and last year we issued over 171,000,000 money orders amounting to $1,655,000,000.

During the same period we handled approximately 150,737,000 pieces of domestic, registered, insured, and c.o.d. mail. These are but a few of the activities of the Post Office Department.

We are endeavoring to give more and more service for less and less cost.

Already through wise legislation enacted by Congress and careful administration the gigantic postal deficit of $152,000,000 for the fiscal year 1932 was reduced to 48 millions by July 1, 1933. We hope to reduce it still further this fiscal year and possibly eliminate it altogether.

In the meantime the Department's policy will continue to be to extend and improve the service; eliminate all waste and extravagance; see that no special privileges are granted; make working conditions, so far as possible, the best in the country; and require that integrity and ability be the first requirements in the selection of all public servants. In this I ask the aid of all officers and employees and the support of all citizens.

In dedicating this building let us also dedicate ourselves to the high purposes of government and the exalted patriotism exemplified by our great President, whose faith in our institutions has never faltered, whose wise and courageous leadership has carried us from the depths to the heights from which we can see the dawn of a new day.

I want to thank each of you for your participation in these exercises. You have assisted in the dedication of a building which stands as a permanent monument to the Government for which your fathers and mothers worked, prayed, and sacrificed. Let us give the same devotion and loyalty to our Government, to the end that it may better contribute to the welfare of all our people and that an end may once and for all be put to governmental favoritism to special interests and special classes.

WITHDRAWAL OF PAPERS—PORTER BROTHERS & BIFFLE AND OTHER CITIZENS

Mr. THOMAS of Oklahoma. Mr. President, the bill (S. 2880) for the relief of Porter Brothers & Biffle and certain other citizens (73d Cong., 2d sess.) is a claims bill introduced by me. The bill has passed the Senate and House. I ask unanimous consent that the papers relating to the bill may be released from the possession of the Committee on Claims for the benefit of attorneys representing the claimant.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LONERGAN in the chair), laid before the Senate messages from the President of the United States submitting nominations in the Post Office Department, which were referred to the Committee on Post Offices and Post Roads.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SMITH, from the Committee on Agriculture and Forestry, reported favorably the nomination of Rexford Guy Tugwell, of New York, to be Under Secretary of Agriculture.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

The PRESIDING OFFICER. The reports will be placed on the calendar.

THE CALENDAR

TREATIES

The PRESIDING OFFICER. The calendar is in order.

The legislative clerk proceeded to read Executive D, Seventy-third Congress, second session, a treaty of friendship, commerce, and consular rights between the United States and the Republic of Finland, signed at Washington, February 13, 1934.

Mr. ROBINSON of Arkansas. I suggest that the treaties be passed over.

The PRESIDING OFFICER. Without objection, the treaties will be passed over.

Mr. McNARY. Mr. President, I may say to the Senator from Arkansas in this connection that inquiry has been made of me frequently as to when it is intended to give consideration to the treaties.

Mr. ROBINSON of Arkansas. I hope that may be done within the next two days. The Senator from Nevada [Mr. PITTMAN] is here. I have discussed the matter with him, and it is understood that at the first opportunity the Senate will be asked to consider the treaties.

THE JUDICIARY

The legislative clerk read the nomination of Carlisle W. Higgins to be United States attorney for the middle district of North Carolina.

Mr. BAILEY. I move that the nomination be confirmed.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Carolina.

The motion was agreed to.

The legislative clerk read the nomination of George Philip to be United States attorney for the district of South Dakota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Charles W. Robertson to be United States marshal for the district of South Dakota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

FEDERAL POWER COMMISSION

The legislative clerk read the nomination of Clyde L. Seavey, of California, to be a member of the Federal Power Commission for the remainder of the term expiring June 22, 1935.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

BOARD OF TAX APPEALS

The legislative clerk read the nomination of Charles P. Smith, of Massachusetts, to be a member of the Board of Tax Appeals for the term of 12 years from June 2, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of J. Russell Leech, of Pennsylvania, to be a member of the Board of Tax Appeals for the term of 12 years from June 2, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Bolon B. Turner, of Arkansas, to be a member of the Board of Tax Appeals for the term of 12 years from June 2, 1934.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

CUSTOMS SERVICE

The legislative clerk read the nomination of Charles J. Baker to be collector of customs, customs collection district no. 16, Charleston, S.C.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The legislative clerk proceeded to read the nominations of sundry postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters on the calendar be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered, and the nominations are confirmed en bloc.

RECESS

The Senate resumed legislative session.

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 5 o'clock and 52 minutes p.m.) the Senate took a recess until tomorrow, Wednesday, June 13, 1934, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 12 (legislative day of June 6), 1934

FOURTH ASSISTANT POSTMASTER GENERAL

Smith W. Purdum, of Maryland, to be Fourth Assistant Postmaster General.

POSTMASTERS

ALABAMA

Alven H. Powell to be postmaster at Hackleburg, Ala., in place of W. C. Shotts. Incumbent's commission expired March 8, 1934.

Howard M. Cummins to be postmaster at Reform, Ala., in place of J. J. Langdon. Incumbent's commission expired March 22, 1934.

ARIZONA

Emory D. Miller to be postmaster at Nogales, Ariz., in place of C. L. Beatty, retired.

CALIFORNIA

Helen S. Osborne to be postmaster at Earlimart, Calif., in place of May Brown. Incumbent's commission expired December 18, 1933.

Faith I. Wyckoff to be postmaster at Firebaugh, Calif., in place of E. P. Dunkle. Incumbent's commission expired February 10, 1934.

Frederick N. Blanchard to be postmaster at Laton, Calif., in place of N. F. Densmore, removed.

Bert A. Wilson to be postmaster at Los Banos, Calif., in place of C. F. Riedle, removed.

Harry D. Beck to be postmaster at Tipton, Calif., in place of F. J. Klindera. Incumbent's commission expired December 18, 1933.

COLORADO

Frank J. Keicher to be postmaster at Akron, Colo., in place of W. E. Triffet, deceased.

Dorothy E. Mahoney to be postmaster at Minturn, Colo., in place of Mary McConnell. Incumbent's commission expired April 16, 1934.

DELAWARE

John E. Mayhew to be postmaster at Milford, Del., in place of W. R. Murphy. Incumbent's commission expires June 20, 1934.

Joseph H. Cox to be postmaster at Seaford, Del., in place of J. E. Willey. Incumbent's commission expires June 17, 1934.

FLORIDA

Kirby D. Rooks to be postmaster at Bonifay, Fla., in place of J. E. Still. Incumbent's commission expired January 9, 1934.

Jerald W. Farr to be postmaster at Wauchula, Fla., in place of H. B. Rainey. Incumbent's commission expired March 25, 1930.

GEORGIA

Jere W. Chamlee to be postmaster at Canton, Ga., in place of Maggie Edwards. Incumbent's commission expired May 29, 1934.

Harry L. Wingate to be postmaster at Pelham, Ga., in place of L. W. English. Incumbent's commission expired May 7, 1934.

ILLINOIS

Alice Dillon to be postmaster at Braidwood, Ill., in place of S. V. Donna. Incumbent's commission expired May 22, 1932.

John H. Knies to be postmaster at Breese, Ill., in place of B. A. Dorries. Incumbent's commission expired May 20, 1934.

John E. Ryan to be postmaster at Crete, Ill., in place of E. H. Hecht. Incumbent's commission expired March 3, 1931.

Amelia K. Fink to be postmaster at Frankfort, Ill., in place of R. E. Stephen. Incumbent's commission expired December 15, 1931.

Margaret M. Maue to be postmaster at Mokena, Ill., in place of D. F. Lynk. Incumbent's commission expired May 22, 1932.

Clarence M. Stevens to be postmaster at Pecatonica, Ill., in place of R. H. Christen, removed.

David W. Leigh to be postmaster at Ramsey, Ill., in place of H. L. Haynes, removed.

INDIANA

Jacob M. Hight to be postmaster at Etna Green, Ind., in place of C. H. Elder. Incumbent's commission expired June 6, 1934.

Orace O. Welden to be postmaster at Francesville, Ind., in place of D. P. Petra, removed.

Ralph W. Kimmerling to be postmaster at Frankton, Ind., in place of C. E. Barracks. Incumbent's commission expired December 13, 1932.

Blanche Anglin to be postmaster at Leesburg, Ind., in place of P. M. Bridenthrall. Incumbent's commission expired June 4, 1934.

Orel R. Small to be postmaster at Walton, Ind., in place of Willard Logan. Incumbent's commission expired June 6, 1934.

IOWA

M. Lenore Fatland to be postmaster at Cambridge, Iowa, in place of E. L. Woods. Incumbent's commission expired March 8, 1934.

Lorenzo A. Mullican to be postmaster at Indianola, Iowa, in place of J. R. Barker, transferred.

John N. Day to be postmaster at Klemme, Iowa, in place of F. E. Gibbs, resigned.

Jessica E. Pryor to be postmaster at Leon, Iowa, in place of Winfield Cash. Incumbent's commission expired February 17, 1934.

Wayne Taylor to be postmaster at Mitchellville, Iowa, in place of H. A. Marmon. Incumbent's commission expired April 16, 1934.

Opal H. Wallace to be postmaster at New Market, Iowa, in place of B. C. Mason. Incumbent's commission expired December 18, 1933.

Alfred B. Callender to be postmaster at Ocheyedan, Iowa, in place of T. F. Fawcett. Incumbent's commission expired March 18, 1934.

Raymond A. Gleason to be postmaster at Ruthven, Iowa, in place of R. L. Logan. Incumbent's commission expired December 13, 1932.

Orlow L. Goodrich to be postmaster at Scranton, Iowa, in place of L. W. Smith. Incumbent's commission expired April 2, 1934.

Leroy S. Gambs to be postmaster at Smithland, Iowa, in place of E. N. Morgan. Incumbent's commission expired December 18, 1933.

Teresa V. Moroney to be postmaster at Waukon, Iowa, in place of B. W. Smith, transferred.

Henry A. Falb to be postmaster at West Bend, Iowa, in place of H. A. Falb. Incumbent's commission expired December 18, 1933.

KANSAS

Henry J. Kuckelman to be postmaster at Everest, Kans., in place of D. O. Anderson. Incumbent's commission expired March 18, 1934.

Thomas E. Murphy to be postmaster at Hoisington, Kans., in place of Ovid Butler. Incumbent's commission expired January 28, 1934.

Hazel Craft to be postmaster at Lewis, Kans., in place of W. S. Lyman. Incumbent's commission expired December 18, 1933.

KENTUCKY

Katy Mullins to be postmaster at Mount Vernon, Ky., in place of M. B. Griffin, removed.

LOUISIANA

Victor E. Green to be postmaster at De Ridder, La., in place of V. E. Green. Incumbent's commission expired May 20, 1934.

Alceste J. Robichaux to be postmaster at Harvey, La., in place of K. J. Moynagh. Incumbent's commission expired December 19, 1932.

Mary K. Roark to be postmaster at Marion, La., in place of M. K. Roark. Incumbent's commission expired June 10, 1934.

James O. Brouillette to be postmaster at Marksville, La., in place of E. L. Lefargue. Incumbent's commission expired December 18, 1933.

Eula M. Jones to be postmaster at Trout, La., in place of E. M. Jones. Incumbent's commission expired June 6, 1934.

George M. Tannehill to be postmaster at Urania, La., in place of G. M. Tannehill. Incumbent's commission expires June 26, 1934.

Irma L. Batey to be postmaster at Wisner, La., in place of I. L. Batey. Incumbent's commission expires June 26, 1934.

MAINE

Thomas G. Burdin to be postmaster at Turner, Maine, in place of R. J. Dyer, resigned.

MASSACHUSETTS

Edward P. Larkin to be postmaster at Haydenville, Mass., in place of F. L. Smith. Incumbent's commission expired April 2, 1934.

Nellie E. Callahan to be postmaster at Littleton Common, Mass., in place of C. K. Houghton. Incumbent's commission expired March 8, 1934.

Gladys V. Crane to be postmaster at Merrimac, Mass., in place of H. M. Emery. Incumbent's commission expired March 18, 1934.

Lawrence Cotter to be postmaster at North Brookfield, Mass., in place of E. V. O'Brien. Incumbent's commission expired February 25, 1933.

Alexander J. MacQuade to be postmaster at Osterville, Mass., in place of C. L. Parker. Incumbent's commission expired February 10, 1934.

James G. Cassidy to be postmaster at Sheffield, Mass., in place of A. B. Ellis. Incumbent's commission expired March 18, 1934.

John J. Kent, Jr., to be postmaster at West Bridgewater, Mass., in place of W. E. Gibson. Incumbent's commission expired April 2, 1934.

MICHIGAN

Elfreda L. Mulligan to be postmaster at Grand Marais, Mich., in place of E. L. Mulligan. Incumbent's commission expires June 17, 1934.

Jessie E. Lederle to be postmaster at Leland, Mich., in place of E. L. Dalton. Incumbent's commission expired April 28, 1934.

MISSOURI

Claude M. Reid to be postmaster at Aurora, Mo., in place of J. M. Mathes, removed.

George T. Barker to be postmaster at Everton, Mo., in place of H. P. Hughes, removed.

Claud W. Boone to be postmaster at Gainesville, Mo., in place of Clara Harlin. Incumbent's commission expired January 9, 1933.

Walter Manley to be postmaster at Liberty, Mo., in place of R. E. Ward. Incumbent's commission expired April 30, 1934.

NEBRASKA

Alva E. Wallick to be postmaster at Bennet, Nebr., in place of H. P. Eggleston, removed.

Edna Willis to be postmaster at Central City, Nebr., in place of R. B. Demel. Incumbent's commission expired December 11, 1933.

Hjalmar A. Swanson to be postmaster at Clay Center, Nebr., in place of H. M. Hanson. Incumbent's commission expired May 9, 1934.

William A. Horstmann to be postmaster at Creighton, Nebr., in place of H. J. Steinhausen. Incumbent's commission expired April 28, 1934.

Mildred A. Field to be postmaster at Dunning, Nebr., in place of J. G. Fountain. Incumbent's commission expired December 17, 1932.

Frank D. Strope to be postmaster at Orchard, Nebr., in place of E. H. Hering. Incumbent's commission expired January 28, 1934.

Wilhelm C. Peters to be postmaster at Wausa, Nebr., in place of C. A. Holmquist. Incumbent's commission expired January 28, 1934.

NEW JERSEY

Joseph Corse to be postmaster at Jamesburg, N.J., in place of S. M. Mount. Incumbent's commission expired January 16, 1934.

Thomas H. Hall to be postmaster at Vineland, N.J., in place of Frank Wanser. Incumbent's commission expired March 8, 1934.

NEW MEXICO

Frank D. Crespin to be postmaster at Vaughn, N.Mex., in place of B. A. Gallegos, removed.

NEW YORK

Frank G. Farmer to be postmaster at Gloversville, N.Y., in place of D. D. Lake. Incumbent's commission expired May 2, 1934.

Charles Hogan to be postmaster at Harrisville, N.Y., in place of R. F. Dunlop, resigned.

Lindsay J. Hollister, Jr., to be postmaster at Port Henry, N.Y., in place of F. P. Daley. Incumbent's commission expired January 28, 1934.

NORTH CAROLINA

Eugene J. Tucker to be postmaster at Roxboro, N.C., in place of A. P. Clayton. Incumbent's commission expired April 28, 1934.

NORTH DAKOTA

J. Benus Kinneberg to be postmaster at Leeds, N.Dak., in place of J. H. Huseby, removed.

Ray S. Long to be postmaster at Upham, N.Dak., in place of J. G. Sigurdson. Incumbent's commission expired February 28, 1933.

Nicholas J. Krebsbach to be postmaster at Velva, N.Dak., in place of F. G. Meagher. Incumbent's commission expired October 31, 1933.

James F. Keaveny to be postmaster at Wales, N.Dak., in place of J. W. Jeffery. Incumbent's commission expired January 15, 1933.

OHIO

Enoch W. Carman to be postmaster at Belmont, Ohio, in place of J. E. Davis. Incumbent's commission expired May 29, 1934.

Charles M. Easley to be postmaster at Bloomdale, Ohio, in place of J. W. Simon. Incumbent's commission expired March 22, 1934.

Paul W. Burkhardt to be postmaster at Edon, Ohio, in place of Lee Heckman. Incumbent's commission expired December 16, 1933.

Rolland R. Pettay to be postmaster at Freeport, Ohio, in place of A. B. Yarnell, resigned.

William A. Ellsworth to be postmaster at Hudson, Ohio, in place of M. E. Crane. Incumbent's commission expired April 15, 1934.

Pearl L. Seitz to be postmaster at Liberty Center, Ohio, in place of G. E. Matthews. Incumbent's commission expired January 8, 1934.

Harold H. Wisman to be postmaster at Montpelier, Ohio, in place of Earl Augustine. Incumbent's commission expired February 6, 1934.

Charles R. Gampher, Jr., to be postmaster at Rossford, Ohio, in place of E. P. Harker, resigned.

PENNSYLVANIA

Earle H. Crummy to be postmaster at Dravosburg, Pa., in place of F. C. Downey. Incumbent's commission expired June 8, 1933.

George V. Beech to be postmaster at East Pittsburgh, Pa., in place of H. L. Koons. Incumbent's commission expired March 8, 1934.

Charles H. Adams to be postmaster at Esterly, Pa., in place of W. S. Levan. Incumbent's commission expired November 12, 1933.

Charles H. Wilson to be postmaster at Fairchance, Pa., in place of D. W. Sechler, removed.

Raymond R. Kinsinger to be postmaster at Halifax, Pa., in place of T. F. Fenstermacher, removed.

Charles A. Hanlon to be postmaster at Hazleton, Pa., in place of T. H. Probert, transferred.

Robert O. Lamborn to be postmaster at Madera, Pa., in place of Frank Kerr. Incumbent's commission expired February 10, 1932.

Elijah H. Follmer to be postmaster at Milton, Pa., in place of L. W. Gehrig. Incumbent's commission expired February 18, 1933.

George W. Burgner to be postmaster at Morrisville, Pa., in place of C. H. Heller. Incumbent's commission expired January 19, 1933.

Richard A. Steen to be postmaster at New Castle, Pa., in place of L. S. MacNab, removed.

Mayme A. Moore to be postmaster at Oakdale, Pa., in place of C. G. McMurray, removed.

Michael J. V. Kelly to be postmaster at Silver Creek, Pa., in place of H. A. Feeley. Incumbent's commission expired February 14, 1934.

Claude E. Minnich to be postmaster at Wiconisco, Pa., in place of G. S. J. Keen, deceased.

RHODE ISLAND

Grace B. Almy to be postmaster at Little Compton, R.I., in place of M. J. W. Carton, deceased.

TEXAS

Henry W. Hoffer to be postmaster at Kaufman, Tex., in place of H. H. Duncan. Incumbent's commission expired March 18, 1934.

Clyde E. Perkins to be postmaster at Kirkland, Tex., in place of J. T. White. Incumbent's commission expired January 16, 1933.

Marvin G. Prewitt to be postmaster at Ralls, Tex., in place of Lillie Brown. Incumbent's commission expired January 28, 1934.

VIRGINIA

J. Henry Miller to be postmaster at Elkton, Va., in place of N. V. Fitzwater. Incumbent's commission expired April 8, 1934.

Beveridge B. Cox to be postmaster at Gate City, Va., in place of E. B. Elliott. Incumbent's commission expired January 11, 1933.

WASHINGTON

David P. Cunningham to be postmaster at North Bend, Wash., in place of Addie Anderson, resigned.

Walter Gihring to be postmaster at Rockford, Wash., in place of W. L. Oliver, deceased.

Walter W. Lindley to be postmaster at St. John, Wash., in place of Juanita Kratzer, resigned.

Joseph H. Gill to be postmaster at Washtucna, Wash., in place of Frank Hurst. Incumbent's commission expired March 8, 1934.

WEST VIRGINIA

Emery L. Woodall to be postmaster at Hamlin, W.Va., in place of Philip Hager, resigned.

WISCONSIN

Vincent J. Dwyer to be postmaster at Alma Center, Wis., in place of L. H. Nolop. Incumbent's commission expired January 14, 1931.

Charles P. McCormick to be postmaster at Belleville, Wis., in place of E. R. Adamson. Incumbent's commission expired February 25, 1933.

Dale J. Cannon to be postmaster at Birnamwood, Wis., in place of M. L. Staley. Incumbent's commission expired February 20, 1934.

Opal R. Parent to be postmaster at Cable, Wis., in place of L. D. Perry. Incumbent's commission expired December 18, 1933.

Chris Kartman to be postmaster at Cassville, Wis., in place of L. O. Dietrich. Incumbent's commission expired March 22, 1934.

Rinold N. Duren to be postmaster at Cazenovia, Wis., in place of B. F. Querhammer. Incumbent's commission expired March 18, 1934.

Tessa B. Morrissy to be postmaster at Elkhorn, Wis., in place of G. L. Harrington. Incumbent's commission expired January 9, 1933.

Henry E. Lauber to be postmaster at Glenwood City, Wis., in place of C. P. Peterson. Incumbent's commission expired March 18, 1934.

Edward Snoeyenbos to be postmaster at Hammond, Wis., in place of K. C. Conrad. Incumbent's commission expired March 18, 1934.

Joseph J. Brunclik to be postmaster at Haugen, Wis., in place of C. E. Juza, resigned.

Louis G. Bernier to be postmaster at Holcombe, Wis., in place of R. L. Zimmerman, resigned.

Michael B. Weyer to be postmaster at Lomira, Wis., in place of P. J. Zeidler. Incumbent's commission expired January 28, 1934.

Gustav A. Prenzlow to be postmaster at Mattoon, Wis., in place of F. E. Boyer. Incumbent's commission expired December 18, 1933.

Ira A. Kenyon to be postmaster at Mellen, Wis., in place of J. P. Fitzgerald. Incumbent's commission expired March 18, 1934.

Celestine D. Kaltenbach to be postmaster at Potosi, Wis., in place of W. C. Hymer, deceased.

Louis H. Schultz to be postmaster at Reedsburg, Wis., in place of J. R. Stone. Incumbent's commission expired January 21, 1933.

Wallace J. Milsap to be postmaster at Shawano, Wis., in place of M. R. Stanley. Incumbent's commission expired April 22, 1934.

Louis G. Kaye to be postmaster at Westboro, Wis., in place of E. A. Forsyth. Incumbent's commission expired January 8, 1934.

James E. O'Leary to be postmaster at Wilton, Wis., in place of J. L. Heffernan, removed.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 12 (legislative day of June 6), 1934

UNITED STATES ATTORNEYS

Carlisle W. Higgins to be United States attorney for the middle district of North Carolina.

George Philip to be United States attorney for the district of South Dakota.

UNITED STATES MARSHAL

Charles W. Robertson to be United States marshal for the district of South Dakota.

MEMBER OF THE FEDERAL POWER COMMISSION

Clyde L. Seavey to be a member of the Federal Power Commission.

MEMBERS OF THE BOARD OF TAX APPEALS

Charles P. Smith to be a member of the Board of Tax Appeals.

J. Russell Leech to be a member of the Board of Tax Appeals.

Bolon B. Turner to be a member of the Board of Tax Appeals.

COLLECTOR OF CUSTOMS

Charles J. Baker to be collector of customs, customs collection district no. 16, Charleston, S.C.

POSTMASTERS

ARKANSAS

Charlie O. Sawyer, Hamburg.
John W. Martin, Mena.
Theo Money, Waldron.

COLORADO

Michael J. Brennan, Durango.

ILLINOIS

Louie E. Dixon, Biggsville.
Narcisse L. Marcotte, Bourbonnais.
Charles A. Etherton, Carbondale.
Martin M. Dalrymple, Chrisman.
Arthur L. Larson, Des Plaines.
James F. Grogan, Elmhurst.
DeCourcy Lloyd, Glencoe.
Otto Frank, Lake Zurich.
Paul W. Poorman, Mattoon.
Jane M. Dorfler, Mundelein.
Ellis J. O'Daniel, New Lenox.
Ross St. Clair Tary, Seaton.
Carney V. Kerley, Simpson.
Frank E. Binkley, Warrensburg.

IOWA

Clarence W. Stuart, Altoona.
Edna M. McCabe, Hillsboro.
Michael R. Griebel, Lone Tree.
Katharine H. Wallace, Redding.
Harris D. MacGugin, Wellman.

KENTUCKY

Nelly B. Jones, Grand Rivers.
Dalph E. Creal, Hodgenville.
Howard C. Enoch, Marion.

MAINE

Charlotte M. Buck, Buckfield.
Charles W. Richardson, Jr., Castine.
Carroll A. Matthieu, Farmington.

MARYLAND

Charles H. Wilson, Forest Hill.
Charles A. Bechtold, Fort George G. Meade.
Frances C. Hamill, Oakland.

MASSACHUSETTS

Thomas J. Drummey, East Pepperell.
Ellen M. O'Connor, East Taunton.
Edward C. Pelissier, Hadley.
Mary E. Sheehan, Hatfield.
Catherine A. McCasland, Hinsdale.
William T. Martin, Monterey.
Ephrem J. Dion, Northbridge.
Maurice T. Nickerson, West Dennis.

MICHIGAN

Ernest O. Coy, Alden.
Maurice E. Jones, Bear Lake.
Joseph W. Harlan, Davison.
Anne O'D. Wright, Munising.
Maude Russell, New Era.
J. Jay Cox, Scottville.

MINNESOTA

Elmer J. Larson, Cokato.
Catherine C. Burns, Glenwood.
Martin T. Haley, Hibbing.
Joseph G. Bauer, Madison.
Michael E. Gartner, Preston.
William E. Charlton, Williams.
John R. Schisler, Winthrop.
Loretta M. Harper, Worthington.

MISSISSIPPI

Samuel N. Shelton, Alcorn.
Woodard M. Herring, Inverness.
Thomas J. Barnes, Noxapater.
Hubbard E. McClurg, Ruleville.
Robert E. L. McLain, Shelby.

NEW JERSEY

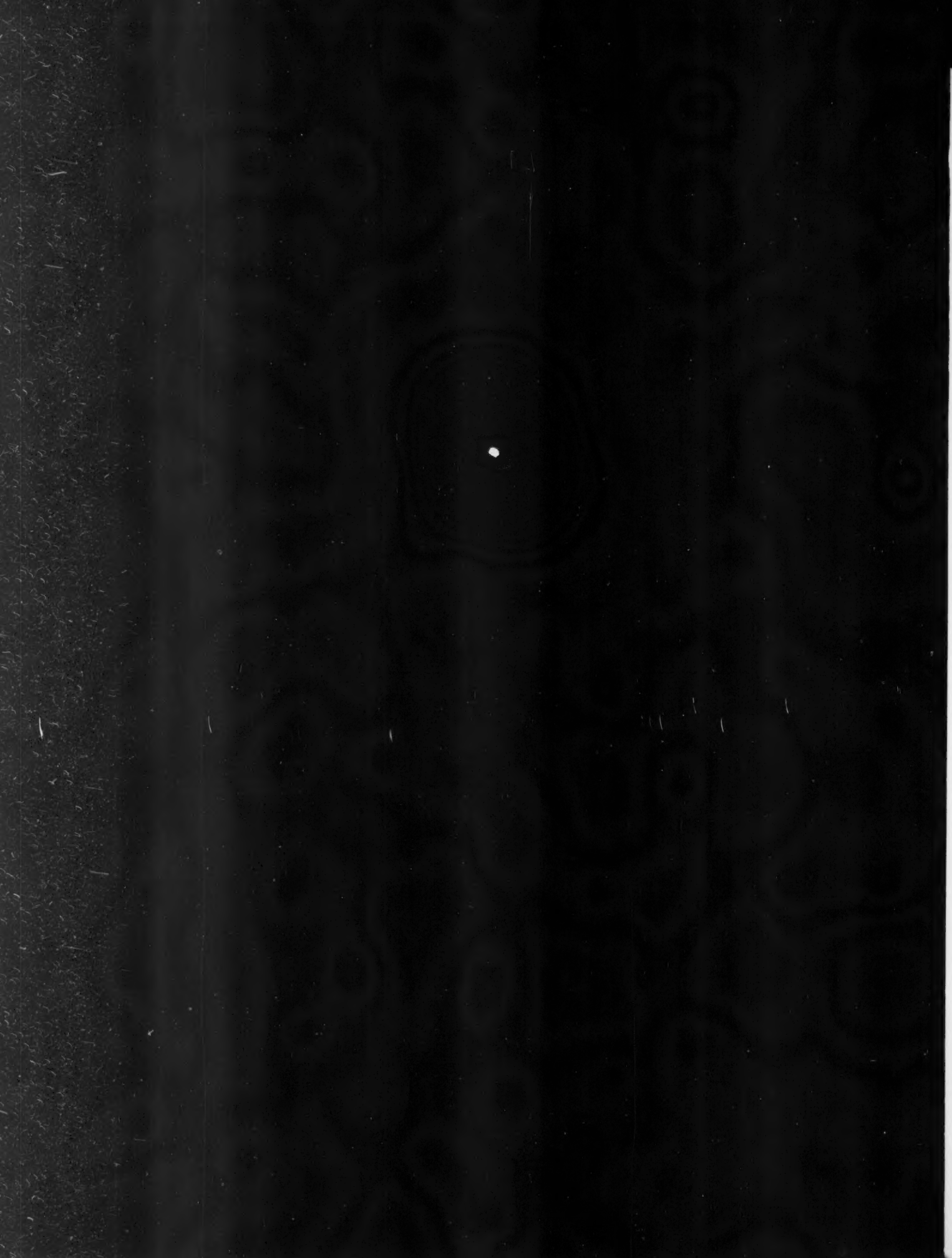
Clyde E. Miller, Ashland.
Mamie R. Stone, Egg Harbor City.
George T. Applegate, Fords.
Fred G. Leiser, Hudson Heights.
Lillian M. Roe, Mountain View.
John F. Sinnott, Jr., Newark.
Michael S. Malone, Rockaway.
James E. Porter, Jr., Rumson.
Floyd J. Kays, Sparta.

NORTH CAROLINA

Zula S. Glovier, Catawba.
Annie C. Burns, Lawndale.
William Samuel Somers, Reidsville.
Fountain F. Cox, Robersonville.

NORTH DAKOTA

John M. McCabe, Belfield.
Herman A. Emanuel, Crosby.
Charles C. Shearer, Flasher.
John E. Hunter, Mayville.
John A. Hamilton, McClusky.
Suzanna A. Preszler, Medina.
William T. Wakefield, Mott.
Frederich A. Rettke, Niagara.
Erick J. Moen, Osnabrock.
Anne E. Chilton, Towner.
Coral R. Campion, Willow City.
Grace G. Berkness, Wolford.



OHIO

Paul E. Smith, Ansonia.
John M. Hudson, Bigprairie.
Fred Durr, Bradford.
Paul D. Fleming, Cardington.
Emmett L. Partee, Defiance.
Durbin W. Gerber, Dover.
Charles A. Spies, East Canton.
Benjamin J. Chambers, Genoa.
James M. Ruckman, La Rue.
Ethel S. Reames, Lynchburg.
LoRa L. Lamborn, Marion.
Stanley F. Kimmel, New Madison.
Wilma L. Aiken, Tiltonsville.

OKLAHOMA

Vivienne C. Ford, Billings.
Wilma P. Walcher, Braman.
Richard B. Carson, Castle.
Glenn D. Burns, Dover.
Edward S. Bowles, Perry.

PENNSYLVANIA

Irvin C. Davis, Shavertown.
Mary Pavlik, Universal.

SOUTH DAKOTA

Joseph A. Stanek, Fairfax.
William B. Boe, Presho.

TENNESSEE

Donald B. Todd, Etowah.
Mary A. B. Dunn, Maryville.
Kirk D. Beene, Petros.

TEXAS

Charles Y. Shultz, Alvarado.
Ida S. McWilliams, Anahuac.
M. Erma Capps, Bedias.
Philip P. Wise, Bonham.
John M. Brice, Bruni.
Paul V. Bryant, Canadian.
Effie P. Minnock, Galena Park.
William E. Porter, Glen Rose.
Florence E. McElhany, Goose Creek.
Janet S. Barron, Iola.
Vernon May, Katy.
Russell B. Cope, Loraine.
Ed I. Pruett, Marfa.
Perry Hartgraves, Menard.
Effide D. Rasmussen, Needville.
Maud Collier, Pelly.
Otis T. Kellam, Robstown.
Claude F. Norman, Rule.
Charles H. Grounds, Talpa.
Georgia D. Ruhrup, Toyah.
Madeline G. McClellan, Waller.

UTAH

Heber J. Sheffield, Jr., Kaysville.

VERMONT

Ina T. Webster, Ely.

WISCONSIN

William B. Ackerman, Gays Mills.
Matthew J. Hart, Glidden.
Reginald L. Barnes, Greenwood.
Mable N. Duxbury, Hixton.
Simon Skroch, Independence.
Irving W. Volkmann, Iron Ridge.
Wenzel M. Dvorak, La Crosse.
Casimir Jaron, Lublin.
Henry Stanke, Marathon.
Clarence G. Lockwood, Markesan.
Oscar M. Rickard, Merrillan.
John K. Wotruba, Milladore.
Roswell S. Richards, Monticello.
Laurence L. Shove, Onalaska.
Cleon E. McCarty, Osceola.
Dan F. Vicker, Park Falls.
Joyce S. Stoveken, Pembine.
John W. Johnson, Pepin.
Maurice A. Reeves, Pewaukee.
John P. Pabst, Pittsville.
Edward D. Feeney, Prairie du Chien.
Patrick H. Laughrin, Prentice.
Victor J. Kozina, St. Francis.
Curtis R. Hanson, Scandinavia.
Herman H. Lins, Spring Green.
James S. Kennedy, Shell Lake.
William S. Wagner, Thorp.
Roy D. Fahland, Webster.
Frank P. McManman, Wisconsin Dells.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 12, 1934

The House met at 11 o'clock a.m.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

O Lord, our God and our Heavenly Father, we thank Thee for Him who took little children in His arms and loved them until they smiled out loud. In the light of His teaching may we understand that we are not in the world to inherit, but we are here to be benefactors of our fellow men. May the divine spirit grip us to the farthest limits of our souls. Thou hast told us that all the commandments are packed into one: Thou shalt love the Lord thy God with all thy heart, with all thy mind, with all thy soul, and with all thy strength, and thy neighbor as thyself. Almighty God, get to the human conscience that a man is a man's equal anywhere on the planet and has a birthright to heaven and eternity. Oh, the tragedies of the world—the crash of arms, the black nights that never come to morning, and the helpless cries that never come to a human ear. Lord God of Hosts be with us yet lest we forget, lest we forget. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed the following resolution:

Senate Resolution 265

Resolved, That the Senate has heard with profound sorrow the announcement of the death of Hon. THOMAS C. COFFIN, late a Representative from the State of Idaho.

Resolved, That a committee of two Senators be appointed by the Vice President to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect to the memory of the deceased Representative the Senate do now take a recess until 11 o'clock tomorrow.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3025) entitled "An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

THE LATE REPRESENTATIVE TOM C. COFFIN

Mr. LLOYD. Mr. Speaker, I ask unanimous consent to proceed for 4 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. LLOYD. Mr. Speaker, on Saturday last I was called from the Chamber just before the announcement was made of the untimely death of TOM C. COFFIN, but I cannot permit this opportunity to pass without paying my humble tribute to a good and noble soul.

I should be remiss in the obligation that a long and tried friendship imposes if I did not by some simple word commemorate his passing.

It was one of the grisly jests of life that made it possible for him who had challenged death in death's own domain above the clouds to meet the Grim Reaper on the peaceful streets of his own Nation's Capital.

> Oh, what is life's beacon and what is the goal,
> That awaits at the end, save the immortal soul
> May be purged of its dross and be fitted to gain
> The reward of a life that has earned it in pain?

TOM COFFIN has gone from among us. He has stepped out into that starless, silent, unknown realm, where intelligence may not enter, and where faith alone may pilot.

He so lived his life that the world is better and brighter and happier because he has lived, and these old gray walls are grayer and sadder because he has gone.

Oh, words are a weak vehicle to express the thought; but in after years, when others shall come along the road he trod and see the flowers blooming planted by his hands, they shall counsel and speak among themselves and say, "Down this way a gentleman has gone." [Applause.]

PROCEEDINGS AT UNVEILING OF STATUE OF WILLIAM JENNINGS BRYAN

Mr. LAMBETH. Mr. Speaker, by direction of the Committee on Printing, I present the following privileged resolution, which I send to the desk, and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 43

Resolved by the House of Representatives (the Senate concurring), That there shall be printed with illustrations, in such form and style as may be directed by the Joint Committee on Printing, 5,000 copies of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan, in Washington, D.C., May 3, 1934, together with such other matter as may be relevant thereto, of which 1,000 copies shall be for the use of the Senate, 3,100 copies for the use of the House of Representatives, and 900 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Nebraska.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. LAMBETH. Yes.

Mr. SNELL. Is that a usual resolution, passed when a statue is dedicated here in Washington given by private subscription?

Mr. LAMBETH. There are precedents for this resolution. In the case of the statue of John Ericsson in Potomac Park it was done. Further, we have reduced the number to one-third of the former number. It will cost only about $200, according to the estimate of the Public Printer.

Mr. SNELL. The entire expense will be only $200?

Mr. LAMBETH. Two hundred and thirty-five dollars and twenty-eight cents, to be exact.

Mr. SNELL. I have never happened to have my attention called to a resolution of this character, but I shall take the gentleman's word for it that it has been done before.

Mr. LAMBETH. We have investigated it, and it has been done in the past.

Mr. SNELL. It is peculiar, and I think somewhat surprising, that we have to pay the expenses for the dedication of a private statue.

Mr. LAMBETH. But we are not paying the expenses for the dedication.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

PROCEEDINGS AT ACCEPTANCE OF THE STATUES OF GEORGE WASHINGTON AND ROBERT E. LEE

Mr. LAMBETH. Mr. Speaker, I present another privileged resolution from the Committee on Printing, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 45

Resolved by the House of Representatives (the Senate concurring), That there be printed, with illustrations, in such form and style as may be directed by the Joint Committee on Printing, 7,000 copies of the proceedings in Congress together with the proceedings held in the rotunda of the Capitol, and such other matter as may be relevant thereto, upon the acceptance of the statues of George Washington and Robert E. Lee, presented by the State of Virginia, of which 1,000 shall be for the use of the Senate and 2,300 for the use of the House of Representatives, and the remaining 3,700 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Virginia.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

The title of the resolution was amended to read:

To print the proceedings in Congress and in Statuary Hall upon the acceptance in the rotunda of the Capitol of the statues of George Washington and Robert E. Lee, presented by the State of Virginia.

LEAVE TO ADDRESS THE HOUSE

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to proceed for 4 minutes.

The SPEAKER. Is there objection?

Mr. HARLAN. Mr. Speaker, I reserve the right to object. The gentleman has a request for a roll call on the point of no quorum made last night. Is not that the first business this morning?

The SPEAKER. The gentleman does not have to renew that. The vote is de novo.

Mr. BLANTON. And the presumption is that there is a quorum present at this time.

The SPEAKER. That is the presumption. Is there objection?

Mr. FULLER. Mr. Speaker, if the gentleman is going to call for a roll call on this bill, I object. If he is not going to call for a roll call, I shall not object.

Mr. BANKHEAD. Mr. Speaker, in the interest of expedition, we have other very important matters that we desire to call up, and I think the gentleman from Arkansas ought not to object, and should let the gentleman from Ohio proceed for 4 minutes.

Mr. BYRNS. The gentleman and I talked about this. I hope the gentleman from Arkansas will not object.

Mr. FULLER. Mr. Speaker, in view of the fact that there has been some understanding about it, I withdraw the objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. TRUAX. Mr. Speaker, I rise to talk about the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia, now before the House. If after I have done so, gentlemen want to vote for this bill without further explanation and do not want a roll call, I do not propose to ask for one, because I shall be putting myself on record as opposed to it. Someone has said that the District of Columbia is a dumping ground for worthless insurance policies. Pass this bill and it may and probably will become the dumping ground for worthless life-insurance securities. I call attention on page 28 of the bill to the language beginning in line 19, which reads as follows:

> If purchased at par, at the par value; if purchased above or below par, on the basis of the purchase price adjusted so as to bring the value to par at maturity and so as to yield meantime the effective rate of interest at which the purchase was made: *Provided*, That the purchase price shall in no case be taken at a higher figure than the actual market value at the time of purchase: *Provided further*, That the Superintendent shall have full discretion in determining the method of calculating values according to the foregoing rule, and the values found by him in accordance with such method shall be final and binding.

In other words, you empower one man to take any bond that today is worth only 30 percent of par and place it on the books at par, to draw interest on that basis. You give the insurance commissioner full power to set the prices on all securities that the companies hold now instead of his

taking them at their true market values. How many millions of dollars have depositors in closed banks been defrauded of by this very method? How many millions of people today are down on their knees destitute and in want because their life's savings have been legally stolen from them by just such a method as you propose to enact into law in this bill? There have been many scandals about life-insurance companies and policies in the District of Columbia. Here you propose to pass, without debate, without anybody being able to read it this bill, and clothe one man with this great authority. No matter how honest he may be, the opportunities are too great and the temptations are too great to take many worthless securities held by insolvent insurance companies and make them par value and thus place these insolvent insurance companies in a position to defraud further the policyholders of this District and to defraud further their investors.

Then, section 4 proposes to give to the superintendent of insurance full powers to regulate and make refunds to companies or to offset on their current year's fees any overcharge in taxes or fees which the insurance commissioner may determine should be offset. I call attention to the fact that this very same practice with regard to refunding and making offsets on income taxes in our country has nearly drained the Treasury and it has cost the taxpayers of this country $5,000,000,000.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. FULLER. Mr. Speaker, I ask unanimous consent to address the House for 4 minutes to reply to the gentleman from Ohio.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas [Mr. FULLER]?

There was no objection.

Mr. FULLER. Mr. Speaker, I have no fear that the gentleman's speech will have anything to do with killing this bill, but I do not want such an impression as he advocates to go out over the country. Those who are familiar with the insurance business know that the fact we have had no code in Washington during all these years has been a joke all over this Nation. It has been looked upon by insurance companies and by insurance commissioners of other States as a joke. The insurance commissioner of Washington goes to the national conventions with other insurance commissioners of the Nation; and while he has a voice, he is looked upon less than the delegates from the Philippines and Puerto Rico. The very reason which the gentleman from Ohio suggests for his opposition to this bill is the very reason why this bill should be adopted. This act has been studied year in and year out. It has been passed upon favorably by the committees of the House. It has been brought here and finally failed to pass because no one took any interest in it. Now, in the interest of the people of the District of Columbia it is our intention to drive out the get-rich-quick and bankrupt concerns engaged in insurance. This has been a fertile field for get-rich-quick companies.

It is rather surprising that we have to sit here day in and day out and listen to the gentleman from Ohio [Mr. TRUAX], who seeks to be bigger than the committees, who seeks to be bigger than this House, and who seeks to fight and defeat every measure, although——

Mr. TRUAX. That is an untrue statement.

Mr. FULLER. Although when it comes to a test in the House, as it was yesterday, he opposes all the rest of this House, and was the only man who stood up in opposition to this bill.

Mr. TRUAX. I was the only man who read the bill. Your committee cannot gag me.

Mr. FULLER. According to the gentleman's big ideas, it is "big I" and "little you" whenever the gentleman from Ohio wants to speak in this House.

Mr. TRUAX. The gentleman could apply that to himself as well, and much better than to the gentleman from Ohio.

Mr. FULLER. The very fact that he espouses a measure or the very fact that he is opposed to a measure is a self-evident fact that it will only receive 1 or 2 votes in the entire House.

Mr. TRUAX. Mr. Speaker, I demand that those words be taken down. I will put my record with that of the gentleman from Arkansas any time any place. I demand that those words be taken down.

The SPEAKER. The words will be taken down. The Clerk will read the words taken down.

The Clerk read as follows:

> The very fact that he espouses a measure or the very fact that he is opposed to a measure is a self-evident fact that it will only receive 1 or 2 votes in the entire House.

Mr. TRUAX. Mr. Speaker, I brand that statement as a plain and deliberate falsehood.

Mr. BYRNS. Mr. Speaker, I make the point of order that nothing is in order.

Mr. TRUAX. I rise to a point of personal privilege.

The SPEAKER. The Chair will read the words:

> The very fact that he espouses a measure or the very fact that he is opposed to a measure is a self-evident fact that it will only receive 1 or 2 votes in the entire House.

The Chair thinks that is a matter of judgment. The gentleman from Arkansas may be wrong in his conclusions and in his judgment, but the House knows whether it is true or not. The RECORD will show whether it is true or not.

Mr. TRUAX. Mr. Speaker, I say that the gentleman from Arkansas [Mr. FULLER] uttered a deliberate falsehood in those words, and the RECORD will prove it. I rise to a point of personal privilege.

The SPEAKER. The words do not imply that at all. The Chair holds that the words are in order.

Mr. BANKHEAD. Mr. Speaker, I think we ought to have the regular order.

The SPEAKER. Regular order is demanded.

S. 2347, TO MAKE THE PROVISIONS OF THE INLAND WATERWAYS ACT APPLICABLE TO THE COLUMBIA AND SNAKE RIVERS

Mr. KNUTE HILL. Mr. Speaker, I was unable to be present during the consideration of the bill S. 2347. I was paired on the bill. I ask unanimous consent that I may be permitted to extend my remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KNUTE HILL. Mr. Speaker, 2 weeks ago we listened to a simple yet eloquent plea by the gentleman from Virginia [Mr. ROBERTSON] in behalf of a national park for the Everglades, Fla.

I am in entire sympathy with the plan of providing a sanctuary for our feathered friends and other wild animals, to preserve our fauna and flora in their natural beauty, and to preserve playgrounds for our people. In the open spaces of the far West we have many such parks and playgrounds. The gentleman evidently is a student and lover of nature—but has not yet heard the "call of the West." More than a score of years ago I yielded to that call and left my native prairies of Illinois for the rugged West where nature has been so bountiful—where, as it were, you are face to face with God. Let me quote from the grandest of poems by the greatest of poets—Thanatopsis, by William Cullen Bryant:

> The hills rock-ribbed and ancient as the sun,
> The vales stretching in pensive quietness between;
> The venerable woods—rivers that move in majesty
> And the complaining brooks that make the meadows green;
> And, poured round all Old Ocean's gray and melancholy waste
> Are but the solemn decorations all of the great tomb of man.

Majestic mountains! First to be kissed by early dawn and morning breezes. Snow-capped peaks glistening at glorious sunrise and glowing at flaming sunset! Magnificent valleys that only the ages can fashion. Forests primeval! Where you stand with bowed head in awe and silence to repeat the couplet by Joyce Kilmer:

> Poems are made by fools like me,
> But only God can make a tree.

I would paraphrase that thus:

> Speeches are made by fools like me.
> But only God can make a tree."

Noble rivers! Crystal clear and sparkling, and sunshine and shadow. Again I invite my friends and colleagues to come "out where the West begins"; where the climate is cool, refreshing, exhilirating; where the skies are as blue and clear as those of sunny Italy and storied Greece.

But we are not only dreamers but also a practical people. More than a hundred years ago Bryant wrote:

> Where rolls the Oregon, and hears no sound,
> Save his own dashings—yet the dead are there;
> And millions in those solitudes, since first
> The flight of years began, have laid them down
> In their last sleep—the dead reign there alone.

He had in his poetic mind the aborigines, the Indians in their last long sleep on the banks of the surging river.

Then came Gray—that intrepid Boston captain—to lay the foundation for our claim to this great Northwest and to rechristen the stream after his own good ship, the *Columbia*.

At the beginning of the nineteenth century the first great practical dreamer was placed in the White House. He had the vision of a mighty country extending from the stormy Atlantic to the placid Pacific. He had the courage to take the first step to make that dream come true by sending Lewis and Clark on their memorable expedition, up the Mississippi and Missouri, over the stony mountains and down the Snake and Columbia to the mighty Pacific. What a glorious adventure, and fraught with what importance to coming generations!

Following them came the patient, determined missionaries—the Whitmans, the Spauldings, the Jason Lees. What heroic souls! With them the pioneers! The pioneers! No descriptive adjectives are necessary. Their courage, their sufferings, their very lives, speak volumes. Go out into the corridors east of the House Chamber and gallery and see them painted. "Westward the course of empire takes its way." On their faces are pictured hope, courage, intelligence, and determination.

And now we have a second great practical dreamer in the White House.

The construction of Boulder Dam, it is true, was begun years ago. But the President is going to make this a blessing to all the people of the great Southwest instead of the private plaything of a select few. He has carried to a glorious fruition the splendid dream of Senator NORRIS, and now Muscle Shoals and the T.V.A. have become the national yardstick to bless not only the people of the great Southeast but also all the United State. Temporarily he has been checked in the St. Lawrence Valley, but time and the will of the common people will compel the construction of this great project for the benefit of the teeming millions in our great Northeast.

But I am indeed particularly proud and pleased to call to the attention of the Members of this House our own project of the great Northwest. The extensive Columbia Basin, with its tributaries and valleys, will have a tremendous significance for the generations to come. Sooner or later the coal, the oil, the minerals will be exhausted—will be removed from the bowels of old mother earth. But the magic touch of the modern "white coal"—the exhaustless water power of the ponderous glaciers and the rushing waterfalls—will be within the grasp of the new electric age and go on forever. In our State of Washington alone, we have one-sixth of the potential water power of the whole United States. One-sixth! Will we be worthy sons and daughters of our worthy pioneer forebears and develop and direct this wonderful gift of nature for the common good? God grant us the vision, the determination, the courage so to do!

When this is fully developed, when this wild and tempestuous horsepower has been harnessed, we will hear the whir of millions of factory wheels, we will see hundreds of thousands of happy laborers employed and a mighty industrial empire rise in the great Northwest to rival ancient Babylon or modern England. We have already made a beginning at Bonneville and Coulee Dams, but this is merely a beginning.

The Snake and all the tributaries to the great Columbia must also be harnessed. When these waters are impounded and controlled, they will serve as a means of cheap transportation for the manifold products of our great inland empire. Nature and nature's God has been bountiful to us in wonderful natural resources—minerals and products of the soil. Marble and minerals, fruit and wheat—even now the people of the hinterland in Idaho and Oregon and Washington are pleading for reasonable transportation charges, while the people of the coast cities and of the Orient are clamoring for these products. That is why we, representing these sections of these States, are appealing to the Federal Government to have foresight and to look to the future and construct locks at Bonneville for ocean-going vessels. We must build for the future, not just for the present.

Again, these waters will eventually be used to irrigate millions of acres now a waste, and with the aid of life-giving water will be made to blossom like a rose and to furnish happy homes for millions of contented farmers. Right here may I express the firm conviction that there is no such a thing as overproduction; no, not as long as there are starving children and ragged fathers and hopeless mothers.

Rather it is underconsumption, and God grant we may solve this problem by furnishing cheap power for every use in home and industry, cheap transportation by land and water, and a common-sense marketing system that will close the wide gap between producer and consumer. Restore the purchasing power of the two great producing groups—the farmers and laborers, and give them the means wherewith to enjoy the bounties of nature and the intelligence and industry of man, and our recovery will not only be certain but also permanent.

As a necessary step in this direction, the inclusion and development of the Columbia and Snake with the Mississippi are imperative. I plead with you to forget sections. There is no East, no West, no North, no South. Our great leader has started a program of national development that will redound to the credit of all who take part and to benefit and comfort countless millions to come. Posterity will rise up to praise and bless such foresight.

LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

Mr. HARLAN. Mr. Speaker, I think something ought to be said about the remarks that the gentleman from Ohio [Mr. TRUAX] made against the code, not that it makes any difference.

Mr. BANKHEAD. Mr. Speaker, regular order.

The SPEAKER. Regular order is demanded.

The unfinished business before the House is on the question of agreeing to the amendment to the bill (H.R. 9178) to regulate the business of life insurance in the District of Columbia.

The question was taken, and the amendment was agreed to.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. FULLER), there were—ayes 114, noes 1.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

NATIONAL HOUSING, EMPLOYMENT, AND INSURANCE

Mr. BANKHEAD. Mr. Speaker, I call up a privileged report (No. 1951) from the Committee on Rules for immediate consideration.

The Clerk read as follows:

House Resolution 434

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9620, a bill to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing; to prevent speculative excesses in new-mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the

bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment and any other amendments recommended by the Committee on Banking and Currency, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. BANKHEAD. Mr. Speaker, I shall make a very brief statement in connection with this resolution.

I think it is pretty generally understood that this is one bill that the administration and those who are in favor of the principle of this bill are very much interested in putting upon its immediate passage. This bill, of course, is the one that has been under consideration by the Committee on Banking and Currency for a number of days, and is commonly called the "housing bill." I am not familiar with the details of the bill, because, like many others, I have not had the time or the opportunity to give it any consideration. But, admittedly, it is a measure in which the administration is tremendously interested and in which I think the country is tremendously interested.

This resolution now presented from the Committee on Rules provides for 3 hours of general debate upon the merits of the bill to be equally controlled by the chairman of the committee and the ranking minority member. It was arranged that time would be provided for those who might desire to oppose the provisions of the bill. Taking into consideration the hour allowed under the rule, and 3 hours of general debate, we will have a total of 4 hours of debate upon the bill. I regret that it could not be shortened, because I am one of those who are very anxious to conclude the essential legislation now pending before Congress and adjourn sine die. [Applause.]

The rule provides that all points of order against the bill shall be waived; that the House substitute, for purposes of amendment, may be considered as an original bill; that all germane amendments may be offered to the bill; and, of course, it provides for the usual motion to recommit.

I think this is all I desire to state in connection with the rule; and I yield to the gentleman from Pennsylvania the usual 30 minutes if he desires it, receiving the rest of my time.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. I yield.

Mr. MOTT. Is the bill to be read under the 5-minute rule?

Mr. BANKHEAD. Oh, yes; it is an open rule in all respects.

Mr. MOTT. I thank the gentleman.

Mr. BANKHEAD. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. O'CONNOR].

Mr. O'CONNOR. Mr. Speaker, I voted to report a rule for the consideration of this bill very reluctantly, because, as I understand it, the bill reported by the Committee on Banking and Currency is not the bill which is desired by the administration. It has been so changed in that committee that it is not in accordance with the purposes the administration had in view to meet this distressing situation as to housing.

I think it is important for the House, irrespective of the approach of adjournment—and, of course, I am not so optimistic about adjournment as some people are; I cannot see it in sight—to carefully consider this bill. The Committee on Banking and Currency, as I have been given to understand, has changed at least two important features of the bill by omitting these provisions from the bill as forwarded to that committee by the administration.

This bill was intended to take care of low-cost housing, or slum clearance. You will recall that under the Public Works Administration the matter of slum clearance was supposed to be financed; that body was supposed to make loans for low-cost housing, or slum clearance. The conduct of that bureau by P.W.A. has been a complete failure. Instead of helping slum clearance, that bureau has been definitely against housing projects—in our big cities at least—and especially if certain people were willing to do the building. You have read in the newspapers that millions have been allotted by the housing bureau of P.W.A. for slum-clearance projects. The millions have been allotted, but in most instances the real money has never been paid out. It has all been a publicity bluff. There was established a bureau under P.W.A. which has not been in sympathy with slum clearance in our cities, and under the leadership of Mr. Kohn, of New York, its chief, who has no sympathy with slum clearance, they switched from slum clearance to homesteads, which are built in the country, not the cities.

The President and the other heads of our departments of the administration, realizing that complete failure, included in this bill provision that low-cost housing and slum clearance should be taken care of by insuring the mortgages issued thereon.

The metropolitan centers and the smaller cities of this country with their problem of congested population surely have some right to be considered under this great program of the Federal Government lending billions of dollars to work us out of our difficulties.

I know this House does not subscribe to the statement that I understand was made in the Banking and Currency Committee that the only thing worth while helping was a one-story bungalow. We in the cities cannot house our people in one-story bungalows. We must build multiple dwellings; we must go up 8 or 10 stories because of the limited space and the cost of the ground. This was one of the definite programs of the administration, and it has been completely eliminated in the Banking and Currency Committee on the initiative of some members of that committee and against the wishes of the administration. I say it is not fair to the cities of this country to eliminate that feature pertaining to low-cost housing.

There is another important feature of this bill upon which I desire to comment. The Banking and Currency Committee have deliberately eliminated the establishment of national mortgage associations, as recommended by the administration. This whole title II has been taken bodily out of the bill as it is reported to the House. The bill reported to this House is not the bill which we were supposed to consider, and that is why I hesitated to vote for the rule.

You are going to be told, even by some of the leaders here, "Well, let us pass it through the House, as the committee has amended it. Let us not try to amend the bill on the floor of the House. The defects will be taken care of in conference or on the other side of the Capitol." We have heard this alibi before. We know how well the stock exchange bill was taken care of in conference. We know what happened when this House voted overwhelmingly that the administration of the Stock Exchange Act was to be placed in the hands of the Federal Trade Commission, instead of a new commission.

We know what happened when this House voted overwhelmingly that the administration of the Stock Exchange Act was to be placed in the Federal Trade Commission, and when we were told on the floor by the Chairman and others of the Interstate and Foreign Commerce Committee that to have a separate commission was the thought, the creature, and the plot of the stock exchange itself. Our managers went into conference and brought back the exchange "pet" and "plot", which to a great extent will destroy the effectiveness of that bill.

That is what is going to happen here as to this bill, unless this House makes a fight on its own floor for amendments to restore to this bill very important measures recommended by the administration; for instance, putting in the bill a provision to take care of low-cost houses and slumming clearances [applause] and likewise restoring to the bill these national mortgage associations as provided in the original title II.

I know the plea which is going to be made on behalf of the building-and-loan associations to keep title II out. I am heartily in sympathy with building-and-loan associations.

I think they are one of the greatest institutions in America today, but they have already received hundreds of millions of dollars from the R.F.C. Even though we may be approaching the close of the session, which we are not, let us not just pass this worthless bill as the committee has amended it, hoping that another body will respect the administration wishes more than did the Banking and Currency Committee of the House. Let us not pass it, hoping that if the other body is in a hurry, too, the conferees will work it out satisfactorily. Surely, the conferees on the part of the House, who are responsible for these eliminations of the administration's provisions, will not put them back into the bill. Let us not be tricked or hoodwinked. We should enact the legislation which the administration wants, or no legislation at all.

Mr. O'MALLEY. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Wisconsin.

Mr. O'MALLEY. If we desire to adopt the President's housing program, we will put back in the bill what the committee struck out?

Mr. O'CONNOR. Yes; and I hope the House will do this by amendment before we are through and not be lulled to sleep by any suggestion that it can be taken care of on the other side of the Capitol.

The Senate bill still contains these provisions, which our own House committee has so unexplainedly eliminated. The Senate has not yet seen fit to eliminate these vital provisions, although the House committee has eliminated them and knows they will not be put back in conference, as far as the House conferees are concerned.

I submit this request to you with the greatest earnestness. Please do not be in a hurry to adjourn sine die. This is one of the most vital bills that has come before us in this session. It is one of the most vital projects of the administration, and we should stay here and try to amend this bill as it was originally intended and not trust to a conference which will give us the "foot", as they say, as happened in connection with the stock exchange bill.

Mr. HOEPPEL. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from California.

Mr. HOEPPEL. Is there any reason why the gentleman cannot offer the amendment he proposes and why we cannot follow him?

Mr. O'CONNOR. I have prepared the amendments, and I or members of the committee will offer the amendments. Here is the situation you will face. You will be told privately by the leadership, "Let us hurry up. The whole matter will be taken care of in conference." Do not believe it. It will not. We will get another stock-exchange sell-out.

Mr. BLANCHARD. Will the gentleman yield?

Mr. O'CONNOR. I yield to the gentleman from Wisconsin.

Mr. BLANCHARD. Does the gentleman feel there is a necessity for putting back the provision for national mortgage associations?

Mr. O'CONNOR. I certainly do, and I hope the bill will not be signed by the President unless that provision is put back in.

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from Pennsylvania [Mr. McFADDEN].

Mr. McFADDEN. Mr. Speaker, this is an important bill. It provides for almost an unlimited amount of financing.

The bill in the first instance creates a structure which is intended to give aid in the rehabilitation of building operations in the United States, with the idea of stimulating return of employment. With that motive I am entirely in accord. The bill proposes to take $200,000,000 out of the Treasury of the United States as its capital and authority is given for such additional funds from time to time as may be needed, and provides machinery for the creation of additional agencies. It authorizes the insurance of loans which are to be made through financial institutions, including banks, building-and-loan associations, and all such agencies that are under the supervision of the United States Government.

In Pennsylvania, California, and many of the States, there have been built up and developed great building-and-loan associations which have done more to aid and assist in the building of homes throughout the country than any one agency. With hardly any exception, these mutual building-and-loan associations have dealt with the public honestly, they have been honorably and properly managed and have rendered a great service. They are one of the greatest aids in this country to home ownership and to home building.

I listened to what the gentleman from New York [Mr. O'CONNOR] had to say with regard to putting into this bill that which he claims was taken out by the Banking and Currency Committee of the House, section 2, which the House committee very properly struck out of this bill. May I say to the Membership of this House that if such authorization is put into this bill it will destroy the building-and-loan association business in the United States. If you want to do that now, put the provision back in the bill. Building-and-loan associations have dealt more fairly with their borrowers than any other class of financial institutions during the trying period of the past few years. Their foreclosures have been less than any other group.

I understand that section 3 of the bill has been eliminated from the bill by the Senate committee. This is as it should be.

Section 105 of this bill is an objectionable feature of the bill and should be stricken out. It, too, will have a tendency to destroy the building-and-loan business in the United States by bringing in a Government agency as a competitor financed with Government money.

The building-and-loan associations are owned cooperatively by the people who have borrowed from them for the purpose of building and sustaining their homes. Amortization payments are provided; a system of easy payments with reasonable interest rates is provided. No class of people in the United States is more deserving of support and no other class of people is less deserving of receiving the blow which would be administered by the Government's supporting an agency of this kind than these people.

Mr. BLANCHARD. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. BLANCHARD. I want to take just a moment of the gentleman's time and I believe the gentleman can secure more time if necessary.

I am just as much concerned about the building-and-loan business as the gentleman from Pennsylvania, but there are two approaches to this question. The original bill provided that the Government should be in the direct lending business. This, of course, should be avoided if possible. The next proposal, however, which, as I understand it, is in this bill, simply provides for the setting up of a Federal association as a sort of rediscount organization to take over mortgages from private institutions, and with this distinction in mind I should like to ask the gentleman from Pennsylvania whether he is opposed to the present provision of the bill which sets up these national mortgage associations but provides that they shall not compete directly with building-and-loan associations.

Mr. McFADDEN. I will say to the gentleman that my concern is for the building-and-loan associations, and it seems to me if we create a national institution, backed with Government credit, and permit it to deal in mortgages, we are going to destroy the building-and-loan-association business.

The gentleman from New York [Mr. O'CONNOR] is interested, of course, in the improvement of the slum districts in the cities. I have no objection to this, but it is not a Federal affair—it is a city and State matter. I would call the attention of the gentleman from New York to what has been taking place in the city of New York, the kind of business that has been practiced by these large mortgage companies in New York that are now under examination by State authorities where they have misused their rights and have exploited the investors of the country by their speculations in real-estate mortgages in the cities. There are

provisions in this bill which will, I am afraid, permit the refinancing of many such mortgages in this system and the real home owner may get the little end of this supposed relief.

I would be opposed to the Government's, in this particular bill, undertaking the refinancing of such mortgages now held by defunct agencies such as these in New York City, and that are held by many of the big insurance companies, or any refinancing of projects other than homes. I do not think the Government should go into the financing of business buildings or business blocks in the cities, but homes should be the thing for which the Government's money should be spent solely to promote the protection of homes and furnish employment and stimulate industry.

I know the building-and-loan associations all over this country are tremendously concerned about this bill. They are afraid of Government as a competitor. I have a telegram here from the head of one of the large groups of building-and-loan associations, Mr. C. H. Wade, of Los Angeles, Calif., who says:

General theory of housing act good, but certain amendments sponsored by the United States Building and Loan League vital for California associations. Request full discussion and record vote on striking out mortgage-insurance section. Bill provides Government backing for mortgages and unfair Government-sponsored competition and possibly ultimate ruination of community-thrift and home-financing institutions. Proponents of this section admit it is experimental, unsuccessful, when attempted by private capital and results will be neither immediate nor certain. The present objectives can best be obtained through existing building-and-loan associations. Capital-impairment provision penalizes California associations without reason and should be stricken out.

This comes from one of the leaders in this field, I may say to the gentleman from California.

Mr. DOCKWEILER. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. DOCKWEILER. The gentleman knows that in my State 95 percent of our mortgage-insurance companies are stockholding companies and not mutuals and there are 300,000 investors in these companies and 100,000 borrowers and $350,000,000 involved.

Mr. McFADDEN. I know the gentleman's State has almost as many building-and-loan associations, if not as many, as the State of Pennsylvania, and I am anxious that nothing is done to harm them in this bill. These people are rightfully concerned about the matter.

Now, as to the situation of these large mortgage companies which have taken, in a speculative way, mortgages on all kinds of buildings and have trusteed those mortgages and sold them to investors throughout the country, it would be a fine thing for such institutions now to have an opportunity through a Government-aided institution to unload millions of dollars' worth of these mortgages. I do not know whether such a plan is under contemplation, but this might be made possible through the organization of such a great Government institution. For instance, the New York Title & Mortgage Co. had outstanding a year or two ago a billion dollars' worth of guaranties. This institution was taken over by one of the large banks in New York, the Manhattan Trust Co., who recently turned the New York Title & Mortgage Co. loose after taking its deposits and taking its other resources, and they incorporated a new company with this billion dollars' worth of liabilities, and set it loose with one million and a half capital. We should see to it that these mortgage loans are not unloaded on Uncle Sam.

These are the things I am alluding to here that such companies should not be permitted to make use of a Government institution that is to be created with Government money, ostensibly for the purpose of aiding home owners, not only to build their homes, but to repair them, for the purpose of giving employment, for the purpose of aiding the industry of building materials and for the purpose of an economic readjustment in the United States which is so badly needed. Such an organization should not be used for dumping bad mortgage loans.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. McFADDEN. I yield.

Mr. CHRISTIANSON. Do I understand from the gentleman's remarks it is possible under this bill to get money, not for the purpose of new construction, but for the purpose of refinancing debts incurred in past construction?

Mr. McFADDEN. Yes; I understand so.

Mr. CHRISTIANSON. I understood the purpose of this bill——

Mr. McFADDEN. The home owner can borrow also from his local institution which qualifies under this bill and his loans can be insured under the measure.

[Here the gavel fell.]

Mr. RANSLEY. Mr. Speaker, I yield 5 minutes to the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Speaker, I did not intend to take any of the time of the House at this point, but I was rather concerned about the effect of the remarks of the gentleman from New York [Mr. O'CONNOR]. I did not want the Members of the House to start out with a misunderstanding about what had been done to this bill by our committee.

Please bear in mind that the aim of the committee, if I understand it at all, was to do that thing which the administration wanted done first—to stimulate building in order to reach down and help the durable goods and building industry. That we have done.

Our next objective was to do that which would help the small-home owner, and that we have done. When we struck out title II of this bill we made it impossible by the terms of the legislation to set up a national mortgage association. I want to tell you one thing that convinced me that that was the thing to do.

A gentleman by the name of Miller from New York State appeared before our committee. He came to endorse the bill as originally written. As a man sometimes will, he unconsciously made a damaging admission. It was a sufficient justification to anybody to kill title II. He said, "I represent a trust and savings institution that lends to banks, and", he said, "we have a State charter. We are now making it possible for home owners to borrow money to better advantage than you make possible under the terms of title II of the bill." Whereupon I said, "If the gentleman wants to give us a conclusive reason for killing title II—if he admits that under a State charter an institution may be set up that can do this job more economically and at a lower rate of interest than it can be done under the Federal institution, he has succeeded." There was no answer to that. It never has been answered.

What institution has done the most for the small-home owner? It is the building-and-loan association. Title II put them in competition with Federal institutions. It put them in competition with national mortgage associations, which were to be exempt from all income taxes and from all taxes now or hereafter to be imposed by the United States. In addition to this advantage over privately owned lending institutions, these national mortgage associations were to have the use of Government money. Talk about unfair competition. I would not be a party to setting up any institution with such unfair competitive advantages.

Long ago we authorized the R.F.C. to help the banks by buying preferred stock. The building-and-loan associations have been trying to carry on, and some of them are tottering now. We did under section 2 for these institutions precisely what we enabled the R.F.C. to do for banks.

The SPEAKER. The time of the gentleman from Maine has expired.

Mr. RANSLEY. Mr. Speaker, I yield the gentleman 5 minutes more.

Mr. BEEDY. Mr. Speaker, under the new title II, we made available to the Home Owners' Loan Corporation an additional billion and a half of money, with which it may purchase preferred stock in these building-and-loan associations and make it possible for them to give additional aid to small-home owners in the way of new loans. That is the second objective of the bill. There was not any politics in it. Title

II of this bill as you now find it was introduced by a member of the Democratic Party. The whole proposal was considered absolutely in a nonpartisan light, with the aim solely, I say to you, to pump out money into the building trades and reach down and help stimulate business in the durable-goods industries. This is the real explanation of the change in title II, and therefore I beg you not to be alarmed by the statement of the gentleman from New York [Mr. O'CONNOR], but to sit here and listen until in general debate and under the 5-minute rule we shall have an opportunity to convince you that there was no ulterior motive and no purpose on the part of our committee other than to serve the aim of the administration and help the general situation as affecting the building-trade industries.

Mr. BROWN of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. BROWN of Kentucky. Will that portion of the expenditure that you set apart to buy stock in these building-and-loan associations pump any help into trade?

Mr. BEEDY. Yes.

Mr. BROWN of Kentucky. Will not that simply allow these building-and-loan associations to get a stranglehold on this money that really ought to go for the benefit of these home owners?

Mr. BEEDY. The money finds its way to the small-home owner. The building-and-loan associations are to loan to these very home owners. These building-and-loan associations have probably loaned for home-building purposes more freely during the last 4 years than any other of our lending institutions. Some of them are very much hampered for lack of capital. This bill enables them to get capital to loan to home owners. They do not want it to hold in their capital set-up as idle money.

Mr. HANCOCK of North Carolina. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes; I yield to the author of title II as it is now in the bill.

Mr. HANCOCK of North Carolina. The language is very clear. It provides that the funds must be used for new construction or for refinancing existing mortgages.

Mr. BEEDY. That is right; that is written into the bill.

Mr. BROWN of Kentucky. But it makes no provision whatever to go on, on which to put these funds out. They can set their rate of interest and charge what they want for brokerage and attorneys' fees on title.

Mr. HANCOCK of North Carolina. We have fixed it so that the money will have to be used for loaning purposes, either for new construction or for refinancing existing mortgages.

Mr. LANHAM. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. LANHAM. There seems to be quite a lot of solicitude on the part of building-and-loan associations with reference to section 105 of title I, the claim on their part being that it will handicap community thrift. Can the gentleman enlighten us with reference to the provisions of section 105 of title I in that regard?

Mr. BEEDY. In the time at my disposal I am frank to say that I cannot do that in a way satisfactory to the House; but others will do so.

Mr. ELLENBOGEN. Mr. Speaker, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. ELLENBOGEN. I understood the gentleman to say that the money which will be advanced by the Home Owners Loan Corporation under title II as amended would go to buy preferred stock in building and loan associations. Is that correct, or is it common stock.

Mr. BEEDY. Yes.

Mr. ELLENBOGEN. Then it is common stock.

Mr. BANKHEAD. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. SIROVICH].

Mr. SIROVICH. Mr. Speaker, when a future historian shall record the great messages that have been sent by the different Presidents to the Congress of the United States, excepting the Emancipation Proclamation, in my humble opinion, the greatest message thus far sent to any Congress is the stirring and humane communication sent by President Franklin D. Roosevelt, calling for consideration of the great triad, old-age pensions, unemployment insurance, and preservation of the home. [Applause.]

Since the Seventieth Congress, during each session, I have repeatedly spoken upon this floor in behalf of and appealed to the membership of this House to enact legislation providing for the adoption of old-age pensions, unemployment insurance, and preservation of the home. [Applause.]

Mr. Speaker, back of our Government, back of our religion and custom is the home. The home is the foundation of all society. Upon it the superstructure of all civilization rests. The home is the institution where the father is the king, mother the queen, and the children are the subjects. In every home, whether it be in the large cities or upon the plains, valleys, farms, or mountainsides, there is a little sentiment upon the walls which inspires every man, woman, and child, which says, "God bless our home." What sweet, tender memories this sentiment always evokes in our heart and mind. Faith and hope should never depart from these humble firesides. The home is the cradle that nurtures our offspring. The home is the institution that shapes the destiny of our brood. As go the parents, so go the children; as go the children, so goes the home; as goes the home, so goes the Nation and the world. Destroy the home, and you destroy society, civilization, and everything that goes with it. [Applause.]

Everyone is praying for happiness, for comfort, and prosperity to return to all who struggle for their daily bread in order that their home may be maintained. We are hoping for a new day to break in upon all of us. Today the mortgages upon the homes of millions of our people are being foreclosed. Hunger, penury, want, and destitution stare these millions in the face. Today the homes of these unfortunate people are being threatened as never before. Economic conditions threaten to achieve what fire, flood, wind, and invasion have never done before. Property is gone, fortunes have been swept away, men and women beyond middle age are back where they started—helpless and hopeless, not knowing where to turn for tomorrow's bread and shelter. And what is the cause of it all? It is the lack of money with which to preserve the home, rebuild the home, and build new homes.

Our honest and self-respecting citizens living in their modest homes have been imposed upon through chicanery, high-pressure salesmenship of stocks and bonds, fraudulent investments in guaranteed mortgages and failures of mismanaged banks and investment organizations that have fleeced them of their life's savings. Thus 10,000,000 of our American citizens are still helpless and hopeless, the tragic victims of this frightful economic depression that has deprived them of their homes and farms and robbed them of their present and future economic security. The message of President Franklin D. Roosevelt pleading for old-age pensions, unemployment insurance, and the protection of the home has given them renewed faith, hope, and courage.

Mr. Speaker, I sincerely hope the housing bill, now under debate and discussion, which will provide for the improvement of Nation-wide housing standards, will make possible the employment of labor, stimulate industry, improve conditions with respect to home-mortgage financing, prevent speculative excesses in new-mortgage investment, eliminate the necessity for costly second-mortgage financing, create a system of mutual mortgage insurance, and by making provision for the organization of additional institutions to handle home financing, promote thrift and protect savings, amend the Federal Home Loan Bank Act, amend the Federal Reserve Act, and for other purposes that would be instrumental in bringing about clearance of all slums and the building of new homes, will pass the House today and mark the triumphant victory of human rights over property rights. [Applause.]

Mr. Speaker, the slums of great cities are the most terrible sores on the body politic. There is nothing that requires reformation more than the block tenements that are the pest holes of proud cities. The marble halls of business and finance, the splendid buildings that are the terminals of great railroads, the broad streets and fine highways that cities, States, and the Federal Government have built to make easy and comfortable the means of traffic communication between centers of population, are futilities, if the abodes of those who use them are focii of infection and of disease.

Starting at Eastport, Maine, and coming down along the Atlantic coast are sections unfit for human beings to live in. Tenements, some of them built a hundred years ago, with dark rooms into which the sun never casts its health-giving rays, with filthy hallways and so-called "courts" into which an outstretched arm touches the opposing wall, with sinks in the hallways and no provisions made for bathing or other necessary needs greet you everywhere. From these disease-breeding slums owned and operated by old aristocratic family estates and other heartless landlords the last penny that can be extracted in the form of rent is extorted that their owners may bask in the sunshine of Florida or find pleasure at St. Moritz, Monte Carlo, Nice, Villefranche, Cannes, Deauville, or other centers of play and amusement to the everlasting shame of the Nation and the degradation of its people.

Take New York City as an example—the Battery gives out on one of the most fascinating harbor views in the world. The Statue of Liberty stands with uplifted torch against the sunlit sky, a promise of faith and hope to all mankind. Broadway stretches away to the north, lined with magnificent towers of beauty and splendor. West Street, buttressed with great piers, harbors the shipping of the world with the products of every nation. But between Broadway and West Street are some of the worst tenements of which any city should be ashamed. Here, for generations, some of the poorest and least adaptable of our immigrants have found temporary shelter, if it can be called such, a shelter unfit for animals much less for human beings to live in.

Two great bridges spring from the shores of Manhattan to the strands of Brooklyn. One, the Brooklyn Bridge, is famous the world over; the other, the Manhattan Bridge, is a remarkable example of magnificent engineering, yet between these two splendid structures exists 200 acres of land comprising over 50,000 dilapidated old buildings; some of the worst tenements known to mankind. There are no words in the English language vile enough to describe the living conditions that are offered, at high rentals, to those who came to this land of freedom seeking health and happiness for themselves and their children. For more than a century, crime, disease, and immorality have festered together in these frightful pestholes.

Hope springs eternal in the human breast, as Pope expressed it, and that eternal hope has been the beacon light that has led some of our best citizens from these terrible tenements to the great places in the life of the Nation. These men and women could not look back with anything but loathing to the days of their childhood and youth. No vine-clad cottage lured their memories back to lovely and happy days. No rose gardens spread their blossoms in the first days of summer to lift their hearts to higher aspirations. If some of them succeeded in escaping from their early environment, it was because of that eternal hope for better things that animated them and not because of memories of a lovely home.

The East Side of New York, the district which nurtured Al Smith, its beloved, honored, and famous son, yes, its idol, has produced many splendid men and women, yet these people had their impetus within themselves and not from their environment. If they did as well as they have done with all these inhibitions, what might they not have accomplished if their initiation into life were under fine, healthy, and uplifting conditions instead of the depressing and unwholesome status from which only their determination to succeed enabled them to escape?

I have pointed out this section in which I live as an example. But there are other districts in New York City, as there are in other cities, cheap walk-up flats as well as unfit tenements, that are menaces to public health and decent citizenship. Boston, Providence, Springfield, Hartford, New Haven, Albany, Newark, Philadelphia, Baltimore, Chicago, St. Louis, Cleveland, even the great Capital of our Nation, Washington, are infested with slums in alleys and back streets that will equal in squalor anything of which New York can be ashamed. Nor is this condition limited to the Atlantic coast. The same situation exists in the wide Mississippi Valley, in the Gulf States, and along the west coast. No city can point the finger of scorn at any other city and forget its own alley and back street pestholes.

The greatest problem facing mankind today should not only be the restoration of prosperity, the increase in commerce, the expansion of industry, the curtailment of crops, but, above all, it should comprise a provision for decent homes in cities; homes for the man who works with his hands; homes for the men and women who are in the so-called "white-collar class"; homes for children and for the youth of the land; homes for which they need make no apology in their later years, the sort of homes that youth can look back to when maturity is reached with a decent and wholesome pride, and not with apology. [Applause.]

Such homes cannot be built by idealistic dreamers filled with the aspirations of the Beaux Arts in Paris, the classicism of the Parthenon and Pantheon; the stately grandeur of St. Paul's in London; the splendor of St. Peter's in Rome; the beauty of St. Stephen's in Vienna; the mysterious beauty of St. Sophia in Constantinople; or the dignity and majesty of St. Patrick's Cathedral in New York City. Human beings cannot live in comfort in monuments. A monument of architectural magnificence cannot be a home.

Stately colonnades do not balance with cozy kitchens, nor pediments with comfortable living rooms or nurseries. The line of the poet Moore, "I dreamt that I dwelt in marble halls", does not compare in its appeal to the human heart of the simple words of Payne's "be it ever so humble, there's no place like home."

In this House of Representatives of the Congress of the United States there are men from every walk in life. Men who come from the congested areas of large cities; men who come from the lesser cities, where life is less emphatic and who find time to think; men who come from small communities, where their communion with nature is so constant that they feel its impulses following them to this Capital, and who apply to their problems of legislation the great common sense of the soil, men who do not know, from actual experience, what slums are in great cities. To them, as well as to my colleagues who do know, I appeal for cooperation to demolish and stamp out these pathological slums, these dark, foul, pest-ridden tenements—humanity's deadliest foe.

We are all human beings, striving to do the best we can with what nature has given us to work with. Let me appeal to you my colleagues, you who are familiar with the open fields, the paths through the sweet woods, the green banks of streams, the feel of the bare earth through unshod feet, I invite the sympathetic cooperation of you men who have beheld the glory of the myriad stars at night, the splendor of the dawn and sunset, unmarred by high buildings, I beseech you who have felt the quiet of the still ponds and the serenity of lakes, and the soft silence that comes when the sun has set at its place in the west—to you, as well as to my colleagues who know only hard-paved streets, bare parks, ground to brown earth by the feet of playing children, I entreat you all to wipe out our slums, our national disgrace.

I insist that the slums of cities be eradicated, and that the festering sores of large communities be excised. I demand that the children of the cities be given fresh, clean air to breathe, wholesome places to sleep, open grounds in which to play, a chance to see the sky clear and undisturbed, a place to sit, not on the curbstone with feet in the putrid gutter, but where their feet may find solace and comfort

from the clean earth—that good mother earth from which we all come, and to which we shall all return—that place in the sun, a place in the air, a place in the home. Only a few days ago our great and beloved President Roosevelt said "The slums must go", and go they will. The call of civilization and our American humanity must be heeded. [Applause.]

Mr. Speaker, you have provided for all that I have asked by the appropriation you have made for the purposes I set forth, but these appropriations have not been put to the purposes that you intended—the eradication of the slums of great cities. Instead of practical application of the money granted to produce the results you intended, great dreams have been dreamed, great plans have been planned—to do what? Not to eradicate the festering slums of great cities, but to build utopian communities outside these cities in their suburbs, in the outlying districts from which to his place of employment it will take a man in his car from half to an hour and a half to reach his job. Look at the advertisements in the "help wanted" columns in any newspaper—what do you find? "Man wanted—with car." It is not enough that the man wanted supplies his services, but he also must supply his transportation. No wonder Mr. Hoover wanted two cars in every garage. One to take the man to his job, and the other to take the children to school, the wife to market, and all on a bare subsistence wage. Could you do it? Could any man do it on a mere subsistence wage? No.

Forty years ago in New York City, when the region west of Central park and north of Fifty-ninth Street was being developed with apartment houses, tiled baths, electric lights, telephones, gas ranges, steam heat, hot water with janitor service, 5-room apartments rented for less than $30 a month in new buildings in good neighborhoods. There were no superintendents in those peaceful halcyon days; just janitors, and good ones too. Tenants were usually from month to month. No long leases were required. Often from 1 to 3 months rent free were given for the first year, if the incoming tenant only promised to stay for the second year without a lease being asked.

These apartment houses still exist, and, as they were well built most are still in fair-to-good condition. They are 40 years older. They have long since paid up their original cost and an income since then. But are the rents what should be asked for 40-year-old apartment houses? They are not. Their rents have been doubled, tripled, and quadrupled. Their assessed value has not been increased much but the amount asked when they are sold has risen in price comparable to the rise in rents. They have been sold and resold many times, each time at a greater price. There are exceptions, of course, but in the majority of cases, the facts are as I have given them. These apartments are used by the white-collar class in New York and are given fair care by their present owners although at extortionate rentals. Years ago leases were shifted from May 1 to October 1 by the owners, to avoid vacancies in the summer—vacancies that came when residents of New York began, about the first of this century, to go to bungalows at beaches, or suburbs, or country. The tenant usually got the worst of the deal when any shift was made—as he or she does today. Nor is this confined to New York. When President Coolidge approved the Welch Act, giving increases to Federal employees, the majority of landlords in Washington immediately raised their rentals to the amount of the increase so the Welch Act betterment was absorbed by the landlords.

I have spoken of the white-collar class of apartments in New York to use them as a comparison to the slum tenements. These apartments are usually half way decent, but if you want to see humanity at its worst housing, take a trip through any of the tenement districts in any of the five boroughs and you will be astounded at what is offered by greedy landlords, at exorbitant rentals, for human beings to live in. Yes; to live in. Crowded and herded together in never ventilated, small rooms, whole families swelter in the summer heat and shiver in the cold of winter. The fire escapes are their front lawns; the roofs are their parks; and for the children, in the summer, the hydrant furnishes their beaches.

The worst conditions do not show from the street, but in the back yard, where old law tenements are crowded into spaces once used for gardens, now, often, more fit for garbage. Sing Sing Prison at Ossining provides for convicts better housing than do most of these tenements. One sink in the hall often is the entire water supply for many families. Oil lamps are still used for lighting. The halls are seldom swept or scrubbed, though many of the women folk keep their rooms as clean as it is possible to make them, encrusted, as they are, with the dirt and grime of many preceding generations. Air spaces often are less than the square of the two-pane wide window. I have seen stables, cow barns, and public garages that were superior to these dens as living places.

To these slums in past generations came peasants from the green fields of Erin; from the lovely Rhineland; from the plains of Hungary; from the slopes of the Alps; from the lovely coasts of Italy; from the fjords of Norway; from the Welch hills and the highlands and lake region of Scotia; from the isles of Greece and the age-hoary mountains of Armenia; from The Steppes of Russia and the vales of Poland, and with them also came artisans from the greater and lesser cities of Europe, North Africa, and the two Asias, all seeking happiness, peace, and liberty in a free country. [Applause.]

How many young brides trying a hazard of new fortunes in the America of their dreams have found the sordid reality of the slums so soul-destroying, so heart-breaking, so terribly different from the humble but pleasant homes of their native country, that they have cried as only a homesick woman can cry, in deadly loneliness, in a strange country, speaking a strange language, and among strange people!

How many young husbands among these immigrants have eaten their hearts out with disappointment over their inability to provide better homes for their young brides and the mothers of their babes? And this not in some poverty-stricken country wasted by the ravages of centuries old wars, or rigid class distinctions, of life and death, of men and women, in the same status into which they were born, but in the wealthiest city the world has ever known, the commercial capital of the most prosperous of nations, the seat of three great and many lesser institutions of learning, of splendid museums and galleries of art, of magnificent theaters, of every convenience of modern civilization except those of decent housing for the poor.

Who is responsible for this state of affairs in which poor and hard-working men and women and children growing up into life and its opportunities are compelled to live in squalor amid surroundings unfit for human beings? The greed of landlords is primarily responsible. The laxity of local legislation controlling the existence of what can only be called "pesthouses" is partly responsible. The lack of voice crying from the housetops that these folks shall be provided with fit homes within their means has been partly responsible.

The lassitudinous diletantism of the man in whose charge these matters have been put for solution has been very much responsible since there has been earmarked for the use of the housing authority, by the Public Works Administration, the sum of $25,000,000 definitely for slum clearance and rebuilding of the slum sections in New York, which money was provided by Congress so that no responsibility can be laid at the door of the Members of this honorable body.

In addition to the twenty-five millions earmarked for slum clearance, there has been allotted $11,485,000 for other projects in better neighborhoods in Manhattan, the Bronx, and Queens. Congress has not been lax. Public Works Administration has not been lax. Secretary of the Interior Ickes has been very gracious, and the laxity lies at the door of the architect who should have prepared practical plans for the clearance of slum sections and the building thereon of model and modern apartment houses, if not of the type, along the lines of those erected in late years in Berlin, Vienna, London, and Moscow.

The name of the dreaming, pussyfooting, and dilatory architect is Robert D. Kohn, Director of Housing, Public Works Administration. He solely is responsible for this crying and tragic delay.

Slum clearance and rebuilding on the cleared area is not a new thing that has to be thought out over a long period of time and that involves difficult technical planning. In New York City the building of apartment houses in the last 40 years has almost been standardized into fixed-price classes. All the lighting, heating, plumbing, and cooking accessories are practically as standard as a pound of granulated sugar. Flooring of wood, tiling, terrazza, or other form is also standardized. The steel structure or the concrete structure involves no problem. Steel framework for any requirement is sold like coal by the ton and delivered as quickly. Concrete is as simple as sifting ashes. Elevators, stairways, gutters, fire escapes, shutters, interior trim, window framing are equally standard.

The money is ready as soon as plans are ready. What is there to dream about? A monument to architectural aestheticism? We have enough architectural monuments now in New York. What New York needs is slum clearance and the building of decent apartment houses, with modern equipment, on the slum sites.

The people who are anxiously waiting for such decent housing do not care whether the style of the curtain walls or the coping is modernistique, arabesque, paleo-renaissance, neo-renaissance, or Mozambique. What they want is immediate clearance of slums and decent houses put in their place; 5-story walk-ups or 10-story elevator apartments; the type of housing that is applicable to suburban development, as the rows of houses in Philadelphia, Baltimore, and Washington. Apartment houses are what are wanted. The apartment house is eminently suitable to Manhattan Island.

Manhattan Island is almost a solid block of gneiss. A central ridge runs through it from north to south. This gives a surface drainage into the three rivers, the North River, the East River, and the Harlem River, which makes Manhattan Borough of New York City one of the healthiest civic communities in the world. There is very little soil to absorb sewage, or the street dirt of a city, or any of the effluvia common to great cities.

Sailor's Snug Harbor, which owns a large tract of land in lower central Manhattan, and which is in my congressional district, has shown what can be done to provide decent housing at reasonable rates of rental.

Action—quick action—is what is needed. It may be a delightful occupation to dream of Sir Christopher Wren, Inago Jones, the Adams brothers, or to dally over the loveliness of Westover, Webley, Shirley, Haworth House, Red Hill, Poplar Forest, or other architectural anachronism.

Manhattan is New York. It will always be New York. The four sister boroughs in Greater New York are splendid sections, but Manhattan is New York. In the days before the consolidation that formed Greater New York, from the close of the Civil War to the start of the War with Spain, the heart of residential Manhattan was the region lying north of Twenty-third Street and between Broadway and Lexington Avenue, where beautiful residences were erected and occupied by old-time New Yorkers—a region now given over to great retail stores, theaters, Radio City, fine churches, and small smart shops.

REBUILDING OF SLUMS

Then came the development of Riverside Drive, with great apartment houses facing the North River, and this was succeeded by the tearing down of the old-style apartment houses and private residences on Park Avenue and the erection over the tracks used by the New York Central and the New Haven Railroads but still owned by the old New York & Harlem Railroad, which controls the north rail entrance to New York.

The pessimists said that people would never live in costly apartment houses built over railroad tracks. But the pessimists were in error, as they usually are, and the optimists won, as Park Avenue is now the finest residential street in the five boroughs that form New York City. If proper housing were built in the regions I have mentioned on the East Side, many who have moved away from Manhattan would return. Small parks for adults, playgrounds for children, would add to the attractiveness of the section, and while it would not rival Park Avenue, it would give decent, self-respecting people proper housing. But dreaming of architectural splendor never built any apartment house.

The East River, which is really a strait joining New York Bay with Long Island Sound, is one of the most attractive and one of the busiest stretches of watercourse in the United States. Every form of water craft, from junk boats to stately sound steamers, ply its waters day and night. In the summer the Detroit River is a busy place, but with winter its interlake traffic stops; but the East River, like Tennyson's brook, goes on forever, and it gives a beautiful outlook for the East Side through the four seasons of the year. If an east riverside drive, with a wide sidewalk on the water front, were built, it would pay—not only provide fine, healthy breathing space for the residents of the section but would increase the value of adjoining property, as did Riverside Drive on the west side of Manhattan. The development of Morningside Park from One Hundred and Tenth Street to One Hundred and Twenty-first Street was the primary cause of the selection of the heights to the west of Morningside Park as the site for Columbia University.

The transformation of Seventh Avenue from Twenty-third Street to Forty-second Street and the region abutting thereon was due to the location of the Pennsylvania Terminal on Seventh Avenue between Thirtieth and Thirty-third Streets. The city post office back of it, on Eighth Avenue, is another example of what may be done by the substitution of good buildings for shabby and unfit old ones.

Even when good buildings are replaced by better ones—Fourth Avenue from Twenty-third Street to Thirty-fourth Street being one example of this, and the substitution of the present buildings on Fifth Avenue from Twenty-third Street to Fifty-ninth Street for the old, stodgy brownstone fronts that lined that thoroughfare up to the beginning of this century is a conclusive example, not only of improvement in the status of the region but a strong appreciation in value of the land.

Nearly every city in the United States needs to be rebuilt in part. There are East Side pestholes in many of the largest cities of our Republic.

Suppose a great conflagration, like those at San Francisco and Baltimore, were to strike Manhattan and level the East Side to ruins and ashes; would the people of New York sit amid the wreck and weep, or would they begin to make plans, as did San Francisco and Baltimore, before the ruins were cooled off—as Boston and Chicago did before them? There is only one answer—New York would be rebuilt even better than before.

Why wait for a holocaust to clear the way? Must catastrophe lay a heavy hand on our great city before action is taken, to make its residential sections what they ought to be—the equal, if not the superior, of any model houses found today in all the world?

Must disaster overtake a city before the civic pride of all its citizens is aroused to reform abuses that are the result of generations of greed and neglect?

God forbid!

London began its work of rebuilding in 1666, after the great fire. It extended it at the end of the nineteenth century, when the Duke of Westminster of that time, the greatest landlord in London, tore out miles of rookeries and alleys back of Trafalgar Square, and replaced them with decent buildings and fine streets. Manchester, Birmingham, Bristol, Liverpool all cleaned up, as also did Edinburgh and Glasgow in Scotland. Berlin has replaced poor buildings and narrow streets with good buildings and wide streets. Vienna has done the same, as has Moscow on a much larger scale.

Why must the United States lag behind Europe? Why must New York follow the procession in improvements in living quarters, instead of leading it to splendid results along

practical lines, instead of dallying with aesthetic sketches on drafting paper that are not even definite plans?

Why? Because Robert D. Kohn, Director of the Housing Authority, who ought to be thoroughly familiar with the urgent needs of New York in the matter of slum clearance and the building of decent apartments to replace ramshackle buildings—buildings, I repeat—that are unfit to house animals, much less human beings, plays with pencil and paper on an idealistic drafting board, instead of getting out practical plans that would put thousands at much needed work, and that would give proper housing to the poor and the moderately circumstanced people of New York, not only in the East Side but in other sections of the city.

Manhattan is proud of its citizens. They are proud of their city. A community that in less than 100 years has risen by its own energy and capacity, as well as its natural advantages, from a population of about 100,000 to be the focus of a cosmopolitan area containing 10,000,000 persons needs no explanation nor apologia from me, nor from anyone else. Manhattan is a cross section of the peoples of the world. The adventuresome; the challengers of fortune and fate; the seekers of freedom of person and liberty of thought and speech; the youth and the mature of all the races of the world.

They are not alien to each other as many carping critics assume. They were and are all inspired with optimism and the search for greater opportunities than were possible in their original homelands. Many of them brought little to the city but their capacity to work at many trades or at any work obtainable.

In their inexperienced greenhorn immigrant days they were exploited, often by shrewder and less honest members of their own races. But they have outgrown all that. Children came and these children went to American public schools and universities, and what they learned there they often taught their parents at home after school. Many a foreign-language immigrant has learned to speak English from his school-taught son. Many a mother has learned from her daughter how to speak and know the difficult new tongue.

As the children of the immigrants grew to manhood and womanhood and married they sought better homes in other sections of the city. In Brooklyn, Queens, the Bronx, Staten Island, and in Long Island, New Jersey, Westchester, and in Fairfield. The old folks remained in the old home, the home of their youth in this country. As other immigrants came in they took the places made vacant by the removal of the second generation, and this has gone on since the Civil War.

If these residents are to become Americanized, are to become citizens, they need some practical demonstration of the pledges made in the Declaration of Independence and the Constitution of the United States. Their bill of rights should start with the right to live in a decent home amid decent and healthy surroundings.

The money has been earmarked for the purpose of providing such homes. The United States Government by its appropriation of funds has shown in the most emphatic way—by the allotment of money—its intention to achieve this purpose. Why should its intention be delayed in execution by the errant will of a single individual—one who from experience should be most sympathetic? Is the director of the housing authority a friend of the poor and lowly, or is he a little brother to the exploiting landlord who seeks no charge in the pest-hole slums of our cities?

Second Avenue, which is in the heart and center of my congressional district, was planned to be when originally laid out what Fifth Avenue has become today—the greatest thoroughfare in New York. On Eighth Street and Second Avenue is the old St. Mark's Church in the Bowery, which was the garden spot of New York and where lie the mortal remains of the famous Dutch governor, Peter Stuyvesant, who was the ancestor of our distinguished colleague HAMILTON FISH, colloquially known to us as "HAM FISH", the ferocious nimrod of modern communism.

Americanized continental Europe to the extent of the third and fourth generation is well represented in my district—Germans, French, Spanish, Italians, Swiss, Austrians, Hungarians, Poles, Ukrainians, Swedes, Danes, Czecks, Slovaks, English, Scots, Irish, Jewish are all represented as courageous and patriotic Americans in the Fourteenth Congressional District of New York. The best blood of Europe, who came here to seek adventure and fortunes in America, whose sons and daughters and their descendants represent today the highest grade of modern civilization, are found in our midst.

New York City is the most cosmopolitan city in the world. My congressional district is the most cosmopolitan section of any congressional district in America. Its diversified citizenship represents a cross section of the life of our Nation. Rich and poor, high and low, success and failure are represented in my district. All my fellow citizens of my community are inspired by one common ideal: "Be it ever so humble, there is no place like home." However, they feel that this home to which they aspire should be in conformity with the high standards of the twentieth century, a clean, wholesome, habitable, modern, up-to-date American home. That is what I, as their Representative, appeal to you to grant to them as their just and human right. [Applause.]

Mr. Speaker, the Tennessee Valley project, which was perfected, elaborated, and developed through the construction of the great Muscle Shoals, is a great pioneer project in public power production. This national experiment cost the taxpayers of the United States hundreds of millions of dollars and will improve the social, economic, and agricultural opportunities of the great States of Louisiana, Mississippi, Alabama, Georgia, Tennessee, and Arkansas. The members of the New York delegation, including myself, voted for that project to help the people of the Middle South.

When the tributaries of the Mississippi overflowed their banks and brought ruin and havoc in the homes, hearts, and firesides of most of our Americans living in that section, almost $400,000,000 was voted by the Congress of the United States to prevent the future ravages of the Father of Waters. Our congressional delegation from New York, including myself, voted for that measure.

Boulder Dam, one of the greatest engineering feats in the history of our Republic, that will revolutionize irrigation possibilities of many western arid lands and serve cheap electricity to eight States of the Union, cost the taxpayers of the United States more than $400,000,000. We, the members of the congressional delegation from New York, voted for that project to help the great States of the West.

Hundreds of millions of dollars have been appropriated by the Rivers and Harbors Committee for public works improvements for harbors and rivers that will bring happiness and prosperity to different sections in our country. Our delegation in Congress from the State of New York has voted for these improvements that will benefit our neighboring and far-distant States throughout the Union.

Mr. Speaker, the time has arrived when the great Empire State of New York, talking through its congressional delegation for the greatest city in the world, New York City, appeals to the membership of the Congress of the United States to help it eradicate and clean out the 150-year-old slums and pest holes that are still called homes and are found in every part of Greater New York. We should concentrate on the Nation's greatest slums in New York City, comprising over 1,000 acres in Greater New York, as a major experiment in improving housing and living conditions of the working classes through the securing of cheap rentals that will be within the reach of the great producing masses. We should immediately perfect a comprehensive long-range housing program that will act as a guide for the rest of the country to follow. This program will act as the foundation of the new deal. Upon it the superstructure of new homes will be reared. It will end unemployment and help to bring us back to prosperity. [Applause.]

Greenwich Village, originally one of the early settlements of the English in New York City, later the home of Thomas Paine, and today the home and mecca of the literary and artistic colonies of our Republic, is also in my congressional district.

All these locations today need rehabilitation. They are crying aloud for clean, wholesome, modern homes that have the equipment and appurtenances that modern civilization demands.

Mr. Speaker and fellow colleagues in the House, think of it! At this very moment 2,000,000 New Yorkers still live in old slum law tenements. Fifty percent of the tenements condemned by the tenement-house commission of 1885 are still standing, harboring unfortunate people who have to live in these contaminated and vitiated homes.

England, Germany, Austria, Russia, and Holland are half a century ahead of us in model housing and construction.

A survey of vacant apartments in New York City showed 3 out of 4 without hot water, 4 out of 5 without steam heat, 3 out of 5 served by water closets in the hall. In the slum areas of New York the death rate from TB averages 113 per 100,000, as compared to 27 per 100,000 in nonslum areas.

In the congressional district, the Fourteenth New York, that I have the honor to represent in Congress there still stand houses that were built before the Revolution. In some of these houses still live the descendants of the original builders. In my district stands the splendidly noble Washington Arch through which the returning soldiers of the last two wars marched in quiet triumph. Fifth Avenue, that street the name of which is known the world over, starts at Washington Square, the site of the Washington Arch.

On Fifth Avenue, in my district, lived the beloved Mark Twain, Samuel Langhorne Clemens, and he was only one of the many thousands who rose to fame and lived at least part of their lives in my community. But my district also has produced many men and women who never rose to public notice but who were and are splendid fathers and mothers, God-fearing, decent, wholesome folk, rearing their families in honesty and truth and bringing their children up to be good, self-supporting and self-respecting American citizens.

My district is a cross section of the Nation and of the world. Every State of the Union is represented therein by its sons and daughters who have come to New York to test their fortunes. Every nation and race of the world is represented in my district by immigrants who have sought in the United States the freedom they were denied in their own countries.

My district is both east side and west side, and almost runs "all around the town", as the song goes. Much of it has been rebuilt. All of it ought to be rebuilt with deeper and more secure foundations and higher-living buildings set in parked spaces, open to the sun and air. The homes of the people of my east side should be as healthy, commodious as the homes of my constituents on the west side. The same number of persons could be housed in tall towers like the present towers of finance and commerce in New York, each in its own park, as are now jammed into wretched, insanitary tenements.

Trinity Church Corporation owns many of the worst of the tenements, and that institution might become more popular than it is if it started the work of rebuilding its slums. That is the gospel of true Christianity.

This is the twentieth century, and the housing in great cities, especially New York, must proceed along twentieth-century lines. Our first thought should be the comfort and happiness of the men and women who are to live in the cities and work at every form of human endeavor and not the amount of profit that may come from extortionate rentals.

Let us therefore build wholesome homes for decent people—homes that will be clean, sanitary, commodious, and serve as the index of the civilization of our day.

Mr. Speaker, what the Nation needs is a great national drive for the entire eradication of the slums of all the large cities. These places of pest, these tragic sources of disease, these obsolete structures that are not fit to house an animal, much less a human being, should be leveled to the ground and in their places erected housing suitable for the living quarters of the men, women, and children of the American family wherein they can live in decent dignity commensurate with the greatness of the Nation of which they are citizens.

This should be done now, immediately. Not piecemeal and over a period of time, but now, at once, when such great effort is being made to restore employment and to return to prosperity. The building trade is one of our basic industries. It gives employment to all classes of labor: To the lumberman who fells the trees that are made into lumber that goes into construction; the lumber-mill worker who changes the timber into beams, pillars, posts, shingles, and other structural lumber; the trim maker who makes the doors, window sashes, and other trim; the brickmakers and stonecutters and the clay banks and quarries from which they get their base supply; steam and water piping makers; electrical-wire makers, and other supply manufacturers and other building supply makers. It would give new impetus to railroads and motor trucks to transport the material.

Architects and their staffs, stonemasons, bricklayers, tile layers, plasterers, plumbers, painters, pipefitters, electricians, would be put to work at once. There is not another industry that uses so many different sources of supply, obtained from so many sources all over the country, as does the building industry. It would invigorate these trades I have mentioned at once, start pay rolls going, and do more to restore prosperity and happiness to those who can labor and cannot find work than anything I can think of.

With newer houses would also come modern equipment for living, electrical and gas refrigeration, electrical and gas lighting, better light fittings, new bathtubs and bathroom fittings, radios, telephones, better furniture, rugs, pictures, kitchen utensils, and other innumerable devices, besides modern methods of cooking. All along the line there would be gigantic improvement in means of living. It would be a design for living that would give the American people in the cities what they should have and what they easily could have. Its influence would be Nation-wide. It would put the entire Nation again happily at work.

Competition would force the owners of semislums to reconstruct their properties and to reduce their outrageous rents in competition with the low rentals that would be charged for this new construction. It would force improvement in the single and double houses, since no one would care to live in them unless they met the new requirements of this American pattern of living, which should be national and not local, so that all would benefit.

Had this been done 2 years ago, when, in January 1932, I introduced in the House two bills providing ways by which such a project could be financed under the control and direction of the Government of the United States, and had Robert D. Kohn, Director of Housing, instead of dilly-dallying over aesthetic dreams set resolutely to work to do that for which he was given his place in the public service, the work of national building construction, which should be universal throughout the Nation, would have been half done, and there would have been no need for the President to include in his last message to Congress any proposals covering housing in any form.

The Federal Government, of which the citizens of every State are also citizens, should sponsor, finance, and, if necessary, construct the type of collective and single family homes that I have described. It should not turn over many millions to the unscrupulous real-estate mortgage racketeers and criminals who mulcted the investors of America of billions of dollars. Citizens should be able to deal directly with the Government through agencies and not have Federal money advanced to the same group of unscrupulous highbinders and their successors who wrecked so many fake real-estate financial projects to the lining of their own pockets.

Much of the money could be obtained from the Postal Savings, on which the depositors get a low interest. The interest charged the borrower should not be over 4 percent per annum. Principal amortization should run not less than 20 years—30 if necessary—the same as is being done today in Europe and in South America. The Postal Savings would be well secured by investment in the homes of American

people. This collateral security of the real estate and the home, in my humble opinion, is superior security to most of the paper that is rediscounted in the Federal Reserve banks of our country today.

In each of the States of the Union and in the District of Columbia Federal home-loan agencies could be established and the present Federal home-loan set-up could be modified so that instead of giving the money for homes to these real-estate sharks it would go directly to the people themselves. Details are not needed; they can be worked out later. The general idea is the thing.

By this method there would be no gigantic collapse of mortgage-loan groups, which has been one of the most distressing and lamentable of the disasters of the depression, because it worked two ways—it wrecked the investor and it wrecked the borrower.

Congress last year created the Home Owners' Loan Corporation. Today it is operating in every State in the Union, and has saved over 200,000 homes from foreclosure, worth over $600,000,000, and is operating to save from foreclosure over a million homes, the value of which will run into billions of dollars. The Home Owners' Loan Corporation is paying millions of dollars in delinquent taxes to local communities; is spending millions of dollars in repairs, thus increasing employment, and is restoring income to tens of thousands of investors, thereby aiding and increasing purchasing power.

No word in the English language brings up a more tender sentiment than the word "home." It is the foundation upon which the superstructure of our Government is reared.

If the word "home" has great significance, the actual thing itself, with all its loving associations has a far deeper hold on the human heart. The saving of a home is a most worthy effort. It keeps the family together and preserves the family and relative ties. Best of all, it provides a secure haven for the young folks. It gives them an incentive to establish another such home when they grow up, meantime protecting those who are not secure in family life. [Applause.]

The operations of the Home Owners' Loan Corporation not only have saved homes for their owners, but the obligations it has incurred in so doing will be cleared by the income coming to it by amortization, with no cost to the taxpayer.

Through the Home Owners' Loan Corporation the Federal Government makes it possible for every wage earner to own his own home in which he will live and be secure, not only while his family is growing up but in his old age when they have flown to new nests. It has been proved that a single plan of home-mortgage financing on a long-term basis insures complete security for the lender, and gives the borrower confidence that he can carry through his obligations to the very end.

The 5-day week and the 6-hour day, now on its way, and the shorter hours of labor now in effect and coming on, will give the working man more time to spend at home, if he has a home. This will mean that he will know his wife and children better, understand and sympathize with them problems and help solve them. It does not mean that the man will be a "nuisance around the house", but it does mean that he can do much of the work that now falls to the lot of the wife, and as four hands are better than two, the work will be done quicker and provide more leisure for them to develop their adult education and interests.

In every great crisis of war, on its own soil, or abroad, in which the United States has been engaged since its foundation, it has called on the men of the homes to protect the Government, the wealth of the Nation, and the property of the Nation. Now has come a great crisis of peace, of longer duration than any of the last three wars in which the Nation has been engaged, in which not only the men, but the women and the children of the homes have endured trial and suffering equal to and superior to that of actual war.

As it was the duty of the men of the homes to rally to the defense of their country in time of combat—war—to which they nobly responded, so now it is the equal duty of their country, and its wealth and property in this time of a prolonged and terrible crisis of peace, to come to the aid of those on whom it and they must always rely for preservation. The home is the basic foundation on which the welfare of our Republic is built. If the homes, single or collective, fell into dilapidation and decay, those who live in the homes will become the victims of destitution and despair. Who, then, will defend the Nation, the Nation's wealth and its property when our Republic and its wealth and property is not only confronted with enemy attack but, possibly, engaged in a terrific struggle for its very existence and preservation?

Can the Government, as such, defend itself? No! Can wealth, as such, defend itself? No! Can property, as such, defend itself? No! Can the Nation defend itself against a foe determined to conquer a rich and fertile country? They cannot! Men are needed to fight. Today our working classes need homes in times of peace. Not any kind of a structure that a grasping landlord would think fit, but what the American citizen and his family think adequate, just, fair, and proper. Construction is needed. Immediate construction. Now! At once! Let us build new homes for our working classes. [Applause.]

More construction and still more construction, until every American family can live in a decent home and have all the comforts and happiness that such a home will provide. Let the Government build new homes, collective and single, for the men and their families, on whom its very existence depends. Let the building continue over decades, if need be, until the work is complete. Let there not be left in the entire Nation a slum, a dilapidated shack, at which the finger of scorn can be pointed. Then every American family will be housed in healthy and happy habitations and the Government will have done its duty to those who work in every quarry of human endeavor, to make our country great, rich, glorious, and prosperous, the noblest Republic in all the world. [Applause.]

Reconstruction, or repair of old structures, is not what public opinion demands. What the great masses of our people are clamoring for is the construction of new buildings and the clearance of slums in our great cities. This problem will not be solved until the old pest holes are deliberately wrecked and in their places are erected newly built homes of which humanity may be proud and the tenants not be ashamed.

The day for expediency has passed away. The moment for action has arrived. Expediency will no longer serve. It only plasters the sore and does not heal it. We must cure these slum sores that exist everywhere in our civic communities. There is only one way to accomplish this purpose and that is to face the housing problem frankly, fearlessly, courageously, honestly, by admitting our errors in the past and starting fresh and anew to accomplish our purposes and our ideals. Will the clearance of slums pay? It certainly will. Not only in improved citizenship but in the health and happiness of our working people as well as in cold financial returns.

In all the great cities of Europe slums have been supplanted by decent, wholesome housing where human beings can live as God intended them to exist. Let us make a new start right here in America. Let the "new deal" be given in housing to those who have been the tragic victims of the "raw deal" in the past.

Congress will soon adjourn. Let us refuse to adjourn until this wholesome human appeal for habitable homes will have been given to the citizens of our Republic, who are entitled to the best that civilization and humanity can give to them. Let the building of new ideal homes be the contribution of the Seventy-third Congress of the United States to the people of our country, whom we have been sent here to serve and represent. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. BANKHEAD. Mr. Speaker, I yield the gentleman from New York 2 additional minutes.

Mr. SIROVICH. Mr. Speaker, the home is the place where we are treated the best and grumble the most. Mil-

lions of men, coming from every home in our Republic, have been willing to give up their lives upon the altar of war and bare their breasts to shot and shell in order that our homes might be preserved. From the Fourteenth Congressional District, which I have the honor to represent, immigrants from every clime in the world, as well as natives, have gladly made the supreme sacrifice and hallowed our soil and foreign soil with their lifeblood in order that our Republic and our institutions might be preserved.

Mr. Speaker, without our homes we would be a Nation of nomads, wanderers on the face of the earth, with no settled habitation nor permanent abode. Every act passed by Congress, no matter how apparently remote, in its final results affects the home. The act may deal with economics, finance, industry, agriculture, or commerce, but it becomes a good or bad law according as it helps or harms the home.

The home must and shall be preserved; on its preservation depends the perpetuation of the Republic itself. We, Members of the Congress of the United States, will do our duty to our Nation and its people only when our first and last thought is, How will our work in Congress affect the home, and how will it affect and maintain the welfare, the happiness, and the contentment of the father, the mother, and the children of the home? Let us give thanks to President Franklin D. Roosevelt for his courageous message to abolish slums and build new homes. God bless the homes in America. Be it ever so humble, God, help us to preserve and maintain the American home. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield the balance of my time, 8 minutes, to the gentleman from Ohio [Mr. HOLLISTER].

Mr. HOLLISTER. Mr. Speaker, I feel that before the time comes really to discuss this bill, which, of course, will be done in detail and in his usually able fashion, by the Chairman of the Banking and Currrency Committee, we should have clearly in mind the different viewpoints which various individuals in this House and in the country have, as to the way in which the object of this bill can best be accomplished.

The bill is called a "housing bill." That is really a misnomer. We should face the fact right here that the main purpose of this bill is to pump money out, as soon as possible, into the building industry, because the general feeling of economists, from those in the administration down all through the rank and file of this country, is that one of the chief troubles with our economic situation is that money is not being spent in the building industry and in the durable-goods industries which rely to a great extent on building. If we can get money spent in building, there will be more money spent in the buying of furnaces, in the buying of refrigerators, and in the buying of everything that goes into homes. I say we should have that fact firmly in mind, because there are various lines of thought as to how that can best be accomplished. There are those who feel that the building and loan association movement itself is capable of achieving the result, as it has very well in the past. They maintain that if something is done to help building and loan associations, by giving them additional money through the purchase of preferred stock, and by insuring their deposits so that their depositors will not try to withdraw their money, the building-and-loan associations can handle the situation. There are those who feel that the building-and-loan association movement is not enough, and that if we will only get rid of many of the distressed mortgages which are hanging over the country, somehow sop up those mortgages which everybody knows are selling at starvation prices today, money will be made available which can be used in the building industry.

There are those who feel that neither of those things will operate quickly enough or efficiently enough, and that we must give additional money to the Home Owners' Loan Corporation to continue the Government in the business of acquiring mortgages and lifting this mortgage load off the general market.

I have summarized the three absolutely distinct theories which are held on this subject. It should be pointed out that all three features are covered in this bill. The committee has not tried to decide or tried to reach any conclusion as to which theory should be followed. It stands to reason that if any man here has the theory that one particular viewpoint is correct, he is naturally opposed to certain other things in the bill.

Mr. BLOOM. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. BLOOM. It has been said that this money is supposed to go to refinancing existing mortgages. If that is so, if you are going to take part of this money and refinance existing mortgages, how is that going to place money available for building new homes?

Mr. HOLLISTER. Well, the gentleman has not read the bill completely. That is one aspect of it. The theory has been advanced by the President's emergency economic council that there is plenty of money available for this kind of work, but as long as there are many mortgages which can be bought at starvation prices there will be little money available for new building. They say that if you insure those of these mortgages which are properly insurable and which are now hanging over the market, capital will be available to take them until times get better, and there will thus be built up a ready market for new mortgages. This new money will go out into the field to stimulate new construction.

Mr. BLOOM. This bill calls for $200,000,000, does it not?

Mr. HOLLISTER. Oh, no; not only that. It calls also for a billion and a half dollars additional for the Home Owners' Loan Corporation and for various other items.

Mr. BLOOM. For the refinancing of these existing mortgages?

Mr. HOLLISTER. The bill calls for mortgage insurance up to $1,000,000,000 on existing mortgages and $1,000,000,000 on new mortgages. I would rather not explain the bill now to the gentleman. If the gentleman has not read the bill in full, he will have a very good understanding of it when it is explained by the chairman of the committee. What I am trying to point out is that there are these different theories and that we have tried to cover them in the bill. I think it would be very unfortunate if any Member feeling very strongly about one particular theory would condemn the bill because other theories are also carried in it.

Mr. BLOOM. I am simply asking for information.

Mr. HOLLISTER. I cannot yield further to the gentleman.

Mr. BEEDY. Mr. Speaker, will the gentleman yield to keep the record straight?

Mr. HOLLISTER. I yield.

Mr. BEEDY. On page 54 of the bill, section 202, there is a provision authorizing $1,500,000,000 to be loaned by the Home Owners' Loan Corporation.

Mr. HOLLISTER. I just made that statement to the gentleman from New York.

Mr. ELLENBOGEN. Mr. Speaker, will the gentleman yield for a short question?

Mr. HOLLISTER. I yield.

Mr. ELLENBOGEN. As I understand it, the bill, as now worded, does not provide for the financing of low-cost housing; is this correct?

Mr. HOLLISTER. It does not provide for the financing of low-cost housing.

Mr. ELLENBOGEN. But section 5 of the original bill so provided.

Mr. HOLLISTER. Section 5 of the original bill provided for insuring mortgages on low-cost housing.

Mr. ELLENBOGEN. That provision has been stricken out.

Mr. HOLLISTER. But that had nothing to do with the financing of those projects. If the gentleman will recall, the financing of those projects has been carried on by the Public Works Administration. Mr. Speaker, I cannot yield further; my time is limited.

I am merely trying to bring to the attention of the Members the fact that there are these three theories to which I have referred. The incorporation of all these three theories will, we hope, give us a workable bill. It may be

that the Home Owners' Loan Corporation is the proper agency to get results. Perhaps the mortgage-insurance feature will do the work. Perhaps the building-and-loan associations will do it. Whichever one of these theories can best do the work can later be expanded.

We have covered every one of these features in this bill. It provides an opportunity, you might say, to try them out and see which one will help building most. It may be that a combination of two of the provisions, or all three together, will do the job. We hope the bill will provide some way to accomplish the purpose desired.

The committee did a great deal of hard work; it heard a great many witnesses, and we have reported a bill which can be safely adopted by this House as a fair way to see if it is not possible to stimulate the building industry.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. MOTT. Is there any provision of the bill which will assist building-and-loan associations to pay their withdrawing members?

Mr. HOLLISTER. Yes; there is a whole title devoted to the insurance of building-and-loan deposits. Now, if the deposits are insured and the depositors know they can get their money, as a rule they do not want their deposits. The deposits in sound institutions will be insured.

Mr. MOTT. Is the deposit itself insured?

Mr. HOLLISTER. The deposit will be insured.

Mr. MOTT. How about existing deposits?

Mr. HOLLISTER. If the building-and-loan association can qualify, it is eligible for insurance. [Applause.]

[Here the gavel fell.]

Mr. BANKHEAD. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. GREENWOOD].

Mr. GREENWOOD. Mr. Speaker, I feel that this rule should be adopted, because there is a wide-spread interest not only in the House but throughout the country in legislation of this character. The rule is a wide-open rule, one that will permit the offering of amendments to any feature of the bill. Any Member will be given this opportunity, I am sure.

Mr. FOCHT. Mr. Speaker, will the gentleman yield?

Mr. GREENWOOD. I yield.

Mr. FOCHT. Let me ask the gentleman a question before he starts his dissertation on this question. Is there anything in the bill that provides for the substitution of the shack, of the slum, or anything beyond financing the financiers who are going to refinance, and so forth? We want to know whether the bill will reach down to the bottom. Will the gentleman tell us about that?

Mr. GREENWOOD. Replying to the gentleman, I repeat, that the rule is a wide-open rule and the gentleman can offer any amendment he pleases. I would rather some member of the committee explain the bill in detail.

Legislation is a matter of compromise. No doubt there are many features in the bill that will not be pleasing to all of us; but after we have submitted our amendments and the House has spoken its judgment, I feel that we shall have a bill that will meet the requirements and the purposes the administration had in mind with reference to this legislation.

We must have more adequate and comfortable housing conditions for our people. There has been too wide-spread a difference between extreme luxury on the one side in this Nation and bad housing conditions, especially in the metropolitan centers, of the poor and the working people. We all appreciate that we have a country blessed with great natural resources and natural wealth. This legislation is calculated to make a better distribution of the blessings of this wealth to all classes, that we may have more comfortable living conditions and may preserve the home in its integrity and the people in greater comfort; that we may make some advancement in the future ages over what we have made in past ages.

I think our Government is to be praised that we are launching out into this type of legislation, this policy of lending the aid of our Federal Government to improve the health, to improve the surroundings and the living conditions of our people that we may develop finer citizens in the future than we have had in the past; and that the blessings of wealth and of the administration of law in the control of that wealth may be more wide-spread in the future than it has been in the past.

One of the purposes of law is to protect the weak, and if people have lived under conditions which have destroyed their health, their usefulness, their comforts, and the blessings of a civilized community in which they live, then we should improve that condition.

I am greatly interested in the building-and-loan associations of our Nation. I think they have performed a great function, not only to borrowers but to investors, by organizing this mutuality of interest. One person desires to save and another person desires to borrow and buy a home. Nothing should be done to destroy the powers and the functions of these local mutual building-and-loan associations from carrying on; and this bill is calculated to supplement the services they have rendered and to aid them to still further expand their activities. I am glad to see the Government extending this service to one of the greatest institutions of our Nation—the mutual building-and-loan association.

Something has been said about this bill not being an administration measure. I do not know whether anyone knows all of the details of what the President desires in connection with this bill. We know that he desires the bill. I think the President of the United States has demonstrated his capacity to leave a few things to the Congress of the United States; and, after all, under the Constitution we have certain duties to perform. One of these duties is to formulate legislation. May I compliment the Committee on Banking and Currency. It has had a heavy program during this session of Congress and has reported out a number of very important measures. I think it has been motivated only by the very highest of intentions and the fullest responsibility.

Mr. MARTIN of Colorado. Will the gentleman yield for a question?

Mr. GREENWOOD. I yield to the gentleman from Colorado.

Mr. MARTIN of Colorado. Who drew the original housing act, the one which has been stricken out?

Mr. GREENWOOD. The gentleman will have to ask a member of the Committee on Banking and Currency.

Mr. MARTIN of Colorado. The gentleman is not a member of that committee?

Mr. GREENWOOD. I am not a member. I am sure the gentlemen on the committee will be able to defend whatever has been done in committee. There may be those who are opposed to the action taken, but this bill represents the majority views of the committee, and after all it is the purpose of the House of Representatives to take the committee report and do with it what it pleases, enacting legislation in the light of the judgment of all the Members of the full House. This rule permits that. It deals with a great question; and I believe the rule will be adopted and that the bill in its final form will be a bill which will improve conditions.

I shall support the measure.

Mr. BANKHEAD. Mr. Speaker, I move the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

INVESTIGATION OF INTERNAL-REVENUE LAWS

Mr. BANKHEAD, from the Committee on Rules, submitted the following resolution (H.Res. 418) (Rept. No. 1954) for printing in the RECORD:

House Resolution 418

Resolved, That for the purpose of obtaining information necessary as a basis for legislation the Committee on Ways and Means, as a whole or by subcommittee, is authorized to further conduct an investigation (1) of the operation and effect of the internal-revenue laws of the United States and the existing rules and regulations for the administration thereof, with a view to determining methods of improving and simplifying, and of preventing



evasion and avoidance of such laws, and (2) of possible new sources of revenue.

The committee shall report to the House at the earliest practicable date the results of its investigation, including such recommendations for legislation as it deems advisable.

For such purposes the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places, in the District of Columbia or elsewhere, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses, and the production of such books, papers, and documents, and to take such testimony, as it deems necessary. Subpenas may be issued under the signature of the chairman, and may be served by any person designated by him.

ONE HUNDRED AND FIFTIETH ANNIVERSARY OF FORMULATION OF THE CONSTITUTION

Mr. BANKHEAD, from the Committee on Rules, submitted the following resolution (H.Res. 435) (Rept. No. 1953) for printing in the RECORD:

House Resolution 435

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 265, a joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States, and all points of order against said joint resolution are hereby waived. After general debate, which shall be confined to the joint resolution and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Rules, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion, except one motion to recommit.

NATIONAL HOUSING, EMPLOYMENT, AND INSURANCE

Mr. PRALL. Mr. Speaker, I ask unanimous consent that I be permitted to file minority views on the pending bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H.R. 9620) to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new-mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H.R. 9620, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. STEAGALL. Mr. Chairman, this bill has received the most painstaking consideration by the Banking and Currency Committee of the House that could be given during the limited time allowed, and in the midst of the conditions which exist in these last days of the session. The measure is of great importance to the country and of profound interest to Members of the House, as well as to the members of the committee who have had it under consideration. It is not possible under the time allowed for any one speaker to discuss the bill in as much detail, and in all its phases, as might be desired and as would be permitted under different conditions.

The measure embodies provisions as to which there were necessarily differences of opinion in the Banking and Currency Committee, as there are differences of opinion in the House and among the citizens of the country. The bill as presented to the House represents the usual action of committees in undertaking to arrive at a combined judgment. Such judgment, of course, always involves the surrender of views on the part of some who join in the final conclusion. Such is the history of this bill.

I think it is fair to say that no member of the Banking and Currency Committee was able to have embodied in this proposal everything representing his individual views with nothing added. It is the combined judgment of the committee, representing what was thought to be the best that could be agreed upon under the circumstances. The legislation represents another major attack by the administration in the struggle to overcome the forces of destruction to bring about a restoration of normal employment conditions in the United States.

A vast portion of the unemployed throughout the land represent labor ordinarilly employed in the building world. We are advised that 1,350,000 families, representing more than 6,000,000 people now on relief rolls are identified with the building trades. This bill is an attempt to secure a resumption of construction of homes and in the general real-estate field to relieve unemployment and to elevate living conditions. It is designed to accomplish economic improvement and to promote social values.

The measure represents an effort to stimulate private initiative, private effort, and private investments. We have sought to utilize the smallest possible amount of Treasury aid and assistance at the expense of the Government in the hope that by the use of a small amount of such funds we may invite and induce private capital to find investment along normal lines in the building and construction field. There are ample funds lying idle in the banks and in the hands of individuals to take care of all of the activities that are desired in the work that we seek to stimulate by the enactment of this measure. It is thought that we may be able, by the use of the aid employed, to obtain the largest return, by stimulating investment of funds now idle, which it is very much desired should be invested in this field of home construction and improvement. Under title I a corporation is established with a capital of $200,000,000 to be provided by the Government, the corporation to be known as the "Home Credit Insurance Corporation."

This Corporation is authorized to insure such approved financial institutions as are subject to public regulation against losses upon advances made by them to provide funds to improve real estate, with a proviso that no advance eligible for such insurance shall exceed $2,000, and with the proviso that no institution shall be insured against losses in excess of 20 percent of the total amount so advanced by such institution. The insurance is not limited to 20 percent of individual advances, but insures financial institutions against all losses on such advances up to a total amount of not exceeding 20 percent of the total amount so advanced. The purpose of this provision is to provide property owners with funds which they desire to borrow to maintain, protect, and to improve their properties, by providing this insurance for these institutions so as to induce them to make the money available to the individual property owner.

In order to make more certain that banks and other financial institutions will make this money available to property owners over reasonably long periods of time to be paid back monthly, provision is made for this Corporation to contract to advance and to advance to such insured institutions 100 percent of the face value of such insured obligations of property owners upon the security of such insured obligations. The purpose of this provision is to put the institution making these comparatively long-term advances to property owners in a position in the event of necessity to secure funds on these comparatively long-term loans.

This Corporation is also authorized to insure amortized mortgages on homes on a mutual basis under regulations which will make the same self-supporting and involve no greater cost to mortgagors and mortgagees than that needed to cover the cost involved and necessary expenses. In the case of mortgages on existing homes, the same to be eligible for insurance must not exceed 60 percent of the appraised

value of the property; and in the case of mortgages against homes built after this act takes effect, the same shall not exceed 80 percent of the appraised value of the property. No mortgage is to be insured under this plan if the same is against property appraised at more than $20,000. The total amount of mortgages against existing homes which may be insured is limited to five times the capital of the Corporation, and the total amount of mortgages against new homes which may be insured is limited to five times the amount of the capital of the Corporation.

Under title II, which has been referred to in some of the addresses heretofore, we have undertaken to enlarge the service which is now being rendered by the Home Owners' Loan Corporation. We add $500,000,000 to the funds which the Home Owners' Loan Corporation may use to provide for advances for construction and repair and to contribute to the early employment of labor in the construction, repairing, and improving of homes and small business properties; the Home Owners' Loan Act of 1933 is amended so as to authorize the Home Owners' Loan Corporation to provide funds for Federal savings-and-loan associations, building-and-loan associations, under State charters, and savings banks and insurance companies, which are members of Federal home-loan banks, so as to enable them to make such advances. The method providing for the making of such advances is by the purchase of shares in these associations or the making of deposits in savings banks or loans to insurance companies, and the funds are to be returned at the end of 5 years, at a rate not exceeding 10 percent in any one year. The amount of these advances is not to exceed $5,000,000.

In order to provide the funds for the advances above mentioned, which are to be reloaned to home owners; and in order to increase the resources of the Home Owners' Loan Corporation to provide for the direct and immediate relief of individual home owners beyond its present resources, the bond issue of the Home Owners' Loan Corporation is increased from $2,000,000,000 to $3,500,000,000.

Under title III we set up a corporation with $100,000,000 capital, subscribed by the Home Owners' Loan Corporation, to enable the Corporation to establish a Federal building-and-loan insurance corporation.

This Insurance Corporation is authorized to insure accounts not exceeding $2,500 in building-and-loan, savings-and-loan, and homestead associations, and cooperative banks, whether the same are members of a Federal home-loan bank or not. This insurance does not attempt to provide for the liquidity of these savings but merely to provide that the saver will get his money back through the orderly processes of these associations; or in the event of liquidation, that this Insurance Corporation will pay the saver 10 percent of his money in cash and 50 percent of the remainder in 1 year, and the balance in 3 years. Such associations are insured only after proper application and examination and they are required to pay an annual premium equivalent to one-half of 1 percent of the total amount in the accounts of all insured members plus their creditor obligations until such premiums build a reserve in the Insurance Corporation equivalent to 5 percent of all insured accounts; and in addition these associations are subject to an assessment of an additional one-fourth of 1 percent of the total amount in the accounts of all insured members plus their creditor obligations to cover any losses which may have been incurred.

This insurance, except in the case of Federal savings-and-loan associations, is voluntary and will become effective only if such associations apply for it and are accepted. The Federal savings-and-loan associations are required to take the insurance. State-chartered institutions are permitted to withdraw upon majority vote of their shareholders, but must pay 3 years' additional premiums in event of withdrawal. The Insurance Corporation is authorized to make regulations for the safety of these insured institutions and may exclude any from the insurance fund in the event of a violation of such regulations, but in this case the existing accounts will remain insured for 5 years and the premium will continue for this period.

Adequate provision is made for the liquidation of insured institutions somewhat similar to the plan for the liquidation of banks which are under Federal deposit insurance.

The bill amends the Federal Home Loan Bank Act, section 10A, by making less rigorous requirements for collateral, so that members of the Federal home-loan banks may borrow money on better terms. Section 11 of the Federal Home Loan Bank Act is also amended so as to authorize the issuance of consolidated Federal home-loan bank bonds or debentures in an effort to secure a form of security which will be more marketable. Sections 6 (c) and (e) of the Federal Home Loan Bank Act are amended so as to reduce the minimum membership for smaller associations in these banks from $1,500 to $500.

The Farm Credit Act of 1933 is amended so as to permit production credit associations to make loans on homes for improvements and to insure such advances with Home Credit Insurance Corporation.

The Federal Reserve Act is amended so as to permit national banks to make temporary loans not exceeding 6 months upon real estate to provide funds for building, and such loans, whether secured or not, may be treated as commercial paper, and in the event responsible arrangements have been made for permanent financing, such temporary paper is made eligible for discount as commercial paper at the Federal Reserve banks.

I shall not further attempt to explain in detail the provisions of the bill, but I shall leave that for members of the committee who will follow me and who are quite familiar with every provision of the bill and will be pleased to yield to gentlemen who desire to propound inquiries.

Let me say, in conclusion, your committee has labored in good faith, industriously, and conscientiously to consider properly the legislation submitted to us and which is covered by the bill now under consideration. I speak for every member of the committee when I say that at least in purpose we are all agreed, and we are in entire harmony with other Members of the House, whether or not they agree as to the methods employed to accomplish our purposes. All of us, I am sure, desire to go along with the superb leadership of the President in his efforts to point the way to a more abundant life and greater happiness for the people of the United States. We are all one in our desire to assist in the stupendous task that confronts this administration in the effort to restore normal economic conditions and prosperity for the people of the United States. [Applause.]

Mr. LUCE. Mr. Chairman, I yield 7 minutes to the gentleman from New Jersey [Mr. CAVICCHIA].

Mr. CAVICCHIA. Mr. Chairman, I want to say to the Membership of this House that no measure that has come before the Committee on Banking and Currency for the past 2 years has had such consideration and unanimity on the part of the Membership, including both parties, as the measure now before the House.

I come from the State of New Jersey, which has 1,000,000 members in building-and-loan associations. We have the largest per capita investment in building-and-loan associations of any State in the Union. Knowing the conditions as they are in my State, I am perfectly willing to have someone say that the building-and-loan association lobby exercised its influence on me to vote for the bill as reported out by the committee.

There is no difference of opinion as to title I that seeks to remodernize the homes of the home owners who can borrow up to $2,000 and the institution that lends the money can have that advancement insured up to 80 percent.

Title II as originally submitted to us provided for the creation of mortgage companies, no one of which could begin operations unless it had $5,000,000 capital, and Uncle Sam, if you please, would stand sponsor for the principal as well as the interest, which would put Uncle Sam into direct competition with private business. That was eliminated because in the opinion of the majority of the com-

mittee members savings banks and building-and-loan associations would have gone out of business.

In place of the section submitted to us we took the section suggested by one of your own Democratic Members, the gentleman from North Carolina [Mr. HANCOCK], which will give capital to buildinga-nd-loan associations so they can make direct loans and recast existing loans.

I received a letter from a man in Arlington, N.J., which says:

> Don't be easy with the building-and-loan associations, because yesterday I passed my own home which the building-and-loan association took away from me.

That man has a grudge against the building-and-loan association because it foreclosed and took away his home. You sympathize with that man, and so do I; but building-and-loan associations are cooperative associations, and that man must have been far behind in his payments and dues, so that the directors had nothing to do but to foreclose. If you put more money into the hands of the building-and-loan association, they will be able to take care of those in distress, such as the one who wrote me.

Mr. BRUNNER. Will the gentleman yield?

Mr. CAVICCHIA. I yield.

Mr. BRUNNER. Will the building-and-loan associations loan money on the same basis as the Home Loan Corporation loans it now?

Mr. CAVICCHIA. The building-and-loan associations will go on with the work as they have been doing.

Mr. BRUNNER. But one is a 11-year proposition and the other is a 17-year proposition.

Mr. CAVICCHIA. They do not all work on the same plan.

Mr. BRUNNER. They will continue on the same plan that they always have been on?

Mr. CAVICCHIA. Unless they want to amend their charter.

Mr. BRUNNER. Would the gentleman be willing to support a plan of that kind if offered as an amendment to this bill?

Mr. CAVICCHIA. If it is not made obligatory.

Mr. BRUNNER. But it is no good unless it is obligatory.

Mr. CAVICCHIA. There are building-and-loan associations in certain districts which are getting along perfectly well under the old system. Why force them to take on 17-year mortgages?

Mr. BRUNNER. The point I make is that they have got millions of dollars out in my State, and I do not know what they have done with the money, but they have not loaned it out.

Mr. CAVICCHIA. I will tell the gentleman what they have done with the money. They have had so many of these thrift accounts held by persons who lost their positions, who needed the money, that it has been taken out, and they have hundreds of thousands of dollars in mortgages that are actually frozen assets, because those who borrowed on the mortgages are not paying the interest and dues, or are only paying the interest, and that is why they cannot help anybody out.

Mr. BRUNNER. But this is a housing bill, and the money is supposed to be spent to house people, and to enable them to build new homes and to make repairs.

Mr. CAVICCHIA. This bill provides that whatever money goes to the building-and-loan associations shall go for two purposes, new construction and recasting of existing loans.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. Yes.

Mr. O'CONNOR. If the gentleman states that the building-and-loan associations are paying out to certificate holders, that is news to a lot of them in the New York area.

Mr. CAVICCHIA. And it is news to me also. I mean to say this, that when they had money they paid it out, and now they have no money with which to take on new construction loans.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. LUCE. Mr. Chairman, I yield 5 minutes more to the gentleman from New Jersey.

Mr. O'CONNOR. They have adopted rules where a certificate holder would have to live for about 25 or 50 years——

Mr. CAVICCHIA. And this will do away with those rules. We had those in mind, I will say to the gentleman.

Mr. O'CONNOR. I do not understand that the Government is lending money for that purpose. The gentleman from New York [Mr. BRUNNER] asked if the building-and-loan associations when they get the money are going to loan it on mortgages, which they have not done today, and they have gotten nearly $500,000,000.

Mr. CAVICCHIA. They have got to put it out on new mortgages.

Mr. O'CONNOR. They have not put out what they have had to date.

Mr. CAVICCHIA. They have no money to put out.

Mr. WILLFORD. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. I must refuse to yield further.

The gentleman from New York mentioned slum clearances. I come from the metropolitan area, and I should like to see the slums cleared, but may I suggest to the gentleman from New York and to those who come from other large cities where slums exist that they go back and have their people do the same thing that the Prudential Insurance Co. did in my home town. That company spent millions and millions of dollars in slum clearances instead of having Uncle Sam supply the money and let the private corporations make the profit. I am acquainted with that section of New York that the gentleman from New York describes, lying between the Brooklyn and Manhattan Bridges. I will tell you who owns those houses that have been up for a hundred years, as the gentleman said. It is the Astor and the Vanderbilt estates and the Trinity Church Corporation which was given money to use for charitable purposes. It can use some of that money to clear the slums in the lower part of Manhattan Island without having the Federal Government guarantee these debentures. What city in the United States, with the exception of four or five, can start a corporation with $5,000,000 in the mortgage field? I can tell you who some of them were who put the bill together and presented it to us. There was a representative of the Johns-Manville Co., a material supply house, a representative of the General Motors Acceptance Co., and another from the General Electric Co., and they are all interested because they sell supplies.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. As soon as I finish. If you adopt the bill that has been presented to this House by the Banking and Currency Committee, these material supply houses will sell just as much goods under this plan and will save the building-and-loan companies and the mutual savings banks as much as they would have under the bill that they presented.

Mr. O'CONNOR. The gentleman has told us who put the original bill together. Will he tell us who tore the bill apart?

Mr. CAVICCHIA. The members of the Banking and Currency Committee of the House, which has presented the bill. We have made a workable bill out of it. Having in mind that putting men to work in the construction field was the primary aim of the administration.

Mr. O'CONNOR. Was there not a man from Chicago who had a lot to do with it?

Mr. CAVICCHIA. No. The gentleman from Chicago submitted a brief of many pages, suggesting changes, and we accepted two or three changes out of that brief.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. CAVICCHIA. Yes.

Mr. HANCOCK of North Carolina. If the gentleman from New York considers that the constructive changes made by

the Banking Committee constitute a tearing process, then I was one of them. We were trying to accomplish in a more effective way the true purposes involved in the President's program.

Mr. CAVICCHIA. I am glad to say that the gentleman from North Carolina [Mr. HANCOCK] deserves great credit for the helpful suggestions made in improving the bill while in committee.

Mr. HANCOCK of North Carolina. But I wish the gentleman would state to the House what in his opinion would be the potential liability of the United States Government if we restored the original title II and section 5, which would have permitted the Government to guarantee or insure mortgages, old and new, to an unlimited amount, with possible losses up into the billions? I want the House to clearly understand this.

Mr. LUCE. Mr. Chairman, I yield the gentleman from New Jersey 2 additional minutes.

Mr. CAVICCHIA. The original title II provided for a capital of $200,000,000, that could have been extended five times, making it $1,000,000,000, but on orders of the President it could have been extended indefinitely; so that nobody knows how much we would have been voting by voting that blanket power.

I want to say this as a Republican. I have voted for every recovery measure that has come before us since President Roosevelt took office. I have tried to be nonpartisan, because I try to serve my country. I am still with you Democrats. If we should restore the bill as originally submitted to this committee and throw out the weeks and weeks of work we have done, you will do the country an irreparable injury.

Mr. WILLFORD. Will the gentleman yield?

Mr. CAVICCHIA. I yield.

Mr. WILLFORD. In the formation of the Home Owners' Loan Corporation, the building-and-loan associations throughout the country immediately got together and refused to accept the bonds, only in cases which were top heavy.

Mr. CAVICCHIA. The gentleman does not blame them?

Mr. WILLFORD. Yes; I do.

Mr. CAVICCHIA. They were not guaranteed as to principal. They were guaranteed as to the interest but not as to principal.

Mr. WILLFORD. But they do not come with clean hands. They want to help themselves.

Mr. CAVICCHIA. I beg to differ with the gentleman. The building-and-loan officers have got a duty to protect the people who have saved their pennies and gone there monthly and put them on their books. They had a right to protect those depositors. I differ with the gentleman.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. REILLY] 15 minutes.

Mr. REILLY. Mr. Chairman, I ask not to be interrupted, so that I can give in a short time a birdseye view of what the pending bill attempts to do.

It is generally recognized that what is known as the "heavy industry" is not functioning. Industries dealing with consumable goods have come back. In 1929 the building industry in this country amounted to about $11,000,000,000, of which sum between three and four billion dollars went into the building of new homes. In 1933, the building program of the Nation had shrunk to about $3,000,000,000, and today 90 percent of the men who used to use hammers and saws, lay bricks, and mix concrete and mortar as part of the building industry in our country are on the relief rolls.

The pending bill is intended to help revive the building industry in this country.

There has been some dispute as to whether or not there is any demand for construction of new homes. I might say that there are some 25 bills pending before the Banking and Currency Committee of the House that have for their purpose the putting of men to work in the building trades. A subcommittee of the Banking and Currency Committee, of which I had the honor to be chairman, held hearings on these bills. From such hearings it would appear that the home-building demand in this country is spotted, that is, there is not a general demand. In certain sections of the country it would appear that there is a demand for the building of new homes, while in other sections such a demand does not exist. There is, however, a general country-wide opportunity for putting men to work in the painting, repairing, and remodeling of existing homes, homes of our citizens that are on the pay rolls of the country and have never been off of them during this panic.

Section 1 of the pending bill is the important and vital section of the bill, as regards the general purposes to be accomplished by this legislation.

Since 1929 there has been practically no painting, repairing, or modernizing of homes in this country. Millions of homes are in need of paint and minor repairs. A census recently taken by the Commerce Department shows that 40 percent of the homes of the country need paint, and that from 10 to 15 percent could stand repairs and modernization.

Title 1 of the pending bill sets up a new corporation to be managed by five men appointed by the President from existing governmental boards. These men are not to draw any extra salary because of the work performed on this new board. This new corporation is to be known as the "Home Credit Insurance Corporation." It is to have a capital stock of $200,000,000, with the right to issue bonds and debentures to five times that amount, or $1,000,000,000. This new corporation is to set up the machinery for the guaranteeing of money loaned to citizens to repair or remodel homes up to the amount of 20 percent of the sum loaned, and to insure mortgages on existing homes up to 60 percent of the present appraised value of the home and up to 80 percent of the value of newly constructed homes.

Now, why should the Government go into the business of guaranteeing to any extent money loaned by bankers or other financial institutions to a citizen to repair or remodel his home, and why should the Government be interested in insuring existing mortgages and mortgages placed on homes to be built? The answer is that the Government is interested, deeply interested, in providing work for the 5,000,000 mechanisc of the country who formerly found employment in the building industry, but who are now, and have been for some time, out of work.

Now as to the insuring of loans for repairs on homes to the amount of 20 percent. This provision means that where a banker or loaning institution advances money, we shall say, to the extent of $10,000 to citizens to repair or remodel their homes, the Government will stand not to exceed 20 percent of the total losses of the said loaning institution, sustained because of such loans made to put men to work.

Now these repair and remodeling loans that are made by loaning institutions are what might be called "character loans", loans that are to be made to citizens who have a good reputation for paying their debts, and who are on pay rolls and are willing and able to set aside a small sum each month to pay for the repairing or remodeling of their homes, in order to help out in the great problem of putting men to work.

Under the provisions of this bill, a citizen can borrow up to $2,000 to repair and remodel his home. He gives no mortgage, nothing but his note, and whether or not that note will be taken by the local lending corporation will depend entirely upon this citizen's reputation for paying his debts and upon his present situation as regards earning power.

The repair and remodeling idea of this bill, in order to be successful, will undoubtedly have to be popularized and advanced by methods similar to those pursued in the Liberty Loan drives and other drives designed to unite the efforts of a community, to accomplish a definite aim, in this instance to make work for the unemployed.

The belief is that there are millions of American citizens who own their homes, and can afford to spend money in the repair and remodeling of those homes, who will not make such expenditures in the coming year or two, unless they understand that it is and will be the general intention and

purpose of all such citizens to join in a movement to spread employment through expenditures for the repair and remodeling of homes.

The most that the Government can lose by guaranteeing loans for repairs is $200,000,000 and such a loss could not be sustained unless $1,000,000,000 was expended in the repair and remodeling of homes, and 20 percent of the loans went bad.

It is maintained by the author of this bill—and I think justly—that the Government could well afford to spend $200,000,000 to get $1,000,000,000 worth of work done on our homes and that such expenditures of money would be more preferable than paying out such a sum for relief purposes.

It is not expected that the Government will sustain any such a loss. It is stated that many financial institutions in the past have loaned money, millions of dollars, to citizens purely on character loans for home repair and that their losses have never exceeded 2 percent.

Someone has asked why should the Government enter into the business of insuring mortgages, particularly on homes already constructed? The mortgage market is frozen; badly frozen. No matter how good a mortgage a citizen may have today, there is no selling it. If mortgages are insured there will be a sale for them, and it is contended by the authors of this legislation that the making of existing mortgages salable will aid in the reviving of the building industry.

The purpose of insuring mortgages on new homes is to make such mortgages salable, and thereby, through the turn-over of such mortgages, provide more money for the building of new homes. Under the terms of this section the Government cannot lose, because there is an extra 1 percent added to the interest rate that the borrower will have to pay on an insured mortgage, and it is claimed that experience has demonstrated that this extra 1 percent will leave the Government without any loss. While the borrower will pay this extra 1 percent, it is expected that he will get his loan at a lower rate of interest, and in the end will not have to pay any more than he would have paid if his mortgage was not insured.

There are two reasons why the building trades are lagging today as compared with former times. One is because the demand for new building has fallen off as a result of the depression and the other is because there is no capital available for building purposes. I say there is no capital available, and by that I do not mean that there is not plenty of money in this country, but what I do mean is that the people who have money do not care to invest it in the building business or in mortgages.

It is believed that this section of the bill will pour hundreds of millions of dollars into the building industry that otherwise would remain in hiding.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. REILLY. I yield.

Mr. ELLENBOGEN. This part of the original bill also provided for the guarantee of mortgages on low-cost housing projects. But that was stricken out by the committee, was it not?

Mr. REILLY. Yes, sir; nobody seemed to be able to explain to the committee just what the phrase "low-cost housing projects" meant.

Mr. DOCKWEILER. Mr. Chairman, will the gentleman yield?

Mr. REILLY. I yield.

Mr. DOCKWEILER. The gentleman said this would be more or less of a character loan.

Mr. REILLY. Yes.

Mr. DOCKWEILER. Then, suppose a man has a home that already has a large mortgage on it, as large as it will stand, can he still borrow money?

Mr. REILLY. Whether or not this man can borrow money for repairs and remodeling will depend entirely upon his reputation for paying his debts and his earning capacity at the time.

Mr. DOCKWEILER. That is what I wanted to get at.

Mr. REILLY. It is a character loan.

Mr. DOCKWEILER. The only security given is his character?

Mr. REILLY. The elements which enter into the making of these loans are two, the reputation of the borrower for paying his debts and his present earning capacity and ability to make monthly payments on a bill for repairing or modernizing his home.

Mr. CASTELLOW. Mr. Chairman, will the gentleman yield?

Mr. REILLY. I yield.

Mr. CASTELLOW. Is there any charge to be made by the Government for this guaranty?

Mr. REILLY. No; the Government stands the whole cost of operating the set-up for the guarantee of these loans for the repair of homes, and also whatever losses under the 20-percent guaranty limitation may be incurred. The Government is willing to pay the operating expenses of this set-up and to stand losses not to exceed $200,000,000 in order to provide a billion dollars' worth of work in the repairing and remodeling of homes, and thereby make work for the unemployed who otherwise must be fed through relief expenditures.

The important part of title 2 of the pending bill relates to the power given to the Home Owners' Loan Corporation to advance money to the amount of $500,000,000 to building-and-loan associations, Federal-loan-association savings banks, savings associations, insurance companies that are engaged in the financing of new homes. The building-and-loan associations of the country constitute the backbone of the home-building set-up that we have. These associations have constructed more homes in the past 10 or 15 years than all the rest of the home-building associations put together.

Now, this money is to be loaned to these home-building associations for a term of not more than 5 years. The money is to be loaned through the purchasing of shares in the building-and-loan associations or loans to insurance companies engaged in this home-building work. Now, all of this $500,000,000 may never be used up. The idea is to give to the Federal Home Owners' Loan Corporation this sum of money that it will have on hand to loan to these home-building institutions for the building of new homes and for the repairing of homes. I take it that none of this money will go out unless the Home Owners' Loan Corporation is satisfied that it will be used for the purpose of creating employment.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. REILLY. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Is that restricted to new construction or to repairs?

Mr. REILLY. The law limits the use of this money for new construction, repairs, and also for the refinancing of loans already in existence.

Mr. JENKINS of Ohio. Then, as I understand it, it is either for new construction or for repairs, but it must be for residential purposes occupied by the borrower.

Mr. REILLY. That is the intention of the law.

Mr. JENKINS of Ohio. Suppose a man has a mortgage of $2,000 on his property and he wanted $2,000 for improvement; who will finance it under those circumstances?

Mr. REILLY. This improvement would be financed under section 1 of the bill through a local loaning institution. The man with a $2,000 mortgage on his home who desires to improve his home to the extent of $2,000 would apply to a bank or some other loaning institution for a loan to improve his home; and he would get the loan, undoubtedly, if he had a good reputation for paying his debts and if he was earning a salary or wage that would justify him in laying aside a certain sum every month to pay off his loan. After the loan was agreed to and the money advanced to complete the repairing of his home, the banker or the loaning agency could get this man's note guaranteed up to 20 percent of the amount loaned; and if the local banker made loans to the extent of $10,000 to different people for repairing their homes, the Government would protect the banker to the amount of $2,000. But, as I have stated, there is no expectation that the losses on these loans for the repair of the

homes, based on good character and present earning capacity, will amount to anything near 20 percent, according to the judgment of men who have studied this method of loaning.

Title 3 of the pending bill provides for the organization of a Federal saving and loan insurance corporation, with a capital stock of $100,000,000 in bonds, provided by the Home Owners' Loan Corporation. This corporation is to be under the control of the Federal Home Loan Bank Board. The purpose of this corporation is to provide for the insuring of accounts not to exceed $2,500, in building-and-loan, saving-and-loan, homestead associations, and cooperative banks, whether the same are members of the Federal Home Loan Bank System or not.

This law has been made necessary by the insuring of bank deposits in this country up to $2,500 and, after July 1 next, up to $5,000. Notwithstanding the fact that these mutual institutions have a remarkable record for solvency and have stood up in many ways better than the banks, yet it would appear that the people are putting their money in banks instead of these cooperative home-building institutions, and the object of this legislation is to make the savings of the people, that may be put in these home-building institutions, just as safe as if they were placed in the banks of the country.

These home-loan institutions are thrift institutions, and, through the savings habit cultivated by such institutions, billions of dollars have been put into these cooperative institutions, and, as a result, millions of people have been able to acquire homes who otherwise would be renters.

[Here the gavel fell.]

[Applause.]

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, this bill instead of being what might be inferred from its original designation is now called a home credit insurance corporation bill. Of course, it is in no sense a political measure. I had hoped from what was originally written about it, and from what the President wrote in reference to it, that the bill would be a humanitarian measure instead of setting up a new superbuilding association to be backed by the finances of the Government.

I know something about the building and the production of houses through these great house construction institutions, where they make a thousand houses a month and send them to New York to be put up. They send them from the Watsontown mill knocked down, and if they arrive there in the evening they can be put up in time to sleep in the house the same night. We have passed even that vision in this bill. We are overlooking, it seems to me, the poor soul who wants to refinance his home or build one.

I should like to see certain changes made in this bill. A gesture was made in the right direction, as I understand from a question propounded here in regard to the low-priced house. We talk about the environment of the youth of the land, and shaping the character of the boy and girl who are to be the future citizens and defenders of the country, the Members of Congress, if you please, some day. Yet we ride all over the country to our homes and pass shack after shack. We deplore the conditions for a moment, but move on and do nothing. Then we bring in a bill like this, which is some kind of a financial ramification without a thought of that poor, weak, unfortunate fellow who is living in one of these shacks and raising a family of children in an environment that could not possibly be conducive of character or morality.

I am reminded of what Marshal Joffre once said when an orderly rode up to him. They were all dug in somewhere around Verdun. The orderly said, "Marshal, with all this wonderful, modern equipment we have here, being dug in for 6 months without moving or doing anything else, what do you think Napoleon would do if he were here?" Joffre looked at him and said, "Orderly, I think if Napoleon were here he would think of something."

Now, we have done so much financing during this session of Congress that we seem obsessed with the idea of talking about billions of dollars. We could not even get this one by at $200,000,000. We had to multiply it five times and say, "We will make it a billion" in order to do something by way of financing financial institutions. The real thought that should have been uppermost in the minds of those considering this matter should have been to provide something for that poor soul in the shack. The gentleman from New York described his district—and I can see every street there—and what the gentleman says I can confirm.

However, throughout the country there are shacks, which is the term I wish to apply to them, unfit for human beings to inhabit; and these human beings are going to have a vote, and you want them to vote intelligently.

It is charged now that there is a certain element in this country that is increasing at the ratio of 9 to 3, and in two generations they are going to control and dominate in this country.

Mr. SWEENEY. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. SWEENEY. What is that element?

Mr. FOCHT. I am not discussing that phase of the matter. I will say a foreign element.

Mr. SWEENEY. Why not name the element? The gentleman casts an aspersion on some group in this country.

Mr. FOCHT. I am not casting any aspersion upon anybody. I am for the bill and I shall vote for it. We are not introducing that subject into this discussion, but I would welcome such a discussion with the gentleman whenever I may get the time. I can assure the gentleman about that and if he means that for a challenge, I shall accept it and welcome the opportunity.

However, here is my thought, and it is what I wrote about and what I sent to the President, who is not for this bill. I will say that much for our President, whom I happen to personally know. The purpose I have in mind is to reach down to the weak and unfortunate and help them as American citizens. [Applause.] This is what I want you to do and get out of spending the people's money for something which might be done in some other way through the building-and-loan associations. I do not have one in my district that I know of, and I am not influenced by them, but I have heard enough here to say that you are going to displace them, although they have been one of the most useful institutions in America.

Mr. SCHULTE. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Always to my good friend on the Immigration Committee.

Mr. SCHULTE. If this money is allotted and handled by the United States building-and-loan associations, does the gentleman think any of the little fellows down in the humble shacks will get any of it?

Mr. FOCHT. They will, if you do what Joffre said—think of something, but not otherwise. I am not on this committee. I might have thought of something myself if I had been, although I want to be modest in the matter.

Mr. SCHULTE. The message I am trying to convey is this: If this goes through the hands of the United States building-and-loan associations, the so-called "worker", the carpenter, the plumber, and all the rest of them, are not going to get their proportionate share of the funds even to the extent of doing a day's work. It is not going to simmer down to the little fellow whom the President wants to reach. Am I right or wrong about that?

Mr. FOCHT. I do not know. I only know that that may be characteristic of the Democrats in your neighborhood.

Mr. SCHULTE. And the Republicans in Pennsylvania.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. O'CONNOR. I am sure the gentleman does not think that putting a front porch on a home or a frigidaire on a back porch is more important than slum eradication or providing proper, low-cost housing.

Mr. FOCHT. I am not considering that. It is optional with the man to borrow to build a new house or to repair an old one. What I have in mind is doing what is done in the District of Columbia. Where a house is 50 percent disintegrated, you cannot even repair it, and this is what I want to do with respect to these miserable places where there are now housed the children who are to be our citizens of the future, so that they may have sanitary surroundings, with homes of more than one room, so that all of them will not have to huddle in just one room. The gentleman knows what I mean.

Mr. O'CONNOR. That was in the bill, but the committee took it out.

Mr. FOCHT. And that shows a lack of wisdom. They are getting away from the humanitarian idea of the bill, which should have been the sole purpose of the measure.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. HOEPPEL. The gentleman stated that a certain element in this country is increasing at a ratio of 9 to 3. I wonder if the gentleman had in mind, perhaps, in considering this ratio, tax-exempt bondholders?

Mr. FOCHT. I may say that we will find out who they are as soon as my chairman, Mr. DICKSTEIN, publishes a report of the hearings we had over there about the kind of people they are, and how they are going to dominate in this country in two or three generations if we are not watchful. As I have said, they are not to control the country as did Napoleon by sweeping the boulevards of Paris with his artillery; they are going to accept our challenge and walk up to the ballot box and outvote us. This is the way it is going to be done unless we properly take care of the children of the country, as we have an opportunity to do here today, and carefully enforce our immigration laws.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. FOCHT. Yes.

Mr. CHRISTIANSON. Does not the gentleman think, under the bill as it appears before us now, and as amended, a great deal of the money that is to be made available and guaranteed by the Government, under the terms of the bill, will go to refinance old indebtedness, rather than to stimulate new construction?

Mr. FOCHT. It appears to me to resemble an old horse that is trotted out here to be given an inoculation of some kind with Government money. Ordinarily I would be opposed to it, and opposed to using it as an experiment. I am amazed that a committee composed of such excellent gentlemen, probably the flower of the talent of the House, would miss the main point and go back to the old financing scheme, just because they can spend money that has been accumulated over the years in this country through the progress of industry under the guidance of the great Republican Party.

Mr. FISH. Mr. Chairman, I yield myself 15 minutes.

I ask unanimous consent to speak out of order for one-half my time.

Mr. O'CONNOR. Mr. Chairman, at this stage, with a rule brought in here for the consideration of a very important bill such as this, and with the demand for time and the feeling before the Rules Committee that even 3 hours might not be adequate, does the gentleman really think he should speak out of order?

Mr. FISH. The only reason I make that request is that we do not have any further requests for time on our side beyond what has been allotted, and I am leaving today, and I should like to speak on several matters, and even to pay some compliments to members of the Democratic Party, including the gentleman's colleague from New York, Mr. PRALL.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. FISH]?

Mr. SCHULTE. Mr. Chairman, I object.

Mr. FISH. Mr. Chairman, I want to take this occasion—and I think it is in order under this bill—to pay tribute to a member of the Committee on Banking and Currency who has served many years in the House, who is about to leave us through appointment by the President of the United States. Before doing so I want, as the newest member of the committee, to pay tribute to the committee and to its chairman and members for reporting out some of the most important legislation that has passed the House during this session.

As one who feels very strongly that the House of Representatives, whether in control of the Democrats or Republicans, should legislate for themselves, I desire to commend the Committee on Banking and Currency for this particular bill. It is the right and duty of the President of the United States to recommend legislation to the Congress. I find no fault whatever; in fact, probably, I admire the Democrats for going along with the President on general principles, but it is not expected that the Congress under our representative form of government should permit some young fellows on the outside to hand you on a silver platter a complete bill, down to the most minute details, and ask you to take it without any consideration or without any change. Therefore, I am glad to commend this committee for holding extensive hearings, listening to both sides at length, and then finally in executive session accepting the principles as recommended by the President, but not every detail of the legislation, not the minutest details as suggested by some young theorists who have had no experience whatever. The Committee on Banking and Currency has written a constructive, workable bill. I feel if there is any criticism of the House at all in the past, it is that during the first part of the session all that was necessary to say was, "This is an administration measure", and every committee reported it out just as it was written, probably written by some young fellows, perfectly nice young fellows, but without any practical experience. I am not even saying they are radical. There are in this House today on every committee, whether Democrats or Republicans, men of legislative experience, men who have gained that experience in this House through 10 to 20 years of hard work.

The same rule applies to members of the Committee on Banking and Currency. Therefore, when this bill came before them they accepted the general principles and tried to write a workable bill to provide employment for the building trades, which is the hardest hit of any industry in America. It will help create jobs for the bricklayer, carpenter, painter, plumber, and a host of others, including factory and mill workers. That is what this bill does. It is not a perfect bill. You could not write a perfect bill of that kind even if you stayed in session 2 months longer. But it was written from the wisdom and experience of such men as the senior Members on the Democratic side and the gentleman from Massachusetts [Mr. LUCE], and the gentleman from Maine [Mr. BEEDY], on our side. That is why I am willing to go along on this legislation and vote for it as it is.

Mr. O'CONNOR. Will the gentleman yield?

Mr. FISH. I yield.

Mr. O'CONNOR. Is the gentleman against the Federal Government's taking an interest in slum clearance?

Mr. FISH. No. But the gentleman will have plenty of time to discuss that. We heard both sides of that issue.

Now, I want to take this occasion to at least express my views and pay tribute to one of my colleages from New York [Mr. PRALL], who has served in this House for many, many years, and who is, through training and ability, one of the most experienced and one of the most useful Members of the House of Representatives. [Applause.] We dislike to see him go, to leave this field where he has spent so many useful years in shaping legislation even by appointment of the President to serve on the new board in charge of Federal communications. He has been a credit to his party; he has been a credit to the State of New York, and he has been a credit to the House of Representatives. He will take to that important commission experience and knowledge in public affairs and something that we all learn in the House of Representatives, and that is, the necessity under our representative form of government of protecting the rights of the minority.

Although on both sides we are partisan, there is something that we can learn only here, and that is that the minority side, the opposition, has rights that must be preserved. In the closing days of the session, of course, in order to expedite legislation, certain gag rules may be put through and may be called vicious; but they are apt to be used by both parties in like emergencies. I should like to make this observation: At this time the minority has only 115 Members, whereas the majority has something like 312; yet outside of the operation of the gag rules, which might possibly be criticized as being destructive of what we call "representative government", we have equal rights with the Members of the majority. We have had equal time in debate on measures, we have had equal time to present our side of any question, although we had but 115 Members and you had 312.

I am making just a little plea, a little indirect plea, that our friend the gentleman from New York [Mr. PRALL], when he goes on the new Commission on Communications, will remember that the same rule should apply there, as the people back home have the right under our democratic system of government to hear both sides of all great issues over the radio. The Commission should allow the facts to be presented so the people can decide for themselves, and I hope that Commissioner Prall will take that precedent, long and wisely established in the Congress, to the new Commission on Communications and give the people a chance to hear important issues discussed from all points of view.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FISH. Is it a brief question?

Mr. MAY. It is. I take it from his last remarks that the gentleman from New York is opposed to the gag rule applying to the Communications Commission.

Mr. FISH. I am opposed to all gag rules, whether proposed by my side or the other side; but that is another matter we have not time to discuss here.

I want also to pay a tribute to a young Republican member of the Committee on Banking and Currency, a new Member who, due to certain local conditions, was defeated in the primary election out near Chicago a short time ago; I refer to JAMES SIMPSON, Jr., Representative from Illinois. I regret exceedingly that he or any other young man with his background should be defeated. What we need on both sides of this aisle in Congress is some young men, and particularly young men of his type, who can devote their entire lives to public service, for it takes time and experience to learn the rules of the House, and this is the greatest training school in the world, where young men can become valuable legislators through hard work and their own efforts.

JAMES SIMPSON, Jr., represents one of the most courageous types of young men in America. He won the second championship as the best jockey in the United States. And I want to tell you my colleagues who have been in athletics, that it takes "guts"; it takes more courage than anything else to be a real jockey. He broke his neck at one time, and he broke his back at another, yet he is alive to serve his country. I trust that he will not leave here discouraged. I want him to go back home and take part in the politics in his State or come back here; and I hope he will aspire as did another great jockey in America, to be Vice President of the United States. While Vice President Curtis was a good jockey, he never was in the class of JAMES SIMPSON, Jr., when it came to winning races.

Mr. HOEPPEL. Mr. Chairman, will the gentleman yield?

Mr. FISH. I yield.

Mr. HOEPPEL. The gentleman stated that what we need in Congress is young men. I readily agree with that assertion; but I would modify it by saying that we should have young men of liberal thoughts. I refer especially to my opponent at the last election, who had studied political government for 27 years and who was a graduate of Harvard. It took only 6 months of the new deal to convince him that all he had learned in his prior lifetime was of no avail. He is now a new dealer. [Laughter.]

Mr. FISH. Mr. Chairman, I am informed I have 2½ minutes left. I hope no one will object if I talk out of order for two and a half minutes, although I do not know that in two and a half minutes I can express my views on the matter about which I shall speak.

I was one of those Republicans who supported the N.R.A.—and most of us did—because the country was in an emergency, because we thought it was the right thing to do, to put our country above our party. In order to help relieve unemployment and bring about recovery we voted for it, voted for it knowingly, willingly, and gladly. As one who voted for it, I think a most unfortunate thing happened the other day when Gen. Hugh Johnson attacked not only ex-President Hoover in a slighting and unjustified manner and commented derisively on the choice of Henry P. Fletcher, but denounced Republicans as pirates and bitterly assailed the Republican platform made out in Chicago. He called it a "herring, a dead herring that smells and has nothing in it."

Now, if you are going to inject politics into the N.R.A., the N.R.A. will become a dead herring and there will be nothing left of it. It ought to be, and must be if it is to be continued, nonpolitical and nonpartisan. None of us on the minority side have attacked General Johnson or the N.R.A. We do oppose its being made permanent; we do oppose the use of coercion, force, and compulsion—we did not vote for that at all. But if the head of the N.R.A. is going to make these violent attacks—bitter, partisan attacks—then the N.R.A. ceases to be nonpartisan and becomes merely an adjunct of the Democratic Party.

While I was out at Chicago at the national committee meeting, advocating a liberal platform, which is denounced now as a sham by the head of the N.R.A., and as a dead herring, what was the Congress of the United States doing? All that you did in the House was to pass a census bill to provide 103,000 jobs for deserving Democrats; and I say to you, if that reference by General Johnson holds, that our Republican social program is a dead herring, that census bill that you passed last week is a dead mackerel that shines and stinks and stinks and shines in the moonlight.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. FISH. I am sorry, but I have not time.

Mr. MAY. I just want to call attention to the fact that in reciting the attacks made by General Johnson the gentleman overlooked General Johnson's attack on the gentleman from New York [Mr. BLOOM].

Mr. FISH. The gentleman from New York can take care of himself.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, the title of this legislation is the "National Housing, Employment, and Insurance Act." It is a matter of common knowledge that activity in durable-goods industries of the country has lagged; that many artisans formerly engaged in the building trades are still unemployed; and that millions of homes are hanging in the balance, their owners threatened with foreclosure and eviction. This measure is intended to invite, tempt, and, if possible, induce private capital into the building and construction field and into the real-estate mortgage markets, and thereby stimulate the building trades, furnish employment to labor, and enable home owners to build homes, or renovate, repair, and improve existing homes, and also enable them to finance such projects upon fair and reasonable terms.

In addition to certain liberalizing amendments to existing laws, this act may be divided into three main parts. In the first place, it sets up a Home Credit Insurance Corporation, whose board of directors shall consist of not less than 5 nor more than 7 members selected from already existing boards, commissions, or executive departments of the Government. The Corporation shall have a capital of $200,000,000, subscribed for by the Treasury of the United States. In order to obtain the funds with which to carry out the provisions of the act in providing insurance and in making loans and advances, the Corporation is

authorized to issue notes and debentures which are unconditionally guaranteed, both as to principal and interest, by the Government.

The Corporation may in general engage in two kinds or classes of insurance. It may insure financial institutions, such as banks, insurance companies, and finance corporations against loss on account of loans and advances made by such concerns to real-estate owners for the purpose of making alterations, improvements, and repairs to real estate. This insurance is limited to loans not in excess of $2,000, and is also limited to 20 percent of the total amount of such loans carried by any such lending institution. It is expected that these loans will be made by various financial institutions to home owners and others who desire to make improvements, and whose income and financial responsibility are such as to give reasonable assurance that the obligation will be paid when due, but who, under present conditions, cannot borrow the money. By means of this insurance, private capital will loosen up and be willing to enter the field and the much-needed renovation and improvements of many homes will be accomplished, thereby preserving the property and at the same time furnishing employment to many. This insurance is confined to obligations made for the above purpose and which are entered into after the effective date of this law and prior to January 1, 1936. The obligations under this class of insurance may be secured or unsecured and shall conform to such credit standards, forms, and terms as the insurance board shall prescribe. This class of insurance is limited to $1,000,000,000 of obligations and the Corporation's total liability is limited to $200,000,000. The Corporation may make loans and advances to insured institutions upon the security of obligations to which the insurance applies. This is the part of the bill which it is expected will give immediate impetus to home repair and renovation.

The second feature of the insurance company's activities is the insurance of amortized mortgages on existing homes and on new ones to be constructed. In this case the individual mortgage is insured for its full face value, but no mortgage given on an existing home for more than 60 percent of its appraised value and 80 percent of the value of new structures shall be insured, and no mortgage on property of an appraised valuation of over $20,000 shall be insured. A mortgage to be eligible for insurance must be amortized and must be upon homes within the above limitations. The details of the plan, the form of the mortgage, the interest and premium rates to be paid, the appraisals and service charges are left to the rules and regulations of the board.

It is hoped that mortgage money may be had for the home owner that will not cost him in excess of a total maximum of 6 percent where it is now all the way from 8 percent up. Within the next year or two, millions of home mortgages are coming due. Many institutions and individuals will want and will need their money. The mortgagors cannot meet their maturing obligations. Private investment and trust funds, as distinguished from public money, must be induced, if possible, to enter the picture. Many holders of maturing mortgages would be willing to extend the payment and amortize the mortgage over a longer period of time and upon more favorable terms to the home owner if he were sure in the long run that his mortgage would be paid. The Government insurance gives him this guaranty. In that way there is a security given to the holder of the mortgage which will prevent foreclosure and the consequent further depression of the mortgage market, and also result in a saving to the mortgagor in reduced interest rates. Those who must have their money on matured mortgages will be given an opportunity to remodel or amortize the obligation in accordance with the rules of the Insurance Corporation, and then be able to place the mortgage on the market and receive the cash for it. There are plenty of private funds to finance the real-estate securities market when it is known that those securities are insured by the Government. That, in itself, will give them more or less liquidity and lead to investments in them when it is realized by the investor that he can dispose of these securities in case of need. It is the purpose of this part of the bill to unfreeze, thaw out, liquefy real-estate mortgages and to make them an attractive investment for private capital. This will not only result in much good to the commercial banks and trust estates throughout the country but will bring permanent and lasting benefits to the home owners of the Nation.

The second part of this bill proposes to furnish additional funds to the Home Owners' Loan Corporation and to the building and loan and savings institutions of the country, so that those organizations and institutions will have resources with which to relieve and help the needy home owners. Under existing law, the Home Owners' Loan Corporation has authority to issue bonds to the extent of $2,000,000,000, which are guaranteed by the Government. The proposal here is to increase the amount of bonds which this Corporation may issue to $3,500,000,000, and not to exceed $500,000,000 of this amount may be invested, deposited, or loaned to building and loan associations, savings banks, and insurance companies under certain limitations and restrictions. The funds thus furnished shall be used by these institutions in supplying capital for the construction, renovation, and improvement of homes, as well as for the refinancing of existing mortgages in the interest of home owners. None of these funds shall be used by the institutions to which they are advanced for the purpose of paying off any of their depositors or investors or to meet any other creditor obligations. The building and loan associations hold about one-third in amount of the home mortgages of the country and about two-thirds in number. The total home-mortgage indebtedness is about $21,000,000,000, of which amount the building and loan associations hold almost $7,000,000,000. Of the 10½ million home mortgages, the building-and-loan associations hold between six and seven million. Next in importance in home-mortgage holdings are individual money lenders, who hold $4,000,000,000 of such mortgages. By placing more funds at the disposal of the savings and loan associations, it will relieve them of the present strain and enable them to provide more money for the construction and repair of homes and also enable them to refinance many of their present mortgage holdings on terms more favorable to the home owners.

The Home Owners' Loan Corporation has done wonderful work during the time it has been in operation. This Corporation was created a year ago, and, in setting up the machinery for its operation, the Home Loan Bank Board has established offices and branch offices and placed in charge of them managers of the Corporation in every State. Up to date over $850,000,000 have been loaned to over 275,000 home owners. Almost a million and a half applications have been received, amounting to over four and one-half billion dollars, and these applications are now being received at the rate of over 100,000 per month, and the average loan closed amounts to about $3,000. It is thus seen that there are already on file applications for loans in an amount more than twice the available funds of the Corporation. At the present rate the bonds and cash of the Corporation would be exhausted before Congress meets again. Hence, if the loan activities of this Corporation are to continue, there arises the necessity for the authorization contained in this bill that the Corporation may issue $1,000,000,000 more in bonds. Needy and distressed home owners in every county in the United States have been relieved and saved by this Corporation, and its activities must not cease at this time.

The third feature of this measure provides for the insurance of building-and-loan and savings-and-loan institutions. This plan is analogous to the bank-deposit insurance provided at the last session. The insurance corporation shall have a capital of $100,000,000, subscribed and paid for by bonds of the Home Owners' Loan Corporation and shall be managed by the Home Loan Bank Board. All Federal savings-and-loan associations and all building-and-loan, savings-and-loan, and homestead associations and cooperative banks organized and operated according to the laws of the State, District, or Territory in which they are chartered shall be eligible to insure their accounts and be admitted to insur-

ance upon an examination and approval by the Board, whether such institutions are members of the Federal Home Loan Bank System or not. No account shall be insured for more than $2,500. Each insured institution shall pay an annual insurance premium at the rate of one-half of 1 percent of all its accounts until a reserve shall have been built up in the insurance corporation to a total of 5 percent of all insured accounts, plus other creditor obligations of all insured institutions. In addition, the Corporation may assess an annual premium of one-fourth of 1 percent on all accounts in each insured institution to meet losses and expenses.

An insured institution may withdraw from the insurance upon a majority vote of its stockholders, and its insurance rights will terminate immediately, but its obligation to pay premiums shall continue for 3 years. When an insured institution is in default the insurance corporation may be, and in case of the default of a Federal savings and loan association shall be, appointed as conservator or receiver and manage the assets to the best interests of the shareholders therein. In the event of default on the part of an insured institution, all parties having insured accounts may receive 10 percent of their account in cash and 50 percent of the remainder in 1 year and the balance within 3 years from date. The insured member may receive a new insured account in an insured institution not in default or cash and non-interest-bearing debentures of the insurance corporation for the balance. Since bank deposits have been insured, it seems desirable to insure the accounts in savings and loan associations in order that savings and investments may be encouraged and more money be made available for the use in building and renovating homes. There runs through this entire act a plea for the home owner. The central thought is the improvement and the protection of the home. There are countless numbers throughout the Nation who in happier and more prosperous times bought or built a home with the hope and expectation of having a place in which to rear a family and enjoy the comforts and peace of home life in their declining years and who now, because of misfortune or adverse economic conditions, are about to lose all. To all those this measure offers full and immediate relief. Over, above, and beyond the great and serious problems of unemployment and emergency relief is the preservation of the American home as a permanent institution. The home is not only the unit of community and national life, it is the very foundation of civilization. This act is designed to lift the pall and scatter the clouds that have hovered over millions of home, bringing fear and and despair to men, women, and children in recent years. It is important to give aid to agriculture, commerce, and industry, but it is imperative that the home be saved. If the thought of owning a home is destroyed, we have gone far along the road toward disintegration. The ownership of a home is the dream and the aspiration of everyone, and this ambition should not be thwarted because the future hope and perpetuity of our great country depend upon the peace and contentment that cluster around the firesides of its millions of humble homes. This measure will help bring that peace and contentment and should be passed at once. [Applause.]

Mr. LUCE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, if memory serves me correctly, I recall that in the course of the discussion on the Federal Deposit Insurance Corporation bill, in the spring of last year, there was no single allusion on this floor by any Member that ultimately there might be a stagnation in the mortgage-financing market, and yet that seems to be precisely what has happened.

Insurance of deposits in banks, together with the encouragement of deposits in Federal postal savings banks, has brought approximately $13,000,000,000 into the banks under provisions of the insurance act, together with eight billion in postal savings deposits. The result, therefore, is that the potential market for mortgage financing funds has been entirely drained.

I never heard a single Member of the House in the deliberation on that bill ever imply or point out the possible danger of building up a great reservoir of reserve credit which would become stagnant and immobile, and could not be touched, and therefore it becomes necessary now for additional legislation in the form of what is called the housing bill, to cut a hole in that dam and let out the fluid to stimulate employment in this country.

I do not believe there is any difference of opinion as to the need for a housing bill. The only difference is as to the approach, as to how best to effectuate that purpose, and so when I see the statement in the newspapers by the very able, sincere, and hard-working president of the American Federation of Labor that we have been dismembering the administration housing bill, I am pretty sure Mr. Green has not had time to examine all the various ramifications of the provisions of this bill.

And when I hear a distinguished individual who wears a patch over his eye, who has hunted headlines in all corners of the world, who gets a fine stipend from the Johns-Manville Co. for presenting an argument over the National Broadcasting System, stating that the minute the President leaves Washington Congress begins to cut up didos and dismembers the housing bill, I am satisfied that those things were put into his hands in manuscript form, and that he has not read the bill. Everybody is agreed on housing and repair needs. There is, however, a sincere difference of opinion on the method.

Now, they talk about the propaganda of the building-and-loan associations. I served 3 years as a director of a building-and-loan association, where as a director I received $100 a year for going out 12 or 15 times a year, in fair weather and foul, with a list of applications for loans, spending days in examining the value of real estate and the value of structures for the purpose of making loans.

There are 11,000 such building-and-loan associations. They have aggregate assets of seven and three-quarter billion dollars. If you spent a billion dollars under this bill, it will be only 14 percent of what building-and-loan associations have invested in real-estate mortgages at the present time.

Since 1926 there have been only 700 or 800 building-and-loan associations that have failed for an aggregate of $70,000,000. That is the kind of record that would put all the bankers in the country to shame, and I think the Nation and the people and the Members of Congress and all those identified with government ought to be humbly grateful for the part that the building-and-loan associations had played in stemming the further ravages of the depression.

There has been some talk about building-and-loan associations as an instrumentality of propaganda on the bill. Who are they? The directors and officers simply hold positions of public trust, terribly underpaid, if you please, representing almost 11,000,000 shareholders. And when you multiply that by the family factor to arrive at the number of families in the country represented, it represents over one-half of all the people of the United States.

Then I say to you, Who has a better right than the building-and-loan associations of the country to come here and express their opinion on a housing bill when it comes up before Congress, in the hope that no prejudicial legislation will be enacted that may make an inroad upon the integrity of this great mortgage structure that is owned by 11,000,000 people? The fact that shareholders put their money into building-and-loan associations makes them depositors, but it also gives them an equitable interest in every mortgage that the building-and-loan associations puts upon the recorder's books of the county in which they operate, and when they talk to you about propaganda of these associations I say I am only too glad that they are sending telegrams and writing letters and manifesting a profound interest in the people for whom they exercise a trust and whose money they are administering in a trust. Building-and-loan associations are the people. Also I am grateful that they are here and have been able to appear before committees and give their version of the matter. Building-and-loan associations have been opposed to title II, and why?

Title II in the old bill provided for a set-up of mortgage associations with a capital of $5,000,000. That will not do my district any good. The largest town in my district has 105,000 people. It is doubtful if we could secure $5,000,000 with which to establish such an association. For the most part, they would have to be identified with the money centers like New York, Philadelphia, Boston, Chicago, Cleveland, Detroit, and other cities of the country. That means that small towns and moderate-sized cities can be served only by remote financing. Secondly, those mortgage associations would have the right to issue 15 times their capital stock in bonds and debentures. Think of it! They incorporate for $5,000,000 and issue stock, and then there is conferred upon them the broad authority to issue $75,000,000 in bonds and debentures. What for? With which to go out and play in the mortgage-financing market. How short our memories are! Think of the trouble created by a company like Strauss & Co., which, when it went into a tailspin, left a path of desolation and despair, left widows and orphans clutching paper that was not worth the green ink with which it was written.

I for one will never be a party to setting up mortgage associations with authority to write 15 times their capital in bonds and debentures and give them the benefit and privilege of putting out this paper free from virtually all Federal taxation, such as inheritance, income, and gift taxes, and then letting them offer it in this great field, virtually guaranteeing their paper and putting the seal of official Federal approval upon a private corporation. It has the potentialities for plunging us back to the depths from which we are now emerging.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. Yes.

Mr. PATMAN. Can the gentleman justify an argument against title II and at the same time not do anything about repealing the Federal Reserve Act?

Mr. DIRKSEN. I am not entering into those collateral matters. They have nothing to do with this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LUCE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Illinois.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield for a question?

Mr. DIRKSEN. Yes.

Mr. MARTIN of Colorado. What is the attitude of the building-and-loan associations toward title III, the insurance, and why?

Mr. DIRKSEN. I think from what I have heard of Mr. Bodfish's testimony, and what I have read in the hearings before the Senate committee, that they are more or less in favor of that insurance, if it is to be, and in favor of the insurance of the savings in building-and-loan associations. They are willing to go along with that provision.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield to me to answer that question?

Mr. DIRKSEN. Yes.

Mr. CAVICCHIA. The building-and-loan associations are not wholly in sympathy with that section.

Mr. DIRKSEN. But they will go along with it.

Mr. CAVICCHIA. Yes; and the committee is of opinion that once we have tried, the succeeding Congress might make a change in it.

Mr. DIRKSEN. Before my time expires there is one other observation I want to make, and this is inspired by the testimony given before the Senate committee by Mr. Stewart, of Texas, a man who out of great universal experience in the field of real estate, title, and building insurance, and impelled by profound sincerity, gave illuminating testimony. He stated that perhaps one of the fine things that could be done would be the total elimination of undesirable housing before we go too far into the field of constructive housing. I can elaborate in a very tangible and definite way by giving you some figures I gained from the recent C.W.A. census figures that are based on the city of Decatur, Ill., a semi-industrial city, where they have a total of 14,662 dwellings, of which 991, or about 7 percent, are vacant.

Now, they have about 206 dwellings there that are uninhabitable. It seems to me that in many instances some of this money will presumably be expended upon dwellings that are perfectly unsanitary, uninhabitable, and after you have expended the maximum that is permitted under the housing bill, you still have not done a constructive job. The result is that you will have standing there, eyesores of all kinds, these slatternly structures that defy all efforts of any city planning commission or any zoning commission to bring order out of chaos in the life of a community. It is too bad that in that bill they could not write a provision that for every new structure that is erected they must tear down one of these eyesores which dot the landscape in every hamlet, village, and city of the country, and which for some peculiar reason humankind is reluctant to destroy and efface from the landscape. Why not destroy two birds with one stone? If for every new building constructed under this bill, one ancient, uninhabitable building could be torn down, ultimately that would not only serve the cause of housing but the cause of sanitation, fire prevention, and beauty just as well. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois [Mr. DIRKSEN] has expired.

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. SISSON].

Mr. SISSON. Mr. Chairman, it is very seldom that my eloquent friend from Illinois [Mr. DIRKSEN] puts himself in a position where he is subject to correction. However, the gentleman told you that under the provisions of title II of the act which I will designate, for convenience, as the "original act", the act in the suggested form in which it came to our committee as the result of the work of months by housing experts, that one of these national mortgage associations could issue its bonds or debentures to the extent of 15 times the amount of its capital stock. The gentleman's statement is literally correct, but he failed to tell you that there is another limitation upon the amount of bonds or debentures that may be issued by one of these national mortgage associations.

It is further limited by (b) of section 207 of original title II, to the current value of the mortgages held by it, and insured under the provisions of the National Housing Act, plus the amount of cash and its equivalent and the bonds or obligations of the United States which it holds. That is a further limitation on the amount of bonds and debentures which a national mortgage association, under the provisions of original title II, may issue.

I find myself in a rather peculiar position—a position peculiar to me not only with respect to the brief time I have served in this body but almost unique in my experience. I feel that I may be called guilty of presumptuousness or conceit in disagreeing not only with the minority members of my committee but with a majority of the majority members of my own committee. The gentleman from Maryland [Mr. GOLDSBOROUGH], a man for whose ability and useful service and industry I have the greatest respect, and who has been very helpful to me in my work on this committee, brought out the fact that there were four of us who disagreed with this report, or who, in effect, disagreed with this report. I am one of those four. I represent a very small minority in this committee. I have a hard choice to make, because for the first time in my experience here and in the work of the committee, which I have very much enjoyed, I feel obliged, through my judgment, which may be imperfect, but still through such judgment as I have and through my conscience, to disagree with several men to whom I have looked for counsel and guidance; but according to my judgment and conscience, while it is a hard choice for me to make, I should feel obliged, if I were compelled to make that choice, to vote against this bill in its present form and take the chance of trying to get something better rather than to allow it to pass in its present form.

This bill may be better than nothing. It probably is better than nothing; but it falls so far short of the plans of the administration and the purposes of the bill which was originally presented to us, after housing experts had worked on the matter for months, and after that work was ruthlessly thrust aside by this committee; it falls so far short of realizing the hopes and aspirations for permanent recovery on the part of the people of this country, that, I say, rather than pass this bill in its present form, I would have it defeated, and take the chance of getting something better from the body at the other end of the Capitol.

The suggested bill came to the committee as the result of the work of months by experts in the housing problem, as a measure which was intended to provide a means for the insurance of mortgages, the insurance of shares of building and loan associations, and other similar associations, to provide for the insurance of loans for the modernization of homes and for repairs, and to provide for improving the housing and living conditions of people in the larger cities, through low-cost housing and slum-clearance projects. It was intended to call out idle capital and put men to work in constructive, creative effort, that would mean both an addition to the permanent wealth of the country and an improvement in the living conditions of our people, and that would create more employment than any of the so-called "emergency measures", or all of them put together, in the judgment of the men who have testified before both committees, both the Senate Banking and Currency Committee in its hearings and the House Banking and Currency Committee.

Mr. BLOOM. Will the gentleman yield for a question?

Mr. SISSON. I yield.

Mr. BLOOM. Can the gentleman tell the amount of money that this bill calls for? Is there any limit that can be used for the refinancing of existing mortgages?

Mr. SISSON. Yes; there is a limit.

Mr. BLOOM. What is the limit, may I ask?

Mr. SISSON. An authorization of $200,000,000 is made for the Home Credit Insurance Corporation; and I may say that as far as that feature of the bill is concerned, I am in favor of it.

Mr. BLOOM. But $3,500,000,000, if the gentleman will yield, is called for in this bill. If the money is to be used for refinancing existing mortgages, there are about $4,000,000,000 of existing mortgages that are in default at the present time, mortgages that are owned by the loaning institutions and the life-insurance companies of this country. Now, if there is no limit to the amount of money that can be used in the refinancing of existing mortgages, then this $3,500,000,000 can be used in refinancing and paying off the insurance companies, and there will be nothing left for new housing or for the alterations or renovations of old houses.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield? I think I can explain the matter to the gentleman from New York.

Mr. SISSON. I yield.

Mr. WILLIAMS. This $3,500,000,000 contains $1,000,000,000 as an addition to that which has been already provided to the Home Owners' Loan Corporation. This $1,000,000,000 would still be used by that Corporation.

Mr. BLOOM. Yes; but this is for rebuilding and refinancing existing mortgages.

Mr. WILLIAMS. The gentleman is talking about the provision which authorizes the Corporation to make loans——

Mr. SISSON. Mr. Chairman, I do not yield further.

Two vital features have been taken out of this bill. Another provision has been inserted in the bill which to my mind is unnecessary at the present time and which constitutes an unnecessary appropriation of money from the Treasury.

Title II of the original bill contained a provision creating national mortgage associations. This was needed. Important functions will be performed by these associations. First, the provision of adequate financial facilities for limited-dividend corporations engaged in low-cost housing projects such as are associated with slum-clearance projects; and, second, to secure liquidity of the mortgage market. Several of our large industrial States have already passed laws granting certain exemptions and privileges for local cost-housing projects, provided they are placed under adequate public supervision. The New York Housing Authority is one of them and the Federal Housing Corporation is another. These organizations are now attempting to deal with the problem of providing better low-cost housing for the industrial workers in our large cities.

Under the provision allowing the creation of national mortgage associations, such an association must have a capital of at least $5,000,000 and it is under the most rigid supervision. An association of this kind is the only device, the only mechanism, which can adequately deal with slum clearance or low-cost housing in our large cities.

A moment ago the gentleman from Illinois said that this would be of no benefit to his district. Because I have a great deal of admiration for the gentleman, I am rather surprised that he would base an argument against the bill on such a reason. I do not know that it would be of any benefit to my congressional district either. However, I represent not only my congressional district, but I represent also the city of New York, the city of Chicago, the city of St. Louis, and all the other cities of the country; because every man in this body represents, in theory, and should in practice, the people of the United States.

The mortgages that would be discounted by national mortgage associations must be amortized mortgages and must be insured in accordance with the provisions of this act. Under title II as it was originally written, these associations would have operated under very strict limitations. They would be chartered, supervised, and examined by the Federal Home Loan Bank Board; and they would be compelled to satisfy that Board that they were in a position to service the insured mortgages held by them. The limitations placed upon them would insure their soundness, and they would not be subject to the expense of renewal, or the risk of failure of renewal, of short-time loans. They would be large institutions. They would be so limited in number as to be subject to careful individual supervision. In my opinion that was one of the vital features of the administration bill as it came to our committee.

Mr. Chairman, there are in the savings deposits in the banks of this country upward of $21,000,000,000, and most of this money is lying idle. On the other hand, there is very little mortgage money available. The function of the national mortgage associations, large associations, probably only a few in number, would be to constitute reservoirs where mortgages taken by other institutions, amortized under the provisions of this act, insured under the provisions of this act, under the most rigid supervision, could be discounted and thereby the money that is lying available scattered all over this country, savings deposits in the banks, could be made available to those communities where there is a need of building construction, of home improvement, of mortgage money, of slum clearance, if you please. I do not represent any district where there is any need of slum clearance, I am happy to say; but there are other Members here who do; and that, if you will pardon me, is where a large part of our indirect sources of revenue lies. I think these people are entitled to some consideration.

A suggested bill came to the committee as the result of the work of months of experts in the housing problem which was intended to provide means by the insurance of mortgages, by the insurance of shares of building-and-loan associations and of similar thrift associations, providing for the insurance of loans for modernization of homes, and for repairs of homes, and for improving the housing conditions of people in the larger cities through low-cost housing and slum-clearance projects; a measure intended to call out idle capital and to put men to work in constructive work, in work that would really mean both an addition to the permanent wealth of the country and an improvement in the living conditions of our people.

The House Banking and Currency Committee emasculated this bill. It took out two of the vital parts of this bill and substituted therefor another part which is, I be-

lieve, unnecessary at the present time, and which constitutes an unnecessary appropriation of money from the Treasury. Title II of the original bill contained a provision for national mortgage associations. It was intended that two main functions would be performed by these associations: First, the provision of adequate financial facilities for limited-dividend and similar low-cost housing projects such as are associated with slum-clearance projects; and second, to secure liquidity in the mortgage market. Several of the large industrial States have passed laws granting certain exemptions and privileges for low-cost housing projects, provided they are constructed and maintained under public supervision. The New York Housing Authority and the Federal Emergency Housing Corporation are now working out certain attempts to deal with the problem of providing better housing at low cost for the industrial workers in our large cities.

These national mortgage associations are the only bodies which will have the resources to handle and service at low cost first mortgages for these projects in large individual amounts. Such mortgages must be amortized and insured in accordance with the provisions of this act, and under title II as it was originally written these national mortgage associations would be operated under very strict limitations. They would also be required to have a minimum in capital of $5,000,000 and their debentures would be limited to a maximum of 15 times their capital.

These national mortgage associations would raise their funds in centers where capital is the most reasonable and where there is the largest amount of money in bank deposits, savings deposits, now available for mortgage money and building construction which is now lying idle. They would therefore be in a position to make lower-cost money available for home-loan financing. By their very terms they would be confined to conservative financial operation. They would not be subject to stock-selling promotional abuses.

One of the most valuable witnesses who testified before the Senate Banking and Currency Committee in the hearings upon the real bill—a bill that contained the vital and did not obtain the objectionable feature that this bill contains—was Mr. Charles A. Miller, former president of the Savings Bank of Utica, N.Y., and now president of the New York State Savings Bank Association, and a former head of the R.F.C. The mortgage experience in the city of Utica has probably been better than that of 90 percent of the cities in this country, due largely to the influence of Mr. Miller in bringing it about that home-building in that city has been generally financed by amortized mortgages rather than straight mortgages, and mortgages so amortized that the home loaners were able advantageously to pay up the mortgages and pay for their homes.

Mr. Miller stated that he regarded the national mortgage associations as of the utmost importance in this bill. Without these mortgage associations he said that you would not be able to draw upon the tremendous reservoirs of uninvested funds, the owners of which are waiting around anxiously hoping for a chance to get them back where they will produce a reasonable rate of income, while in the meantime they are realizing practically no income at all. This money is scattered throughout the United States. The national mortgage associations would provide a means whereby mortgages already taken by other institutions, amortized in accordance with the safeguards set up in this bill and insured in accordance with the provisions of this bill would find a market and thereby there would be released in the areas where there was a demand for mortgage money, where the demand for mortgage money exceeded the supply, further funds for home building and home improvement.

There is far less difficulty of supervision of these national mortgage associations than there is in the supervision of a large number of small institutions and there is a minimum of risk. It should be noted also that no expense is entailed upon the Government and that no appropriation or allocation of funds from the Treasury is necessary for this provision.

In place of title II which made provision for these national mortgage associations the present bill provides, among other things, in present title II for the furnishing of $500,000,000 to building and loan associations and other savings institutions through the agency of the Home Owners' Loan Corporation. I think the building-and-loan associations are very desirable institutions, but it seems to me that we have done enough for them in this bill in insuring their mortgages and in insuring their shares. Hundreds of millions of dollars already have been provided for them.

I am opposed to this bill because of the inclusion of present title II.

I am also opposed to the present bill because of the fact that without any good reason therefore, the provision for low-cost housing and slum-clearance projects was cut out of the bill. The opponents of this provision say that it has no proper place in the bill. The reason is that they cannot label or mentally pigeonhole it under any of the labels with which they are familiar. All of these projects of which I speak carry themselves, and they carry themselves by enlisting private capital, by drawing out private money, and by aiding private enterprise. They do it without the appropriation of any additional money by the Government. This does not involve lending by the Government at all, as in the case of other emergency laws. It will put more men to work and furnish more permanent improvement, create more permanent wealth than any of our emergency measures, and it will do it in a permanent and constructive manner. The 8- or 9-percent mortgage money lenders are among those who appeared before our committee and were in favor of taking the heart out of this bill, and there are a lot of them left in the country. The owners of old tenements, of high-rental cheap tenements, oppose this provision in the bill.

This is a problem of distribution, of taking the money from the places where it is now lying idle and putting it to work in permanent construction where it will furnish employment. There are 10,000,000 of unemployed men, it is true, but there are 40,000,000 of men employed in this country and of these 40,000,000 there are at least 20,000,000 who can afford to improve their homes if the payments could be spread over a period of time. The home-owner and home-modernization features of this bill are excellent, but no provision is made for improving the condition of the workers in large cities where the people live in cheap, unsanitary tenements by providing low-cost small units for them in which to live. If we can have a bill which will create these national mortgage associations—which are the only means by which a ready market can be provided for the discount of mortgages and for the financing of slum clearance projects—we shall help get these ten millions of men to work, and when we get these ten millions of men to work we shall increase the incomes of the other 40,000,000 of workers.

I want to read into the RECORD a few letters out of hundreds which I have received in favor of the original bill and in opposition to the emasculated product which is before us today.

W. G. PALMER, INC.,
North Tonawanda, N.Y., June 8, 1934.

Re: House bill H.R. 9620
Congressman FRED J. SISSON,
Member of House Banking and Currency Committee,
House of Representatives, Washington, D.C.

SIR: A short time ago I wrote a letter to President Roosevelt as per the enclosed copy.

I understand now there is an effort on foot to either defeat the above bill or cut out section 5 of title 1, which provides for insurance of mortgages, and also cut out title 2. A bill passed with these things cut out will be of very little value in restoring the building industry in this country.

Tomorrow, owing to the depression, I will have this plant sold out from under me and will probably lose my life's work; but there are others who will have to follow on, and let us make it safe for them as we possibly can.

I trust that my expectations that you will take care of this matter will come true.

Yours respectfully,

W. G. PALMER.

BEACH LUMBER CO.,
Rome, N.Y., June 6, 1934.

Hon. FRED J. SISSON,
Whitesboro, N.Y.

DEAR SIR: It is our understanding that the national housing bill (S. 3603, H.R. 9620) is being delayed in the House Banking and Currency Committee. We understand further that you are a member of this committee.

From my study of this national housing bill I am convinced it is one of the most constructive measures yet proposed for recovery, because of the fact that through lack of available financing the tremendous amount of new construction and repair work which have been accumulating during the past few years is even now practically at a standstill.

Undoubtedly, you fully appreciate how far-reaching the benefits of building construction are. It is not merely the carpenter, mason, and building-material man, and the comparatively few mechanics directly involved in this work that benefit. It produces business and employment back as far as the mines and forests and for the numerous manufacturing plants furnishing household equipment.

It seems to me that the features of the bill pertaining to mortgage associations, long-term payments, and low interest rates are perfectly sound. Had the existing loan organizations followed a similar course of amortizing over the past 20 years, their losses on mortgage foreclosures during this depression would have been minimized greatly. If the benefits of the bill are to be trimmed in amendments which will curtail its effectiveness, a great opportunity for stimulating recovery will be lost.

I urge you to give this matter your support in its entirety.

Yours truly,

BEACH LUMBER CO.,
S. H. BEACH, Jr., *President.*

Senate bill 3603—House bill 9620

THE SUBURBAN LUMBER CO.,
Cleveland, June 6, 1934.

Hon. FRED J. SISSON,
Member House Banking and Currency Committee,
Washington, D.C.

MY DEAR SIR: It has come to my attention that objections have been raised to the administration's proposed housing finance measure, based on the theory that there is plenty of first-mortgage money available for real estate financing, but it is being withheld on account of high costs of materials.

This ridiculous objection should be easily seen through when the source of it is considered. If there is plenty of mortgage money for first mortgages, then why is it impossible for a prospective home owner to borrow as little as $1,000 on a first mortgage to complete the financing of a home costing $3,500, when he has the balance in cash and his land clear?

I sincerely believe that the big reason is that the groups opposing this legislation are only interested in keeping a stranglehold on the racket that makes the would-be home owner pay through the nose if he needs any money to finance his home.

Six-percent, 7-percent, and 8-percent money plus a bonus for home financing is too high a premium for the home owner to pay for the privilege of owning his own home, and the fear that 5 percent and 4 percent, which, to my mind, are all that any home owner should pay on money borrowed for home building, would cut in on this racket is the reason for this opposition.

If proper judgment had been used in the past in the financing of home building, surely there would never have been the deluge of distressed home owners that have been so wonderfully helped by the Home Owners' Loan Corporation at this time.

What this one administration agency has already accomplished should be the answer to "Why the need of the present legislation?" You do not see any of the financial institutions of this country refusing the bonds of the Home Owners' Loan Corporation and they do not pay 6, 7, or 8 percent interest plus a bonus either, but they are a safe investment, and so would be the mortgage loans made under the proposed legislation.

Cost of materials used in the construction of homes has nothing whatever to do with the withholding of first-mortgage money at this time.

We are experiencing no difficulty whatever in selling our lumber at present prices to owners who do not need to borrow money for their construction needs, and those who do need to borrow have never yet questioned our prices, as we can prove to them that the price we ask is justified by the services we are equipped to render in addition to the quality of merchandise furnished. They are only held out of the market because they cannot get the money their security entitles them to borrow, and that fact is another contribution to continued unemployment in the building trades.

It is very evident that the "money changers", which our President referred to in his inaugural address, do not propose to "take it lying down", and will hesitate at nothing to hinder the President in his plans to bring a lasting prosperity to our country, a prosperity based on the greatest good to the greatest number.

I plead with you to permit no changes in the legislation as proposed by the administration, as I am sure we can safely "go along with Roosevelt."

Sincerely,

THE SUBURBAN LUMBER CO.,
H. C. HAAG, *President.*

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I ask unanimous consent to incorporate in my remarks five letters out of several hundred I have received from various parts of the country urging that title II of the original bill should be retained in this bill and urging the retention in this bill of other vital features of the original bill, and opposing the objectionable features of the bill which I have indicated in my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LUCE. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. ELTSE].

Mr. ELTSE of California. Mr. Chairman, I shall direct my remarks entirely to section 105 of the bill, which happens to be the one in which the building-and-loan associations of the United States are particularly interested and with which they are vitally concerned. I sincerely trust that the Members of the House will do me the courtesy, while I am making an attempt to explain this from the point of view of the building-and-loan associations, to listen closely. I will admit I am not a very able advocate of the cause, but I will attempt to do the very best I can.

Prefatory to what I shall have to say, it is my understanding that the building-and-loan associations throughout the land are not opposed to this bill as a whole, as brought in by the committee, but they are opposed to section 105, and at this point, in order that we may get a basis for a starting point, may I read a telegram which I received from the Secretary of the California Building Loan League Association. The telegram reads as follows:

California Building Loan League representing 97 percent building-and-loan business this State, with more than 500,000 investors, 100,000 borrowers, and $350,000,000 assets vitally interested National Housing Act, House bill 9620. Request full discussion and record vote on striking out mortgage-insurance section. Insurance of mortgages unsound in principle, failure wherever tried, even on reasonably conservative lending basis, and will inevitably cost the Government a lot of money and the ownership of a lot of real estate. Proponents this section admit experimental.

Let us turn for a moment to this section in order that we may have an understanding of this matter and analyze the same. The Home Credit Insurance Corporation is authorized to insure amortized mortgages and like liens on owner-occupied homes when presented by financial institutions approved in accordance with section 103 of this title.

These mortgages fall into two classes. If you will read on down through the section you will see that one class of mortgage consists of those on new construction and on which the amortized mortgage may be insured to 80 percent of the appraised value. This is on new construction. The second class of mortgage covered by this section has to do with mortgages on existing homes, in which the amortized mortgage may be to the extent of 60 percent of the appraised value.

It is just a little difficult for me to understand why there should be such a wide difference between the amount of the mortgage on new construction and the amount of mortgage on old construction. It is submitted by the building-and-loan associations that this section is unsound, and with this point of view I agree. I shall try to express the reasons for my belief, which I understand to be the reasons advanced by the building-and-loan associations for their assertion that this section is unsound.

It is to be noted that this section will embark the Government directly into guaranteeing these two classes of mortgage and, as indicated in the telegram from Mr. Davis, secretary of the California Building Loan League, which I have read, they believe it to be unsound. Under our California law, for example—and I take this to be the case under the laws of many other States of the Union—the building-and-loan associations, banks, and other State corporations or institutions, cannot loan to the extent of 80 percent of the appraised value of property. So that if this bill passes in its present form with permission to loan to the extent of 80 percent of the appraised value on new construction, it will mean that the building-and-loan associations in various States of the Union, and particularly the building-and-loan associations of the State of California, will be required to

go to the State legislature and get an enabling act to permit them to put themselves in the position where they can come in and take advantage of the insurance provisions of section 105 insuring amortized mortgages. In other words, the amount of the mortgage which is permitted under that section to be insured is entirely too heavy and would preclude the making of loans of the building-and-loan associations. We say the same thing with respect to the other class of mortgage, namely the 60-percent class.

It is a fact that the building-and-loan associations of California, the banks, and other lending institutions, have already gotten themselves into trouble and difficulty by reason of the fact that heretofore they have loaned on property to the extent of 60 percent of the appraised value; so we are going to be confronted with the same thing in the future, unless there is a rapid rise in the market value of properties. Should there happen to be a shrinkage in the market value of the property, the building-and-loan associations will be confronted with the same conditions which they have been confronted with in the past few years.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. ELTSE of California. I yield to the gentleman from New Jersey.

Mr. CAVICCHIA. Does the gentleman realize if anything should happen to section 105 we might as well go back to title 2 of the bill which the administration submitted to us, and which was knocked out of this bill? The building-and-loan associations are willing to go along with the section as written, feeling that if it needs revision another Congress may revise it, as has been the case with revisions which have taken place in the R.F.C. and the Home Loan Acts.

Mr. ELTSE of California. May I say to the gentleman that the California building-and-loan associations are not willing to go along with section 105 in this bill.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. ELTSE of California. I yield to the gentleman from Minnesota.

Mr. CHRISTIANSON. Does the gentleman think there is any excuse in a bill of this kind, which is intended to stimulate the building of homes, to provide for loans which may be in the nature of refinancing of existing obligations? Should not a measure of this kind concern itself with its primary purpose, which is to stimulate home building and improve employment conditions?

Mr. ELTSE of California. Yes; I think the gentleman is correct.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. ELTSE of California. I yield to the gentleman from Kentucky.

Mr. BROWN of Kentucky. I have heard the statement made here several times today that the building-and-loan associations are willing to go along with section 105 and not with title 2. Is the final test of this legislation to be placed on whether or not the building-and-loan associations will go along with us? Can we not go on without them?

Mr. ELTSE of California. I do not think we have to take our program from the building-and-loan associations; but may I say that we are also vitally concerned in not causing further bankruptcy of building-and-loan associations, and we should not pass legislation here which would seriously jeopardize their position. We all know that the building-and-loan associations and the State-lending institutions of the various States throughout the land have been seriously harassed and are having difficulty in getting by and to keep from closing their doors. The millions of investing depositors in these building-and-loan associations have to be protected also. We have those investors to think about as well, and this is something with which we must concern ourselves.

There is one other feature I wish to discuss and which was brought out by certain representatives of the building-and-loan associations I have talked with and which I also see as a danger in this section 105.

This bill, if passed, will centralize more power and more authority here in Washington. For the moment, may I contrast that situation with the situation which occurred in the Home Owners' Loan Corporation? If you have had any practical experience with clients of yours or with constituents of yours, you know they have had tremendous difficulty in obtaining loans through the H.O.L.C., and one reason they have had such tremendous difficulty is because the machinery has been so cumbersome. They have had to appeal to the local branches of the H.O.L.C., and then to the Regional Board, and from the Regional Board to the central authority here in Washington, and I know of several cases in my district where as many as three appraisements were made on property before the loan was finally passed, and in every event the appraisement in each instance was cut down, which proved very much to the detriment and disadvantage of the party making the application for the loan. The supervision, the inspection, the control, and the appraisement under this section are going to be centered here in Washington, and this is going to cause a slowing up of the machinery and a reaching out by the Federal Government to control the normal function or activity of investment in our local communities.

In this connection, I also want to point out that one of the purposes or the principal purpose of this bill is to stimulate the building industry and put more men and women to work or to create greater employment, and also in doing this to keep down the interest rates on these loans.

If the interest rates are kept down on these loans, it is going to operate to the disadvantage of the building-and-loan associations and other lending activities; and what will result will be this—and I want you to mark it: If the building-and-loan associations and the local investing corporations are not going to be permitted to go along very much as they have been under the regulation of the State in which they are organized and the interest rates are cut down, it is going to mean that in the big financial centers, like New York and Chicago and San Francisco and Los Angeles, you will find springing up other corporations which can afford to lend at a lower rate of interest than the building-and-loan associations or these other lending activities of which I have spoken. This being the case, there will not only be centralization and control so far as the administration of this act is concerned here in Washington, but there is going to be a centralization of investments in the large financial centers. There will be centralization in two different directions, centralization of the administrative features and centralization of the investments; and there will be set up in the financial centers different organizations that will control this insurance of the amortized mortgages.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. ELTSE of California. That is one of the other principal dangers I see in section 105.

One other feature I wish to discuss for a moment and to which I want to call your attention under section 105 is that the amortized mortgages which this Corporation is authorized to insure under the 80-percent clause amounts to $1,000,000,000, and the amortized mortgages which this corporation is authorized to insure under the 60-percent clause is another $1,000,000,000. In other words, this Corporation will insure amortized mortgages under this act to the extent of $2,000,000,000, which creates another debt burden on the Federal Government, which, added to all the other debts of the Federal Government, results in a stupendous and staggering figure which makes our heads reel; and I submit that when we create such terrific obligation, this obligation, added to the others that already exist, is sufficient to cause us to pause and give serious thought about the creation of such great obligations as these on the part of the Federal Government.

Mr. McFADDEN. Mr. Chairman, will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. McFADDEN. The gentleman has pointed out two serious defects in the bill. Does the gentleman propose to offer amendments at the proper time?

Mr. ELTSE of California. When the proper time comes I propose to offer an amendment to strike out section 105.

Mr. McFADDEN. And that amendment will cover the points the gentleman has raised with respect to the California situation?

Mr. ELTSE of California. There is still another point which the gentleman spoke about in his remarks under the rule and to which I expect to address myself when it comes to reading the bill under the 5-minute rule, which has to do with a provision on page 61, in a subsequent section. I do not have the time to cover that at this time.

In conclusion, Mr. Chairman, may I say that this section 105 is really a section to which we should devote very careful attention and consideration. I feel I have rather poorly expressed the objections to it, but it is the section to which you should give very careful consideration, and it is the section to which the building-and-loan associations take particular exception, and I wish to say in this connection that what I have stated is not said as an advocate for the building-and-loan associations, but because I feel that this is a section which does require the careful consideration of the House. [Applause.]

Mr. STEAGALL. Mr. Chairman, how much time is remaining?

The CHAIRMAN. Eighteen minutes on each side.

Mr. STEAGALL. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. HANCOCK].

Mr. HANCOCK of North Carolina. Mr. Chairman, I should be less than frank if I did not state at the outset that I myself do not thoroughly understand the probable effect of some of the provisions of the bill now under consideration, known as the "National Housing Act." Though the committee, under the circumstances and within the short time allotted for consideration, has made a diligent, honest and sincere effort to bring to the House a safe and sound measure which will effectively carry out the true purposes of this legislation, as defined in the title, it cannot by any means be called a well thought out and completely studied measure. It has been ably presented by members of the committee, and the presentation made by my friend and colleague on the committee, Mr. WILLIAMS, of Missouri, was as clear and concise as could be made in a short speech here on the floor. His discussion of the three titles to the bill was almost a perfect birdseye picture of what this measure undertakes to do and the way in which it is to be done. It was an excellent presentation. The committee's chief purpose has been, in the consideration of this measure as it has in others, to present to the House a sane, sound and workable piece of legislation which would serve quickly and effectively in the success of the administration's program.

Mr. HOEPPEL. Will the gentleman yield?

Mr. HANCOCK of North Carolina. May I finish a brief, general statement, and then I will be glad to yield?

In its larger aspects this measure, we are informed, is designed to bring about new and better homes for the new America under the new deal. By attacking the problem from many angles, it is quite evident that the big objective is to stampede private capital into action by loans for Nation-wide housing standards, and the employment of labor so essential therein.

The ideal involved is that of bringing the Nation's dwellings up to date to meet a social and economic challenge. A hurried trip through the average small town or city in America makes one wonder if it has been greed or luck that planned this ugly civilization. You wonder if a child could have done worse in planning it. You will wonder further where our billions of annual income have gone and why with all our natural wealth and materials the innate urge to have a real home has been thwarted in the case of so many deserving American families. The housing situation in this country amounts to an indictment of our whole civilization. The fact is that only the fortunate few of the 34,000,000 or so families we now have, including only a small percentage of our wage-earning families, have managed to acquire, or in some instances during normal times to even rent real homes. By real homes I mean homes reasonably conducive to safe, sanitary, healthful, convenient, and wholesome living rather than living quarters occupied by a family. I know that no structure can of itself make a real home in its true sense. But what percentage of the homes in America are located in desirable neighborhoods, readily accessible to work, schools, and playgrounds? My information is that not one-fourth have running water, and not one-half have electricity. Many of us know that not one-half of our families own the homes in which they live, and hardly half of this half own their homes outright. What is the reason for this, and how can it be remedied? My information is that housing costs American families more in proportion to income than in any other civilized country.

The reason for this appears to be that housing is still an adjunct of old-time land speculation, with appraisal and taxation of property made on a speculative value rather than, as in other countries, on its income worth. Another reason is—and this legislation undertakes to reform it—that in many cases the home owner has suffered from high-cost, sometimes extortionate, financing, with its mortgage and other rackets. Interest and brokerage rates have also made home ownership almost an impossibility to the person of small means and income.

This hurried description gives you a preliminary glimpse of our housing problem and one which has gravely concerned the administration from the beginning. It is truly a challenge to America. Through proper legislation we have hope of two accomplishments: First, in the long run, to make America a land of real homes; second, and more immediate, at once to utilize and capitalize this need to energize our heavy- or durable-goods industries in order to provide all possible of our good people who are idle with prompt employment. This hope is supremely important. It has been stated that the main difference between depression and prosperity turns largely upon the rate of production in our heavy industries, notably our building industry, which for more than 2 years has been flat on its back but is still living.

Now let us consider hurriedly the three main sections of the bill, in their proper order.

Title I deals primarily with the renovizing program and the guaranty of mortgages under section 105, both of which have been clearly presented by Mr. WILLIAMS and other members of the committee. I feel that the repair and modernization program will develop substantial employment in the building trades and stimulate the flow and cooperation of private capital and develop normal activity in local thrift and home-financing institutions.

The committee very properly amended the original act so as to insure only such financial institutions as are subject to inspection and regulation under the banking or similar laws of the United States, including the Federal Home Loan Bank Act, as may apply for credit insurance and be approved. The only serious objection I entertain now regarding this title is that the interest rate is not limited. An effort was made in the committee to limit all charges, including interest, insurance, legal cost, recording fees, and other pertinent charges, to a maximum rate of 8 percent, in the hope that the actual interest rate would not exceed 5 percent. As I understand it, under the provisions of this section, any person having a legal or equitable interest in real estate would be eligible to apply to an approved institution for discount of his loan for improving such real estate. Any financing institution in the United States that could comply with the requirements of the Corporation would be eligible to have its renovizing or modernization accounts insured. Under title I these institutions are extended an additional privilege. In the event that they need to liquidate some of these loans, the Corporation may lend to them an amount equal to 100 percent of their loans made for these purposes. Under section 105 of title I the Corporation is authorized to insure amortized mortgages on homes on a mutual basis under regulations to be prescribed by the Corporation. In the case of mortgages on existing homes, the same to be eligible for insurance must not exceed 60 percent





of the appraised value of the property; and in the case of mortgages built after this act takes effect, the same shall not exceed 80 percent of the appraised value of the property. No mortgage is to be insured under this plan if the same is against property appraised at more than $20,000. This provision harmonizes with similar provisions in the Home Loan Bank Act and Home Owners' Loan Act.

The total amount of mortgages against existing homes which may be insured is limited to five times the capital of the Corporation, and the total amount of mortgages against new homes which may be insured is limited to five times the capital of the Corporation, which in the aggregate amounts to $2,000,000,000. Serious opposition developed in our committee with respect to the advisability and wisdom of section 105. It embarks the Federal Government directly into the guaranteeing of mortgages, resale of foreclosed real estate, and might ultimately, according to the view and judgment of some of us; destroy the local mortgage-lending activities of savings-and-loan associations, homestead associations, cooperative banks, mutual savings banks, Federal savings-and-loan associations, and the like. Substantial time would be required to establish this program, and it seems to be at cross-purposes with the present Home Loan Bank System and the whole program for establishing and encouraging Federal savings-and-loan associations in addition to the 11,000 existing local building-and-loan associations. Some of the evidence presented to our committee was to the effect that under such an arrangement there could be little, if any, stimulation of building activities, and especially since the home owner would have to make arrangements to finance his building before such mortgage could be insured. It was also the belief of some that it was calculated to frighten and discourage private capital in local institutions and thereby defeat the very purpose for which it might be designed. Though it is limited to $2,000,000,000 in this bill, its insuring powers will no doubt be extended at the next session of Congress and in the long run will involve the Government in underwriting the entire urban mortgage business of the country.

In order to accomplish the same purpose, some of us believed that the Government could make safe advances through existing institutions, on condition that the money be reloaned, and arrange that they will receive a return of principal plus sufficient income for debt service, rather than to embark upon a highly dangerous, experimental plan which would probably involve a liability on the part of the Government to a colossal figure in the form of repossessed real estate and the bonded indebtedness in refunding it for the insurance corporation. If you think such a plan is a safe and sane policy for the Government to adopt, it is up to you to say so when the bill is read for amendments.

Mr. HOEPPEL. Will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes; I am glad to yield to the gentleman now.

Mr. HOEPPEL. I should like to get this question in the RECORD. In the bank guaranty bill, the Banking and Currency Committee provided that banks should only pay 3-percent interest. I should like to know why the committee could not put a provision in this bill absolutely limiting the interest which a bank may charge, thus preventing these private institutions from taking money away from the poor people.

Mr. HANCOCK of North Carolina. Limiting the interest on loans to be made under that section?

Mr. HOEPPEL. Yes.

Mr. HANCOCK of North Carolina. By which institution?

Mr. HOEPPEL. By any lending institution whose loans might be guaranteed under this bill.

Mr. HANCOCK of North Carolina. The consensus of opinion among the members of the committee, based upon the expert testimony presented to us, was to the effect that a uniform interest rate was impractical and that it could not be worked out. Conditions vary in different sections of the country, and the rate of interest on loans is somewhat dependent upon the type of security offered. I personally tried to have an amendment made in the committee with respect to the small renovizing loans not to exceed a gross charge of 8 percent, which would include interest and insurance fee and all other proper costs. Interest by itself would not exceed a maximum of 5 percent.

Mr. HOEPPEL. Eight percent? Why, that is usury.

Mr. HANCOCK of North Carolina. Not interest rate, but all charges, as I have just stated. I have consistently fought for a lower interest rate on obligations of home owners ever since legislation of this kind made its appearance before our committee. I yield now to the gentleman from Pennsylvania.

Mr. McFADDEN. Mr. Chairman, inasmuch as the question was raised here this morning, an insurance company or an existing mortgage company that may hold mortgages now may have those mortgages refinanced through this Corporation, the Home Credit Insurance Corporation; may they not?

Mr. HANCOCK of North Carolina. That is my understanding, provided the institution is approved by the board of directors of the Corporation.

Mr. McFADDEN. Might it not occur that some of these mortgages that are held now are not as secure as they should be, and the owners of the mortgages are forced to care for the property they now hold; and it might be that they would unload these properties onto the Government Corporation?

Mr. HANCOCK of North Carolina. That is possible, of course, and perhaps probable, and it constitutes one of the serious dangers involved in this legislation. I may say, however, to the gentleman from Pennsylvania, that under this bill, as with nearly every other measure that we pass, its fair, proper, and effective administration, with adequate protection to the Government and the taxpayers, will depend upon the character, financial experience, and executive ability of those charged with the responsibility. Under the section which the gentleman has in mind, the mortgages would of course have to be first reappraised and revalued, and nothing but an amortized mortgage designed to make the payments on the part of the mortgagor easier would be eligible for insurance. We should not forget that one of the purposes of this legislation is to get rid of the so-called "second-mortgage" grafting schemes.

Mr. McFADDEN. The gentleman from Maryland [Mr. GOLDSBOROUGH] this morning pointed out the uses to which this Corporation might be put in financing installment payments. I notice in section III, installment-lending companies are covered in this; and, for instance, the General Motors Co. might want to finance their agreements for the sale of Frigidaires, and they could be financed under section III.

Mr. HANCOCK of North Carolina. Any financial institution in the United States, as I understand it, which can meet the requirements of the Home Credit Insurance Corporation and become an approved institution, is eligible for insurance of its loans made under this section and for the purposes therein expressed. The language, to me, is very clear.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. CHRISTIANSON. Mortgages insured under this act will have the United States Government back of them, and will be just as good as Government bonds, will they not?

Mr. HANCOCK of North Carolina. Yes; they should be solvent investments.

Mr. CHRISTIANSON. Why should they bear a higher rate of interest than Government bonds?

Mr. HANCOCK of North Carolina. One is a direct obligation and the other is an indirect obligation.

Now in the time left for discussion of the bill, let me briefly address myself to title II, which I moved in the committee to be incorporated in the bill after the original title II providing for the establishment of national mortgage associations was voted out. This new title II was overwhelmingly adopted last week, and on yesterday the com-

mittee by an overwhelming vote refused to instruct the committee to offer an amendment striking it from the bill. It was offered by me and adopted by the committee in perfect good faith. I thought it would greatly strengthen the bill and aid its true purposes. I have never known, to this hour, whether the President looked with favor upon this title or not. I have never heard from him about it directly or indirectly. My conception of a committee is that it should have a hand in forming and perfecting legislation. It should certainly not be insulted by an administrative officer in one of the departments because it does not carry out to the letter his wishes. Ours is one duty and his is another.

It is, of course, desirable that the views of the department that will administer a bill be harmonized with the views of the committee which must write and prepare such a bill. I recollect that during this session the President himself, in one of his great messages, suggested that it was our duty to work out and perfect legislation. If this were not true, why should we conduct hearings and give long-drawn-out and exhaustive study to the various proposals which come before us? To go further, why should we be here working day and night? If a man, after careful thought and studious effort, reaches a conviction but will not express it and support it by his vote, he might as well never have one. My desire is always to cooperate with the leadership, but I cannot do this if the legislation does violence to an honest conviction.

I might also add here that I have never heard of the criticism which was hurled against the bill by the president of the American Federation of Labor, whose judgment in matters of legislation is usually sound, until I read the account of it in the newspapers.

I might also explain here that I was one member of the committee who expressed a favorable view toward permitting mortgages incurred for slum clearances to be insured by the Corporation. I appreciate and sympathize with the horrible and unspeakable housing conditions in some of our big cities, and I would lend my best assistance always to secure a riddance of these conditions.

Title II of the bill before us is the amendment which I proposed. Its purpose is clearly expressed in section 5½ (a) and should hardly need any further elaboration. In order to provide for advances for construction and repair and to contribute to the early employment of labor in the construction, repair, and improvement of homes and small business properties, the Home Owners' Loan Act of 1933 is amended so as to authorize the Home Owners' Loan Corporation to provide funds for Federal savings-and-loan associations, building-and-loan associations and savings banks, and insurance companies, so as to enable them to make such advances for these purposes and for the further purpose of refinancing existing mortgages.

The method provided for the making of such advances is by the purchase of shares in the associations or the purchase of certificates of deposit in the banks or loans to insurance companies, and the funds are to be returned at the end of 5 years at a rate not exceeding 10 percent in any one year. An interest rate of 3 percent is provided for on such loans or advances. Five hundred million dollars is earmarked, so to speak, to cover this part of the program, and a billion dollars is further provided to increase the resources of the Home Owners' Loan Corporation for refinancing mortgages of distressed home owners. If you are interested in assisting and protecting the small-home owner, you cannot do it in a better way than under the operations of the Home Owners' Loan Corporation and the home-loan bank system. Notwithstanding some of the evils that have crept into the administration of this organization, and particularly the delay which has been caused by excessive bolts of red tape, these institutions are doing a great work, and the borrower through this plan gets a longer time with a lower rate of interest.

Under title III of the bill a Federal Savings and Loan Insurance Corporation is created, with a capital of $100,000,000 in bonds provided by the Home Owners' Loan Corporation, to be under the management of the members of the Federal Home Loan Bank Board, with the usual power given to emergency corporations to employ and incur expenses. This insurance corporation is authorized to insure accounts not exceeding $2,500 in building-and-loan, savings-and-loan, homestead associations, and cooperative banks, whether the same are members of a Federal home-loan bank or not.

Such associations are insured only after proper application and examination, and they are required to pay an annual premium equivalent to one-half of 1 percent of the total amount in the accounts of all insured members, plus their creditor obligations, until such premiums build up a reserve in the insurance corporation equivalent to 5 percent of all insured accounts. The institutions are also subject to an additional assessment in the event that it is necessary to cover losses. This insurance, except in the case of Federal savings-and-loan associations, is voluntary and will become effective only if such associations apply for it and are accepted. Provision is also made for withdrawal of institutions under proper regulations which will require continuation of the insurance premium under rules prescribed by the Corporation. There is, among the other amendments offered in the bill, one which I proposed, appearing as section 404 on page 75. Sections 6–c and 6–E of the Federal Home Loan Bank Act are amended so as to reduce the minimum membership for smaller associations in these banks from $1,500 to $500. This is both desirable and necessary, and was adopted by the committee unanimously.

In conclusion, let me say this: There has been some rather acrimonious discussion here today regarding the committee's action in striking out title II of the original bill which authorized the chartering by the National Government of mortgage companies with a minimum capital requirement of $5,000,000. Personally, I seriously doubted the wisdom of permitting the setting up of this type of agency and giving it governmental sanction. We know that under these organizations the home owner has suffered grief and loss, as have the investors in their securities.

A description of the operations of some of these companies would but add another dark page to the story of the financial tragedies of the past few years. Giving them preferred status in the way of taxation exemption and other special considerations would, in the opinion of many able economists and financial experts, bring about the quick destruction of the true home-financing and thrift institutions. It would tend further to centralize this character of lending here in Washington, to the great detriment of many local communities. I would not question the motives or the purpose of mortgage reform involved in this plan of home financing. It is my judgment, however, that the chief purpose sought to be accomplished can be better accomplished through the administration of new title II in the bill before us today. I further believe that the building trades and industries will receive greater stimulation under title II of the present bill than they would have under title II of the old bill. Several of the administration's witnesses appearing before the committee stated that these mortgage companies would not be able to finance any new construction until practically all of the old mortgages had been refinanced and insured. Even after that, it was the opinion of several that trading in the mortgages would not commence until they had been amortized down to a much lower percentage than the amount for which they had been insured.

It has also been noised about the floor today that there was a big building-and-loan lobby here trying to thwart the plans of the administration. That statement is unfair and untrue, if my information is correct. I know of no such lobby. I do know that the building-and-loan associations, through their national organization, have repeatedly stated that they favored three-fourths of the administration's plans. There is a young man in Washington who has given years of thought and study to the question of home-ownership, home financing, and land planning as associate professor of economics and real estate at Northwestern University. This young man has a splendid record of achievement behind him. Few men are better informed than

he is on real-estate subjects. His judgment has proven sound, and he is a man of demonstrated probity. In 1932 he was one of the Democrats appointed by President Hoover to serve on the first board of directors of the Federal Home Loan Bank System. At that time he was one of the youngest executives ever to fill an important governmental office. I am referring to Morton Bodfish, who is today executive vice president of the United States Building and Loan League located in Chicago.

Title II of this bill was worked out in collaboration with Mr. Bodfish, and so far as I know he is the only representative of the building-and-loan associations who has taken any part in the fabrication of this legislation. He very likely has consulted others interested in the organization which he represents. He has appeared before our committee and before the Senate committee, and I believe the membership of both committees have appreciated his valuable and constructive suggestions.

May I refer again to title III of the bill, dealing with insurance of building-and-loan shares. This is absolutely essential today for this reason. As long as you are guaranteeing deposits in banks, and as long as postal-savings accounts are protected, you must guarantee the shares of stock in building-and-loan associations; otherwise, the assets of building-and-loan associations would be drained dry. The competition with other guaranteed institutions would be grossly unfair and work a destruction to these worthy institutions.

Mr. THOM. Will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. THOM. What the gentleman says is exactly true—that until building-and-loan companies have insurance of their deposits there will be no incentive to take deposits into building-and-loan companies. In the case of a bank, as soon as it is closed there is immediate settlement. In the case of a building-and-loan company, settlement by the insurance corporation will be spread over a year or two. Now, what is the inducement to a man to take his deposits to a building-and-loan company when he knows that if he takes them into the ordinary commercial bank he can get prompt payment in case of the failure of that bank?

Mr. HANCOCK of North Carolina. The difference is just this—you charge the building-and-loan share-owner a higher proportionate amount for his insurance because the funds are not supposed to be available except upon notice. The difference is really between the liquidity of your bank deposit and the solvency of building-and-loan shares.

Mr. THOM. Let me see if the gentleman understands my question correctly. Suppose I am a depositor with some money to take to a bank. I know this commercial bank, if it fails, will pay me within 30 days thereafter. Over here is a building-and-loan company; and in case it fails, it would not pay me for perhaps a year or more. Now, in that situation, I will prefer the commercial bank.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. HANCOCK] has expired.

Mr. STEAGALL. I yield the gentleman 2 additional minutes.

Mr. HANCOCK of North Carolina. The difference is that with respect to the deposit in the bank you would draw, under the present law, not in excess of 3-percent interest; whereas, with respect to building-and-loan shares, the interest rate runs from 4 to 5 percent. Here comes into play the difference of interest rates between long- and short-term investments.

Mr. Chairman and gentlemen of the Committee, I sincerely hope that we can pass this bill without further prolonged and unnecessary discussion and send it on its way to the other side of the Capitol. Though its effectiveness will depend largely upon its administration, I hope that with the amendments which have been made by our committee it is sound and workable and will contribute tremendously to the accomplishment of the fine social and economic purposes underlying its conception by our great President. [Applause.]

Mr. Chairman, I yield back the balance of my time.

Mr. LUCE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. CHRISTIANSON].

Mr. CHRISTIANSON. Mr. Chairman, I have been following this legislation for some time. In fact, I was one of a delegation of five or six Congressmen who called on the President several months ago to interest him in the idea of stimulating business and employment by starting a home-building program. It seems to me that of all the efforts to get the stalled economic machine moving by the use of public funds, this is the most effective and, from the standpoint of the taxpayer, most economical. When Uncle Sam spends money for a courthouse or post-office building that he does not need, he finds that it is not the first cost that counts but the upkeep. He has to pay interest on the money, hire janitors, and keep the building in repairs. It would not be safe to assume that there will be no losses in the administration of this measure, but it is reasonable to believe that the losses will be smaller than they would be if the same amount were invested in public works. The borrowers, or most of them, will make their amortization payments and pay taxes on the houses they build. Every dollar invested in private construction adds to the amount of taxable property; every dollar invested in public buildings subtracts. The building of 100,000 homes at $5,000 each yields more labor to artisans than the construction of 100 huge public buildings at $5,000,000 each. The part machinery plays in steel, concrete, and stone construction is well known. In home building the machine is negligible; it still takes carpenters to nail on the siding of a cottage. The benefits from a home-building program will not be concentrated in a few areas but will be scattered among thousands of communities.

I am not as well qualified as I should like to be to discuss the relative merits of the bill before us and the measure as it was before the Committee on Banking and Currency amended it, for I am not a member of the committee and had no opportunity to see the bill in its present form until the House convened today. However, from the study I have been able to give it and the remarks made by its sponsors I have concluded that the committee has quite forgotten the original purpose of the measure, and that the bill as it is presented to us now is one for the relief of certain financial interests instead of for the relief of labor.

And let me call your attention to the fact that thus far in this session we have done very little for labor. I doubt not that we shall bring down upon ourselves the criticism of a considerable section of the people if we permit this measure to be only another law in the interests of finance. Are we not again making the mistake of attempting to restore prosperity by sprinkling the leaves and branches of the tree instead of nourishing its roots with water?

Some of you on the Democratic side of the House have had much to say about the $90,000,000 the Reconstruction Finance Corporation advanced to Mr. Dawes' bank in Chicago. Your taunts have been hurled across the aisle time without number. Are you going to permit us to hurl the challenge back and ask by what reasoning you distinguish between advancing money on the assets of a distressed Chicago bank and placing the Government's guaranty back of questionable mortgages on homes built during the easy money era?

Under the terms of this measure much of the Government's credit will be pledged, not for new construction or for repairs, which would give employment to labor, but to refinance mortgages, on houses built in the past; and you must know that it is not the good mortgages Uncle Sam will get. He will be handed the "cats and dogs" the regular financial institutions no longer care to carry in their portfolios. He will get the slow paper backed by questionable security, not the prime mortgages given by responsible makers. And is it for that purpose you ask us to pass this bill, emasculated of its merits and loaded down with provisions that would damn it to defeat if we did not feel that we had to vote for it to save something around which the Members of the other body can build a better bill?

There is a tragic unemployment situation in the heavy industries today. William Green, president of the American Federation of Labor, says that of the 1,500,000 men normally engaged in the building trades, only about 300,000 have reasonably steady work. There are 1,200,000 carpenters, stonemasons, bricklayers, plasterers, and other artisans who need the jobs to provide which should be the primary purpose of this legislation. Behind these 1,500,000 stand 3,000,000 others, normally engaged in those industries which produce material out of which houses are built.

The railroads also are suffering at this time, and thousands of railroad men are out of work. In normal times one-fifth of the tonnage of American railroads is building material. The hundreds of millions we make available in this bill to refinance houses that have already been built will not furnish freight for a single box car.

Here is an opportunity to do something for the railroads, for engineers, brakemen, yardmen, and machinists, for the industries engaged in the production of the materials of which houses are built, for carpenters, bricklayers, plasterers, and stonemasons, and what do we do? Pass a bill for the relief of mortgage holders. And we take good care of the mortgage holders; we leave them in the enjoyment of high interest rates, when everybody who has given serious thought to the present situation must know that it demands much lower rates. We cannot carry $200,000,000,000 of debt and still have the income necessary to get the economic machine off dead center unless we reduce interest rates enough to reestablish the former relationship between debtor and creditor income.

Mortgages insured by the United States Government will be just as secure as United States bonds. Why should they carry a higher interest rate? If we do not pass a bill that will give the people some relief, then pray, what excuse shall we offer for passing this legislation?

I feel that we should send this bill back to the committee with instructions from the House to carry out the purposes which the President of the United States had in mind when he demanded housing legislation.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. CHRISTIANSON. I yield.

Mr. CAVICCHIA. Does the gentleman believe that requiring communities to raise $5,000,000 to start these corporations is going along with the administration's original draft of the bill and that it would give work to the unemployed?

Mr. CHRISTIANSON. I believe that anything that can be done that will insure that the money that is raised, however it is raised and however much or how little is raised, will go into the building of new homes instead of the taking over of loans on homes that have already been constructed will stimulate employment and at least do something to restore prosperity. [Applause.]

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, may I inquire how much time I have remaining?

The CHAIRMAN. The gentleman from Massachusetts has 13 minutes remaining.

Mr. LUCE. Mr. Chairman, if it please the chairman of the committee, I will yield 5 minutes to the gentleman from Pennsylvania [Mr. STOKES], and then yield the remainder of the time back to the chairman of the committee.

Mr. STOKES. Mr. Chairman, I shall not dwell at length on any of the details of the housing bill except one. Section 202, I think, should be amended. It reads as follows:

SEC. 202. The Home Owners' Loan Act of 1933, as amended, is hereby further amended by striking out from section 4 subsection (c), thereof, "$2,000,000,000" and inserting in lieu thereof "$3,500,000,000."

Now, it will be remembered that we have already authorized the Home Owners' Loan Corporation to issue $2,000,000,000 worth of bonds which are to be exchanged for distressed mortgages. These bonds are guaranteed, principal and interest, by the United States, and, in addition, are exempt from all taxation, except surtaxes, estate, inheritance, and gift taxes. Now, mark that well, Mr. Chairman. These bonds are exempt from all general taxation. The new issue of $1,500,000,000 authorized in this bill will also be exempt from taxation. I do not believe this exemption should be given. It will be recalled that in the recent Senate hearings it was disclosed that some of the wealthiest banking houses of New York had not paid any taxes for several years; and one of the reasons they had paid no taxes was because they had bought tax-exempt bonds which enabled them to avoid it. In this bill, however, we authorize the issuance of $1,500,000,000 of tax-exempt securities. In my opinion, this is all wrong. Mr. Mellon opposed it; Mr. Morgenthau has opposed it. Why should we do it? These bonds are not being sold by the Government to the public; they are being exchanged for distressed mortgages. They are guaranteed both as to principal and interest by the United States. That surely is sufficient.

Mr. HANCOCK of New York. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield.

Mr. HANCOCK of New York. Are the bonds to which the gentleman refers totally tax-exempt, or merely exempt from the normal tax?

Mr. STOKES. They are totally tax-exempt, except the surtaxes, estate, inheritance, and gift taxes.

Mr. HANCOCK of New York. Is the gentleman sure about that?

Mr. STOKES. Yes; I am sure about that. Now, these bonds mostly go into the hands of the wealthy trust funds. In Philadelphia, whence I come, an officer of one of the largest banks there told me that they had a very large amount of these bonds owned mostly by wealthy trust estates. This provision in the pending bill means withdrawing from the hands of these wealthy people $1,500,000,000 of taxable mortgages and substituting tax-exempt bonds.

Mr. Gladstone, who was one of the ablest statesmen the world has ever known, in speaking on this very subject on a bill he had introduced in Parliament to prevent British charities from being tax exempt—charities, mind you, churches—said:

Tax exemption by the Government is the same thing as a gift by the Government.

If we permit this huge amount of tax-exempt bonds to be outstanding, we are merely making gifts to these wealthy people and will make it all the harder to balance our Budget. We have nearly $40,000,000,000 worth of these bonds outstanding now; and I, therefore, urge you to support an amendment I shall offer to this section.

[Here the gavel fell.]

Mr. STEAGALL. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. ELLENBOGEN].

Mr. ELLENBOGEN. Mr. Chairman, I was one of the first who advocated the construction of new homes and the modernization and repair of existing homes as a measure which would go a long way toward bringing back recovery and which would at the same time provide us with housing facilities which are badly needed.

On the very first day of the session I introduced a bill (H.R. 6141) which provides for the financing of the construction of new homes through the instrumentality of the Home Owners' Loan Corporation. On January 8, 1934, I introduced another bill (H.R. 6564) which embodied that program in a revised form.

I then called upon the President and urged upon him a large-scale housing program as a vital and necessary part of the recovery program. The President did not hesitate to express his sympathy with my housing program and his great interest in it and referred my bill to Mr. Fahey, Chairman of the Home Owners' Loan Corporation; to Mr. Walker, Executive Director of the National Emergency Council; and to his other advisers.

After renewed consideration of the subject I again revised my plans for a housing program and introduced H.R. 9118, which I sent to the members of the administration who were considering the housing program.

As a result of the studies of the housing situation and of the tremendous unemployment existing among members of the building trades, the administration formulated a program which is incorporated in H.R. 9620, the bill which we are now considering.

I have given this brief summary of my own activities in connection with the proposed bill only for the purpose of showing my deep interest and sympathy with the purposes of this bill.

The building industry has a larger proportion of unemployed than any other industry in the country. General construction has dropped from $11,000,000,000 to about $3,000,000,000. From 1923 to 1926 home building, in 257 cities in the United States, amounted to a yearly average of $2,200,000,000. In 1932 and 1933 it had dropped to a yearly average of approximately $100,000,000, or to about 5 percent of the average of 1923 to 1926.

The building industry employs directly and indirectly in normal times about four and a half million people. It is likely that more than three and a half million of these are now unemployed. Therefore, it must be clear to every person who has studied the question of unemployment that the building trades supply a very large proportion of our huge army of unemployed. A stimulation of the construction industry would return thousands and thousands of these unemployed to their jobs in the building trades.

It is clear that a large scale construction program would considerably reduce the number of unemployed. It is the best way to smother the depression and bring us back to normal times.

Mr. Chairman, the main purpose of the housing bill, therefore, should be to provide the funds for the stimulation of the construction industry by the construction of new homes and by the repair and modernization of existing homes.

I am also in favor of providing relief for the building-and-loan associations.

I now want to address myself to a part of the bill which is of extreme importance, section 105 of the bill as amended. This section appears on page 47 and provides that the Home Credit Insurance Corporation, which is created by this bill, shall have the power to insure amortized mortgages and like liens on owner-occupied homes. As the bill was originally written, it also provided for the insurance of mortgages on low-cost housing projects. Slum eradication and low-cost housing projects are required in order to provide decent homes for the industrial workers in the cities of the United States. It is absolutely necessary that the men who work in the mines and the factories can find decent homes at low cost, homes which rent for about $5 or $6 a room, so that they can rent a 5-room house for $25 or $30 a month. But that provision was stricken out of section 105 by the committee. I cannot understand this action, and it should be remedied. The financing of low-cost housing projects should be restored to section 105 of the bill.

This Congress has done a great deal for the benefit of the banks, the insurance companies, the railroads, and large financial interests. It has done very little for the benefit of the workers. Low-cost housing is necessary for the welfare of the industrial worker in the large cities. It is necessary to provide decent housing for the workers.

An amendment will be offered to insert a provision for low-cost housing projects in section 105, so as to restore the original text of this section. I hope the House will adopt it.

I also want to call the attention of the committee to section 202 of the bill, as amended.

I want to congratulate the committee on inserting that section. It was not in the original bill, but it is one of the most useful sections that has been added by the committee. If the committee had done no more than add this section to the bill, it should receive the applause of the entire House. This section gives to the Home Owners' Loan Corporation the power to issue an additional one and one-half billion dollars of bonds, so that the Home Owners' Loan Corporation will be enabled to issue a total of $3,700,000,000 of bonds. The Corporation is given the power to use $500,000,000 for investment in building-and-loan associations.

I hold in my hand a statement issued by the Home Owners' Loan Corporation dated June 5. In this statement we find that on June 5 applications amounting to four and one-half billion dollars have already been filed with the Home Owners' Loan Corporation. Under the act as it stands today the Home Owners' Loan Corporation has power to issue bonds amounting to only $2,200,000,000, whereas the applications already on file total four and one-half billion dollars.

It is clear that the added section is vital and necessary for the benefit of thousands upon thousands of distressed home owners who are in imminent danger of losing their homes.

I am happy to see that the committee has added section 202, and I hope it will remain in the bill.

[Here the gavel fell.]

Mr. GOLDSBOROUGH. Mr. Chairman, I yield 4½ minutes to the gentleman from California [Mr. HOEPPEL].

Mr. HOEPPEL. Mr. Chairman, in the debate on this bill I wish to call attention to the fact that if this is the last major bill which we are to act on in this session the RECORD will show that we have opened and closed the first and second sessions of the Seventy-third Congress with legislation for the bankers rather than for the people. I propose to vote for this bill, nevertheless, because of the advantages it will afford over the present building-and-loan and mortgage set-ups. From that standpoint I consider it a constructive, forward-looking measure.

Public, No. 1, enacted in this Congress, authorized the issuance of $2,000,000,000 in fiat money, which was turned over to the closed banks in order to permit them to reopen. This bill we are now discussing, and which proposes to guarantee the private loans of banks and mortgage companies, is another subsidy to the banking and financial fraternity at the expense of our taxpayers. By analogy it would appear that we have as much right to guarantee the private debts of the citizen who is indebted to the butcher, the baker, and other citizens. I cannot understand why the money power should be singled out and given preferential rights over the private citizen in the conduct of his private business. Equality under the Constitution should be our objective as legislators and not special preferential consideration to any individual group, and especially not to the money crowd, which continues to exact its pound of flesh through inordinate interest rates.

In this bill we not only guarantee the private loans of the money lender but we again withdraw from taxation billions in wealth by exempting these obligations from taxes, both as to principal and interest. It is self-evident that the more wealth we exempt from taxation, the more do we add to the tax burden of the citizen.

Our action in the bank guaranty bill is, in a sense, somewhat synonymous with the action we are taking in this bill. Under the bank guaranty bill we have taken from the taxpayers of America approximately $300,000,000 of their own money for the purpose of guaranteeing their own money which they have on deposit in private banks. In addition to this, under the bank guaranty bill we are turning over to the private bankers $1,200,000,000 of the taxpayers' deposits in the postal savings at an interest rate of only 2½ percent. This huge amount of the taxpayers' postal savings is turned over to the private banking fraternity at this low rate of interest without one cent of guaranty. This huge amount of money is immediately used by the private bankers to purchase Government bonds carrying as high as 4 or more percent interest or the money is reloaned to the citizen at an interest rate of 7 percent or more. We are thus giving to the private bankers the use of the taxpayers' postal savings deposits and at the same time permitting the bankers to absorb profits for themselves of almost $50,000,000 annually. How long the taxpayers can continue to pay subsidies, such as I have enumerated above, to the private banking ring is problematical.

Title II of this bill, which seeks to extend loans to the citizen to rehabilitate his home through repairs, remodeling, painting, and so forth, is an evidence of the Administration's sympathetic interest in the distressed citizen. It is my belief that I was the first Representative in Congress to suggest this plan to the President. On page 23 of the record of the proceedings of the general meeting and executive meeting of the Federal Civil Works Administration, held in Washington on November 15, 1933, will be found my suggestion to the Civil Works Administration and the President that loans for this purpose be extended to the citizens as soon as possible, in order to give honorable employment at a good wage to our unemployed and, indirectly, to stimulate the heavy industries in the furnishing of supplies such as lumber, steel, roofing, masonry, and so forth. At the time this suggestion was made to the Chairman of the Civil Works Administration the record discloses that it was not favorably considered, but later a reply received from the President, under date of December 2, 1933, indicated that the administration was becoming receptive to my suggestion.

During this session of the Congress I again took up this question with the President in the interest of reducing our expenditures for Federal relief and stimulating the entire building program in our country. I consider this bill, therefore, with a spirit of elation, not because of my own efforts but because of the fact that the administration's acceptance of such a program of extending loans for the rehabilitation of homes and the construction of new buildings will open up the channels of employment for millions of our honorable distressed citizens who have borne the dark days from which we are now emerging with such admirable fortitude and confidence in the administration.

This bill we are discussing has considerable merit and is, in my opinion, the most progressive plan yet advanced in the interest of the taxpayer and our unemployed. My only criticism is that we are giving a subsidy to the private money lender by guaranteeing him against loss on loans which are extended under the provisions of this bill.

Mr. KENNEY. Will the gentleman yield?

Mr. HOEPPEL. I yield to the gentleman from New Jersey.

Mr. KENNEY. Does the gentleman not think that by guaranteeing some of these mortgages in these improved banks that the banks will in those instances retain and keep the mortgages and not call them, so that it will indirectly help some home owners whose mortgages are now held by banks?

Mr. HOEPPEL. I am not in favor of banks holding mortgages at all. I am in favor of abolishing the Federal Reserve System and placing the Government in the banking business.

Inasmuch as the administration has authority, under the Gold Devaluation Act, to coin $8,000,000,000 of new money, which amount, under existing law, is adequately and properly protected on a ratio of paper money in circulation to the gold reserve, it was my hope that the Administration would coin at least several billions and that through the Home Owners' Loan Corporation, credit might be extended on a basis of these funds to the citizen at the lowest possible rate of interest. In no event should the citizen be charged more than 2½-percent interest which is the same rate of interest the private bankers pay today to the Government on postal-savings funds which are turned over to them daily by the Post Office Department.

In the interest of the taxpayer, I have protested and will continue to protest the issuance of tax-exempt securities, every dollar of which, when removed from taxation both as to principal and interest, adds to the burden of our already overburdened and distressed property owners and citizens. Every dollar which we spend in the issuance of tax-exempt securities must be repaid twofold by the citizen over a period of approximately 17 years.

It should be further considered that when the Government issues tax-exempt securities it is merely extending Government credit to the Federal Reserve System without interest, and the Federal Reserve System in turn receives from the Government a promise to repay the entire amount of the bond, plus interest, both of which, to the disadvantage of the taxpayer, are tax exempt for the bondholder.

The progress we have made thus far in our Democratic administration may be compared with that of the rich man in the Bible who accosted Christ in his desire to be saved. He gave tithes, fasted, and was otherwise an exemplary citizen, but when told to give all he had to the poor and follow the Master, he declined. All the good accomplished thus far by our present Democratic administration will not be of permanent avail until we, as a people, free ourselves from the domination of the wealth of Wall Street and the international bankers—that is, until we, so to speak, divorce ourselves from wealth as was suggested to the rich man. Instead of subserviency to the money crowd, we should follow the principles of the Constitution and exercise our prerogative thereunder to coin money, regulate the value thereof, and extend credit to the citizen without the intermediary private financier who will continue, if undisturbed, as he has in the past, to clip coupons and shave off interest to the detriment of our people economically and socially.

I am very sorry that we are adjourning the Congress without having provided adequate employment at decent wages for our millions of unemployed. Furthermore, we have failed to enact one single act for the benefit of our railroad workers, or other organized labor groups, except though the N.R.A. We have likewise failed to provide proper relief through the establishment of old-age pensions for those who because of advanced age and because they are no longer wanted in employment are unable to provide for themselves. Under the nationalization of banking, the billions of profits which today accrue to the private money lender should be absorbed by the National Government for the purpose of reducing taxes, for the payment of old-age pensions, and for the employment of our unemployed on public improvements, at a living wage.

We should not overlook the fact that the granting of old-age pensions would broaden the field and give a better opportunity to youth to secure employment. I am not speaking of unattainable Utopian conditions; I am speaking of a clearly demonstrable and practical procedure which, if adopted, would give to the Government the huge profits of the private banking ring and thus permit the Government not only to reduce taxation, but at the same time to initiate the humane policy of caring for our aged individuals, thus broadening the field of opportunity for the millions of our American youth who through the machinations of the octopus of the private international and Wall Street banking ring are being choked out of their God-given rights.

As a Democrat in the Congress from the Twelfth District of California, I believe in immediate action, for I do not wish that our people should continue to suffer through indefinite delay of these humane innovations. In the old deal under Moses the Isralites waited 40 years to enter the promised land. In the new deal we can and should attain this objective by the enactment of the nationalization of banking before the adjournment of Congress.

[Here the gavel fell.]

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

TITLE I—NATIONAL HOUSING ACT

SECTION 101. This title may be cited as the "National Housing Act."

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time simply for the purpose of stating the views of President Green, of the American Federation of Labor, on this bill. I should like to make the position of labor clear on it, so that if the bill is not amended by the House, as I believe it should be, when it goes to conference the Senate will insist on their original bill, and the bill will then be satisfactory to labor.

The gentleman from Minnesota [Mr. CHRISTIANSON] in his remarks a few moments ago expressed pretty fully the sentiments of labor on this bill. I should like to read Mr.

Green's statement for release in the Monday morning papers of June 11, which is as follows:

William Green, president of the American Federation of Labor, yesterday denounced the action of the House Committee on Banking and Currency in reporting "a totally inadequate housing bill that complies neither with the needs of the country nor the wishes of President Roosevelt to provide a competent housing bill and provide employment for the 4,000,000 to 5,000,000 persons directly and indirectly dependent upon the building trades for employment", and called on Congress to adopt the program sponsored by the President.

"The administration's program is not only a housing program, it is a labor program as well, and it is high time this Congress did something for labor", he declared. "Thus far, it has not passed a single labor measure. This might with profit be borne in mind by those Senators and all the Representatives seeking reelection this fall and who will seek labor votes with professions of friendship for labor to do something practical and tangible to back up such claims."

"Labor", said Mr. Green in his statement, "is vitally interested in the passage of the administration's housing bill as presented. It has applauded the President in his efforts to secure an adequate housing bill and at the same time do something for the long-suffering building-trades men and those not actually engaged in building who depend upon building for their livelihoods.

"Labor is further interested because most of the workers have to pay rent. The excessive cost of mortgage money, which the administration's bill should end, is paid by those who toil—the landlord does not absorb it. The excessive costs are further a burden upon those of our people who own homes and serves to prevent others of them from acquiring homes.

"As presented to the Congress, the housing bill promised great relief to the unemployed in the building and allied industries by breaking the blockade on mortgage money that has prevailed since 1928, when, so far as the building trades are concerned, the depression began. The bill would release the immense volumes of money now held by banks and by other lending institutions and individuals.

"The bill as reported to the House dams a large part of this money up in the banks instead of releasing it. The vaults of many of our financial institutions are bulging with money and credits that could be used to make mortgage loans. Under the administration bill these loans would be insured and paid off in easy installments over a period of 20 years, and they would bear a low rate of interest.

"The bill reported in the House also omits the very wise provision permitting the setting up of national loan associations through which many millions of private money could be released for insured loans, bearing the Government guarantee of safety for principal and interest under conditions that would do what the old type of loan has not done, protect both the borrower and the lender, both of whom have suffered such immense losses in the years just past.

"It is quite true that the House bill provides $500,000,000 of Government funds for building-and-loan associations. Such associations are all right within their sphere. They have done and they will continue to serve a useful purpose, but $500,000,000 cannot begin to give the relief that the tapping of the immense sums in the hands of the banks and other institutions under the provisions of the bill as presented to Congress would release.

"The action of the House committee tends to make what should be a simple legislative matter to be disposed of easily, a controversial matter, certain to cause delay and, and in those the closing hours of the session, possibly endanger the passing of the law.

"This is a matter of vital importance to labor. There are, approximately 1,500,000 building-trades men in the United States. Of this number 80 percent, or 1,200,000, are idle and forced to support themselves and their dependents as best they can. Of the other 300,000 comparatively few have steady work. There is much broken time.

"Behind the building craftsman actually on the job there are in normal times 3,000,000 men engaged in the preparation and manufacture of building materials. When the building-trades man is not at work these others are not at work. These two elements today make up the largest group in the millions who are still idle and want to work.

"The railroad workers are also suffering. In normal times one out of every five freight cars is loaded with building materials. The prompt passage of an adequate housing bill, which the President no later than yesterday expressed the wish Congress would enact, would be immensely helpful to the railroad workers, and also to the truckmen. In fact, the ramifications of the President's housing program, the possibilities of benefits to every class and to every section, are almost infinite. They simply cannot be enumerated.

"It is a paradoxical situation—an unprecedented need for repairs on nearly one-half of the homes of the country, a growing demand for new homes on the part of men and women entitled on the basis of character and resources to credit with which to build them, the banks bulging with money that might be used for these purposes, and hundreds of thousands idle because the money that would provide work cannot be promptly released as the President wants it released.

"We are with the President in this matter. We will work for the housing bill as he wants it. We hope that the Congress will promptly pass the bill. We don't want 'relief.' We want the work that an adequate housing bill would make possible."

I agree fully with the sentiments expressed by Mr. Green in his statement, and may I add further that I believe President Roosevelt should be supported by the membership of this House in his desire to see the prompt enactment of this legislation, not as reported by the Banking and Currency Committee to the House but as reported by the subcommittee of the Senate Banking and Currency Committee. The bill reported by the Senate subcommittee of the Banking and Currency Committee is the form of legislation desired by the President and by labor.

The Fletcher-Steagall housing bill is, in the eyes of labor, something more than a measure to provide for the modernization of existing homes and the building of new ones by breaking the blockade of the mortgage-money market that began to develop early in 1928.

It is, in the opinion of William Green, president of the American Federation of Labor, and of Michael J. McDonough, president of its building-trades department, the greatest employment measure on President Roosevelt's recovery program, affording as it does hope of employment to not less than 4,500,000 men.

It offers—

According to Mr. Green—

the opportunity to break down the one great block in the army of unemployed, now estimated at 9,500,000, and presents an opportunity to Senators and Representatives seeking reelection in November to demonstrate in a very practical, tangible way their friendship for labor.

It provides—

According to Mr. McDonough—

the promise of work to not less than 1,200,000 skilled building-trades men now idle, and steady work to 300,000 now in large part only partially employed, and to a comparably large number of the 3,000,000 in the building materials trades who in normal times provide the lumber, the mortar, the steel, the brick, and the many other things that go into the construction of the modern home and in the modernization of existing homes.

Moreover—

According to Messrs. Green and McDonough—

the benefits offered by the bill will be shared by every section, every city, town, and hamlet in the United States.

In a telegram to all of the international building-trades unions affiliated with the building-trades department, calling upon them to direct their local unions to wire their Senators and Representatives to vote for the measure, Mr. McDonough pointed out the imperative necessity that the bill be passed promptly and as presented to both Houses.

Selfish financial interests which cannot or will not provide the necessary mortgage money to start renovating of old and construction of new building are seeking to emasculate the bill or defeat it by delay in the closing hours of Congress—

He wired, adding that—

haste in securing action is imperative.

The estimates of Messrs. Green and McDonough of the possibilities of the bill as an employment measure are borne out by surveys made by the National Emergency Council, of which Frank C. Walker is executive secretary, by the Department of Commerce, the National Recovery Administration, and other public and private agencies.

These surveys show that, among other things, building reached its peak a full year before the Wall Street crash of 1929, the depression, so far as the building industry was concerned, beginning in 1928 with a tightening of the mortgage-money market that soon became the blockade it now is; that there is a shortage today of not less than 800,000 homes, with the demand greatest for small houses, the building of which the bill is designed to promote; that not less than 40 percent of the dwellings now standing are in need of repairs, one-half of which are of a major nature; and a real, but as yet spotty, and not overimpressive demand for new homes that cannot be financed under the existing conditions in the mortgage-money markets.

The actual shortage of homes, these surveys show, is due to the almost total recession of building in the last 5

years, as shown by a decline from a normal annual expenditure of $3,000,000,000 to a scant $300,000,000, and to the deterioration of old buildings to the point where they are hardly habitable, plus the destruction of buildings by fire, the tearing down of unprofitable ones to avoid taxes, and the almost total cessation of repair work in the 5-year period beginning in 1929.

This cessation of repairs and modernization has in this period, the surveys show, built up an enormous backlog of work that with normal accretions will require years to eliminate even with the assistance home owners will secure under the provisions of the bill. The types of work to be done range from such minor repairs as papering rooms or whitewashing ceilings, to the replacement of foundations and roofs, and include the substitution of modern heating apparatus for the obsolete and expensive furnaces of a generation ago, the installation of modern lighting equipment and modern bathing facilities.

An idea of the extent of the modernization work waiting to be done may be had from the fact that no less than 5,000,000 homes in the United States today lack the commonest types of baths, and a much larger number are not wired for electricity.

As the labor men visualize the operations of the act, the immediate effect of the provision for secured loans to home owners not in distress, who are not unemployed and whose characters make them good credit risks, will be the resumption of repair work and modernization on a gradually ascending scale, this to be followed by a growing volume of new building.

The one-family home which is the type for which the greater potential demand exists provides comparatively more work than the multiple type of dwelling. In some trades, as in plumbing, ten 1-family houses require vastly more labor and material than is required in a 10-unit building.

Gross figures of unemployment in the building industry do not present the picture as sharply as do the records of the Civil Works Administration. Thus the records show that in one mid-western city out of 40,000 building-trades men, but 5,000 were employed in March, with between 50 and 60 percent of these on C.W.A. work.

Of the 3,780 bricklayers registered by the C.W.A. in that city, 1,260 were employed as laborers and only 175 as bricklayers; out of 5,288 carpenters, 1,300 worked as laborers and only 356 at their trade, while out of 5,012 painters registered, 2,103 worked with pot and brush, 2,500 worked as laborers, and 409 had no work at all.

The importance, from the standpoint of employment, of the building-supply trades is shown by the 1929 census of manufactures and mines, which lists 25 industries entirely dependent on building, which even in the early days of the depression employed more than 700,000 men.

These are:

Cast-iron pipe	20,900
Cement	38,700
Clay products	101,600
Concrete products	20,000
Copper, tin, and sheet-iron work	35,600
Gas machines, gas meters, and liquid meters	7,400
Lime	9,500
Marble, granite—cutting and finishing	43,700
Metal doors, shutters, window sash and frames	11,900
Paving materials: Asphalt, tar, crushed slag, etc	2,900
Planing-mill products	107,100
Plumbers' supplies	31,300
Pumps and pumping equipment	30,000
Roofing, built-up and roll, asphalt shingles, etc	7,500
Sand and gravel	19,600
Sand, lime, brick	700
Steam fittings, hot-water heating apparatus	46,000
Stone products—quarrying	51,900
Structural and ornamental iron and steel work	68,600
Wall paper	5,400
Wall plaster, wall board, etc	9,000
Windmills and windmill towers	1,800
Window and door screens and weather strip	4,900
Wood preserving	14,500
Wrought pipe, welded and heavy riveted	12,800
Total number employed	703,300

Other trades, largely but not wholly dependent on building, include such industries as chemicals, electrical apparatus, and in considerable degree agricultural products not usually rated as building materials.

Pretty nearly everybody will get a bit of the building-trade dollar the housing bill will provide—

Asserts Mr. McDonough—

The flax farmer of the Dakotas provides our linseed oil, the sugar planter of Louisiana basic material for wall board, the cotton raiser fiber for a multiplicity of uses and so on almost indefinitely. The contributions of many are not large, but in the aggregate they are considerable.

That is one reason why when the building trades are busy, all trades are busy.

In other words, the American Federation of Labor makes it plain that they are for the Senate bill as against the House bill, but I want to make clear what the position of labor is in this matter and I hope that as in the past, unless the House passes amendments which will put this bill in the shape desired by the President and labor, the conferees on the part of the other body, the Senate, will insist on the Senate bill which contains the legislation desired by both the President and labor.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. STEAGALL. May I ask the gentleman how much more reemployment would be made possible under the original bill?

Mr. CONNERY. Mr. Green explains it very plainly here where he states that the money you provide under your bill does not come anywhere near meeting the need.

Mr. STEAGALL. That is a general statement. If the gentleman will permit another question, he refers to the Senate bill. What bill of the Senate does the gentleman refer to?

Mr. CONNERY. I refer to the Fletcher-Steagall bill.

Mr. STEAGALL. There is no Senate bill yet. The bill is still in the subcommittee of the Senate committee, if I am correctly informed.

Mr. CONNERY. I refer to the Senate bill which is before the Senate Banking and Currency Committee, the Fletcher bill.

Mr. SWEENEY. The old title II of the Senate bill which is stricken out in this bill?

Mr. CONNERY. Yes.

Mr. STEAGALL. Does the gentleman know whether or not title II will be in the Senate bill?

Mr. CONNERY. We feel fairly positive it will be in that bill from what we have heard through the newspapers and in conversation with Senators.

Mr. STEAGALL. What provision is there in title II that affords reemployment?

Mr. CONNERY. Mr. Green has explained that in his letter.

Mr. SWEENEY. That is the provision providing for new construction.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. CONNERY. Yes; if the gentleman will first permit me to read particularly this part of the statement of Mr. Green for the information of my good friend [Mr. STEAGALL], the chairman of the committee:

As presented to the Congress, the housing bill promised great relief to the unemployed in the building and allied industries by breaking the blockade on mortgage money that has prevailed since 1928, when, so far as the building trades are concerned, the depression began. The bill would release the immense volumes of money now held by banks and by other lending institutions and individuals.

The bill as reported to the House dams a large part of this money up in the banks instead of releasing it. The vaults of

many of our financial institutions are bulging with money and credits that could be used to make mortgage loans. Under the administration bill these loans would be insured and paid off in easy installments over a period of 20 years, and they would bear a low rate of interest.

The bill reported in the House also omits the very wise provision permitting the setting-up of national loan associations through which many millions of private money could be released for insured loans, bearing the Government guarantee of safety for principal and interest under conditions that would do what the old type of loan has not done—protect both the borrower and the lender, both of whom have suffered such immense losses in the years just past.

I now yield to the gentleman from Kentucky.

Mr. BROWN of Kentucky. Why should we wait until a bill comes from the Senate and goes to conference in order to get the original title II put back in the bill here? Why not offer the amendment from the floor of the House and do the job as we go along?

Mr. CONNERY. I agree with the gentleman from Kentucky, and I believe that is exactly what we should do and thus get speedy action on the bill and get it to the White House for the President's signature. With the bill complying with the Senate provisions, there would then be no need for a conference, or only a conference for slight changes.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. DUNN. Am I to understand from the gentleman that Mr. Green and the American Federation of Labor endorse this bill?

Mr. CONNERY. No; they are in favor of the bill that the President asked to be enacted, which is not the House bill but the Fletcher bill, now before the Senate Committee on Banking and Currency. I hope that the House will see fit to amend this bill to comply with the provisions of the Fletcher bill, and then we will have the housing legislation asked for by the President and endorsed by labor.

[Here the gavel fell.]

TITLE II OF ORIGINAL BILL SHOULD BE PUT BACK

Mr. PATMAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

The four component parts of the housing program are as follows: First, modernization; second, mortgage insurance; third, mortgage associations; fourth, insurance of building-and-loan associations.

The administration has asked for the passage of a bill embodying these four component parts. The Banking and Currency Committee has omitted a part of them. I hope the House restores the omitted provisions.

In this vast and important program let us cooperate with the administration 100 percent.

Mr. Chairman, ordinarily I am in accord with the views of a majority of the members of the Banking and Currency Committee, but I am not in favor of striking out the original bill title II. The committee has inserted another title II which is not satisfactory to me. I think this is one of the most material and necessary provisions of the entire bill. At the proper time the gentleman from New York [Mr. SISSON] will offer an amendment to restore it, and I hope his amendment will be adopted. An amendment should also be adopted putting back into the bill provisions for low-cost housing.

I am not in love with the Federal Reserve Banking System of this country. These 12 banks have become bond brokers dealing in Government bonds, paying themselves high salaries, and doing the country little, if any, good. I think they should be taken over by the Government, but at the same time, as long as we have a Federal Reserve Banking System for the banks, what reason can you assign for not having this a somewhat similar set-up, although not supported by the Government, for the home owners of this country?

Mr. STEAGALL. Mr. Chairman, will the gentleman permit an interruption?

Mr. PATMAN. Yes.

Mr. STEAGALL. That is exactly what we undertook to do when we set up the home-loan bank system, which was a rediscount system for home-mortgage loans.

Mr. PATMAN. Yes; I supported the bill. But since additional facilities are needed, we must set up a different system. It is not exactly like the Federal Reserve at all, but it will afford additional credit facilities and aid the unemployed and the distressed home owners. It is really a system that will provide for mortgage associations.

Mr. STEAGALL. I beg the gentleman's pardon; it has not failed.

Mr. PATMAN. The Home Owners' Loan Corporation has today 1,350,000 applications for loans, aggregating four and a half billion dollars, that are not granted. The Chairman of the Home Loan Corporation testified to that before the gentleman's committee.

WHO OPPOSES TITLE II?

Now, who is opposing this title II? It is true that some of the building-and-loan companies are opposing it because they feel it will be in slight competition with them. They do not want to lose any opportunity to get all the business. They will have an opportunity to get plenty of business if title II is made effective.

Some real-estate men oppose it, because they feel that old houses will not be readily sold if new houses are built. The savings banks represent the main opposition to these provisions, is my guess. Savings banks are paying 3 percent. They want the opportunity to invest the money of the depositors at 6, 8, and 10 percent. There is the main opposition—the large savings banks that have large savings accounts.

1 PERCENT OF DEPOSITORS OWN 60 PERCENT OF DEPOSITS

Now, remember that 60 percent of the deposits in banks are owned by 1 percent of the depositors. Do not misunderstand me—60 percent of the deposits of the banks are owned by 1 percent of the depositors of those banks. They do not want anything done in the shape of competition by the Government. They want a wide-open field. Yet they will not extend the loans that are needed.

20,000 FORECLOSURES A MONTH

There are 20,000 foreclosures per month on homes going on right now; there were 25,000 foreclosures a month before the Home Owners' Loan Corporation was organized. This title 2 is to relieve the unemployment situation and the distressed home owners. We should not be thinking about the static thrown in here by a few banks and the building-and-loan associations. That is the object of this legislation. If we are to carry out the full intent of the President's message we should put title II back in the bill.

Many of the banks are not functioning. They are subsidized by the Government. Why give them an additional premium for ceasing to do business as provided in one section of the bill?

[Here the gavel fell.]

Mr. PATMAN. Mr. Chairman, I ask unanimous consent for 5 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

BLANKET MORTGAGE ON PEOPLE'S PROPERTY

Mr. PATMAN. In one provision of this bill it provides for a home owner who desires to borrow money, say, a thousand dollars, to repair his home, to give a thousand-dollar note to a national bank and get the money. The national bank will accept it under this bill. Of course, he will agree to pay 6-, 8-, or 10-percent interest. The national bank or member bank of the Federal Reserve System will take it to the nearest Federal Reserve bank and get Federal Reserve notes for it—new currency, 100 percent. The result is that the Federal bank gets the money out of the Bureau of Engraving and Printing and pays 27 cents for it, and then lets the national bank have it by collecting 1½-, 2-, or 2½-percent interest—whatever the rediscount rate is. It pays nothing on earth to the Government for the privilege of issuing a blanket mortgage against all property and all incomes of all the people.

Then the national bank lets the man who borrowed the thousand dollars have the money. The credit of the Nation has been extended to the home owner through these two

particular set-ups. The credit of the Nation will not cost the Federal Reserve banks anything. It will cost the local bank a very small amount.

AL CAPONE GANG

The Federal Reserve banks are owned by private corporations. Not a penny of their stock is owned by the Government or any individual. They have a monopoly on the issuance of the Government's credit. This power will be taken away from them one of these days and the great privilege used in the interest of the people. The people are getting wise to this great legalized racket. Every Federal Reserve bank has a racket that is worth by many hundred or thousand times the racket exercised by Al Capone and his entire gang in their most active days. It is not the same Federal Reserve System established under President Wilson. It has been completely changed by the adoption of so-called "perfecting" amendments.

1933 REPORT OF THE FEDERAL RESERVE BOARD

I have in my hand a recent report of the Federal Reserve Board, released yesterday, and from it I shall give you information that is absolutely shocking. In 1928 the Federal Reserve banks of this Nation discounted bills amounting to $62,000,000,000. They were helping the country by extending credit. In 1929 they discounted bills aggregating $60,000,000,000. In 1930 the discounts were down to $14,000,000,000. In 1931 the discounts were $14,000,000,000. In 1932 they discounted $18,000,000,000 in bills, and last year, 1933—and this is the last report—they discounted only $9,000,000,000—50 percent of what they discounted the year before. The Federal Reserve banks of this country are ceasing to function; they are absolutely in the way; they are a hindrance and a harm. They are failing to use the credit of this Nation in the interest of the welfare of our country but use it for their own special benefit and private profit. The Federal Reserve Board reports will prove what I am saying.

Now, take the actual currency handled by these banks last year. It was more than the year before. On small coins, 5-, 10-, 25-, and 50-cent pieces, the amount was just twice as much as it was the year before, but on discounted bills it was just half as much, which indicates that the people might be reduced to small purchases and handle small amounts of money and are receiving very limited credit. They cannot handle any large amounts because the medium of exchange is insufficient and these reports disclose it. The banks are not functioning and all the building-and-loan companies are not functioning, yet they come in here and want you to further protect their interests by taking title II out of this bill. If you want a real bill that will relieve unemployment, clear the slums, construct new houses, and put millions of people back to work, put title II back in this bill.

Mr. HANCOCK of North Carolina. Is it not a fact that the home-loan bank system with a capital of only $125,000,000 has more bills discounted, carrying more loans in their portfolio, than the entire Federal Reserve System?

Mr. PATMAN. That is my understanding, and they have been operating only about a year.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection?

Mr. LUCE. Mr. Chairman, some of us are anxious to get through with this bill tonight. We are anxious to facilitate the adjournment of this Congress. The gentleman from Texas has talked for 10 minutes and is not addressing himself to the section under consideration. I shall deem it a kindness to the House if I insist that remarks be addressed to the section under consideration. Therefore, I object.

Mr. ZIONCHECK. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty-nine Members present, a quorum.

Mr. O'MALLEY. Mr. Chairman, I move to strike out the last two words. The reason that I have favored this housing bill is because I believe that if there is anything that this Government owes to its citizens in return for their support of this social order it is a decent home. When the President first gave his message to Congress——

Mr. LUCE. Mr. Chairman, I rise to a point of order. The gentleman is not addressing himself to the section under consideration.

Mr. O'MALLEY. I am addressing myself to the part referring to "a national housing act."

The CHAIRMAN. The gentleman will proceed in order.

Mr. O'MALLEY. When the President first gave his message to Congress, he said he intended that we should do something for the people who are without decent, livable homes, and the very heart of the program, as I recall the message, was the establishment of these Federal building-and-loan associations, so that the people could get enough money at low interest to build or repair homes. I have had at least a half dozen building-and-loan-association officials in the last week come down here to Washington, or send telegrams, opposing this part of the bill, and I have tried to find out from them if their associations are lending money to people so that they can build or repair their homes. Some time ago we tried to establish in my State one of the Federal savings-and-loan associations as provided for in the law creating the home-loan bank that we passed. We got some citizens together who were willing to subscribe some money for stock to organize one of these Federal savings associations. We found, after proposing our plan, that we had almost the united opposition of the established building-and-loan associations.

They wrote to the Home Loan Bank Board and said that we did not need an association like this, that they could loan all of the money necessary to build homes in the city of Milwaukee. They have not made any loans because scores of citizens of our community who have asked them to make loans, loans for the purpose of repairing property or building homes have been refused. The only way we will get the dammed-up money released is to give these banks who refuse to lend their huge stores of money some competition in helping people obtain funds for rebuilding America. This title II is the very heart of the bill. That is why they want it stricken out. This is the part that gives to the bankers the competition in their own field needed to stimulate trade and commerce. I hope this committee and the Members of the House will put back into this bill the part I know the President wants, because it was the heart of his message to the Congress last week. He outlined this title II so closely in his message to this Congress that the original bill reiterates it almost word for word. I hope the House will put title II back in the bill and send it to the Senate in the bill, and not send this measure to conference without it where the President's housing program may be defeated in a poker game of legislation.

Mr. DIRKSEN. Will the gentleman yield?

Mr. O'MALLEY. I shall be glad to yield.

Mr. DIRKSEN. If the so-called "associations" that are to be chartered until title II insist on adequate collateral under the supervision of the Federal Home Loan Board, will we be any better off under those associations than we will be under the present building-and-loan administration in the various communities? If, however, they liberalize their plan and take on collateral, credit on which the margin is too slim, will it not be hoodwinking the American people and selling a species of security that is unsound?

Mr. O'MALLEY. The gentleman knows he cannot go in with his right eye to a bank or loan association, with collateral as good as any collateral, and get a dime for new construction purposes.

Mr. DIRKSEN. I deny that building-and-loan associations are not functioning today. Through the Middle West

they are functioning just as they always were, and if there is a semblance of adequate collateral you can get a loan right now.

Mr. O'MALLEY. If the gentleman will try to get a loan, he will find out how much money he can get.

The CHAIRMAN. The time of the gentleman from Wisconsin [Mr. O'MALLEY] has expired.

Mr. PALMISANO. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, being somewhat familiar with building-and-loan-association work in Baltimore city, I am certainly glad that title II of this bill has been stricken out. I do not know what the practice is in other cities so far as building-and-loan associations are concerned, but I know the practices in Baltimore city, a city where there are more individual home owners than in any other city in the Union.

The only way the workingman has been able to buy his home has been through the building-and-loan-association system. We have about 1,000 of them. During all this depression there have been no more than four or five associations that have failed, and that was because of some dishonest lawyer or secretary.

Now, we have a system of neighborhood banks, as I call them. It permits the workingman to put away a quarter a week for the benefit of his children. He obtains a share or two shares for each of his children. All he has to do is put away a quarter a week. No man will send to a bank a quarter or a half a dollar a week, but under this system he sends his little boy or little girl around the corner to the building-and-loan association and deposits 25 or 50 cents or a dollar. When he obtains a loan he has from 8 to 10 years to pay. In many instances they run from 12 to 15 years. Why are they successful? They are successful because the directors of the associations receive very little pay. The president gets $50 a year and the directors approximately $30 a year. I represent four of them, and they run from $150,000 to $200,000 in deposits. The president of the association receives $40 or $50 a year. The directors are limited to $30 a year, with the understanding that they must attend seven meetings in each quarter. So you can readily see how the "little fellow" is able to buy his home and save money, with no danger at all to his deposits.

Mr. BROWN of Kentucky. The gentleman said "outside of the attorney." How much does the attorney get?

Mr. PALMISANO. Absolutely nothing. It costs more to get a Home Owners' Loan Corporation loan today in Baltimore city than it does to get a loan from the building association. There is a minimum title fee in Baltimore city of $25. The applicant pays $3 for a committee to investigate the loan. If the loan goes through he pays another dollar or a $1.50 to the president. The whole expense is $30 or $35 in Baltimore today.

The CHAIRMAN. The time of the gentleman from Maryland [Mr. PALMISANO] has expired.

Mr. GOLDSBOROUGH. Mr. Chairman, I ask unanimous consent that the gentleman have 5 additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. PALMISANO. In Baltimore today every person who makes application to the Home Owners' Loan Corporation, and I am not criticizing the Home Owners' Loan Corporation, it is understood that the expense of putting through a deal is from $45 to $50. They have several appraisers. They are entitled to $7.50 a day. You can readily see what it would mean to the thousand building associations in Baltimore city, and to the "little man" who is endeavoring to buy a home.

Mr. O'CONNOR. Will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. O'CONNOR. The gentleman said he was glad the committee had stricken out title II of the original bill and substituted title II of the new bill. Title II of the original bill provided for the creation of national mortgage associations. Title II of the committee amendment provides for loans of $500,000,000 from the Home Owners' Loan Corporation to building-and-loan associations. Would the gentleman have any objection if we left in title II, providing for loans to building-and-loan associations, and then inserted the original title II also, which does not interfere with the building-and-loan associations at all?

Mr. PALMISANO. I have not studied the bill thoroughly.

Mr. O'CONNOR. Well, we would preserve the building-and-loan associations if we put back the national mortgage association in the bill.

Mr. PALMISANO. I am afraid that when you put the Government in competition with these building-and-loan associations, who are working in the interest of the little fellow, you will eventually put them out of business.

An association of this kind is needed to which the man who wants to borrow $300, $400, or $500 can go. Under the building-association system if he goes back to the same lawyer or to the same association, the cost of searching the title the second time is only $5 or $10, for the same man makes the search; but if this big corporation is created it will be found that every time a title is searched a fee larger than this will be charged, for every man who searches a title will want to be paid his own fee because he himself is responsible. In the building association the lawyer who made the search in the first instance deals with the man in the second instance and money is saved by reduced attorney fees.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. PALMISANO. I yield.

Mr. PATMAN. What interest do the people in Baltimore pay on loans from the building-and-loan associations?

Mr. PALMISANO. Under the system in force in Baltimore they pay 12 cents a week on a $100 share.

Mr. PATMAN. I am asking about the annual rate of interest.

Mr. PALMISANO. They pay it weekly. They pay 25 cents a share on the principal and 12 cents on the interest. This amounts to $13 on the principal and $6.24 on the interest, but the mortgagor has the right to pay off the $100 whenever he sees fit.

Mr. PATMAN. If the gentleman will yield further, I asked about the annual interest rate. What annual interest rate do the borrowers have to pay?

Mr. PALMISANO. It amounts to $6.24 on $100.

Mr. O'CONNOR. Mr. Chairman, if the gentleman will yield right there, the gentleman knows that in a building-and-loan association where the loan is amortized monthly 1 percent on the principal and 1 percent on the interest, that the interest runs annually from 12 to 14 percent.

Mr. PALMISANO. I know nothing of the practices of associations outside of Baltimore city.

Mr. O'CONNOR. If the gentleman is counsel for four building-and-loan associations the gentleman ought to know something about it.

Mr. PALMISANO. I do not know anything about associations in cities other than Baltimore. As far as Baltimore is concerned, I think it is a godsend to the poor man; and we should not disturb any of them.

[Here the gavel fell.]

By unanimous consent, the pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 102. There is hereby created a body corporate to be known as the "Home Credit Insurance Corporation", which shall be an instrumentality of the United States, and which shall have power to adopt, alter, and use a corporate seal; to sue and be sued, complain and defend, in any court of competent jurisdiction, State or Federal; to prescribe, amend, and repeal, by its board of directors, bylaws, rules, and regulations governing the way in which its general business may be conducted and the powers granted to it be exercised and enjoyed; and generally to do all things, not inconsistent with the terms of this title, as are customary and usual for corporations to do generally.

The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in other cities or localities in the United States.

The Corporation shall have a capital stock of not to exceed $200,000,000 subscribed for by the Secretary of the Treasury on behalf of the United States. Payments on such subscriptions shall be subject to call in whole or in part at any time by the board of directors. Receipts for payment for or on account of such stock shall be deposited with the Treasurer of the United

States and shall be evidence of the stock ownership of the United States. In order to enable the Treasury to make such payments when called, the Reconstruction Finance Corporation is authorized and directed, upon written request of the President, to allocate and make available to the Secretary of the Treasury the sum of $200,000,000, or so much thereof as may be necessary: *Provided, however*, That in lieu of calling upon the Reconstruction Finance Corporation for such funds, the President, in his discretion, is authorized to provide the same or any portion thereof by allotment to the Treasury from such funds as may be available or as may hereafter be made available to him for emergency purposes.

The management of the Corporation shall be vested in a board of directors consisting of not less than five nor more than seven persons to be selected by the President from among the officers and directors of any existing board, commission, corporation, independent establishment, or executive department of the United States. Nothing in any other law shall be construed to prevent any such officer or director so selected from serving as a director of the Corporation. Directors shall serve without additional compensation and shall hold office for a term of 1 year and until their successors are appointed. Whenever a vacancy shall occur among the directors, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill.

The board of directors shall, without regard to the provisions of any other law, appoint such officers, employees, attorneys, and agents as are necessary for the transaction of the business of the Corporation, fix their compensation, define their duties, require bonds of such of them as the board of directors may designate, and provide a system of organization to fix responsibility and promote efficiency. No such officer, employee, attorney, or agent shall be paid compensation at a rate in excess of the rate provided by law in the case of the members of the Federal Home Loan Bank Board. The Corporation, with the consent of any board, corporation, commission, establishment, executive department, or instrumentality of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this title, and any such information, services, or facilities are hereby authorized to be so made available. The Corporation shall be entitled to the free use of the United States mails in the same manner as executive departments of the Government, and shall determine its necessary expenditures under this act and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 42, beginning with line 16, strike out section 102.

TITLE II

Mr. PATMAN. Mr. Chairman, if you strike title II from the original act, the principal difference is that the amendment offered by the Banking and Currency Committee will allow an appropriation of something like $500,000,000, I believe it is, to be expended through building-and-loan associations to be used by home owners in that way; in other words, it will go through the building-and-loan associations rather than through this Government agency that is proposed to be set up in title II of the original bill.

I think title II should be put back into the bill; that the bill now under consideration should be made to conform to the bill originally introduced as proposed by the administration; and then, if there should be needed any material amendments, the committee should suggest them.

UNITED STATES CHAMBER OF COMMERCE OPPONENT OF TITLE II

I have not read all the hearings, but I have read the testimony of most of the witnesses who appeared before the Committee on Banking and Currency. If I have read and understood the testimony correctly, no witness challenged title II until Mr. Harriman, president of the Chamber of Commerce of the United States, appeared before the committee and said that title should be taken out of the bill; that we should not pass it in that form, and that he was sure it could not be passed in that form. Mr. Harriman, president of the Chamber of Commerce of the United States, representative of big business, big financiers, and money lenders, was the first man who challenged title II. I do not intend to impugn the motives of anybody because they follow Mr. Harriman or because they believe what he says, but I am merely reciting the fact.

Also, Mr. Harriman said that he did not want interest rates to be too low; and he insisted that interest rates should be kept up. That is his testimony. He would not, therefore, want title II in this bill. I want to tell you that I want title II because I want the interest rate cheap; I want unemployment relieved, and I want homes built in this country. [Applause.]

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. CAVICCHIA. I call the gentleman's attention to the fact that the title II regarding which Mr. Harriman was testifying is not title II of the bill under consideration.

Mr. PATMAN. Well, he talked as though it was.

Mr. CAVICCHIA. That title II is not the same title II of the bill under consideration.

Mr. PATMAN. His evidence indicates that he was talking about title II of the original act.

Mr. CAVICCHIA. If the gentleman would take the original draft submitted to us, the gentleman would find that the titles bearing the same number are different.

Mr. PATMAN. I am not in sympathy with Mr. Harriman's viewpoint. I have again examined Mr. Harriman's testimony, commencing at page 122 of the hearings, and I am confident that he was speaking of title II of the bill as introduced. Page 128 he says he does not believe the bill can be passed at this session with title II in it. Page 143 he advocates high interest rates. He wants the people to pay a high price for the use of their own credit. He does not want title II because it might cause the home owners to pay less interest on their home mortgages. If you are for high interest, vote with the United States Chamber of Commerce to leave the original title II out of this bill when Mr. SISSON offers an amendment to put it back.

Mr. BEEDY. Mr. Chairman, I make the point of order that the gentleman's motion was not to strike out title II but was to strike out section 102 of title I. Therefore the gentleman is out of order.

Mr. PATMAN. Section 102 goes to the whole bill, for it creates the board and other machinery; and if this part falls, of course, the committee's amendment falls. That is the object of it, that the committee's amendment should fall; that is the reason I introduced my amendment, although I am not expecting it to be adopted at this time. I did not have any time in general debate, and I do not think the gentleman should be too contentious. I realize there are certain Members who do not like to hear the arguments I make here, and they do not like for the Federal Reserve banking racket to be exposed, but I feel the arguments should be made and I expect to continue to make them in the future as I have in the past.

Mr. KENNEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. KENNEY. Under the provisions of original title II, the corporations proposed would have to raise a capital of $5,000,000 each before they could function.

Mr. PATMAN. Yes.

Mr. KENNEY. How many such companies does the gentleman feel there would be in the United States?

Mr. PATMAN. A large number of them would be organized. Let us support the administration by restoring title II and low-cost housing.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas to strike out section 102 of the bill.

The amendment was rejected.

The Clerk read as follows:

SEC. 103. The Corporation is authorized and empowered, upon terms and under rules and regulations to be determined by the board of directors, to insure such banks, trust companies, personal finance companies, mortgage companies, building-and-loan associations, installment lending companies, and other financial institutions as may apply for credit insurance and be approved as eligible by the board of directors, against losses which may result to any such financial institutions in consequence of loans and advances of credit to real-estate owners, and purchasers of obligations representing loans and advances of credit to real-estate owners by such institutions made and entered into after the effective date of this act and prior to January 1, 1936, unless an earlier date is set by order of the President, for the purpose of enabling such owners of real estate to make alterations, repairs, and improvements thereto. The occupant or lessee of real estate, having a substantial interest, legal or equitable, therein,

shall be deemed an owner within the meaning of this section. The power to insure granted herein shall be limited so that in no case shall the Corporation insure any financial institution against losses amounting to more than 20 percent of the total amount of loans made by it or credit advanced by it as above provided, nor incur a total liability for such insurance in excess of the aggregate par value of the Corporation's outstanding capital stock. It shall be a condition of the insurance that obligations representing loans and advances of credit to which the insurance applies shall not be for amounts in excess of $2,000, and shall bear interest, have maturities, and contain such other terms, conditions, and restrictions as the Corporation shall determine.

Mr. LANZETTA. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LANZETTA: Page 46, line 15, after the figures "$2,000", insert "except that in the case of low-cost housing—tenement houses—loans may be made up to an amount not exceeding $4,000."

Mr. LANZETTA. Mr. Chairman, the purpose of this bill is to relieve unemployment and to help real-estate owners. The sum of $2,000 allowed under this bill for repairs, alterations, and improvements is entirely too low when applied to city tenements. We all know that most of the men who are employed in the building trades come from the cities, and we also know that most of the tenement owners in the big cities are in a bad way financially and that most tenements are in need of repairs. If we limit the sum for repairs, alterations, and improvements to $2,000, I am sure that not many of the tenement owners, dwellers, and building-trades employees in the cities will benefit.

I ask the Members of this House to support this amendment because I think that many tenement owners require this amount of money—$4,000—for improvements, and that only by stimulating and helping this type of work can we benefit the unemployed of the building trades who reside in our cities.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LANZETTA].

The question was taken; and on a division (demanded by Mr. LANZETTA) there were—ayes 41, noes 62.

So the amendment was rejected.

Mr. LANZETTA. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LANZETTA: On page 46, line 15, after the figures "$2,000", insert "except that in the case of low-cost housing (tenement houses) loans may be made up to an amount not to exceed $3,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LANZETTA) there were—ayes 44, noes 65.

So the amendment was rejected.

The Clerk read as follows:

SEC. 105. The Corporation is authorized and empowered at any time prior to July 1, 1937, upon terms and under rules and regulations to be determined by it, to insure amortized mortgages and like liens on owner-occupied homes, when presented by financial institutions approved as provided in section 103 of this title. Such insurance by the Corporation shall be based as far as practicable on the mutual principle so as to be self-supporting and involve no greater cost to mortgagors or mortgagees than that needed to cover the risk involved plus necessary administrative expenses. No such mortgages shall be insured on property having a present appraisal of more than $20,000, or which involved an original principal obligation in excess of 80 percent of the appraised value of the property offered as security therefor in the case of houses constructed since the passage of this act, or 60 percent of the appraised value of such property in the case of existing homes: *Provided*, That insurance of mortgages on existing homes shall be limited to an aggregate principal obligation on all such mortgages of not to exceed five times the aggregate par value of the Corporation's outstanding capital stock, and insurance of mortgages on homes constructed after the passage of this act shall be limited to a similar amount. The Corporation shall not insure mortgages when in the opinion of the Corporation speculative overbuilding will result.

Mr. PRALL. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PRALL: Page 47, line 6, after the word "homes", insert "or low-cost housing projects."

Mr. PRALL. Mr. Chairman, it will not be necessary, I am sure, to call attention to the importance of this amendment. I might go back to last December when the President called into conference many experts. These experts have worked during all of these months in order to perfect a plan, and from this plan the original bill introduced here and in the Senate was drawn.

There is no help here for cities or other parts of the country where slum clearance is necessary. There was not, I may say, very strong opposition to this section in the committee, and I hope the chairman of the committee will go along with me in this amendment.

Mr. CAVICCHIA. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from New Jersey.

Mr. CAVICCHIA. Will the gentleman please explain to us in what way he thinks slum clearance will be helped by the amendment?

Mr. PRALL. Slum clearance has been taken out of the bill entirely. It is simply a question of leaving it to this Corporation to determine in just what way and perhaps the best way to handle this situation. This is the first of three amendments that I propose to offer in making the correction.

Mr. BEEDY. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Maine.

Mr. BEEDY. If this amendment is adopted, I am wondering what it would really amount to in practice. If this amendment is adopted, would it not be up to the Corporation to decide how much money, if any, it should lend for this purpose?

Mr. PRALL. Yes.

Mr. BEEDY. The bill now permits of loans to home owners in slums, but if the gentleman remembers, we thought that perhaps the large property owners might seek heavy loans to build fine properties, and the poor man would get little, if any, benefit out of this provision.

Mr. O'CONNOR. If the gentleman will yield, this has nothing to do with making loans. This has to do with insuring mortgages.

Mr. PRALL. The gentleman means the same thing.

Mr. BEEDY. They have to be insured in the first place.

Mr. PRALL. The theory was that large apartment house promoters might be able to get relief and help through this proposition, but I am sure the corporation having charge of the administration of this act will not permit anything of that kind.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. May I call the attention of the committee to the fact that the amendment says "or low-cost housing projects", so that the word "low" is in the amendment. It must be a low-cost house.

Mr. PRALL. Yes.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. About what cost would the gentleman have in mind?

Mr. PRALL. I have no idea of the cost. I would leave that to the determination of the Corporation. Let them determine what a low housing project is. That is determined now in New York and other places. I would leave that to the Corporation.

Mr. WHITTINGTON. The gentleman proposes an amendment here without any sort of limitation on the amount?

Mr. PRALL. The only limitation I propose is the good faith I have in the Corporation.

Mr. WHITTINGTON. My question was with respect to the amount of the loan.

Mr. PRALL. I am not afraid of that feature.

[Here the gavel fell.]

Mr. WILLIAMS. Mr. Chairman, I rise in opposition to the amendment.

As has already been suggested, there is in this bill a limitation of $2,000 on the mortgages which may be insured and now it is proposed, in the first place, by this amendment

to throw wide open the doors without any limitation at all upon the amount which may be lent and upon which insurance may be had on low-cost housing projects. This is the first objection I have to the amendment.

There is a limitation upon the individual home owners of the country and yet there is absolutely no limitation at all in this amendment as applied to the big projects in the large cities.

Mr. SISSON. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Not right now—I shall yield in a moment.

The proponent of this measure in his appearance before our committee admitted that in trying to write this provision into law he had changed it 30 or 40 times and when we tried to press him as to what this particular phrase meant, he himself, as the author of the measure and the proponent of it, was not able to tell us.

What does it mean? You cannot tell what it means.

Then, further, when we asked the proponent the very question that the gentleman from Mississippi [Mr. WHITTINGTON] just asked here—what is your idea as to a low-cost housing project per unit—what is that low-cost housing project per family unit in these great, big apartments or these large establishments that are proposed to be insured under this amendment. The answer came back in that case, just as it did here—that he was not able to tell, but the witness on that occasion, who is the proponent and the man who is advocating it, when further pressed for an answer, his idea and his statement was that the low-cost housing per unit should not be less than $10,000.

If we are going to insure projects of this kind under this measure then the small home owner of the country will have no chance at all, and the primary purpose, I call to the attention of the members of the Committee, of this bill is to try to protect, so far as we can, the small home owners of the Nation, those who are most needy and most in distress.

In my opinion, the enactment of this amendment in large measure will throw down the bars and deprive those who are most in need of help of receiving the benefit which they should have under the bill.

Mr. LANZETTA. Will the gentleman yield?

Mr. WILLIAMS. Yes.

Mr. LANZETTA. Will the gentleman tell us what is to become of the tenement dweller of the city if you are not going to take care of him along with the private home owners?

Mr. WILLIAMS. The tenement owners?

Mr. LANZETTA. I refer to the tenement dwellers.

Mr. WILLIAMS. The bill also provides for renovation and improvement within the limits prescribed.

Mr. SISSON. For tenements?

Mr. WILLIAMS. Yes; tenements.

[Here the gavel fell.]

Mr. LANZETTA. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. PRALL. Would the gentleman bar the rent payer? Does the gentleman put the rent payer in a different category from the home owner as one entitled to consideration by us?

Mr. WILLIAMS. I concede there may be some such claim, provided you can write into this legislation limitations that can be practicably enforced and applicable to this situation. I do submit that the amendment of the gentleman from New York does not do this, and the members of the committee were absolutely opposed to the proposition for the reason it is not practical and it throws wide open the doors so far as this insurance and so far as the loans are concerned upon which such insurance may be made.

Mr. BEEDY. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Yes.

Mr. BEEDY. The gentleman from New York, in his question, forgets the purpose of the bill, which is to encourage building. Rent payers cannot borrow to build unless they have a long-term lease, and rent payers in the slums do not have a long-term lease; in other words, they are not home owners.

Mr. PRALL. The gentleman from New York understands the purposes of the bill.

Mr. BEEDY. But for the moment the gentleman lost sight of the purpose, I suggest.

Mr. PRALL. Not for a moment.

Mr. BEEDY. The gentleman does not contend that the rent payer can come in under the terms of this bill and cause any building to be done?

Mr. PRALL. I may tell the gentleman from Maine that I believe the rent payer is just as much entitled to decent living conditions as the home owner.

Mr. BEEDY. There is no question about that and nobody denies that.

Mr. PRALL. And simply because we cannot place a limitation on this particular part of the bill should not bar the rent payer, whoever he may be, who is perhaps in a poorer class than the home owner, from having decent living accommodations.

Mr. BEEDY. Absolutely not. There is no question about that.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. Yes.

Mr. WHITTINGTON. Is it not true that in all legislation, both for the home owners in the municipalities and for the farm owners in the country, there has been a limitation on the amount that may be obtained from any of these organizations?

Mr. WILLIAMS. The gentleman is absolutely correct and that is the objection we have to this amendment. So far we have not been able to make any determination about that, and so far as the gentleman who wrote the original provision in this law is concerned, as I said a while ago, he himself could not suggest to our Committee any language which would cover the situation and put a limitation upon it, which, in our opinion, is absolutely necessary in order to preserve this legislation in the interest of those for whom it is intended.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. O'CONNOR. I will attempt what that gentleman could not do. In the Public Works Act we have a provision for low-cost housing. I should not imagine anyone did not know what low-cost housing is. It runs between $6 and $12 a room, depending on the locality. This is known to the world and in every housing project submitted to the Public Works Administration they figure in New York from $6 to a room to $8 a room in some places depending on the locality.

Mr. GOLDSBOROUGH. Will the gentleman yield?

Mr. WILLIAMS. I yield.

Mr. GOLDSBOROUGH. I want to ask the gentleman if the witness to whom he referred did not fix the rental at $40 a month?

Mr. O'CONNOR. They fixed it $11 per month per room.

Mr. GOLDSBOROUGH. Look at the record.

Mr. O'CONNOR. Well, he made a mistake.

Mr. COCHRAN of Missouri. Mr. Chairman, permit me to inform the House the Public Works Administration recognized the appeal of public-spirited citizens of St. Louis, who advanced money, came to Washington, and were recognized under the Public Works Administration Act to construct a low-cost housing project.

Last week the ground was broken in my district for that project, and there is not one person who will occupy an apartment in that low-cost housing project that would be able to benefit under this act unless the pending amendment is adopted; not one, because they do not make the money necessary to enable them to benefit under the act. Are we to forget those who do not make enough to build but must rent? I think the act could be so worded as to take care of the tenants as well as the home owner. [Applause.]

Now, I should like the attention of the chairman of the committee a moment. I have a telegram that appeals to me to support the housing act. The sender says it is a splendid piece of legislation. But he wants me to consider carefully section 105 of title 1 and hopes there will be discussion and a record vote on striking out that section, which provides unfair competition for community thrift and home-financing institutions by providing insurance for existing individual mortgages. And he says without this section it will amply carry out the President's program and aid greatly in business recovery. It is signed by Axel Hawkinson, president.

Will the gentleman explain to me why this section is unfair?

Mr. STEAGALL. I did not quite catch the provision to which the telegram applies. Is it for the new home-construction or existing homes?

Mr. COCHRAN of Missouri. It is that language relating to insurance for existing individual mortgages. The telegram says that is unfair competition for community thrift and home-financing institutions. Is that in the bill advocated by the President?

Mr. STEAGALL. Certainly.

Mr. COCHRAN of Missouri. In that event I see it is useless to even advocate striking out the language referred to because both the committee and those advocating the original bill are against it.

While I am on my feet I want to say that I feel it is our duty here to so word this bill that it will put the skilled mechanic to work. Coming from a large city I am aware of the situation confronting the men engaged in building homes and construction work of all kinds. The building trades are suffering as they never suffered before. They are in actual need; many on relief rolls, others supported by their organizations. In advocating this legislation the President not only had in mind proper housing for the people but he also was aware it would give employment to men in the building trades. This is one of the most important pieces of legislation considered at this session. It is a real step toward recovery.

Mr. O'CONNOR. Mr. Chairman, the language offered by the gentleman from New York [Mr. PRALL], a distinguished member of the Committee on Banking and Currency, restores to this bill, on page 47, the language "and low-cost housing projects." That language was contained in the original administration bill, but the words were stricken out by the committee. Why, we have not heard. We now propose to restore these words as we also propose to restore title II to the bill, as it was sent here by the administration and which title was stricken out by the committee. Why, we have not yet heard. Those are the two big issues before this House. The question is whether or not these two provisions shall stay in the bill. We men from the metropolitan sections of the country are not selfish about this matter. I have been in this Congress for six terms, and no man can mention a farm-relief measure from the McNary-Haugen bill, the stabilization fund, the debenture plan, or any other farm relief that I and most of the Members from the big cities have not enthusiastically supported. Please do not forget that recently we supported the Bankhead cotton bill, the tobacco bill, the drought relief bill—in fact every bill to aid the farmer and the small communities.

We have a difficult situation in our cities—not in Chicago, not in New York, not in St. Louis alone, but also in the smaller cities like, for instance, Elizabeth, N.J., or Buffalo, N.Y., even cities of only 50,000 people. All our cities are interested in the proposal for low-cost housing. There is no mystery about what low-cost housing means. I just stated it to the gentleman from Maryland [Mr. GOLDSBOROUGH], but he, being against the program of the administration, refused to listen.

Mr. SIROVICH. And is it not a fact that unless the amendment of the gentleman from New York [Mr. PRALL] is agreed to, it will be absolutely impossible to replace slums in New York City or any city?

Mr. O'CONNOR. In any city, large or small. There is no mystery about what "low-cost housing" means. It is well defined. It means slum-clearance projects where the rents per room are low enough so that the people who rent them can pay the rent. Those rents run from $6 to $11 per room, with $8 as the average point at which most of the authorities aim. Under this bill this Board has as complete control over the prices per room to be charged as the Public Works had when it pretended to pass on many housing projects, which that Board, in its whim and fancy, never intended to see through. If the rents proposed are too high, the Board will not approve of the project. "Forty dollars" a room, as suggested by the gentleman from Maryland [Mr. GOLDSBOROUGH], must be an error. Forty dollars a "tenement" would even be an error, because these tenements average about three rooms each, and the rents should not exceed a total of $25 per month. You have a provision in the bill to insure the amortized mortgages on homes worth not more than $20,000. Well, a $20,000 home is quite a home. Twenty thousand dollars on an average throughout this country is quite a home. The committee seems to have no reluctance in insuring a "home" or shall we say "mansion", worth that amount. The Government is not "lending" money under the bill. Lending on mortgage is provided for under the Home Owners' Loan Act. This bill provides for insuring amortized mortgages on homes, and all we ask you to do is where Federal or city agencies or special corporations created by the State, with limited dividends and other restrictions, build housing projects and issue amortizing mortgages, that the money be used to insure those mortgages within the limitations applying to other homes, insured in this bill. What objection can there be to that?

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. MARTIN of Colorado. I believe the feeling on the part of the Members from the West as to the record of the gentleman from New York and his sympathetic attitude toward their legislation is exactly what he says it is and I do not believe the opposition to this title II comes from that section.

Mr. O'CONNOR. I am sure the gentleman is correct. Surely the Members from farm districts which we have consistently helped will not now forsake us "city fellows."

Mr. MARTIN of Colorado. It seems to me that it is coming from some of the big Eastern cities.

Mr. O'CONNOR. I do not know that, but I do know this that, opposition to title II being left in the bill cannot come from anybody who claims in the smallest degree to support this administration. Their lip service will not do. This debate will be the test as to who are the real supporters of the administration.

Mr. MARTIN of Colorado. I have heard some of them get up here from the popular centers of the East and express thanks that title II is stricken from the bill.

Mr. O'CONNOR. I fear they represented building-and-loan associations as counsel or otherwise. Speaking of title II for the moment, we propose to restore that title to the bill. If it is not restored to the bill, and if this provision as to low-cost housing is not put back in the bill then I call upon the administration supporters to vote against the passage of the bill, as I shall vote against its passage. [Applause.] I want to see the committee do the fair thing by the Democratic majority of this House. Unless the committee accepts this amendment for low-cost housing and, also, accepts the restoration of title II, that committee is not faithful to the administration, nor is it faithful to the Democratic majority of this House, to the 313 Democrats of which that committee is but an arm, or an agent.

Mr. CONNERY. And outside of the purely financial aspect of this situation there is the tremendously important health feature to the people, to give them a chance to live in a decent place.

Mr. O'CONNOR. Oh, it is much more important to clean up a slum in one of our cities than it is to put a

new front porch on a home in Squeedunk, or an electric ice box on the back porch, as title I proposes to do—take your choice. I hope this amendment for low-cost housing will be agreed to, as the President wishes it to be.

Mr. LUCE. Mr. Chairman, doubtless there is no Member of the House who does not sympathize with the reform known as "slum clearance." Granting that we would all like to help along this reform in which we have made slower progress than the countries of the Old World, yet there remains the question of how it should be done. Members of your committee, by a large majority, reached the conclusion that this is not the time and place to do it, and for these reasons: First, this measure is one to give immediate relief to the building industry, and its particulars have been planned with the greatest care to secure quick relief. Slum clearance is one of the slowest measures upon which we could embark. As a rule, it takes 6 months, if not much longer, to clear up titles. It then takes many months to execute the contracts, and those of you who have watched post-office construction programs throughout the country are well aware that this could bring no help to the construction trade until next year or possibly the year after.

Secondly, however admirable this reform, it is not a reform that should be undertaken by the Federal Government. It is a problem for the States and for the cities. It is conspicuous that the argument so far presented has chiefly come from the richest city in the world, unless London excels it. It comes from a city which, by making the request, acknowledges its incapacity to meet its own problems, and it calls upon distressed sections of the country to contribute to a program that ought to be carried out by the city of New York itself.

Mr. LANZETTA. Will the gentleman yield?

Mr. LUCE. When I have finished my remarks.

Furthermore, it is not a reform that will be of service to the great masses of the people. I am informed that the Prudential Life Insurance Co. has recently, in the depression, undertaken the erection in Newark of such structures as are here contemplated, and has been unable to provide them without loss at a monthly rental of less than $10 a room. Now, that is $50 a month for a family occupying five rooms, and that is $600 a year. Rental takes one-fifth of the family income. Therefore, apartments furnished by this program are not of service to anybody with an income of less than $3,000 a year.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. LUCE] has expired.

Mr. LUCE. I ask unanimous consent to proceed for 5 additional minutes, Mr. Chairman.

Mr. PATMAN. Reserving the right to object, and I do not intend to object, the gentleman is making a very persuasive argument to one not fully informed as to the facts and conditions, and I always like to hear him, but I am afraid the gentleman is making the kind of an argument that was made in the committee that persuaded the committee to not destroy a good administration bill, but to take from the administration bill one of the very vital sections.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. PATMAN. Reserving the right to object—I had not finished. The regular order has not been called for. I hope the gentleman will be as considerate in the future of my request as I am of his.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. SIROVICH. Reserving the right to object, may I ask the gentleman a question?

Mr. LUCE. Certainly.

Mr. SIROVICH. In the district that I represent in Congress we have the worst kind of slum districts. There are over 40 acres where people live in slums that were condemned 40 years ago, and they are paying a rental of $8 or $9 or $10 a week today. Is my distinguished friend willing to go on record as saying it would not be better to tear them down and give those people a wholesome, clean house at $10?

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. ELLENBOGEN. Reserving the right to object, and I do not intend to object.

Mr. CARTER of California. Mr. Chairman, the regular order.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. LUCE]?

There was no objection.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. ELLENBOGEN. The gentleman from Massachusetts stated that the demand comes largely from the city of New York. Therefore I would like to say that the city of Pittsburgh heartily endorses this amendment.

Mr. LUCE. The need of slum clearance is evident in all cities. I pointed out merely that it was most conspicuous from New York, and to my good friend from New York who interrogated me a moment ago I would say, as I said in the beginning, that we are in complete and full sympathy with his purpose and his desires. We believe the thing ought to be done, and we believe his city ought to do it.

Mr. SIROVICH. But the banks control these mortgages. They take them away from people whose equity has been lost, and they do not, because of their condition, rebuild those slums. The gentleman is making a speech now that will preserve those slums for a hundred years more. This is the time to wipe them out all over the country. We are not asking for any grant from the Federal Government, but will pay it back as the years will give us a chance to amortize it.

Mr. LUCE. I do not desire to enter into any discussion of the details of this program. I still say it is the right, the duty, the opportunity, and within the power of the city of New York to clean up its own slums.

Mr. LANZETTA. Will the gentleman yield?

Mr. LUCE. I yield.

Mr. LANZETTA. Does the gentleman know that most banks in New York City refuse to make any loans on mortgages in the so-called "slum districts"?

Mr. LUCE. May I ask if they will refuse to make those mortgages after you have destroyed your slums?

Mr. LANZETTA. Yes.

Mr. LUCE. Will they not make mortgages on real estate if the land has been cleared?

Mr. LANZETTA. Not in certain sections. They refuse absolutely.

Mr. SIROVICH. If they will clear them, they will give loans.

Mr. O'CONNOR. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. O'CONNOR. The gentleman from Massachusetts is a student of this subject. This particular section is not to loan money to New York City or anybody else. If New York City has its city-housing corporation and furnishes the money and loans the money to somebody else in an amortizing mortgage, all this section does is to allow this Board to insure those amortizing mortgages.

No money comes out of the Federal Treasury to build that housing project in New York. Now, is not that the situation?

Mr. LUCE. But it is no more pertinent to this bill than would be a provision to insure mortgages on factories or any kind of commercial structures.

Mr. O'CONNOR. But these are places where people live; this is a housing proposition.

Mr. LUCE. And this is a proposition for the man of small means, for those who are suffering most in this emergency, not for the man who earns $3,000 a year and can pay $10 a room a month rental for his home.

Mr. O'CONNOR. The tenants in New York are largely men of small means, men who cannot pay $10 a room per month rental. These men do not make $3,000 a year. The average working man in New York City does not make over $25 a week.

Mr. LUCE. Therefore, it is proved conclusively that these apartments will not be occupied by the poor people of whom



the gentleman speaks, but that they will be occupied by the well-to-do.

Mr. O'CONNOR. They will not be occupied by the well-to-do; they will be occupied by laboring men who usually pay 25 percent of their income for rent, which would be $25 per month for three rooms at $8.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield further?

Mr. LUCE. Surely.

Mr. SIROVICH. Mr. Chairman, I want to call the attention of my colleague, who casts aspersions upon the great State and city of New York, that when Boulder Dam, Muscle Shoals, Mississippi flood control, and Federal farm relief came before Congress 29 Members of the New York delegation voted in behalf of relief for those sections of the country. We make the plea today that the Members from those sections help us get rid of these slums, which for 140 years have not been cleared up.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LUCE. Mr. Chairman, I ask the gentleman if the same delegation of 29 New York Members voted unanimously to unload the Erie Canal on the Federal Government?

Mr. BEEDY. Mr. Chairman, will the gentleman yield?

Mr. LUCE. I yield.

Mr. BEEDY. I would suggest that it might help the people of the city of New York in alleviating the slum problem if the gentleman wrote a song for them on that subject.

Mr. SIROVICH. Yes; I will write a song; and in that song I shall stress the justice of removing this evil.

Mr. BROWN of Kentucky. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, it is entirely proper that the opposition to this particular amendment should come principally from the minority. On last Friday there was read the message of the President of the United States in which the President outlined perhaps the greatest humanitarian problem that has ever been presented to any legislative body. One feature of that program was proper housing for the people of this country, and it is entirely proper that from this side of the aisle we should hear the argument advanced: "That may be all right, but this is not the proper time or place to do it."

Was there ever a better time to give decent housing conditions to the people of the cities of this country than right now? [Applause.]

I say frankly to some of those whom I opposed yesterday: "You are here voting on a vital part of the President's program." Yesterday I voted against a part that was not in his program. It is true that the chairman of the committee brought in a letter purporting to give the recommendation of the President to that particular minor feature; but it was not a part of the constructive recovery program.

As the gentleman from New York [Mr. O'CONNOR] said earlier today, the whole meat of the housing program is bound up in section 2 and in the slum-clearance features of this bill.

Mr. Chairman, permit me to say to those who yesterday were calling on me to follow the President's recommendation, that I am going to be watching them when they vote on this feature, because this is close to the President's heart. This is the third point in the three-point program that he laid before us the other day when he said that old-age pensions, unemployment insurance, and proper housing for our people shall be the future goal of the recovery program.

The argument that this helps solely the city of New York ought to get no consideration from the membership of the House, because, I submit, Mr. Chairman, that whenever there is an unemployed man in New York he cannot buy the tobacco raised in the State of Kentucky, and so long as there are hungry, penniless families in the slum districts of New York they cannot buy the food products raised on Minnesota farms. This country has got to go forward, not by districts, not by sections, but as a united whole; and this is the program the President has laid before us and asked us to put forward. I trust the Members from the far reaches of the West will join today with those who represent the more crowded sections, the cities where are found the slums—they will join with us to amend this bill that we may carry out the original intent of the President; restore the bill to the form it was before it was gutted by the Committee on Banking and Currency.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Kentucky. I yield.

Mr. O'CONNOR. Supplementing the statement of the gentleman from Kentucky, permit me to call attention to the fact that in the matter of the processing tax, there was collected in New York $31,847,000 for the benefit of the farmer. How much of this do you think we got back? We got back $55,000.

Permit me, Mr. Chairman, to say to the gentleman from Massachusetts that it was my vote on the Committee on Rules that unloaded the Cape Cod Canal on the United States Government.

Mr. SIROVICH. May I say for the benefit of the gentleman from Massachusetts that it was my vote in the Committee on Merchant Marine, Radio, and Fisheries that helped give millions to Massachusetts for their poor fishermen.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 79, noes 74.

Mr. STEAGALL. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. STEAGALL and Mr. PRALL.

The Committee again divided; and the tellers reported there were—ayes 102, noes 76.

So the amendment was agreed to.

Mr. PRALL. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. PRALL: On page 47, line 13, strike out the word "such" and insert in lieu thereof the word "home."

Mr. PRALL. Mr. Chairman, this is simply a perfecting and companion amendment to the one the Committee has just voted on.

Mr. SABATH. Mr. Chairman, I rise for the purpose of obtaining some information. We are putting in the word "home", and in view of the conditions that exist in many sections of our country there are a great many buildings that are occupied by the owners that are not properly classified as "homes." Does not the gentleman think it would be better if we would use the word "buildings" in lieu of the word "home"?

Mr. PRALL. No; this simply restores to the individual homes the limitation of $20,000.

Mr. SABATH. I understand that.

Mr. PRALL. And it allows an interpretation of the amendment we have just passed in the low-cost housing projects to go without limit. It simply continues the limit originally intended at $20,000 for the individual home.

Mr. SABATH. Under the present act the Reconstruction Finance Corporation refuses to make loans upon buildings.

Mr. PRALL. Why does not the gentleman offer an amendment to change that in some other way?

Mr. SABATH. I am simply trying to expedite matters.

Mr. O'CONNOR. If the gentleman will permit, the original bill as it came from the administration had in it language that the $20,000 appraisal pertained to homes, so that that limitation would not be on the low-cost housing projects. Under the Home Owners' Loan Act, a home is defined as a place where the owner lives and not more than two

additional families, or, I believe, limits it to three families. This is interpreted as a home upon which the $20,000 appraisal is based. Over and above three families, it is not within the definition of a home.

Mr. SABATH. That is what I had in mind, and I think that should be corrected in this bill.

Mr. O'CONNOR. I do not think it is necessary.

Mr. LUCE. Mr. Chairman, I think I can clarify what is in the gentleman's mind by a question. The purpose of this is to allow the construction of million-dollar rabbit warrens, is it not?

Mr. SABATH. No.

Mr. O'CONNOR. Of course, a $20,000 limitation on a slum-clearance project would be useless, but on a home a $20,000 limitation is quite magnificent.

Mr. LUCE. The gentleman wants to replace the slums with the kind of thing they had in Vienna where they shot them down.

Mr. O'CONNOR. I do not know. I was never so fortunate as to travel, as the gentleman has.

Mr. LUCE. Oh, there were pictures in the papers of those places.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. WHITTINGTON. The effect of this amendment is to leave a limitation of $20,000 on homes without any limitation whatsoever on other property.

Mr. PRALL. Yes.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

I want to call the gentleman's attention to the fact that when he strikes out the word "such", in line 13, page 47, he removes the word which modifies the kind of mortgage or lien on which there shall be a limitation. That word refers to the language in line 6 where it says that the corporation is authorized and empowered upon terms and rules and regulations to be determined by it to insure amortize mortgages and like liens on owner-occupied homes. Now, there is a class of liens which does not come within the classification of a mortgage, and if you remove the word "such" and put in "home", you remove the effect of the limitation of the $20,000 provided for in line 14.

I am going to suggest to the gentleman that to accomplish the purpose of his amendment and still keep the limitation as it was intended in the original draft, he should eliminate the word "such" and after the word "mortgages" he should insert "and like liens on owner-occupied homes."

So the language will read, "No mortgages or like liens on owner-occupied homes shall be insured", and so forth. Mr. Chairman, I offer that amendment as a substitute for the amendment of the gentleman from New York.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. WOLCOTT. Yes.

Mr. ELLENBOGEN. It should read, "No home mortgages or like liens on owner-occupied homes." Otherwise, you will not have the purpose of the gentleman from New York.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Michigan.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT as a substitute for the amendment offered by the gentleman from New York: Page 47, line 13, strike out the word "such", and, after the word "mortgages" insert "and like liens on owner-occupied homes."

Mr. EDMONDS. Will the gentleman yield?

Mr. WOLCOTT. I have the floor.

Mr. EDMONDS. I received a communication from the proprietors of a project that involves an expenditure between forty and forty-five million dollars. They were proposing to borrow from the Public Works Administration. Do you suppose under this they are going to receive an insured mortgage?

Mr. WOLCOTT. I think under the amendment accepted by the Committee there is no limit to the amount for insurance for low-cost housing, but there still is a limit on the amount of insurance on owner-occupied home mortgages and liens.

Mr. EDMONDS. And the $45,000,000 project would come in under this and be insured?

Mr. WOLCOTT. I understand there is no limit under the amendment just adopted.

Mr. O'CONNOR. The gentleman does not mean that it would not be limited by the $20,000?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PRALL. Mr. Chairman, we accept the amendment as a substitute.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Michigan.

The question was taken, and the substitute was adopted.

The CHAIRMAN. The question now is on the amendment as amended by the substitute.

The question was taken, and the amendment was agreed to.

Mr. PRALL. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk:

The Clerk read as follows:

Amendment offered by Mr. PRALL: After the word "result" add a new section, as follows:

"The corporation may also insure mortgages on property held by (1) Federal or State instrumentalities created for the purpose of providing housing for persons of low income or (2) corporations created for the purpose of providing housing for persons of low incomes which are regulated either by law or by the corporation as to rents, charges, capital structure, rate of return, or methods of operation."

Mr. STEAGALL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to. Accordingly, the Committee rose; and the Speaker having resumed the Chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill H.R. 9620 and had come to no resolution thereon.

SERVICE OF CHAIRMAN M'SWAIN

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the gentleman from South Carolina, Mr. MCSWAIN, Chairman of the Committee on Military Affairs, and to include therein a resolution adopted by the committee this morning.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILL of Alabama. Mr. Speaker, I believe in according praise to those who have faithfully and conscientiously done their duty. Therefore, I was very happy when Representative EWING THOMASON, of Texas, offered a resolution in the Committee on Military Affairs expressing the estimate of that committee of the services of its chairman [Mr. MCSWAIN]. This resolution was unanimously adopted, and my personal feeling is that it inadequately expresses the feeling of the individual members of the committee toward our chairman. Mr. MCSWAIN's devotion to duty, his consideration for all members of the committee, irrespective of party, his courtesy, and his fairness as a presiding officer, have endeared him in our affections.

Mr. Speaker, I feel that the least I can do to assist in recording the opinion of the Committee concerning the services of our chairman is to ask that the resolution of the Committee be printed in the RECORD in connection with my remarks. Furthermore, I venture to express the belief that this estimate of the services of Mr. MCSWAIN, expressed by the members of the Committee on Military Affairs, would also be the estimate, opinion, and judgment of all Members of this House, if they were asked to express their feelings.

I now insert the resolution, by direction of the Committee on Military Affairs.

JUNE 12, 1934.

Resolution offered by Mr. THOMASON, of Texas

As this is probably the last general meeting of the Committee on Military Affairs of the House of Representatives for the Seventy-third Congress, we deem it proper to record upon the minutes of this committee our estimate of the services of our chairman, the Honorable JOHN J. MCSWAIN. We testify most sincerely to the soundness of his judgment, to the fairness of his rulings,

and to the unflagging industry with which he has pressed the work of the committee. While our chairman is a man of firm convictions and fearless in their expression, yet he is courteous, considerate, and fair to all who differ in opinion from him. He gives every interest patient and full opportunity for hearing and has never sought to force his own opinions upon the committee as a whole or upon any individual member thereof. That he has the confidence of every Member of the House of Representatives is shown by the fact that the resolution by Mr. McSWAIN, authorizing this committee to conduct investigations into War Department financial transactions, was unanimously passed by the House, and subsequently a resolution putting at his disposal, subject to the approval of the Committee on Accounts, the sum of $10,000 to defray the expenses of such investigation, and both said resolutions passed the House of Representatives without a single dissenting vote on either side.

Since such resolutions were passed, investigations have been vigorously, intelligently, but fairly conducted under his general supervision, and may result in returning to the Treasury of the United States large sums of money, and most probably will result in such legislation and regulations in the future as to save to the Treasury of the United States, even in the next few years, during the probable expansion of the air-defense program, many millions of dollars. Therefore, be it

Resolved by said Committee on Military Affairs, That the thanks of this committee are due to our chairman, the Honorable JOHN J. McSWAIN, for his fidelity to duty, for his laborious discharge of the work of his office, for his zealous efforts to enforce economy without sacrificing efficiency, for his progressive and sincere efforts to promote the cause of national defense in all of its aspects and relations, and for the kindness, courtesy, and fairness with which he has presided over their deliberations.

Unanimously adopted June 12, 1934, by Committee on Military Affairs.

Attest:

KENNETH ANDERSON, *Clerk*.

SOME PHASES OF THE NEW DEAL

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to extend my remarks by incorporating in the RECORD an address delivered by our colleague the gentleman from Virginia, Mr. ROBERTSON, at Richmond University.

The SPEAKER. Is there objection?

There was no objection.

Mr. BANKHEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address delivered by Hon. A. WILLIS ROBERTSON, of Virginia, before the General Alumni Society of the University of Richmond on the evening of June 11, 1934:

Mr. President, honored trustees, and fellow alumni, the best evidence of my appreciation of the honor of being invited to address you tonight is the fact that I am here. When I protested to the distinguished president of the General Alumni Society that my duties in Congress were so strenuous I would have no opportunity to prepare an address worthy of such an occasion, he suggested that without preparation and in an informal way I could give you tonight some of my impressions of the new deal.

If, therefore, I may be exonerated of violating the proprieties of the occasion, I will undertake to present to you some phases of the new deal; and not, I hope, in a purely political or partisan manner, but rather after the manner of an observer of political and social trends. In attempting to evaluate the various phases of the new deal I realize that I lack perspective, and likewise that I am not without a certain amount of bias. Since March of 1933 I can say, like Ulysses of old: "Many things have I seen—a part of which I was." No doubt many of you who have viewed the work of the present administration from a distance have a better conception of what has been done than some of us who have been in the thick of the fight. The soldier in the ranks makes a poor historian of the battle; but, at any rate, I will be glad to give you some of the impressions I have gained in Washington.

I went to Washington in March 1933 with the very definite idea that I was a liberal. Teddy Roosevelt was engaged in his trust-busting activities when I was studying Woodrow Wilson's State under that great liberal thinker and inspirational teacher, Dr. S. C. Mitchell. My first political activity was as a Woodrow Wilson delegate to our State convention in Norfolk in the summer of 1912. In the Chicago platform of 1932 and in the compaign speeches of Franklin D. Roosevelt, I felt that there was a revival, after 12 years of reactionary policies, of the liberalism of Woodrow Wilson. You may, therefore, imagine my surprise after a few months' service in the House to find myself classified as a conservative, and I am still so classified by my colleagues, notwithstanding the fact that I have supported the President's entire recovery program.

I mention this for the purpose of focusing your attention upon the fact that the President is more conservative than the Congress. The economy act was passed by a narrow margin and at the earnest solicitation of the President. Most of the savings of that act were at this session wiped out by a bill that was passed over his veto. The bill providing for the immediate cash payment of the bonus and coupled with the issuance of $2,000,000,000 of paper currency without any metal base was passed by the House in spite of a certain Presidential veto. During the special session, the Congress passed a much broader currency bill than the President had recommended, conferring upon him three-way currency inflation powers, only one of which he has so far used. If time permitted, I could cite you numerous instances in support of my assertion that the Congress has been restrained by the President from taking action that by many would be called radical.

When we came to Washington in March 1933 a great fear had possessed the hearts of many of our captains of industry. During those first stabilizing months they voiced no criticism of anything the President proposed, and in the House we had the heartiest support of our colleagues on the Republican side. Now, that the dangers that confronted us in 1933 have been successfully passed, there is criticism of the program from some business interests and from many Republican leaders. One Republican Congressman from New York even came to Richmond a few weeks ago to voice his criticism of the program and to charge the Congressmen from Virginia with paying lip service only to Thomas Jefferson. It is rather amusing to see the Representative of a silk-stocking, dyed-in-the-wool New York Republican district coming to Virginia as the true exponent of Jeffersonian principles. The essence of Jeffersonian democracy is that the welfare of the masses is entitled to prior consideration. Therefore, we find him writing in his immortal declaration, with respect to certain inalienable rights of the masses, that: "Whenever any form of Government becomes destructive of these ends, it is the right of the people to alter or abolish it, and to institute new government, laying its foundation on such principles, and organizing its power in such form as to them shall seem most likely to effect their safety and happiness." That thought was paraphrased by Lincoln in his first inaugural address when he said: "This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing Government, they can exercise their constitutional right of amending it, or their revolutionary right to dismember or overthrow it."

And it was of Lincoln, the founder of the Republican Party, that the New York World in 1863 said: "The administration shines, like the moon, by reflected light. It borrows its ideas and policies, as far as it has any, from these crazy radicals. By surrendering itself to their wild, reckless guidance it is ruining the country." And yet it is to Lincoln, the believer in the welfare of the masses, that this Nation has erected in Washington a $3,000,000 memorial—the most costly monument ever erected to any public servant in the United States.

The conditions that existed in this country in 1933 are still too fresh in the minds of all to need repetition, but they must be borne in mind if we are to interpret properly the steps taken to correct them. When I was nominated to Congress in September 1932 I wrote my old Richmond College history teacher for suggestions as to a program for congressional action. I knew that he was honest, that he was a deep student of government and social trends, and I likewise regarded him as a worthy exponent of Jeffersonian democracy. These are some of the suggestions that he made to me on September 16, 1932:

"1. Unchoke the channels of trade—

"(a) By reducing tariffs:

"(b) By a trade agreement with Russia. (I favor recognition of Russia.)

"(c) By adjusting interallied debts. (I favor virtual cancelation of war debts in spite of our platform.)

"2. Strengthen our domestic situation—

"(a) By reform of our banking system. In the United States in the last 10 years there have been over 10,000 bank failures. In England, none; and in Canada, 1. What more need be said?

"(b) By wise Federal control of the stock exchanges.

"(c) By revival of supervision by State Department of foreign stocks and bonds.

"(d) By State unemployment insurance, by a small charge upon (1) employers, (2) workers, and (3) States.

"3. Create good will in Latin America—

"(a) By withdrawing marines from Haiti, Nicaragua, etc.

"(b) By discouraging economic exploitation of Latin America by our bankers and big business.

"4. Independence for Philippines within 8 years.

"5. Reduction of the Budget for—

"(a) Army and Navy consolidation of Army, Navy, and Air Force in one Department of National Defense.

"(b) By reorganizing bureaus and commissions of Federal Government.

"These may suggest things essential. Our economic order is breaking down. The crisis demands change. We can control change. Our hand is on the throttle.

"If our statesmen do not guide changes now, we must expect revolution. Ten million men out of work means that."

I know that every alumnus of Richmond College is gratified that virtually every one of the suggestions made to me in September 1932 by a Richmond College professor have subsequently been incorporated into what we call the "new deal."

That brings me to my first definite impression of the new deal, which is its insistence upon honesty in both governmental and business operations; honesty in our dealings with the peoples of foreign nations, both large and small; honesty in our banking and currency; honesty in the dealings between employer and employee; and honesty in the dealings between producer and consumer. If we are to build an enduring social system, it must have its foundation in common honesty.

The effect of our depression was intensified by dishonesty that permeated both Government and business and destroyed confidence. We lost confidence in the sincerity of officials in high place; we lost confidence in our banks and bankers; we lost confidence in the application of the fundamental rules of social justice; and both as individuals and as a nation we engaged in the ruthless game, as the Secretary of the Interior recently said, of "catch-as-catch-can." One of the purposes of the new deal is to restore confidence and good will between individuals and between this Nation and the other nations of the world. That progress has been made in that undertaking cannot be denied. As a Nation we have improved our status with our Latin-American countries by the Montevideo Conference, the freeing of the Philippines, the treaty with Cuba, including the reduction of our duty on Cuban sugar, and the withdrawal of our marines from Central America. The passage of the Reciprocal Trade Treaty Act should enable us to establish more friendly relations with other nations and to take steps to unchoke the channels of commerce. We have confidence in the national credit, as is evidenced by the fact that all Government bonds, whether issued directly by the Treasury or merely guaranteed by the Government, are selling above par. Confidence in our banks has been restored, and we now have on deposit in them more currency than ever before in the history of the Nation. While the present relationship between capital and labor leaves much to be desired, Walter Lippman assures us that after each depression labor strikes have been the harbinger of returning prosperity.

In our efforts to meet the great national crisis, I frankly admit that certain restrictions have been placed upon individual action, but where the individual has been restricted it has been for the purpose of promoting equality of opportunity. I call your attention to the fact that every such restrictive law, or law of regimentation if you please, is expressly designated as emergency legislation and specifically limited as to duration. In other words, the restrictive laws, especially the A.A.A. and the N.R.A., have been experiments. I have not personally approved of everything contained in every bill nor seek now to commend, in every detail, the manner of their administration. I have confidence that even before they expire of their own limitation the President will abandon the features of the recovery acts that are found to be impractical.

The new deal has accomplished more tangible results for agriculture than any previous Federal program. There are two factors in the agricultural problem that make it extremely difficult to deal with. One is the law of supply and demand, that outranks the laws of Congress, and the other is the fact that export farm commodities are not a domestic but an international problem. The farm commodities that have been named as basic commodities have been so named and regulated at the request of those who produce them. Ninety-five percent of the cotton growers petitioned for the enactment of the Bankhead bill.

The cotton growers of America in the spring of 1934 faced a carry-over crop sufficient not only to supply our domestic needs but our potential export market without 1 pound of new cotton being produced. Without curtailment, there was prospect for a 14,000,000-bale crop for 1934, the production of which would have meant 6-cent cotton, or less. The cotton farmers petitioned Congress to enact a law that would limit the 1934 production to 10,000,000 bales. The tobacco growers of Virginia are seeking a compulsory reduction law of a somewhat similar character. My belief is that an adjustment to market requirements, regulation of commodity exchanges, better distribution of farm crops, the refinancing of existing farm mortgages at a lower rate of interest, and the lowering of the value of the dollar in foreign exchange will help to improve rural conditions. The real farm recovery will not come until we have regained our foreign markets as an outlet for our surplus production. We do not have the gift of prophecy nor can we pierce the veil of the future. Nature can set at naught our best laid plans for arbitrary control. I likewise believe in a maximum of personal liberty and private initiative, consistent with the welfare of the whole. There would be no food shortage in Russia if the peasant farmer were permitted to produce for private sale and personal profit.

Some of our western farmers seem to think that their recovery hinges upon the issuance of seven or eight billions of greenbacks or the remonetization of silver. Bob Ingersoll said that he wanted every greenback to be able to stand on end and say: "I know that my redeemer liveth." And what Cleveland told the Congress in his message of August 9, 1893, concerning unsound money is just as true now as then. It is not the amount of currency in circulation but the velocity of circulation that makes prosperous times. Our banks are bursting with currency now but it has no velocity of circulation. The banks have enough currency to justify new bank credits of 100 billion dollars.

Our farm program has been imperfect, but at least the new deal stopped the process of deflation and bankruptcy. Our National Recovery Act has not worked uniformly well but it has put men to work, under better working conditions, and it has promoted a higher code of ethics in business dealings. These are two phases of the new deal that have been criticized.

Federal expenditures is another phase of the new deal that is being criticized. Roger Babson says the Republicans subsidized industry and the Democrats are subsidizing unemployment. Personally, I believe in what President Cleveland said in his message returning, without his signature, a bill for the relief of Alabama cotton growers, sponsored by the father of the present Senator BANKHEAD. In refusing to approve the appropriation, Cleveland said: "It is the duty of the citizen to support the Government and not the duty of the Government to support the citizen." But our vast public expenditures have not been to support citizens but to keep citizens from starving. In the famous British debt repudiation case Patrick Henry said: "There is no law of the land higher than the law of necessity." There could be no higher necessity than the feeding of the hungry. It is better to feed the hungry through means of honest employment than through a dole. Again I ask you to recall what Dr. Mitchell wrote me in the fall of 1932—10,000,000 unemployed and what we could expect if they could not get work.

Edmund Burke, a great statesman, said that nations do not learn by experience. Apparently some individuals do not either. Nations have learned little about peace from the experience of war. The ruling class of Russia learned little about social justice from the hardship and suffering of millions of serfs and peasants. Of some of those sent into exile it has been said: "Only in future years when their sins have taught them charity, and their despair has taught them hope, and their loneliness has led them to faith, they shall listen again to the sound of bells coming across the fields and comprehend and reverence the symbolism of the cross."

We want in America a social order that can comprehend and reverence the symbolism of the cross; a social order in which the individual who while free from compulsory regimentation and enjoying a maximum of personal liberty is nevertheless a self-disciplined member of society, trained under the principles of our great Confederate leader, who said: "Teach the child to deny himself"—and who not through compulsion but of his volition is regardful of the rights of others. We want a social order in which the youth of the land, as Webster said, "will be imbued with a fear of God and a love for their fellow man." If any citizen of the United States feels that the present vast expenditures of the Federal Government, made as I have indicated above to relieve distress and to overcome the worst economic depression of history, is but the commencement of the overthrow of President Cleveland's theory that it is the duty of the citizen to support the Government, he has misconstrued the social implications of the new deal. The Royal Bank of Canada in its June survey of recovery in the United States during the last year said that it "is an amazing spectacle to the outside world. With an increase of about 25 percent in commodity prices and 100 percent in security prices", the bank declares, "the index of business activity in March 1934 was carried 44 percent above that of the previous March." But every sane man must realize that governmental operation alone cannot win the war against depression. As Goldsmith remarked, "Of all of the ills that human hearts endure, how small that part which kings or laws can cause or cure." Our future economic destiny lies in our own hands. By honesty, industry, and frugality, and by those actions alone, we can and should rebuild our lost fortunes.

And to those critics of the new deal who point with alarm to prospective fiat money and financial chaos I recall the solemn promise of our great leader that the emergency expenditures are emergency expenditures and not permanent commitments, and that in the preparation of our National Budget for 1936 we will balance our Budget, not on a special set of ledgers but in fact, and thenceforth live within our current revenue. As I have supported our President in the other features of the new-deal plan, so will I support him, if then a Member of the House, in the fulfillment of that solemn promise to the American people. That, my friends, will be the crisis of the new deal.

When only 72 Members of the House were loyal to the policies of the President, the Virginia delegation was united and stood shoulder to shoulder in upholding his hands. And when the big crisis comes in 1935 in the preparation of a sane and sound Budget, I predict that again the Virginia delegation will be found on the firing line, putting patriotism and the general welfare of the Nation before selfish demands and radical policies. And to that consummation of a new-deal program to give us a more abundant life in a thoroughly American manner I call upon every loyal son of Richmond College here and now mutually to pledge to each other, as did our forefathers in the trying times of '76, our lives, our fortunes, and our sacred honor.

EXTENSION OF REMARKS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent to extend my remarks and to incorporate therein a eulogy on our late colleague, Judge Almon, of Alabama, by the gentleman from Illinois [Mr. GILLESPIE].

The SPEAKER. Is there objection?

There was no objection.

THE COLLIER PLAN FOR THE INDIAN'S NEW DEAL WILL PLUNGE THE RACE INTO DEEPER MAZES OF RED TAPE

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein a telegram I received protesting against the Wheeler-Howard bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. BEITER. Mr. Speaker, the provisions of the Wheeler-Howard bill, better known as the "Collier bill", are more detrimental to Indian welfare, more autocratic in control, and more dangerous than anything which has gone before

in the 100 years past, that the first Americans have been held as prisoners of war.

There are at present individuals on the Indian reservations throughout America who were quick to see that they might profit personally at the expense of the Five Civilized and other tribes of Indians if the provisions of the Collier proposed legislation are applied. The Indians see this legislation as dangerous to their best interests.

I wish to call your attention to several facts. In the first place, the Collier plan would not grant them any rights of self-government. The Indians have had self-government under the provisions of their treaties made with George Washington. In the second place, the New York Indians and some other tribes throughout the country have never been under full control of the Indian Bureau. Title to the lands has never been in any white's interests, either State or Federal. Their treaties were made while the Indians were still a free people and before all Indians were declared incompetent to handle their own affairs and made wards to the Federal Government. These treaties were made between the United States, a sovereign power, and the Six Nations, a sovereign power. It is because of these treaty rights that they have had self-government, free from Bureau control.

To accept this legislation is to place them under full control of the Indian Bureau. This bill gives to the Secretary of the Interior authority to control the affairs upon the reservation; provides that he shall grant self-government, if he sees fit, or shall withhold it; that he shall prescribe the form that government shall take; who shall be eligible to have a part in that government and hold lands; and all the rules and regulations under which it shall function. If he thinks the Indians are not living up to the rules and regulations which he sets forth, then he can recall all the powers of self-government, which have been granted, and either he, the Commissioner of Indian Affairs, or his subordinate, the Indian agent, shall resume full control.

It has been my experience that few Indians are interested in anything except to have Uncle Sam support and care for them. This is not the Indians' fault, but solely due to generation of fraternalism under our Indian Bureau.

The sweeping control granted in the Collier bill insures Indian fraternalism for generations to come; forces the Indian to be a separate race; deprives him of his rights under the full citizenship granted him in 1924 and revises the dangerous experiments, the life of a condemned bureau—an admitted failure after over 50 years of Indian care.

Duly delegated representatives from many tribes of the United States are bitterly opposed to the passage of this bill, which would mean anything but a new lease of life for the already condemned Indian Bureau system of Indian administration. The tribes from California, Oregon, Montana, North Carolina, and New York, together with Oklahoma, and tribes from other States, realize just what it means to be under full control of the Indian Bureau. These tribes of Indians, with the exception of the New York Indian, can do nothing without the consent of the Indian agent. He is the dictator of everything. They cannot hold a tribal counsel or a ceremonial dance without his consent. They cannot sell their stock or their produce without his consent—and then only to the people whom he designates. They cannot rent their lands except through him. They have to pay a grazing fee to him to graze cattle upon their own tribal property. They have to pay a fee of $2.50 to the Indian agency for permission to butcher a beef for their own use. All money which results from sale of produce or rental of lands is collected by the Indian agent, who deducts a fee before turning it over to the individual Indian. Moreover, he does not have to turn it over to them. He can keep it in his own hands and just issue orders to the Indians. He does not have to give an account to the Indians for this money, and when he does that they have to accept his figures, for they have no way of knowing how much their produce sells for or their land rents for. The Indians are, in reality, held in bondage—helpless slaves to the Bureau of Indian Affairs.

In 1834 this race of freedom-loving people, who had roamed this continent for centuries before the white race came, who had established forms of government, religious freedom, and a philosophy of life which taught them to live with nature, were declared incompetent and made wards to the Federal Government.

Soon thereafter the Bureau of Indian Affairs was established to educate the Indians and fit them to take their place with all other residents of this United States—a free people. It was to exist for 25 years. But it is still in existence, and, judging by the record of the congressional investigation, conditions among the Indians today are the most deplorable and pitiful to be found among any class of people in the United States.

They are helpless to help themselves because this Bureau has complete control not only of the property but also of the person of the Indian. And the Indians have no voice in Bureau government.

There is indeed great need for a new deal for the Indians. As expressed by the bills introduced into Congress, the proposed new deal is being hailed as providing freedom for the Indians. Sounds promising, but let us look at the bills.

They are heavy documents, covering 47 printed pages. They are divided into four titles and cover the legal status of practically the whole range of human activities.

Title I pertains to Indian self-government. Boiling down the technicalities, it means just this:

Upon a petition of one-fourth of the adult members of any Indian community, a charter is to be issued by the Secretary of the Interior giving these Indians the right to organize for self-government. Among other things, this charter shall provide the form that government shall assume, shall state who shall be eligible to participate, and shall specify, limit, and define the powers of self-government which the Secretary shall consider the Indians fit to have.

And if he does not consider them fit for self-government then he shall only set forth the conditions under which a charter will be issued.

Does this sound like freedom? Are the Indians given any choice in the matter? Of what avail is the provision that the charter must be ratified by a three-fourths majority of the Indians when the Secretary of the Interior is to be the sole judge as to the validity of the votes cast?

Or does it sound like further subjection of the Indians to the dictatorial power of one-man control?

Examining this part of the legislation further, we find that careful provision is made to retain all power and authority in the hands of the Secretary of the Interior or the Commissioner of Indian Affairs in the matter of transferring administrative powers to the Indians.

Further than this, at their discretion, the power to recall authority has been provided. Rules and regulations are the theme.

The present helpless condition of the Indians was caused by the ramification of rules and regulations of the Bureau made pursuant to the whims of former guardians. Rules and regulations and Bureau red tape have killed all initiative, curtailed every Indian industry, and reduced the Indian to the condition of serfdom which he occupies today.

And, as if that were not enough, the authority to delegate this power to subordinates is provided.

That means a continuation of Indian agents appointed by the Secretary of the Interior or the Commissioner of Indian Affairs to live upon the reservations, to supervise every act of the Indian lives, and to advise Washington officials that every Indian who complains is a worthless, shiftless, no-account agitator not to be believed under oath.

Freedom for the Indians! This part of the bills is but an empty gesture.

The Collier plan strikes at the very rights which have been maintained by the Indians because of our treaties. It is a subtle effort to trick the Indians into giving up those treaty rights and placing themselves under full control of the Indian Bureau. The legislation states that an election will be held upon the reservation to determine whether the

Indians want it or not. But do not forget, all persons of one-fourth degree Indian blood who reside upon the reservations will vote in that election. And the bill further states that the Secretary of the Interior shall be the sole and final judge as to the validity of the votes cast.

I am informed that many promises are being made by the individuals working for this legislation upon the reservations. Among them is the age-old promise that settlements of their claims are to be made as soon as this legislation becomes the law. Once more that promise of big money is being held out as the bait to ensnare them. Do not forget that if it is paid when this legislation becomes the law, all persons of one-fourth degree Indian blood who reside upon the reservations will share in it. What will happen to those residing elsewhere is not stated.

I call these things to your attention because I believe that with the truth in your hands, you too will see the dangers of this legislation.

The following is an excerpt from a letter to my office under date of June 11, 1934, signed by Alice Lee Jemison ,secretary, Seneca Nation of Indians:

The California Indians are in a desperate situation. Could I please bring these men over to see you about 5:30 this p.m. and let you hear their story? It will be about their final chance. Their claim is against the State and the Department or Bureau which has appointed the attorney general of the State to represent them. The Indians wish to purchase a certain tract of land that is well equipped and adjoining their reservation and the Bureau will not do it and is going to buy land far away from their reservation and move the Indians onto it over their protest. Telegram received from out there this morning says that Collier has wired the local office that it is not necessary for the Indians to approve of how their money shall be spent, as he has full power and authority to do as he please.

Commissioner John Collier has failed. He promised to lead the Indians out of the morass of Bureau control under which they have suffered so grievously. But now, secure in his position of authority, he has proposed legislation in the so-called "Wheeler-Howard bill" which is more detrimental to Indian welfare, more autocratic in control, and more dangerous than anything which has gone before in the 100 years past that the first Americans have been held as prisoners of war—slaves to the Indian Bureau. * * *

Further than this, to secure the passage of this legislation he has made many misrepresentations. He has tried to deceive the President, Congress, the Indians, and the American public.

Speaking at a council meeting held at Muskogee, Okla., Commissioner Collier said that he did not seek the position of Commissioner of Indian Affairs. The Mission Indians of California still have the pleading letters which he wrote asking them to endorse him for Commissioner and to use their influence, particularly with Hon. WILLIAM MCADOO who was opposed to him, and letters thanking them for their support.

At that time he likewise stated in reply to a question that the Klamath Indians of Oregon had several years ago suggested many of the provisions of this bill. The Klamath Indians are opposed to the passage of this bill. The official tribal council has passed resolutions asking that John Collier be removed as Commissioner of Indian Affairs and that Wade Crawford, his appointee, be removed as their superintendent.

He has represented to everyone that the Indians are all supporting his measure. It has been printed into the hearings before the House committee that the Five Civilized Tribes of Oklahoma endorse the bill. Hon. ELMER THOMAS, Senator from that State, is in possession of a memorial from the Five Civilized Tribes which states that they will be forced to stand upon their constitutional rights and ask that Mr. Collier be removed as Commissioner if he forces this legislation through Congress. The Five Civilized Tribes constitute the majority of the Indians in Oklahoma, which has the largest Indian population of any State.

There are present in Washington now, duly delegated representatives from many tribes of the United States who are bitterly opposed to the passage of this bill, which would mean nothing but a new lease of life for the already condemned Indian Bureau system of Indian administration. These tribes, from California, Oregon, Montana, North Carolina, and New York, together with Oklahoma and tribes from other States who have filed protests against this bill, represent more than half the Indian population in the United States.

This bill does not and will not do what it is supposed to do, provide for self-government among the Indians. It provides for increased power for the Indian Bureau, and nothing more.

Mr. Speaker, I desire to insert as a part of my remarks several letters and telegrams I received as well as copies of several other letters, which I offer as evidence showing that this bill does not and will not do what it is supposed to do, provide for self-government among the Indians. It provides for increased power for the Indian Bureau, and nothing more.

[Night letter]

IRVING, N.Y., *April 12, 1934.*

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: On behalf of the interests of the Seneca Indians and all other New York State Indians, I wish to protest against our being included under section 2, title II, of the bill H.R. 7902, which is now before your committee.

1. It absolutely revokes the rights of free citizens which were granted to the Indians in 1924 by act of Congress.

2. It is too long and complicated; is full of new rules and regulations, and is subject to Bureau interpretation.

3. It is mass legislation, which is not applicable to all tribes.

4. It provides for a larger and more powerful Bureau by way of new appointments at increased cost to the taxpayers, and not only leaves all power where it has been for the past 100 years but also provides for increased and more detrimental power for the Bureau of Indian Affairs.

5. It provides only for continued segregation for the Indians, and provides no adequate protection for Indian property in accordance with established laws.

6. The idea of establishing a separate court for Indians only in this land of supposed equality is ridiculous, and it further provides for the appointment of Bureau attorneys to represent the Indians, which is an insult to all accepted standards of justice.

7. The whole bill provides nothing but increased and continued Bureau control and the opportunity for experimenting on the Indians with radical, communistic ideas.

I respectfully ask that this protest together with all other protests, both Indian and white, be filed in the record of the hearings before your committee.

The New York Indians, in company with all other Indians, would appreciate an opportunity to appear before your committee to express their opinions on this legislation. May I suggest that an open hearing date be set and announced well in advance so that we may so appear.

Thanking you for your consideration, I am,

Very truly yours,

RAY W. JIMERSON,
President, Seneca Nation of Indians.

MEMORIAL

MUSKOGEE, OKLA., *March 12, 1934.*

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D.C.

The National Indian Confederacy, an organization of North American Indians, with the advancement of Indian welfare as its only purpose, has through its executive and legislative committees, thoroughly considered the Wheeler-Howard so-called "Indian rights" bill. Through the assistance of our attorneys and counselors, we have studied the bill itself and the propaganda published by the Bureau of Indian Affairs, including the ex parte hearings before the House Committee on Indian Affairs, held Thursday, February 22.

Our deliberations thus far have been in reference only to the proposed legislation as it affects members of the Five Civilized Tribes in Oklahoma. It is to be regretted that some of our members, although we are bankers, merchants, attorneys, public officials, county, State, and national, and intensely interested in the welfare of the people affected by the bill, were not consulted before its introduction in the House and Senate.

We earnestly urge that no action be taken by the Congress on the bill until all Indians have had an opportunity to read and study the bill and express their views relative thereto. Our contacts with our fellow tribesmen is such that we are assured that at least 99 percent of the members of the Five Civilized Tribes are opposed to or will oppose this measure, once its provisions are thoroughly understood by them. No one here urges its passage except appointees of the Commissioner or candidates who hope to be and Government-war Indians, under the domination and control of Indian Bureau officials.

For the present our objections to the bill, in addition to its pernicious policy of foisting more extensive Federal paternalism upon us, is that—

1. For the organization of colonies, communities, or incorporated Indian societies the bill is unnecessary, as this can be done if any desire it, under existing law without interference from Washington.

2. A process of amalgamation, begun more than 200 years ago, has improved the condition of the Indian in spite of hardships and obstacles imposed upon us.

3. We are formally accepted as citizens of this State, with all the rights, privileges, and protection of other citizens and we are received socially without any regard to race antecedents.

4. Our children are received in the public schools, which has been the most important influence of the process of amalgamation.

5. Our property rights and personal interests are amply protected by courts whose judges and other officers are elected by a citizenship of which we are a part.

6. The vicious policy of separating our interests from those of our friends and neighbors can only precipitate a race prejudice which will imperil our social and economic status throughout the State.

7. We do not want—we will not voluntarily or cheerfully accept separate schools, separate communities, separate courts, or impeding obnoxious interference from Washington.

In consideration of the foregoing, we, the National Indian Confederacy, comprising Choctaws, Chickasaws, Cherokees, Creeks, and Seminole Indians of Oklahoma, and representative groups of Cherokee, Shawnee, and Quepaw Indians of Oklahoma, respectfully ask that the Wheeler-Howard bill be not passed.

Respectfully submitted.

JOSEPH BRUNER,
Principal Chief, Indian National Confederacy.

Attest:

W. K. LEFLORE,
Secretary, Indian National Confederacy.

[Night letter]

WASHINGTON, D.C., *June 9, 1934.*

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D.C.

HONORABLE SIR: We, the undersigned, duly constituted delegates, representatives and headmen of our various tribes of Indians in the United States, do hereby protest against the passage of the so-called "Wheeler-Howard bill", H.R. 7902 or S. 3645, on the grounds that it violates the constitutional rights of the Indians to free speech, free press, and free assemblage.

It does not provide for the freedom of self-government. It is not necessary legislation, because the Secretary of the Interior and the Commissioner of Indian Affairs now have full power and authority to carry out most of the provisions of this bill.

Every tribe of Indians in the United States, practically, is in a deplorable condition today. This legislation, if enacted, would not remedy conditions which have been brought upon the Indians by 100 years of bureau control.

Do you wish 250,000 human beings continued in the bondage of slavery to a bureau in which they have no voice?

We leave the matter of this proposed bill to your own best judgment, confident that you will gladly heed the call for help from the Indians themselves.

Very respectfully yours,

Winslow J. Couro, Santa Ysabel Mission Indians, California; Delos K. Lonewolf, Kiowa, Comanche and Apache, Oklahoma; Levi Walker, Klamath Tribe, Oregon; Joshua Jones, chief of the Six Nation Confederacy, New York; Jesse Lyons, chief of Onondaga Nation of Indians, New York; Joseph Brooks, Siouan Council, North Carolina; Adam Castillo, president Mission Indian Federation, California; Alfred Minugh (individually), Gros Ventre, Mont.; Joseph Bruner, president, Indian National Confederacy, Oklahoma; Alice Lee Jemison, secretary to president, Seneca Nation, New York.

[Telegram]

JUNE 10, 1934.

Hon. ALFRED F. BEITER,
House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN: The passage of Wheeler-Howard bill, as it was reported out of the House committee, would serve to abrogate the treaty rights of the New York State Indians which were established in 1784 when the Six Nation Confederacy made everlasting peace with the United States and were promised by George Washington that they would never be disturbed in their treaty rights.

We respectfully ask you to oppose this legislation when it comes before the House. Thanking you, we are,

Very sincerely yours,

JOSHUA JONES,
Chief of Six Nation Confederacy.
JESSE LYONS,
Chief of Onondaga Nation.
ALICE LEE JEMISON,
Secretary to Ray W. Jimerson,
President, Seneca Nation of Indians.

THE CRISIS—THE PRESIDENT—THE CONGRESS

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. UNDERWOOD. Mr. Speaker, one of the most serious problems confronting our Government at the time of President Roosevelt's inauguration was the unemployment situation. Approximately 14,000,000 people were jobless. The unemployment menace hung over our country like the darkness of night. We had more people unemployed in this country on March 4, 1933, than in all Europe combined.

American industry, agriculture, and commerce were idle and stagnant. The panic still held us in its grasp. We had an abundance of everything; but the consuming public, due to lack of employment, did not have any purchasing power.

Approximately 40,000,000 Americans were suffering from privation and want. These people had no income, hence no purchasing power. Misery was widespread in a time not of scarcity but of overabundance and plenty. Unprecedented unemployment, an untold fall in commodity prices, and unmeasured economic losses threatened our institutions.

The United States is, perhaps, the richest country in the world in resources. We were able to produce in the mills and factories far beyond our domestic needs and requirements. With all this surplus of wealth and resources, we had millions of willing, able-bodied men and women unable to secure work and, with no other source of income, sadly in need of food and clothing. These problems of unemployment and the distribution of our resources and wealth in a land where we had more of everything to eat and wear than we could possibly use, confronted with millions of human beings hungry and in distress, challenged the very foundation of our economic and political systems. The distress had cost us approximately $85,000,000 in national wealth. The loss of wages due to unemployment for the 2 years 1930 and 1931 was $21,600,000,000. It has been estimated that for every month in 1932 we lost $2,000,000,000. This loss, we knew, would continue until conditions improved.

We knew the unemployment situation would destroy the Nation unless our Government and industry could solve the problem. Immediate and constructive action was necessary. The loss of purchasing power of those unemployed had destroyed business and industry. The question was asked on every hand, "What can be done to remedy this situation?"

THE HOOVER ADMINISTRATION UTTERLY FAILED TO MEET THE CRISIS

I contended that the Seventy-second Congress, under the Hoover administration, should not adjourn without providing for immediate relief for those unfortunate American citizens who were then, through no fault of their own, enduring actual want, hunger, and starvation. This required immediate national aid, as public funds in many States, cities, and other subdivisions were exhausted. The jobless and hungry had to be fed and clothed; the cry of distress had to be answered by the Federal Government. The cure for unemployment is work. Private industry was unable to furnish employment. It was absolutely necessary that our Federal Government set in motion a program that would give people employment. Loans to States and cities had to be made. We issued billions in bonds to win the war. Certainly we could issue bonds for worthy works, such as the building of roads, bridges, the paving of streets, the elimination of grade crossings, the construction of public buildings, parks, sewers, waterworks, and other worthy projects. This program for which I spoke and worked in the Seventy-second Congress, was put into operation by the Roosevelt administration and the Seventy-third Congress. It is giving employment to our citizens and increasing the wealth of the Nation. Employment means increased prices in sales, increased manufactured products, increased prices for the farmer's products.

We must continue to reorganize our industrial system. We must, if necessary, control production. In this machine age improved methods have increased production. This must mean shorter hours for the laboring men in the governmental service and in private industry, with a fair and decent wage and a just share in the national income. This will mean a redistribution of the wealth of the country; but that should not alarm us, because too much of the wealth and industrial resources of the country have been concentrated in the hands of a few. This depression had to be overcome and it is being overcome by the Roosevelt administration.

DUTY TO DESTITUTE CITIZENS

In the meantime we must take care of our destitute and hungry citizens. We must continue with a wide-spread emergency program to meet the unemployment menace. We must continue a shorter workday and shorter hours for labor. We must continue with the present program of relief measures and legislation that will further dispel the darkness and roll away the remaining clouds overhanging our fair Republic, which we all love.

Much was said during the Seventy-second Congress concerning the responsibility of the Nation and States and local communities to provide relief and furnish work for the unemployed. It was admitted and acknowledged that the primary responsibility was local. However, innocent vic-

tims of panic and disaster do not make any hairsplitting decisions or distinctions between local and national responsibility. The people of the Nation pay the taxes. They are our defenders in time of peril. They did not expect the Nation for which they were willing to give their life and shed their blood in times of need, to desert or neglect them in their time of want and distress. Our country boasted its great progress. We boasted of mass production. We proudly gave to the world many inventions reducing and eliminating labor.

Our enthusiasm for the benefits derived from improved machinery caused us to become unmindful of the hardships of those who toil with human hands. We need not turn back. Society must progress; but it is the duty of society to find a solution or means of livelihood for those unfortunate members of its ranks who today find their labor by human hands displaced by improved machinery and are no longer needed. Society must provide a way for them to share in the profits or support themselves and their families in accordance with our standard of living and wages. This means the shortening of the workday and the inauguration of the 5-day week. This must be done in justice to all the people. Every laboring man and woman is entitled to his share according to his ability, needs, and opportunity.

Labor is not a commodity. As a reward for their toil, laboring men and women of the country are justly entitled to enjoy privileges and benefits which we as Americans believe are justly due all the people of our country.

Society must adjust itself to the changed conditions. If the so-called "big-business and capitalistic classes" of this country, who have reaped and are reaping enormous profits from their investments, do not make—and they have not made—a proper distribution of these profits in wages to labor, then it is the duty of our Government to exact in the form of taxes and redistribute to all the people a fair share in return for their toil and labor. It was a dangerous thing to have approximately 14,000,000 men and women unable to procure labor or support themselves in the land of plenty. Under the Hoover administration these patriotic people—idle, hungry, and in distress—were loyal, patient, and patriotic, hoping that a solution would be found for the ills that confronted them.

REDISTRIBUTION OF WEALTH NECESSARY

Changed and unusual conditions rightfully demand reversal of beliefs and opinions. That is the case today. There must be a redistribution of the wealth of this country so that the average man, the farmer, the laboring man and woman, the small merchant and business man, and those who depend upon toil for their living shall have a fair share of the returns. The future of the country depends upon the satisfaction of its people. The masses of the people who constitute the great backbone of this Republic must have an equal opportunity. We cannot and must not allow them to be trampled by the greedy and selfish interests, by the gigantic mergers and monopolies that would take all and give nothing. If these combinations, trusts, and illegal conspiracies and monopolies are not broken up, if the overage American citizen is not permitted to earn and enjoy his share of our natural resources, then I hesitate to say, I fear to predict what will happen to the country which we all love so much.

NEW THEORY OF GOVERNMENT

The rank and file of the American people, Democrats and Republicans alike, no longer believe in the old theory of government that "they should take who have the power, and they should keep who can." They no longer believe that property rights are superior to human rights. They no longer believe that a favored few should become enormously wealthy, while those who produce and create the wealth suffer in base poverty, misery, and want. But they rejoice that the old theory has been permanently replaced by a new philosophy of government under President Franklin D. Roosevelt and the Seventy-third Congress, in which human rights are considered higher and more sacred than property rights; in which every laboring man and woman is entitled to his share according to his ability, needs, and opportunity; in which every American is entitled to a fair and decent wage and a just share of the national income.

Every great crisis demands a great leader with a vision. Our Nation has safely weathered every storm because during every one of them a man of real leadership has come forth. History links the immortal name of Washington with freedom; Jackson with the rule of the people; the lamented Lincoln with the preservation of the Union; and the great leader who occupies the White House today with a greater, truer democracy in which the powers of the Government have been and will be exerted to serve mankind and guarantee security to the average men and women of our country. No longer will Wall Street and big business dictate the policies of our Government.

I believe the citizens of this great country of ours will cooperate with our President in his honest, constructive, and sincere efforts to bring back prosperity and plenty and to create conditions that will enable all our citizens to share more abundantly in the material and spiritual blessings of our country.

INTELLIGENCE IN GOVERNMENT

Men in private enterprise seek to find employees and executives of the highest ability. Each business requires men of special training and experience in particular fields. The Government of the United States legislates and administers for every type of business in the country. President Roosevelt has sought and secured men of the highest ability, training, and intelligence to assist him in the administration of his recovery program. There are some critics who attack President Roosevelt because he has brought intelligence to our Government. They would have us discharge every man who has specially trained himself for the post he now holds in the administration. However, it is only logical that the Government, as well as private industries, should seek men of the greatest intelligence and ability to assist it in its administration.

TWO PICTURES

We all know that 18 months ago we were in the midst of an economic depression, and a depression of mind and spirit as well. Banks were crashing on every hand. Farm and home mortgages were hourly being foreclosed. American industry, agriculture, and commerce were idle and stagnant. Human misery was widespread not in a time of scarcity but of overabundance and plenty. The farmers and merchants, laboring men and women, and the small business men were bankrupt and discouraged.

With the inauguration of President Roosevelt on March 4 came renewed hope and courage. From 1929 until his inauguration approximately 7,578 banks, with deposits amounting to approximately $6,000,000,000 had closed their doors. Under President Roosevelt's administration not a single bank failure has occurred, due to his wise banking reforms.

In 1921 only 21 people reported a $1,000,000 income. This number had increased in 1929 to 533 millionaires. The wealth of our country had been centralized in the hands of a few; 90 percent of the wealth was owned by 10 percent of the population. This centralization of wealth and the inequalities arising in the unfair distribution of the profits and benefits from industry, commerce, and agriculture had been going on for several years, encouraged by the stock-market orgy and the sale of worthless securities.

EMERGENCY LEGISLATION

President Roosevelt asked the Congress for powers that would permit him to meet the crisis and the emergency, for powers that would allow our Government to act quickly and decisively in bringing relief to our stricken and distressed people. He advocated no changes in our fundamental laws but preached the doctrine of equal rights for all and special privileges for none. He asked the Congress to enact such laws as would relieve human misery and suffering, protect the home owners in the enjoyment of their homes and the farmers in the enjoyment of their farms. He asked for legislation that would put men to work at an honest wage and guarantee to them the right of collective bargaining in self-defense. He asked for legislation that would curb merciless competition, unfair trade practices,

wild speculation in stocks and bonds, and for legislation that would equalize the profits of agriculture and industry. He asked for legislation that would protect the average man and woman of this country from the unscrupulous hand of the powerful money changers and selfish interests of Wall Street and the bankers who had been running the show.

The Congress, responding to the wishes of the country and President Roosevelt, enacted into law such a legislative program. In so doing, they gave to the country the new deal, which means a square deal. In the past 18 months under the new deal, the hungry and distressed men, women, and little children of our country have been fed, homes and farms have been saved from foreclosure, the hard earnings, life savings, and bank deposits of our citizens have been guaranteed and safeguarded, with the reopening of the banks on a sound basis. Security has been thrown around investments. The rights of labor have been recognized as never before, and child labor and sweatshops outlawed and abolished. The farm problem has been given earnest and sincere consideration, and an honest effort has been made to equalize the rights and opportunities of all our people.

RENEWED FAITH OF OUR PEOPLE

The faith of the American people has been strengthened; confidence and hope restored, with the promise that, during the next 2 years of the Roosevelt administration, efforts will be made to secure proper housing for all our citizens, to guarantee security to American men and women by productive employment, and to give everyone protection against misfortune in old age. These great far-reaching policies are aimed to secure and realize a greater good for the greater number of persons. Social insurance to protect the masses against unemployment and insurance against misfortune and old age are parts of the President's future program. These promises of better homes, a better livelihood, and security, when viewed with the past performances of the administration, will appeal to the patriotic men and women of our fair Republic who earn their living by the sweat of their brow.

AGRICULTURE HAS BEEN HELPED

Permanent American prosperity depends upon the purchasing power of the American farmer. The destroyed purchasing power of this class of citizens was one of the most difficult problems faced by President Roosevelt and the Congress. The farmers have watched, through the years since the war, the bills, measures, recommendations, and proposals for farm relief, as they followed each other. As none of these proposals seemed to bring relief, the farmers despaired that a solution would ever be found. That the administration has worked sincerely and honestly to solve the problems of agriculture, no one can deny.

After months of sympathetic study and intensive research, the President recommended, and the Congress enacted, the Agriculture Adjustment Act. This act aims to increase farm purchasing power. Its main purpose is to adjust the difference in the price which the farmer receives for his produce and the price which is paid for that same produce by the consumer. It aims to give him the cost of production and a just profit. During the depression the value of the goods the farmer sells had fallen much farther than the cost of industrial products. In order to remedy this condition the Secretary of Agriculture was authorized to impose processing taxes on certain basic farm commodities, wheat, cotton, corn, rice, tobacco, milk products, and hogs; and later, sugar and cattle were included.

The immediate object of the Agriculture Adjustment Act was to bring the price of farm products up to the 1909–14 price level. The average yearly income of the American farmers from 1924 to 1928 amounted to $9,920,000,000. This income had fallen off to $3,979,000,000 for the period ending May 1, 1932. Under the operation of this act, the farmers' income was brought up to $5,535,000,000; an increase of over $1,500,000,000 in one year, which amounts to an increase of over 39 percent. Only 12 percent of this increase came from rentals and benefit payments.

The 1932 average price level for wheat was $0.39, corn $0.28, and hogs $0.035. The price, March 15, 1934, including benefit payments, was, wheat $0.859, corn $0.521, and hogs $0.0613, which would mean an increase to the wheat growers of approximately $172,000,000, to the corn growers $96,000,000, and to the hog growers $29,000,000. Three hundred thousand American farms saved through financing and the income of the American farmers increased over $1,500,000,000 is not a bad record for the first year's operation of the act. The same old crowd, the packers, the millers, the stockyards, and other selfish groups that have fattened at the expense of the farmer, are bitterly complaining.

President Roosevelt and the Congress have made honest efforts to raise the prices of farm products. Many details of this program are yet to be worked out; injustices have crept in and the full benefits expected have not as yet been fully realized. However, much has been accomplished. The New York Times' index shows that farm purchasing power has increased 25 percent over what it was a year ago. Practically every commodity which the farmer markets has increased greatly in value during the past year. With these advancements vividly before us, we have every reason to expect and believe, that if this program is carried forward and the American farmer continues to give his full cooperation it will finally result in renewed prosperity for every farmer and guarantee him a just and reasonable profit for his labor.

In addition to destroyed purchasing power another factor which threatened to destroy the farmer's only means of existence and wipe out his savings, was the appalling and ruthless foreclosure of farm mortgages. Farmers were burdened with a high rate of interest. Due to depreciated values it was necessary for the farmer to produce many times as much to pay off his mortgage as was necessary for him to produce when the debt was incurred. In other words, if a farmer had incurred a $3,000 debt when wheat was selling at $1 a bushel, he expected to repay the debt with 3,000 bushels of wheat. When the price of wheat fell to 35 cents a bushel, it took about 9,000 bushels of wheat to pay off the debt incurred with the expectation of raising 3,000 bushels. While the President was attempting to raise the price of farm products, it was necessary that he take some immediate steps to relieve the mortgage and debt situation of the farmers. An honest effort has been made to save the home of the farmer. By an Executive order, he consolidated all the agriculture credit organizations of the Government in order that they might make a united attack upon the credit problems of agriculture.

In this great drive against the difficulties facing agriculture, we shall not fail, because the American farmer will cooperate and cooperation is the principle upon which the program is based. With these major attacks on the problems which confronted our farmers, agriculture may soon be expected to assume its rightful place as the most important and prosperous American industry.

I have spent the greater part of my life upon the farm. At the present time, I own, live upon, and operate a farm. I know that conditions today are far from satisfactory in this great basic industry upon which all other industries depend. However, I have abiding hope and faith that the policies inaugurated by the Roosevelt administration for the relief of agriculture, will result in far greater benefits than the do-nothing policy of the Hoover administration, which was without a program and never made any honest attempt to equalize the wide difference existing in prices of those things which the farmer produced and those which he was compelled to buy. However, the policy of the Hoover administration and the wise ones who were running his Department of Agriculture, caused the farmers of the country to face an actual condition of serfdom, bankruptcy, and starvation.

Let those who criticize the recovery program of President Roosevelt and the Congress, let those who are trying to discredit the administration explain some of the things they did or failed to do; or let them offer a suitable satisfactory

solution in place of the one that has been advanced by the farm leaders and farm organizations of the country and worked out by the President and the Congress.

THE NATIONAL RECOVERY ACT

The National Recovery Act principally affects industry and labor. Both are agreed that the principles upon which it rests are right and just. It has done and will do more to equalize the profits and benefits of industry than all other laws ever placed on the statute books. No one will contend that it is perfect. Hardships and injustices have no doubt resulted in many instances, but if you will go to the honest and legitimate business leaders and ask them what they think about N.R.A., they will tell you that it is here to stay. If you ask the laboring people if they want to get rid of it, they will tell you emphatically "No." They both agree that the objects to be attained by N.R.A. are fundamentally right and just. Honest business is anxious to get rid of the unjust and unfair competition and trade practices that have existed for the past several years in industry and commerce.

All will admit that it has put men back to work, shortened the hours of labor, raised the wage scale, improved working conditions, and permitted labor to share in the profits and benefits of industry. The elimination of unfair trade practices and savage competition which are ultimately paid for by labor, in reduced wages, are rapidly becoming a thing of the past. Under its provisions, child labor has been abolished and the sweatshop eliminated. The accomplishment of these humane and merciful provisions in the act, marks it as one of the outstanding laws of the century. It will go down in history as the first attempt to establish a code of honor for industry, and as labor's first bill of rights.

If properly enforced and obeyed, N.R.A. will ultimately eliminate the bad and preserve the good. Legislation of such far-reaching effect and consequence cannot be put in operation overnight. Injustices and hardships arising from unscrupulous business leaders will eventually be corrected.

It has helped to place men back to work, clothe the naked, feed the hungry, and place renewed faith, confidence, and hope in the hearts of the distressed men and women of our country. The N.R.A. has been a success; labor, capital, and industry all admit that it has improved the employment situation and has aided business. Unemployment under this act was reduced from 13,203,000 to 7,903,000 during the first year of its operation. A total of 5,296,000 men and women were placed back to work. This is truly a wonderful and excellent record. Under its provisions the volume of business of the country has shown a general increase. Commercial failures have decreased, proving that business under the N.R.A. is rapidly getting upon a sounder basis. The cost of living has not gone up out of proportion to the general rise in wages and commodity prices.

This great piece of humanitarian legislation is here to stay, because the principles upon which it is founded are just and equitable. The good it has done is not denied by anyone. Injustices and hardships are certain to be corrected by our President, who is a great statesman, a man of vision, and a courageous leader.

CONCLUSION

I have reviewed but briefly the accomplishments of this administration and this Congress. Time will not permit me to outline every constructive measure enacted, nor will it permit me to give every method by which we have in this Congress, under the direction of President Roosevelt, attacked the problems of depression. However, from the accomplishments which have been outlined, it will be readily seen that every law passed by this Congress was passed to right some specific wrong which had sprung up under former administrations.

I submit this record of the President and the Congress, candidly and proudly, to the people of our country and the good people of the district whom I have the honor to represent. The American citizens will decide upon the merits of the accomplishments of this administration and they will decide whether or not we shall have an American Congress pledged to the continued support of President Roosevelt.

HON. ROSS A. COLLINS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am placing in the RECORD copies of four brief but important communications. I do this with the consent of the Member of the House to whom these communications are addressed, Hon. Ross A. COLLINS.

The epoch-making services which Mr. COLLINS has rendered to the cause of education and scholarship are recognized throughout the Nation. Through his indefatigable labors the most priceless collection of rare books in existence was purchased by the Government and is now in the Library of Congress. I refer to the 3,000 books known as the "Volbehr Collection", including one of the only three copies in the world of the original Gutenberg Bibles.

Everyone knows the story of the terrible plight of the public schools during the depression. Through the efforts of Mr. COLLINS, Federal funds were provided which kept hundreds of schools open and thousands of children in school during the present school year. This achievement received Nation-wide recognition of the kind that is expressed in the following communications:

The first communication is from the National Educational Association of the United States, with headquarters at Washington, D.C. It is as follows:

To ROSS A. COLLINS:

Permit us to express the appreciation of 200,000 teachers of America for your valiant work in the improvement of the library service at Washington and for your leadership in the movement to keep the schools of the Nation open during the depression. The teaching profession, the friends of education, and the children in the rural and other schools throughout the Nation are under deep obligation to you for the telling blows you are striking at the present time. No Congressman has a better batting average than yourself. Kindly accept our heart-felt appreciation.

Dated at Washington, D.C., May 15, 1934.

JESSIE GRAY, *President.*
J. W. CRABTREE, *Secretary.*

The second communication is from the National Congress of Parents and Teachers, whose headquarters are at Washington, D.C. It reads as follows:

FEBRUARY 15, 1934.

Hon. ROSS A. COLLINS,
House of Representatives,
Washington, D.C.

MY DEAR MR. COLLINS: I cannot express adequately my appreciation of the service you have rendered the cause of education throughout the Nation during the present session of Congress.

Your success in securing adequate appropriations for printing for the United States Office of Education will make possible the dissemination of information of the utmost value to parents and teachers in meeting the educational problems which confront them as a result of the economic depression.

That every child in the United States in communities of 5,000 population or less may be in school for the balance of this school year is a consequence of your efforts no one familiar with the facts will question.

With cordial best wishes, and sincere gratitude for these valuable services for the children of our Nation, I am

Very sincerely yours,

MARY T. BANNERMAN,
(Mrs. WILLIAM T. BANNERMAN,)
National Chairman Committee on Legislation.

The third communication consists of the following telegram from the State superintendent of education of Mississippi.

JACKSON, MISS.,
March 31, 1934.

Hon. ROSS COLLINS,
Washington, D.C.:

You deserve everlasting gratitude of all people in Mississippi interested in school for their children. Without your efforts hundreds of our schools would have closed before regular term was out. May you live long and prosper.

W. F. BOND,
State Superintendent of Education.

The fourth communication consists of a testimonial from the Teachers' Union of the Nation's Capital. This testimonial reads as follows:

To ROSS COLLINS:

Devoted and loyal public servant for his continuous, active, helpful interest in our public schools the Teachers' Union of Washington, D.C., expresses its deep appreciation.

DISASTROUS RAINS AND HAILSTORMS IN THE SOUTH—SURVEY NOW BEING MADE

Mr. FULMER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FULMER. Mr. Speaker, gentlemen of the House, for the past 3 weeks we have had in the South continued and excessive rains, and in several sections hailstorms. Crops have been washed away and destroyed in many instances. Grass and boll weevils are raging.

I have secured the services of a representative of the National Red Cross to make a survey of these conditions. I received a telephone report from the Red Cross this morning bearing out my statement as to conditions. The Red Cross and the relief agencies of these States will take care of emergency cases.

Thousands of farmers, if they are to make a crop and pay to the Government money already borrowed through the seed-loan office and the Production Credit Corporation, must have at once additional funds to buy nitrate of soda in order to successfully produce their crops. What are we going to do about it?

I have already asked for a conference with the Secretary of Agriculture, hoping to secure additional loans for farmers whose cotton is now pledged to the Government under the 10-cent-per-pound program. The parity price on cotton today is about 15 cents. Commodity Credit Corporation will make these loans if instructed to do so by the Secretary of Agriculture.

There are thousands of farmers who do not have any cotton pledged who have either borrowed through the seed-loan office or the Production Credit Corporation. I have taken this matter up with Mr. Garwood, Farm Credit Administration, and find that he is willing to reopen seed loans if the facts as stated by me warrant same.

Farmers of the South are not asking for a dole, but they are asking these credit activities to supply their needs in that they have not any other place to go to get these funds.

Gentlemen, this is a serious situation, and I want to call on Members representing those States where we have had these rains and hailstorms to join with me in putting over this program. Please get in touch with your county agents, get the facts, and call on Mr. Wallace, Mr. Garwood, the National Red Cross, and Mr. Hopkins.

TELEGRAMS FROM SOUTH CAROLINA

CAMERON, S.C.

Hon. H. P. FULMER,
Member of Congress, Washington, D.C.:

Note your effort Sunday State to have additional advance made on Government-loaned cotton in warehouse. We urge continued efforts for advance of additional 5 cents per pound. Necessary since rains continue for 4 weeks. Oat crop seriously damaged; feed short; other crops deteriorating daily, especially cotton. Need additional loans to clean crops of grass, buy feed, and pay for extra labor.

S. J. SUMMERS, M.D.
W. I. D. BARDIN.
S. W. TAYLOR.
D. K. SUMMERS.
J. P. DANTZLER.
N. H. BULL.

BARNWELL, S.C.

Congressman H. P. FULMER:

I quote below copy of telegram dispatched to Malcolm Miller and also sent to Hopkins today:

"On account of floods which have reached the proportion of cloudbursts, which have fallen continuously for 2 weeks and still continue to fall, Barnwell County is inundated, and has and is suffering the greatest loss in its history. Cucumber, cantaloup, and watermelon crops destroyed. From these farmers usually receive sufficient funds to feed their laborers and themselves through to cotton. All oats which have been cut and stacked are a total loss, leaving no summer feedstuff for stock. Corn crop destroyed and will probably not yield 40 percent of average crop. Cotton crop under water, washed up, and destroyed—half crop hardly possible. Many of our county roads and bridges are impassable, and it will tax the resources of the county to restore partial road system. Mill dams and causeways that have stood for 50 years are washed out. Our people feel hopeless. We are really in greater distress than we were when the relief agency was established during Christmas week 1932. On behalf of our distressed citizens we appeal for immediate special aid of $200,000 or more. Your office here will report details. Advise if we may have conference with you and your local administrator from here at some hour tomorrow."

Situation really very distressing. Do what you can immediately for your people.

EDGAR A. BROWN.

ORANGEBURG, S.C.

Hon. H. P. FULMER,
Member of Congress:

On account 3 weeks' destructive rains and some hail, great damage done crops in Willow, Liberty, Limestone, Union, and Zion Townships. Damage inestimable to crops and land. Wheat and oats virtually complete loss, terraces demolished, fields badly gullied. Funds for immediate relief for farmers distressingly needed. Unless extensive relief for rehabilitation is obtained, human suffering will result. Please contact relief authorities for help and Department of Agriculture for inspection. Appreciate immediate action and reply.

H. H. Culler; W. W. Culler; G. H. Whisenhunt; J. H. Compton; J. D. Bates; E. J. Salley; R. J. Salley; H. H. Houck; W. S. Tyler; John C. Hayden; F. E. Cope; Dr. A. W. Connor; R. F. Kolb, county agent.

SOCIAL INSURANCE

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks, and to insert therein a radio speech delivered by our distinguished colleague [Mr. CONNERY].

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Congressman WILLIAM P. CONNERY, Jr., of Massachusetts, over station WOL, of Washington, D.C., June 7, 1934, on the subject of Social Insurance.

Ladies and gentlemen, the problem of social insurance has commanded the attention of the American public for a great many years, and it has been only in recent years that any marked degree of progress has been evident in this particular field.

During the period of prosperity, unemployment was not such a serious menace, as work was more abundant, and wages were higher. We were riding on the crest of a wave, so to speak, and in the midst of this period of progress and prosperity there were no prevalent circumstances to warrant an interest in social insurance, except by thinkers who have foresight and see the necessity of planning ahead.

The history of the old-age-pension movement dates back over a number of years, and there have been many worth-while and laudable efforts made to secure the enactment of this type of legislation, not only in the several States of the Nation, but also by a Federal old-age-pension statute. Conditions in industry and other vocations in years past were not so strained and taxed as they are now, and tenure of employment was more or less certain. It was not unsual for an individual to be employed even at the advanced age of 60 or 65 years, but as the problem of unemployment became more serious, there developed a tendency to supplant the older worker with the young man and the young women. Certain industries and establishments adopted policies of not employing persons beyond a given age, and this age was generally set at 45 years, and in some instances, the age limit of employment was as low as 40 years.

It is not difficult to ascertain just what sort of a situation this created. Many of the persons thus deprived of means of earning a livelihood for themselves and their families were left to cast about as best they could in search of work; and bear in mind, fully 90 percent of this group were persons with family responsibilities. The Government itself maintained an age limit of employment, and it became increasingly difficult for a person of recognized middle age to secure a job. As the unemployment wave gained momentum, the manifest hardship occasioned by discrimination in employment gave rise to a new and added activity in the interest of social legislation. Several States, seeing the absolute necessity of promoting legislation to care adequately for the aged, adopted old-age-pension laws. In most cases the age requirement was fixed at 70 years, and it was specified in the law that the applicant's property holdings should not exceed a certain figure, generally $2,500. Some States further provided that no person would be eligible for relief whose relatives were able to provide support. The average rate of benefit paid under the old-age-pension statutes now in force in the 28 States which have passed this legislation is $30 per month.

The present record of old-age-pension legislation shows that 28 States have enacted these laws since 1924. Efforts were made during this period from 1924 to the present time to secure the enactment of a Federal old age pension law, and although the interest in and the public support of this legislation has developed materially, it has not yet been possible to get such a measure through Congress.

It would not be far amiss, however, to say that public demand for this legislation has grown so strong that it is more than probable that a Federal bill will be enacted during the next Congress.

As the unemployment situation became more and more tense, and there was seemingly not offered any proposal which would either stem its tide, or abate the stranglehold which it had fastened on the American people, it became obvious that other legislation would be necessary to bridge the gap between employment and unemployment. At one time during the late days of 1932 and early 1933 it was estimated that there were some fourteen millions of people out of work, and while this astounding and alarming figure was constantly mounting, modes of relief were not keeping pace with this rapid increase. Business conditions in general were claimed to be the cause of the unemployment, but the underlying and contributory factors attendant to the wildfire spread of dismissals were, in great part, due to the machine replacing the man. With progress in every conceivable line of industry, the machine has constantly and steadily played havoc in the ranks of labor. Speed in production and quantity output have been the first concerns of business, and as a result of this emphasized machine production, hundreds and thousands of employees have been thrown out of work or reduced to part-time employment. A very simple illustration may be cited of the effect of machine development and its consequences if we consider the case of the ordinary steamshovel used for excavating purposes.

This appliance now performs in the usual workday the same amount of work which was formerly done by a hundred men, and this is characteristically true of all labor-saving devices which have been introduced in our manufacturing, farming, and other pursuits. From the basic thought that the machine has displaced untold numbers of workers, it is not a serious task to determine how some of the unemployment has resulted. One remedy, of course, is to shorten the hours of labor; reduce to 6 hours the workday and to 5 days the work week; but that is only one step; the next step is to create through some agency a balance between conditions of employment and unemployment. The American people cannot be expected to live forever under private or public charity, and they cannot be expected to endure forever the conditions of privation and misery which have beset them during the last 3 or 4 years. The only real and sensible method or manner in which we can meet this challenge to the maintenance of decent standards of living and conditions among the people is to provide some type of social insurance which will guarantee our citizens against the sufferings and hardships of periods of depression such as we are experiencing now. I firmly believe that it is incumbent upon the States and the Federal Government to see to it that American citizens are adequately and properly cared for during the crises in employment over which they have no control and for which they are in no manner responsible. The general scheme would be that every employee who has been working regularly for a given period of time should receive benefits during any enforced lay-off which he might suffer. In this manner we can easily do away with the prolonged stretches of depression as it affects the people.

Unemployment-insurance bills have been introduced in Congress to do this very thing. The real and important factor is that American citizens shall not live in want. The saddest and most pathetic aspect of any employment crisis is the effect it has on the young generation—lack of confidence or loss of confidence in government, increase in crime, destruction of health and morals, and a general undermining of American ideals and institutions.

The history of the progress of labor is an old one and a painful one. It would be futile in a discourse of 15 minutes to try to go back through the centuries and trace the gradual rise of man from slavery and peonage to what we know today as liberty and freedom of action under the Constitution of the United States. When the barons forced King John to sign the Magna Carta at Runnymede with the battle cry of "Give us back the laws of the good King Edward", they were but taking up the sword again in the seemingly never-ceasing conflict between those who seek only power and money and citizens of any country who love liberty and freedom. We are facing today the same old crisis, in these relations between capital and labor, which were fought out during every century in the past, since men were changed from slaves into freemen. It is a strange quirk of human nature that many employers of labor apparently would prefer to see their firms or their corporations lose millions of dollars in a strike rather than pay one-fifth of that amount to the worker for decent living wages, thereby avoiding strikes.

Their cry seems to be all down through the ages, "I am to be the master, you are to be the man; I will give you what I think you ought to get in wages and hours, and not what you think you ought to get, or even what the general run of mankind thinks you should get in wages and hours; and unless you acknowledge my power, I will fight you with all the weapons that money can buy, whether it be in the press, on the radio, or through other propaganda; and I will take advantage of every interpretation of the law to shoot you down and starve you and your family under the plea that I am protecting my property and that property rights come before human rights."

Such a state of mind in financiers can never, of course, result in peace between capital and labor. Neither I nor any other person who has a knowledge of conditions in our country would state that labor, organized or unorganized, has no faults or makes no mistakes, and that all of its leaders, great or small, are 100-percent honest and simon pure in every respect. That would be saying too much for human nature.

But a careful analysis and study of the great struggles of labor and capital in this country since the beginning of the Republic will show that, with the exception always proving the rule, in 99 out of every 100 cases labor has always been fighting for a decent living wage and the right to breathe freely as American citizens and not merely exist under the domination of wealth as exemplified in our big trusts and corporations. Labor has seldom received its just deserts.

Today in the fierce antagonism by the big moneyed interests to the Wagner-Connery bill, which legislation is a sincere endeavor to bring about adjustment of labor disputes and prevent serious labor disturbances, we find that old story of master and man: "I will not deal with you because you belong to a labor union; I will form my own company unions; I will dominate the leadership of those company unions, control them by special favors such as paying them for spreading propaganda during working hours while pretending to find out what the workers want; and then, through these company unions, I will have absolute security and protection when I refuse any demands that free and independent workers in my employ may make. Incidentally my company union will aid other company unions in other concerns, thereby building up an army of company unions to smash organizations such as the American Federation of Labor and the railroad unions, which I have tried unsuccessfully to control." That apparently is the attitude which is taken by big business today. With the knowledge which I have gained during my 12 years in Congress as a member of the Committee on Labor, and for 4 years as chairman of that committee, I feel it my duty in talking to you tonight to say frankly that I believe that the great industrial leaders of the United States are fooling with dynamite in resisting all attempts of their workers to obtain shorter hours and decent pay, and to obtain their inherent right to bargain and negotiate collectively for that pay and for those hours.

Just a little application of the Golden Rule would help a great deal at this time. If these great employers of labor could place themselves, if only for an hour or two, in the position of the man working before the blast furnace, in intolerable heat; or of the telephone operator, sitting for hours in a nerve-racking occupation, endeavoring to satisfy all of the whims of a sometimes erratic public; or of the miner, working deep down in the bowels of the earth, shut off from all light and sunshine; or of the workers in all occupations requiring mental and physical strain—if these employers could put themselves in the positions of these workers, and forget for a time the almighty dollar and the love of power and glory, we might then see a different attitude on their part, and we would see an era of good will, prosperity, and happiness such as we have never seen before, not only among the workers but among the employers as well. Some sayings are used so often that they become trite, but when we reach the time that the great holders of wealth realize that it is more blessed to give than to receive, we will see harmony between capital and labor. Until then I fear we will see nothing but the trouble, chaos, violence, and bloodshed which we have seen during the strikes of the past few weeks.

I am still hopeful that we have some men in control of industry today who are big enough, sane enough, and patriotic enough to have a love for their fellow man, and that these men will brush aside those in their midst who through greed would crush anyone who stands in the path of their quest for gold—even women and helpless little children—and will make plain to these exploiters of the weak that honest industry has no place for them. We have recently lived through an experience in the United States which has taxed to capacity all of the imagination, thoughts, and resources of the American people, and we have not yet provided all of the necessary means to insure a just protection to our citizens, a protection which every citizen rightfully deserves. If we hope to relieve wholly and effectually the conditions which have cramped enterprise, cut wages, and caused suffering to the people, and further, if we hope to prevent, at least in some measure, a recurrence of this blight in our future civilization, we must immediately proceed with the enactment of not only old-age pensions, shorter work-week legislation, and the labor disputes bill, but also unemployment insurance. This, and only this, is the means through which we can establish a balance between employment and unemployment. No one would attempt or wish to stifle inventions. The machine age will continue with us and we will continue to have unemployment unless we plan ahead, and it is principally against this unemployment that we must prepare ourselves for the security and well-being of our future generations. Man must be master of the machine, not the machine master of the man.

ANNUAL DINNER OF THE AMERICAN ACCEPTANCE COUNCIL

Mr. HANCOCK of North Carolina. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein two speeches delivered by the Hon. J. F. T. O'Connor, Comptroller of the Currency, before the bankers' convention.

The SPEAKER. Is there objection?

There was no objection.

Mr. HANCOCK of North Carolina. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. J. F. T. O'Connor, Comptroller of the Currency, at the annual dinner of the American Acceptance Council, New York City, Monday, January 29, 1934:

Members of the American Acceptance Council, you are indeed kind to invite me to your dinner. During the 15 years of your existence you have rendered a splendid service to the banking interests of our country. You were organized for "the purpose of conducting and directing a Nation-wide educational campaign designed to inform the business people and bankers as to the merits of bankers and trade acceptances, the method of their use in foreign and domestic merchandising, also to aid in establishing a comprehensive open discount market, and to assist in other matters that will improve the credit system and strengthen the financial position of America."

The success of your efforts is at once apparent in glancing at the volume of acceptances. The average in 1930, according to your secretary, was $1,492,000,000, and even in the trying year of 1933, the volume did not fall below $688,000,000. Any plan which can finance American business to the extent of four and a half billion dollars in one of the most crucial periods of financial history should challenge the attention of every careful student of finance.

Few people have the proper conception of what has been done and can be accomplished through acceptances. Permit me to quote from the Acceptance Bulletin of July–August 1933:

"Many people have the mistaken idea that the credit of a bank is expressed only by the cash which it lends to its borrowers. It is not generally appreciated that in addition to the cash which a bank may lend on the promissory notes of its customers it has an additional source of potential credit equal to 100 percent of its capital and surplus. At the present time there is over $700,000,000 of such bank credit in circulation, and at one time, in late 1929, the total reached $1,700,000,000. This accommodation to strong commercial interests of the Nation is all backed by the credit and good name of the commercial banks and bankers. Acceptance credits are provided, against which bankers' acceptances are drawn and none of the banks' cash is used."

These bankers' acceptances have been recognized by the Federal Reserve Act and by the Federal Reserve Board. The rules with reference to their eligibility for rediscount are clear and unmistakable.

The financial history of 1933 has been written; the book is closed. Students of government and finance for generations to come will read that story with interest and profit. The March crash brought to an end a regime which could no longer sustain itself. Edmund Burke, one of the most distinguished statesmen and orators of the English Parliament, commenting in one of his speeches on the revolutions, riots, and unrest in different parts of the British colonies and other countries of the world, sighed and said, "Thank God, the past is at least secure."

Let me bring to you tonight a brief picture of the work of the Comptroller's office during the past year. If the title of an office has any relation to its activities, the name Comptroller of the Currency is a misnomer. Heretofore, the most important duties of the office have been the chartering and supervision of national banks. When an application for a charter is presented, a careful study is made of local conditions with reference to the community to be served, the necessity for new or additional banking facilities, and the prospect of success, which in turn involves the management of the institution. This responsibility should not be lightly exercised. When a national bank is chartered, an implied invitation is extended to the people to deposit their money.

Since the establishment of the banking system in 1863 the Comptroller has had exclusive jurisdiction over national-bank receiverships. On March 4, 1933, there were 1,067 such receiverships, and since that date 420 national banks have been placed in receivership. I might here explain that the figures I am giving you tonight include not only all the national banks in the country, but 10 banks in the District of Columbia which are directly under the jurisdiction of my Department. Under the terms of the Banking Act of 1933, individual receivers will not be appointed by the Comptroller of the Currency. The Banking Act requires that the Comptroller shall appoint the Federal Deposit Insurance Corporation as the receiver for all national banks which are class A stockholders in the permanent deposit fund and which should fail. This is a wise provision because of the large interest the insurance corporation will have in the banks.

Under the Emergency Banking Act of March 1933, 1,446 banks were unlicensed after the banking holiday, and subsequent thereto most of them were placed in conservatorship. The placing of banks in conservatorship was a departure from the old procedure. The theory was to permit the officers and stockholders to reorganize the institution. This placed a tremendous burden upon the Comptroller's office, and an entirely new division, known as the "Reorganization Division", was established. Experienced examiners were called in from the field and men trained in banking law were put to work on the gigantic task of formulating plans which would reopen these banks. Committees representing depositors and stockholders came to Washington to discuss their plans of reopening. No record was kept of the conferences with these committees prior to the week ending June 26, 1933, but from that time through the week ending January 26, 1934, 3,686 committees were interviewed by my Department. The examiner's report of each bank's assets and liabilities was carefully analyzed. It was impossible to find two cases that were exactly similar, as the character of assets, the financial responsibility of stockholders, and the financial history of the community were all factors to be taken into consideration.

The depositor has always received the first consideration. It has been our aim to build a solid banking structure in this Nation. We have encouraged consolidations and mergers and have used what has been commonly called "the Spokane plan" in a large number of instances. Let me illustrate what I mean. In the city of Washington, D.C., we prepared a plan whereby a new national bank called "the Hamilton National Bank" was organized, and it purchased the prime assets of seven banks which had been placed in conservatorship in that city. The new bank made available to depositors in the closed banks 50 percent of their deposits, or approximately eight and a half million dollars. The remaining assets, largely frozen, of the seven banks have been placed in the hands of two receivers instead of seven. The wisdom of this policy is at once apparent. The depositors will receive additional dividends from the receivers as fast as collections justify.

Deposits in the 1,446 unlicensed banks after the banking holiday aggregated $2,009,137,780. This figure is based on reports of the conservators of the 1,105 conservatorship banks, and on the December 1932 call report for the remaining 341 unlicensed banks. You will be interested to know that by December 31, 1933, every one of these 1,446 unlicensed national banks had been carefully examined and plans considered and either approved or disapproved. At the close of business on January 25, 1934, 1,070 of these 1,446 national banks were licensed, chartered, absorbed, or placed in receivership. On this same date, 376 national banks remained unlicensed, and of this number 298 had plans approved for reopening. The amount of frozen deposits in the 376 banks unlicensed on January 25, 1934, was $334,312,000. This figure was based on the October 25, 1933, call. In other words, only 16.7 percent of the $2,009,137,780 now remains frozen in unlicensed national banks. It is interesting to note that if we eliminate the banks which have approved plans and consider only the banks with disapproved plans, there is but $55,889,000 remaining as frozen deposits, which represent merely 2.7 percent of the $2,009,137,780. Let me say, however, that many of the banks with disapproved plans may still present a plan which will meet with the approval of the Comptroller's Office.

In laying this record of accomplishment before you, I cannot too highly commend the men and women connected with the Comptroller's Department who gave their best effort and worked without counting the hours late into the night, holidays, and Sundays, without a single complaint, because they were imbued with the idea of the service they were rendering to the people of the Nation. Indeed, surrounded by such unselfish devotion, one could not help being thrilled at the sacrifices so willingly made. When a great ocean liner gracefully and smoothly glides into port with its thousands of passengers, the captain first leaves the ship and then the passengers hurry down to meet their impatient friends or relatives. Whenever I have the privilege of witnessing such a sight, I try to look through the sides of the vessel into the boiler rooms where half-dressed men stand before the terrific heat of the engines, and I wonder if just some little credit should not be given to these men. They may not hear the cheers or the tribute because they have sought relief from fatigue in well-earned sleep, but this should not justify withholding our commendation.

The President on October 23, 1933, appointed a committee for the purpose of strengthening the capital structure in banks. Harvey C. Couch, a director of the Reconstruction Finance Corporation, was named chairman of the committee, and the other members were: Jesse H. Jones, chairman of the Reconstruction Finance Corporation; Eugene R. Black, Governor of the Federal Reserve Board; Dean G. Acheson, then Under Secretary of the Treasury: Lewis W. Douglas, Director of the Budget; J. F. T. O'Connor, Comptroller of the Currency; Walter J. Cummings, Chairman of the Federal Deposit Insurance Corporation; Henry Bruere, president of the Bowery Savings Bank in New York; and Frank C. Walker, executive secretary of the executive council.

This committee has met several times a week since its appointment, and principally on its recommendation the Reconstruction Finance Corporation has authorized the purchase of preferred stock, notes, and debentures, and loans on preferred stock in the amount of $710,050,850 up to and including January 24, 1934. Of this sum, $193,671,467 has actually been purchased in preferred stock of national banks by the Reconstruction Finance Corporation up to January 24, while the local communities have purchased $37,070,433 in such stock.

The President appointed a liquidating committee on October 15, 1933. C. B. Merriam, a director of the Reconstruction Finance Corporation, was made chairman of this committee. The committee consisted of Jesse H. Jones, Chairman of the Reconstruction Finance Corporation; Dean G. Acheson, then Under Secretary of the Treasury; J. F. T. O'Connor, Comptroller of the Currency; Walter J. Cummings, Chairman of the Federal Deposit Insurance Corporation; and Lewis W. Douglas, Director of the Budget.

Few people appreciate the relief given to the depositors through the efforts of this committee. Experienced men were selected in different sections to appraise the assets of closed banks, and loans were made against these assets for the purpose of immediate distribution of dividends to depositors. These men served without compensation and rendered a valuable service. Up to and including January 25, 1934, $302,457,739 has been approved by the Reconstruction Finance Corporation for distribution, and $146,600,882 of this amount has been already advanced and disbursed to depositors.

Contrast this with the old system. When a bank was placed in receivership the receiver could not borrow. The receiver made his collections, sometimes creating hardships upon people through foreclosures, sometimes destroying a business, and at the end of a year or two a dividend was paid. The Reconstruction Finance

Corporation, representing the Government, now holds these assets and makes collections in an orderly manner, withholding property and securities from the market if the price is not favorable. But the depositor has received a substantial portion of his deposits. The day following the organization of this committee, my department presented for its consideration an application for a loan on the assets of the Commercial National Bank of Washington, D.C., which loan was approved in the sum of $1,714,000, which enabled the receiver of this institution to distribute an additional 30 percent to the depositors, making a total distribution up to that time of $2,741,082, or 50 percent.

Too much cannot be said in commendation of the work of Mr. Harvey Couch and Mr. C. B. Merriam as chairmen of these committees. In all of these financial problems, Hon. Jesse H. Jones, chairman of the Reconstruction Finance Corporation, has been a tower of strength. He is broad-gaged, and he is gifted with a vision which can instantly interpret the problem of every community.

Probably the most important and far-reaching changes with reference to banking were contained in those provisions of the Banking Act of 1933 with reference to insurance of deposits. In one form or another, banks have guaranteed deposits for many years. Nearly every State, municipality, and political subdivision, as well as the National Government, have required banks to pledge their best bonds or have required surety bonds to protect their deposits. The amount indemnified by surety bonds is not available, but on June 30, 1933, national banks had pledged to protect Federal deposits $659,885,000. Banks which received postal funds had pledged securities in excess of the amount deposited by the Government. As of December 30, 1933, it was estimated that there was on deposit in the Postal Savings Banks the amount of $1,209,425,417. The passage of the Postal Savings Act was largely due to President William Howard Taft in June 1910, who recommended it to Congress. In March 1933 the administration was confronted with a demand on the part of the people to either take the limit off postal savings accounts and not restrict deposits to $2,500 or to insure the deposits in the commercial banks of the country. When we contemplate that postal savings had increased over a 4-year period from June 30, 1929, to June 30, 1933, in the amount of $1,033,538,844, or more than 672 percent, we realize the seriousness of the problem.

The President appointed Mr. Walter J. Cummings of Chicago and Mr. E. G. Bennett of Ogden, Utah, as members of the Federal Deposit Insurance Corporation. The Comptroller of the Currency was named a member ex officio in the bill. Upon the organization of the Board, Mr. Cummings was elected chairman. I cannot summarize the work of this Board more concisely than the chairman did in his report to the President. Mr. Cummings said:

"DEAR MR. PRESIDENT: Pursuant to your request, I have the honor to submit to you a brief report of the work of the Federal Deposit Insurance Corporation.

"We have insured 13,423 banks. The insurance covers deposits up to $2,500 until July 1, 1934, when the permanent provisions of the act becomes operative.

"A careful survey shows that 97 percent of the total number of depositors are insured in full.

"We found 141 banks ineligible for insurance. A number of them may be insured by making certain corrections. In other words, approximately 1 percent of the applying banks could not qualify. This remarkable record was due to the assistance given by the Reconstruction Finance Corporation by the purchase from banks of preferred stock and capital notes.

"I believe that the insuring of bank deposits will not only be of incalculable value in restoring public confidence in the Nation's financial institutions now strengthened, but that it will be of tremendous assistance in hastening the return of prosperity.

"It will banish the fear of the depositor as to the safety of his money, and from the banker's point of view the elimination of the possibility of sudden and heavy withdrawals will make possible the expansion of credit for legitimate purposes.

"The Federal Government has subscribed $150,000,000 to the capital of the Federal Deposit Insurance Corporation, the Federal Reserve banks have subscribed $140,000,000, and in assessments the corporation has received over $37,000,000, making a total of $327,000,000 available funds for the immediate use of the corporation.

"I should like to express my real appreciation of the untiring efforts and close cooperation shown by the other two directors of the corporation, Mr. J. F. T. O'Connor, Comptroller of the Currency, and Mr. E. G. Bennett.

"The immediate task you entrusted upon your directors has been accomplished. We now direct our efforts to the advance of a great work—protect deposits and permit banks to function as useful instruments in the recovery program.

"Thanking you for the opportunity to serve in this way, I am,

"Very sincerely yours,

"WALTER J. CUMMINGS, *Chairman.*"

The President replied to this letter as follows:

"MY DEAR MR. CUMMINGS: I congratulate you and Mr. Bennett and Mr. O'Connor because you have in these few months accomplished with complete success a gigantic task which the pessimists said could not possibly be done before January 1.

"That 97 percent of the bank depositors of the Nation are insured will give renewed faith.

"I am also happy to know of the fine cooperation given to you by the Reconstruction Finance Corporation.

"Very sincerely yours,

"FRANKLIN D. ROOSEVELT."

There are approximately 54,000,000 individual deposit accounts each insured to the extent of $2,500 in these institutions. When the bank bill was under consideration in the Senate a resolution was passed requesting the Comptroller to secure from national banks of the country certain information with reference to depositors and their accounts. This was the first time that such information was ever accumulated. A telegraphic request was sent to each national bank, and 4,836 banks responded giving information from which the following statistics were compiled: There were 21,748,754 accounts with balances not exceeding $2,500, and the average deposit in these accounts was $183.17; the average deposit for accounts of $2,500 and not exceeding $5,000 was $3,318.93; the average deposit for accounts of over $5,000 and not exceeding $10,000 was $6,803.92; the average deposit for accounts of over $10,000 and not exceeding $50,000 was $19,714.82; and an average deposit was $211,820.85 for all accounts over $50,000. The average deposit in all reporting banks was $663.32.

Every bank which applied for insurance was carefully examined and many of them reexamined by one of the largest and most efficient examining forces ever assembled in this country. Banks which were found not sufficiently strong to join the fund were assisted in two ways. First, the stockholders made large contributions to the capital structure and, secondly, the Reconstruction Finance Corporation cooperated magnificently in supplying additional capital where needed.

It is my opinion that the banking structure of the Nation was never on a more firm foundation than it is today.

The criticism of banking practices has not come exclusively from outside the profession, but many leading bankers have pointed out in no uncertain terms weaknesses and imperfections in the system. The late Francis H. Sisson, past president of the American Bankers Association, in his address in Chicago, said:

"It was the greatest disintegration of economic conditions and values in history."

And again he said:

"The catastrophe was unquestionably due in chief part to that disintegration of values and business conditions that began in 1929. But it was due also to a serious condition of weakness that had become inherent in the banking structure itself, largely through causes beyond the control of sound banking."

"Even during the era of booming prosperity", admitted President Sisson, "bank failures averaged 650 institutions in a year."

Mr. Guy Emerson, vice president of the Bankers Trust Co. of New York, writing in the New York Herald Tribune on January 2, under the title "A Black Page in American Banking History", said:

"With the object of securing safety of deposits there can be no quarrel. Bank depositors are fully entitled to this protection. The last 13 years constitute a black page in American banking history. It seems almost incredible that the country should have allowed its banking system with obvious weaknesses to drift along in this epidemic of failures until the confidence of the people was almost completely destroyed and the whole system collapsed. It would be unthinkable to allow these losses to continue in the future."

I agree with President Sisson when he said:

"The past year has unquestionably been one of the most critical periods in the history of American banking. We are suspicious nowadays of 'new eras', but it is probably no exaggeration to say that the crisis of March 1933 marked the end of an era in our banking history and the beginning of another."

In a carefully prepared brief on deposit insurance Mr. W. J. Price, one of the staff of attorneys for the Federal Deposit Insurance Corporation, quotes extensively from Huebner in Yale Readings in Insurance, placing the total amount of risk carried at Lloyd's at approximately two and one-half billion dollars, while the total premiums were not more than 20,000,000, or 1 percent of the risks assumed. It occurs to me that this is a very important figure, when we consider the extensive operations of Lloyd's and the variety of risks insured. Insurance policies are written—"against fire, epidemics, sickness, and all sorts of accidents; against the risks of journeys and business ventures; against the loss of works of art and valuable possessions, or to avoid loss from the unforeseen stoppage of games and races, or to meet contemplated changes in the foreign tariffs, or to provide against the risks of war during periods of political excitement, and a hundred and one other contingencies of every conceivable kind, many of them nothing more than betting arrangements. Combining all these different forms of indemnity with the marine business, authorities place the total amount of risk carried at Lloyd's at approximately $2,500,000,000, while the total deposits paid in by members as a guaranty for the performance of contracts are placed at not more than $20,000,000, or about 1 percent of the risks assumed"—

Says Huebner.

Certainly, many of the risks assumed are more hazardous and less susceptible of accurate determination than losses by banks. Many banks have closed not because they were insolvent but because the depositors demanded their money, and the bank, unable to convert all of its assets into cash, found it necessary to close its doors. We have many instances where banks have "failed", as the word is generally used, and yet have paid 100 cents on the dollar to depositors and even returned some money to the stockholders. The full significance of this statement is appreciated when we consider that the receiver was able to do this and was prohibited from doing any new business in the bank to pay the overhead.

The risks involved by bank insurance of deposits is entirely different from practically any other form of insurance. When an individual whose life is insured dies, the loss is 100 percent; when a house burns to the ground, the loss is 100 percent. We have definite figures showing the losses in national banks since the beginning of the system. For example, it is found that the average percentage of recovery upon claims proven to depositors of the 1,155 closed national banks which had been liquidated and the affairs thereof finally closed from the year 1865, the date of the first national bank failure, to October 31, 1933, was approximately 66.76 percent, while the percentage of recovery based upon all classes of liabilities of such group of banks was still more, or approximately 76.79 percent.

Mr. Price adds to the Lloyd's list the following specific risks under policies written by American companies; and this is not meant to be inclusive: Sprinkler leakage insurance, rain, hail, earthquake, explosion, riot, plate glass, steam boiler, credit, title, and fidelity.

There is no group of business men in this Nation who are stronger advocates of all forms of insurance than bankers. We have no more conservative group of men in the country. You will recall the resolution passed by the American Bankers Association at their convention in Chicago on September 7, 1933, which convention I had the pleasure of attending. It was as follows:

"The American Bankers Association hereby records its deliberate judgment that the dangers involved in attempting to initiate at the beginning of 1934 the provisions for deposit insurance contained in the Banking Act of 1933 are genuine and serious."

I am sure that the men who voted for this resolution are as happy as we are that their fears were unfounded. The Banking Act of 1933 has on the whole met with the approval of the people and of the more liberal and constructive leaders in the banking world.

Prohibiting the payment of interest on demand deposits has not only corrected an unsound practice of banking but will eliminate the payment of many millions of dollars. The total amount paid during the past 5 years by member banks on demand deposits was $1,230,242,000, making an average per annum of $246,048,500. While the Federal Reserve Board has the power to fix the rates of interest for member banks, it had no jurisdiction over nonmember banks, which seriously interfered with the proper exercise of this power. The Federal Deposit Insurance Corporation has passed a resolution fixing the rate of interest at the same rate as that set by the Federal Reserve Board and eliminating interest on demand deposits. Thus the State nonmember banks and the member banks of the Federal Reserve are placed on the same basis.

In administering the provisions of the Banking Act of 1933, my department has found that a number of the sections should be clarified and my annual report to Congress, which is now in the hands of the Printer, recommends 12 changes and 3 additional amendments to the act. Time will not permit a discussion of these changes at this time, but the report will shortly be available.

One of the fairly accurate barometers of business is found in a summary of the call reports of national banks. The summary for the last call which was made on December 31, 1933, will not be available for some little time. However, the figures are available for the June 30 and October 25, 1933, calls. Probably, the first figures the average person glances at are the deposits and the loans. The deposits on June 30 were $16,774,115,000, and on October 25 were $17,055,208,000, showing an increase of $281,093,000. During the same period loans and discounts increased from $8,116,972,000 to $8,257,937,000, which was an increase of $140,965,000 more than on June 30. The aggregate assets of the national banks in continental United States, Alaska, and Hawaii amounted to $21,198,649,000, or an increase of $338,158,000 over the total of June 30.

An interesting comparison is made between the condition of the banks on September 30, 1932, under the call as compared with October 25, 1933. On the latter date there were 1,028 less national banks and yet the difference is not great. Let me give you the figures:

	Oct. 25, 1933	Sept. 30, 1932
Number of banks	5,057	6,085
Aggregate assets	$21,198,649,000	$22,565,995,000
Loans and discounts	$ 8,257,937,000	$ 9,919,662,000
Deposit liabilities	$17,055,208,000	$17,681,917,000

An additional fact which gives added assurance to the sound condition of the finances of the Nation was contained in the announcement made by the Secretary of the Treasury last Friday when he announced that the Treasury offering of $500,000,000 in 2½-percent Treasury certificates was oversubscribed nearly seven times, and the offering of $500,000,000 in 1½-percent Treasury certificates of indebtedness was oversubscribed more than two and a half times. This clearly indicates that the Treasury of the United States has the enthusiastic support of the Nation in its fiscal policies. The oversubscription indicates that a five-billion issue or more of similar securities would have been as readily absorbed by the country. This oversubscription is evidence of the great faith the people have in the leadership of President Franklin D. Roosevelt and an unequivocal approval of the Chief Executive's choice of the new Secretary of the Treasury.

Mr. Morgenthau approaches his problems with great deliberation. He has a mind which quickly analyzes a situation, and the ability to carry through a conclusion once determined. It is a pleasure to be associated with him in the work of the Treasury.

Burke consoled himself with the fact that the past was secure. With the cooperation of all the bankers with the insurance board, deposits will be secure. It is difficult to justify the leadership of the past to men and women whose savings have been wiped out—men and women who had by denial, self-sacrifice, and hard work saved enough to spend the twilight of their lives in happy contemplation and who suddenly found themselves objects of charity. They did not ask for pension, nor for public contribution. They had the right to expect their Government to provide a safe place for their savings. It has been done. It was not a partisan measure. Every Member of the Senate voted "aye" and only six Members of the House voted against the measure.

One dishonest man burns his house; the honest man helps to pay the loss. One dishonest man steals or embezzles; the honest man helps to pay the loss. One careless automobile driver kills a pedestrian; the careful drivers help to pay the damage. One man feigns illness and perpetrates a fraud; the healthy man pays the compensation. One dishonest banker steals; the honest banker and the Federal Government pay the loss within the limits prescribed by law.

Deposit insurance will unite the rural banker and the city banker as never before in a common purpose. The needs of the one will be better understood by the other, to their mutual advantage and to the safety of their customers. Bankers of America, the challenge is at your door. The opportunity is yours. To fail means disaster; to succeed means happiness in every home, happiness which comes from a sense of security. To refuse the challenge would make you unworthy of your heritage and would be a betrayal of a great trust. Let us go forward together.

I thank you.

WEST TEXAS CHAMBER OF COMMERCE

Mr. BLANTON. Mr. Speaker, the West Texas Chamber of Commerce embraces an area of about 100 counties in central western Texas, and at its sixteenth annual convention, held at San Angelo, Tex., it passed by unanimous vote on May 15, 1934, a very short resolution respecting the preservation to west Texas the watershed of the Colorado River. I ask unanimous consent at this point to put it in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BLANTON. The resolution was introduced by Hon. Charles E. Coombes, a former president of the West Texas Chamber of Commerce, and as passed unanimously by the convention is as follows:

Resolution 29

The West Texas Chamber of Commerce reaffirms the position it has maintained for many years with reference to water rights on the Colorado River and other streams. Efforts have been made in recent sessions of the legislature to change or modify a law passed by the forty-second legislature fixing priorities in the allocation and appropriation of waters, and there is now pending an application for a grant from the Federal Government, which if granted would nullify efforts to safeguard the public interest.

It is resolved that the West Texas Chamber of Commerce, in accordance with its policy of long standing in the controversy over the allocation and priorities of the waters of the Colorado River, stands unalterably opposed to any attempts to modify the basic policy through passage of laws and the pending application and calls on the Federal Emergency Relief Administration to deny the application on the ground that its real purpose is to pass the control of water rights to the hands of private corporate interests and deprive the people of the enjoyment of the preference and priority now declared by law to be theirs.

LAURA GOLDWATER—CONFERENCE REPORT

Mr. BLACK. Mr. Speaker, I submit a conference report upon the bill H.R. 4253, for the relief of Laura Goldwater, for printing under the rule.

A. W. HOLLAND—CONFERENCE REPORT

Mr. BLACK. Mr. Speaker, I submit a conference report upon the bill (S. 551) for the relief of A. W. Holland for printing under the rule.

GEORGE E. Q. JOHNSON

Mr. BLACK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4460) to provide for the payment of compensation to George E. Q. Johnson, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 9, strike out all after "is" down to and including "act", in line 10, and insert "hereby appropriated out of any money in the Treasury not otherwise appropriated the sum of $5,500, or so much thereof as may be necessary for payment of the claim."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was agreed to.

COMMEMORATION OF SETTLEMENT OF LA SALLE COUNTY, ILL.

Mr. BIERMANN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. BIERMANN. Mr. Speaker, in the spring of 1834 a small band of immigrants from Norway, under the leadership of Cleng Peerson, settled in La Salle County, Ill., on the site of the present village called "Norway." On June 22, 23, and 24 of this year that historic event will be commemorated with appropriate ceremonies at Ottawa, Ill. I believe it fitting that the one hundredth anniversary of this significant event should be brought to the attention of this body.

The population of Norway is approximately 2,800,000. There are today in the United States more than 1,100,000 persons of Norwegian birth and blood. The number of persons of Norwegian birth and blood in the United States is larger in proportion to the population of the mother country than that of any other racial group in the United States, excepting the Irish. I doubt that any other racial group, numbers considered, has had effects as beneficial to the development of the Middle West and the far West as have the Norwegian-Americans.

Shortly after the settlement in La Salle County, these immigrants erected a log church building. That was significant of the history to be made by the Norwegian-Americans wherever they were to settle. They always built churches and schoolhouses. As soon as their meager means would allow them, they erected colleges, and a number of the finest small colleges in our country have been founded and financed by Norwegian-Americans. Among them is Luther College at Decorah, Iowa. Throughout Illinois, Wisconsin, Iowa, Minnesota, the Dakotas, and, in later days, in the far West, Norwegian settlements were founded. In every case these settlements were characterized by industry, good citizenship, and good morals. The Norwegian people have been essentially and almost universally good citizens. In peace time they have contributed to our country's prosperity and in war time they have supported our country patriotically and loyally.

The descendants of the Norwegian pioneers have achieved success in agriculture, in business, in finance, in the professions, and in public life. But more than all these achievements is the great contribution that they have made to our country in the sound citizenship, in peace and in war times, that they have fostered and developed.

On June 22, 23, and 24 Americans of Norwegian blood will gather at Ottawa from all parts of our country. The Governor of Illinois, Hon. Henry Horner, will pay his tribute to these pioneer settlers of his State. Distinguished Americans of Norwegian blood will be there. Hon. John J. Sonsteby, chief justice of the municipal court of Chicago; Dr. Orlando Ingvoldstad; Rev. H. A. Hansen; Einar Josephsen; Dr. L. M. Larsen, of the University of Illinois; Rev. L. W. Boe, and others will take part in the program. The Norwegian people have always loved music and cultivated musical talent among themselves. So at the celebration in Ottawa the famous choir of St. Olaf's College in Northfield, under the direction of its noted leader, F. Melius Christiansen, will give a concert.

On this occasion a huge boulder to commemorate the pioneer settlement will be dedicated. It will memorialize the sound and enduring qualities of our citizens of Norwegian blood who have contributed very much to the strength of the American Republic.

NECESSITY FOR ESTABLISHING NIGHT AIR-MAIL SERVICE OVER DIRECT ROUTE BETWEEN DENVER AND KANSAS CITY

Mr. LEWIS of Colorado. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including a letter to the Postmaster General.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. LEWIS of Colorado. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following letter to the Postmaster General pointing out the urgent necessity of establishing night air-mail service over the direct route between Denver, Colo., and Kansas City, Mo. This letter bears 28 signatures, including those of all the Senators, and all but two of the representatives from Colorado, Kansas, and Missouri.

MAY 29, 1934.

Hon. JAMES A. FARLEY,
Postmaster General, Post Office Department,
Washington, D.C.

DEAR MR. FARLEY: Establishment of night air-mail service over the direct route of 560 miles between Denver and Kansas City is essential to serve adequately the commercial needs of these two cities, which are the largest and most important between the Missouri River and the Pacific coast.

Moreover, this direct route would furnish much needed overnight air-mail service for the intervening towns in Kansas and Colorado which are now without any air-mail service whatsoever and each of which is the center of an important agricultural area. It would also afford air-mail facilities not now available to Colorado Springs, Pueblo, and Trinidad to the south of Denver, each of which has important commercial relations with Kansas City and the East.

In order to attain speed and reliability—the purposes of the air mail—it is requisite to business men that an air-mail letter delivered in the Denver post office at the close of business hours shall, in due course, reach the addressee in Kansas City on the first delivery the next morning. Under the present arrangement, perhaps an air-mail letter which is posted in the Denver post office in the middle of the afternoon will be delivered in Kansas City the next afternoon. Such air-mail service between the two most important cities between the Pacific coast and the Missouri River is worthless to business men. It is cheaper and as expeditious to send letters by regular mail carried by train.

At present, all air mail between Denver and Kansas City is carried by a stub air line 100 miles north to Cheyenne, thence flown by plane on the main transcontinental route to Omaha, thence on another stub line 165 miles south to Kansas City. This detour of 265 miles makes the trip half again as long as the direct route. As a result of the delays incident to this detour and the uncertainties of connections, an air-mail letter delivered to the post office in Denver at the close of business hours will be delivered in Kansas City little if any sooner than one addressed to a business house in New York City.

The direct route could be flown from Denver to Kansas City in 4 hours. Letters deposited in the post office at Denver at 6 o'clock in the evening would arrive at Kansas City about 10:30 p.m. and at St. Louis somewhat later in the night, and at Atlantic seaboard cities in the morning. It would afford overnight service from Denver to Kansas City, St. Louis, Philadelphia, Washington, or New York. The same advantage would accrue to letters originating in the east going to the west.

Air-mail letters must now be completed early in the afternoon and delivered to the Denver post office a few minutes after 3 o'clock—long before the close of a regular business day. Under the present arrangement, a letter mailed in New York does not reach Denver or central Kansas until the second morning.

Denver, including in its metropolitan area 325,000 people, is the business and financial center for the entire Rocky Mountain region. It is the largest manufacturing city between the Missouri River and the Pacific coast. Its marketing area has an estimated population of 6,000,000 people. There is no other city even approaching it in size between Kansas City and the west coast. In Denver are administrative headquarters for the beet-sugar, mining, coal, sheep, and cattle industries. Denver is the Federal administrative center for the entire West, with over 60 bureaus and commissions of the United States Government—the largest number of governmental bureaus and administrative offices in any city outside of Washington, D.C. It has the largest banks, both commercial and investment, between Kansas City and the Pacific coast, the largest stockyards and meat-packing plants, commercial houses, wholesale distributing and jobbing establishments, and the most important branch of the Federal Reserve Bank of Kansas City.

Kansas City, in its metropolitan region, including Kansas City, Kans., has a combined population of over 550,000. It is the business and financial headquarters of the region toward the southwest and also directly west through the middle of Kansas. It has



air-mail service southwest to Wichita and Oklahoma, but no air-mail service westward through Kansas.

These two cities—the largest and most important between the Mississippi River and the Pacific Ocean—under the present arrangement are without adequate or commercially usable communication by air mail.

Furthermore, the State of Kansas, with a population of 1,900,000, is wholly without air-mail service except in the extreme southeastern portion.

The Governors of Kansas and Colorado joined in a petition for the establishment of this direct air-mail route to be flown at night. The General Assembly of Colorado adopted a joint resolution urging it. Business and commercial organizations in Denver, in Kansas City, and in numerous towns and cities in Colorado and Kansas have again and again pointed out the urgent need for it. Scores of citizens and business interests have petitioned Senators and Representatives in Congress, and have urged that the Post Office Department establish this direct service which so vitally affects the commercial intercourse between over 3,000,000 people.

In answer to these numerous petitions the Post Office Department has referred to the fact that until February of this year there was air-mail service by day on the direct route between Denver and Kansas City, and that the amount of mail carried on this route did not exceed 30 pounds per day, and that part of this was diverted from the main transcontinental route. The reason more letters were not sent over this route is, of course, obvious. To be of any commercial advantage, air-mail service must be arranged so that a letter mailed in one city at the close of business hours can be delivered at the opening of business the next morning, so that orders may be filled and business transacted before the close of that day, and a reply, posted that night, be received early in the next morning. If night air-mail service over this direct route is established between Denver and Kansas City it is safe to say that the amount of air mail originating in these two cities, and in the territory intervening, would increase rapidly and soon exceed in volume that carried over routes of similar length in other parts of the West.

As is stated in a letter to one of the undersigned by the Chamber of Commerce of Kansas City:

"The present plan of air-mail routes leaves us absolutely without satisfactory service to the West. Replies from various representatives of the Post Office Department to our protests are that suitable service has been arranged through Omaha to Cheyenne to Denver. The fact that an air-mail letter delivered to the post office at Denver will reach New York before one addressed to Kansas City will arrive here ought to be sufficient answer to that representation by our postal officials. Train service is much more adequate in both directions over this essential Kansas City trade territory."

From time to time, in response to insistent petitions by officials, commercial organizations, and citizens of Colorado, Kansas, and western Missouri, the Post Office Department has also said that the air mail could not be flown by night between Denver and Kansas City because the route is not provided with adequate landing fields. This objection is no longer justified. Kansas City and Denver each has an air field unsurpassed anywhere. There are municipal airports at Topeka, Salina, Hays, and Goodland, Kans., and within the last year emergency landing fields have been provided at Lawrence, Wakeeney, and Oakley in Kansas, and at Burlington, Limon, and Deertrail in Colorado.

It has also been urged by the Post Office Department that this direct route could not be flown by night because it is not lighted and is not provided with radio range stations. The Department of Commerce has indicated that the route has not been provided with these facilities because the Post Office Department has not asked that such facilities should be provided. If request is made by the Post Office Department, it is believed by the undersigned that the Department of Commerce will provide these facilities.

It is earnestly insisted that, in order to provide for intercommunication by air between Kansas City and Denver, the two largest and commercially most important cities in the region between the Mississippi River and the Pacific coast, and in order to serve the commercial needs not only of these two cities but also of the intervening territory, representing over 3,000,000 people, air-mail service by night should be established over the direct route between Denver and Kansas City.

Very truly yours,

Geo. McGill, United States Senator from Kansas; Edward P. Costigan, United States Senator from Colorado; Bennett Champ Clark, United States Senator from Missouri; Roscoe C. Patterson, United States Senator from Missouri; Alva B. Adams, J. L. Milligan, of Missouri; Clyde Williams, Member of Congress from Missouri; Arthur Capper, United States Senator from Kansas; Edward T. Taylor, Member of Congress, Fourth District of Colorado; C. C. Dickinson, Member of Congress, Sixth District of Missouri; Clifford R. Hope, Member of Congress, Seventh Kansas District; W. P. Lambertson, Member of Congress, First District of Kansas; U. S. Guyer, Member of Congress, Second Kansas; Clarence Cannon, Member of Congress, Ninth Missouri; Lawrence Lewis, Representative, First District of Colorado; Kathryn O'Loughlin McCarthy, Member of Congress, Sixth District of Kansas; John J. Cochran, of Missouri; Fred Cummings, Member of Congress, Second Colorado; W. A. Ayres, Member of Congress, Kansas Fifth District; J. B. Shannon, Member of Congress, Kansas City, Mo.; M. A. Romjue, Member of Congress, First Missouri District; John A. Martin, Member of Congress, Third District of Colorado; J. R. Claiborne, at large, Missouri; R. M. Duncan, Member of Congress, St. Joseph, Mo.; James E. Ruffin, Member of Congress, Missouri at large; Randolph Carpenter, Member of Congress, Fourth District of Kansas; Ralph F. Lozier, Second Missouri, Member of Congress; R. T. Wood, Sixth Missouri, Member of Congress.

ONE YEAR UNDER ROOSEVELT

Mr. FLANNAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. FLANNAGAN. Mr. Speaker, a little over 1 year ago one of the gloomiest spots in the world was none other than "the land of the free and the home of the brave." We were in the throes of not only an economic depression but a depression of mind and spirit as well. Banks were crashing on every hand, industrial failures were coming thick and fast, farm and home mortgages were hourly being foreclosed, the bankruptcy courts were being overworked; business men, uneasy, nervous, care-worn, were working night and day in an effort to hold on; millions were milling around in a state of dejection, eager and willing to work but unable to find employment; hunger, the monster that overthrows judgment and reason, was abroad in the land, and the faith of our people had reached a dangerously low ebb.

CAUSE LEADING UP TO MARCH 4, 1933

Economically, financially, and spiritually this country, in my opinion, on March 4, 1933, when Mr. Roosevelt took command, had reached its lowest level. We did not reach this low level over night. Back of our decline was a reason of long standing. And that reason, in my opinion, was the centralization of wealth and the inequality in the distribution of the profits and benefits arising out of industry and agriculture that had been going on for years. I know there were other contributing causes such as the stock-market orgy, the sale of worthless securities, and our money and credit structure. The real governmental malady, however, was as I have stated, and the real problem the redistribution of wealth and the equalization of the profits and benefits of industry and agriculture.

I am not preaching socialism, or anything akin to socialism, when I tell you that this Nation can no more carry on half rich and half beggars than it could have carried on half free and half slaves. And I am not against the profit system when I tell you that the system will die of its own transgressions unless it recognizes the fact that the sower as well as the reaper is entitled to a fair division of the profits.

Far better for us to face the facts in a courageous way now than to wait and have them brought to our attention later by men dethroned of reason by hunger and want.

Let us briefly review the facts: God has blessed us in a peculiar way. We have the greatest country, inhabited by the greatest people, on earth. America is more nearly self-sustaining than any other country on the globe. If we were isolated from the rest of the world we would suffer very few, if any, inconveniences. Our country is capable of not only sustaining our people, but sustaining them in comfort. We have a plenty not only of the necessities, but the luxuries of life, to go around and then leave a surplus. One of our problems of late has been to get rid of our surpluses.

And yet on March 4, 1932, with our granaries bursting, millions of our people were hungry; with our factories capable of producing, and plenty of raw material on hand, more clothing than we needed, millions of our people were poorly clad; and with our people able and willing to work, millions of our people were out of employment. And I am only preaching Americanism when I tell you it is a shame—a burning shame—for people to go hungry and naked in a land of plenty. And I do not have to argue with you to convince you that something was out of gear, and badly out of gear, when such a condition prevailed.

The fundamental cause leading up to this sad debacle was that the people were without purchasing power, caused chiefly by wealth becoming centralized and an equal division

of the profits and benefits of industry and agriculture being denied the laboring people and farmers. The buying elements in our population are the laboring people and farmers, and when we cut off their purchasing power we paralyze our whole economic structure.

To show you the direction in which we were traveling, let me remind you of the fact that when I was a boy—and that has not been so very long ago—a millionaire was more or less a curiosity. We would travel as far to see a millionaire as we would to see a circus. How about today? Why, a man with a beggarly million today fails to register in the class of wealth. Until recently a million-dollar income or a million-dollar salary was unheard of. As late as 1921 only 21 people reported a million-dollar income. This number had increased in 1929 to 533. And salaries were becoming so ridiculously high that the American Tobacco Co. was paying its president a salary of $2,500,000 per year, which is more money than the 8,000 growers of dark air-cured tobacco, producing around forty to fifty million pounds, received for their entire tobacco crop in 1932. It is now estimated that 90 percent of the wealth of this country is owned by 10 percent of our population and less than 1 percent of our population receive two-thirds of all dividends paid.

Well, common sense should teach us that centralization of wealth has gone too far and that we should now, before it is too late, begin to set in motion machinery that will redistribute the wealth of this Nation back to the people. I do not mean by this that wealth should be divided up as preached by those entertaining socialistic views, nor do I mean that I would treat anyone unjustly, but I do mean that through an inheritance tax and an estate tax we should begin to redistribute the wealth of this country in a sane and sensible way, and in such a way as not to penalize thrift and industry. I am not preaching that a man with the opportunities afforded in this country cannot honestly accumulate great wealth, but I am preaching that if he does, that one of his legatees when he dies should be the Government that afforded him the opportunity.

Sane and sensible income, inheritance, and estate tax laws is the only way wealth can be redistributed and, after it is distribtued, is the only way to prevent its recentralization. Moreover, such laws will go a long way toward producing the revenues necessary to run this Government and will place the tax burden where it rightfully belongs—that is, upon those best able to pay.

Now, as to the equalization of the profits and benefits of industry and agriculture.

First, let us consider agriculture.

Measured by the price the consumer pays for foodstuff, clothing, and tobacco, there is ample profit in cattle, sheep, hogs, wheat, corn, tobacco, and cotton. The trouble has been that the profit is not equally distributed between the producers and those who process and handle the commodity before it reaches the consumer. To illustrate, let me take tobacco, as I have had occasion to go into the tobacco problem pretty thoroughly of late.

At the price the consumer pays for tobacco there is plenty of money in tobacco for the growers, the warehousemen, and manufacturers. The trouble is the profit is not rightly distributed. The tobacco growers most of the time work at a loss in order for the manufacturers to make swinish profits.

Take a package of cigarettes made out of 15-cent tobacco and here is the way the profits are divided:

	Cents
Grower receives for the tobacco in a package of cigarettes at 15 cents per pound	0.9
Factory cost, including making the cigarettes and packing in cartons	.7
Selling costs	.7
Federal tax on package of cigarettes	6.0
Total	7.9
Profit at 15 cents per package	7.1
Profit at two packages for 25 cents	4.6

Now, if the grower was paid 30 cents instead of 15 cents for his tobacco, which would only be a fair price, it would add less than 1 cent to the cost of a package of cigarettes, and this additional cost could be absorbed by the manufacturer without, in any way, crippling him, or reducing his profit below the point where his industry would not be a profitable one. And this additional price to the tobacco grower would change him from an economic liability to an economic asset—from a citizen pursuing an unprofitable business to one running a profitable business and able to purchase the goods, wares, and merchandise produced by others.

In order to further impress upon you the inequality in the distribution of the profits and benefits of agriculture let me give you, for comparison, the amount received by the tobacco growers of America for that part of their crop sold to the four large tobacco companies, which is about two-thirds of the entire crop, during the past 3 years, the amount of net profits made by the four companies on said tobacco and the dividends paid by them during the same period:

Year	Amount received by the tobacco growers for their tobacco sold to the four large companies	Net profits made by the four large tobacco companies	Dividends paid by the four large tobacco companies
1930	$136,000,000	$108,850,000	$79,510,000
1931	96,100,000	114,040,000	79,750,000
1932	69,000,000	110,340,000	79,650,000

What do you think of the four large tobacco companies making in one year more in net profits than the 400,000 tobacco growers received for their crop? And yet that is just what happened in the years 1931 and 1932. And in 1932 the four large tobacco companies actually paid out in dividends more than the tobacco growers received for their tobacco.

Now, I do not have time to analyze other farm products, such as cattle, sheep, hogs, corn, cotton, but if you will go into these farm commodities you will find that practically the same thing has been going on, namely, the farmer has not been sharing in the profits and benefits of the farm product he raises.

Now, let us look into industry.

Measured by the price the consumer pays for the things produced by industry, labor in this country should be a profitable employment. The trouble is that labor, except in a very few instances, has been unable to share, in the form of wages, in the profits of industry. We have been zealous in our effort to enact laws to promote industry and make it possible for industry to pay huge dividends not only on invested capital but watered capital as well, and to cut huge "melons" at frequent intervals, but we have done very little to enable labor to share in the dividends or partake of the "melons."

I realize that industry is entitled to a fair return on invested capital—not watered capital—and that it should be encouraged in every fair and legitimate way. I am a friend of legitimate industry and want to see it prosper. But on the other hand, I believe labor is entitled to a fair return on the sweat of its brow, and that while it should not prosper at the expense of industry, it should certainly receive its just and fair proportion, in the form of wages, in the profits and benefits of industry.

The trouble heretofore has been—and we should be ashamed of the record—labor has not received its fair and just proportion of the benefits and profits of industry.

Let me illustrate by giving just one example: Mr. Carnegie was in the steel business about 25 years and retired with a fortune of $230,000,000, which shows that he accumulated at the rate of $10,000,000 per year. If the men who worked for Mr. Carnegie had received their just and fair proportion, in the form of wages, of the profits of the steel business conducted by him, it would not have been possible for him to have amassed such a fortune; and instead of one man being blessed with more money than he knew what to do with, thousands would have accumulated a competency.

Now a fair and just wage will change a laboring man from an economic liability to an economic asset—from a citizen unable to sustain himself and family to one who becomes a good purchaser of the goods, wares, and merchandise produced by others.

The case of Mr. Carnegie is not an isolated case, and I have used it as an illustration simply because I happened to be in possession of the facts. You will find that it is, more or less, a representative case of what has been going on in all large enterprises. And the result has been the pauperizing of labor to the point of destroying its purchasing power.

I have said before, and I repeat it, in my opinion, a low wage scale is one of the greatest curses a country can be afflicted with.

Now, I have given you what, in my opinion, led up to the sad estate in which we found ourselves on March 4, 1932, when Mr. Roosevelt took command.

And, lest we forget—and the American people forget entirely too soon—let me remind you of the legitimate offsprings of these causes that Mr. Roosevelt on March 4, 1933, found crying to high heaven for relief:

Between twelve and fifteen million people, upon whom countless millions depended for bread and meat, were out of employment. Hunger, as never before in the history of this country, was abroad in the land, and millions had been shivering through the winter that was coming to a close.

The spirit of many of our people had been crushed, their faith shattered, and their hope lost. Every morning the papers carried a new list of those who, unable to longer carry on, had ended it all by self-destruction.

In 4 years 7,578 banks had closed, involving $5,914,287,000 in deposits, and the banks left open knew that they, at best, could only carry on for a few more days.

Thirty-one thousand eight hundred and twenty-two industrial failures, involving $928,313,000, had taken place during the past year, and new ones were being added daily to the list.

Thousands of farmers, through mortgage foreclosures involving millions of dollars, had lost their farms.

Thousands of home owners, through mortgage foreclosures involving millions of dollars, had lost their homes.

The life-insurance companies, in which millions of our people had their life's savings tied up, were on the verge of collapse.

The railroads, our arteries of transportation, were fast reaching the point where they could carry on no longer.

Our foreign trade, which amounted to $5,157,083,000 in 1929, had fallen off to $1,576,151,000.

Our Federal income, which amounted to $4,033,200,000 in 1929, had fallen off to $1,888,700,000, and there was a deficit in our Federal Budget of $2,885,362,299.

Many of our States and political subdivisions were so heavily involved that default was daily being made in the payment of their bonds.

The income of the farmers, which averaged between 1924 and 1928, $9,920,000,000, and which amounted to $8,457,000,000 as late as 1930, had fallen off to $3,979,000,000 in 1932.

Wheat was selling for 44 cents per bushel, corn was selling for 28 cents per bushel, cotton was selling for 6 cents per pound, hogs were selling for 3⅕ cents per pound, and cattle were selling for 3½ cents per pound.

There was no longer any such thing as a wage scale. Laborers, those who could find work, were willing to labor for anything they could get.

Yes; we were right in the midst of the fiery furnace, being tried as never before.

THEN CAME ROOSEVELT

Into this national picture of gloom and despair stepped a man of action, a man of courage, a man of faith, a great leader—Franklin D. Roosevelt.

His first message, delivered on the day he was sworn into office, arrested the attention of the whole Nation—yea, of the whole world—and stamped him as a leader who not only knew the problems we faced but who could overcome and master them. I say it deliberately, weighing the words I use: I seriously doubt if any other message ever delivered to the American people, barring the Declaration of Independence, had such a profound effect. The whole Nation was electrified, and overnight our people gave birth to new hope and new faith in our institutions. The frosts of despair and gloom, of lost hope and shattered faith, melted in the warmth and sunshine of that immortal message. It justified the wisdom of our founders in representative government and insured the continuation of our Republic.

While his message contained nothing new in government, it was reassuring in bringing back to the people in simple, vigorous language the philosophy of government taught by the father of truly representative government, the Sage of Monticello—that governments should be administered by the chosen representative of the people in the interest of all rather than by the pawns of the powerful in the interest of the favored few. And his every act since that wonderful pronouncement justifies the statement that on that memorable occasion he was not indulging in mere vocal service, a trick too often resorted to by the demagogue, but that the fire of true democracy burned brightly in his soul.

He came preaching no new or strange doctrines, as some unacquainted with the spirit of the philosophy underlying our Government thought—and no doubt they are not to be censured for so thinking, because we had departed so far from the spirit and true intent of our original plan that the spirit of our Government had been crushed—but the God-given doctrines set forth in our Declaration of Independence, Constitution, and Bill of Rights.

He came asking for no powers inconsistent with the crisis confronting us, but only for such powers as would permit him during the emergency to act quickly and decisively in bringing relief to a stricken people.

He came advocating no changes in our fundamental laws, but insisting that the spirit of those laws be carried out by enacting such laws as would relieve human suffering and misery, protect the home owners in the enjoyment of their homes and the landowners in the enjoyment of their acres, put men to work at an honest wage and guarantee to them the right to organize in their own self-defense, curb merciless competition and unfair trade practices in business, place agriculture on a parity with industry, equalize the profits and benefits of agriculture and industry, use the national credit for the people as a whole regardless of station and rank, and protect the masses from the avaricious hand of the powerful.

How can anyone be so out of touch with the spirit of our institutions as to say we are following dangerous paths in attempting to put over such a program? I think I know something about our institutions and the spirit that prompted the founders of the Republic in building as they did. They built wisely, securely, well, and I would not change a single stone in the edifice they erected. Their philosophy of government is my philosophy of government. And believing as I do, I say unto you that I do not believe there is a single signer to the Declaration of Independence or the Constitution who, were he living today, would not subscribe to the program the man in the White House is attempting to put over.

To those who are not in sympathy with the new deal, because they know it means a square deal and no special favors will be granted, and for this reason are not only hoping and praying that it will not succeed but are actively engaged in talking and working against its success, and to those who, blinded by partisanship, had rather see their country collapse than for their party to suffer defeat, I have no advice to give. Like Nathaniel of old, they are persuaded that no good can come out of Nazareth. But to those who would like to see the new deal succeed but who have been influenced by false propaganda into putting a question mark after the policies of this administration, and to those among us of little faith, let me admonish you to seek the advice of the Master in judging the wisdom and accomplishments of this administration. Some 2,000 years ago John the

Baptist, the forerunner of the Master, was in jail. Doubt and unbelief crept into his mind. He could not understand why, if the Man of Galilee was the promised Messiah, He would permit him to remain in prison. So he sent two disciples to the Master to inquire: "Art thou He that should come, or do we look for another?"

The Master knew what it took to convince people. He knew it would take proof, not argument, to convince John, so He said to the disciples: "Go and show John again those things which ye do hear and see: The blind receive their sight, and the lame walk, the lepers are cleansed, and the deaf hear, the dead are raised up, and the poor have the gospel preached to them." Yes, look and listen, and tell John what you see and hear. So, I say to the doubters and those of little faith, look and listen, and you will find out that in little over 1 year under the new deal wonders have been wrought in our beloved land. Yes; you will find that the hungry have been fed, the down-and-outers cared for, homes saved, farms reclaimed, industries started up, men put back to work, banks opened, security thrown around investments, the rights of labor recognized, child labor abolished, sweat ships outlawed, the farm problem given earnest consideration, and an honest effort made to equalize the rights and opportunities of our people. And you will find, too, that the faith of our people has been strengthened and that they once again look to the future with confidence and hope.

Let me briefly recount some of the major accomplishments.

ACCOMPLISHMENTS

Mr. Roosevelt came to the White House with a well-thought-out and constructive programs. A program, I should say, that knew no sectionalism, recognized no special political or financial obligations, so humane in its purposes as to reach the most humble, and designed to do the greatest good to the greatest number.

In considering the program and the accomplishments of the administration, we should ever keep in mind that many of the laws so far enacted were brought forth as emergency measures, and, of course, are unsuited to the needs and demands of our people in normal times, and will, of course, be discarded when the emergency is over. Some of the laws, however, are of a permanent nature and will survive the emergency. And many of the emergency measures contain provisions establishing and recognizing principles that should survive and become a part of our national policy.

R.F.C.

The Reconstruction Finance Corporation, commonly known as the "R.F.C.", has real accomplishments to its credit. Originally passed by a Democratic Congress under Mr. Hoover, back in January 1932, its powers have been broadened and extended by the succeeding Congresses, and since the present Congress further broadened its powers and gave it authority to make loans to small business its benign benefits will reach into every corner of our land.

Set up in 1932, primarily for the purpose of taking care of big business, it has proven to be the salvation of the banks, railroads, and insurance companies. Had it not been for the R.F.C. and Mr. Roosevelt's prompt and courageous action thereunder I seriously doubt if there would be a single solvent bank, railroad, or insurance company in the United States. That statement, I know, is pretty broad, but I honestly believe it is a true and correct statement.

Everyone realized that the President was right in his efforts to save the banks in which millions of depositors had their money, the insurance companies in which millions had their life savings tied up in insurance policies, and the railroads, our arteries of transportation. In order for us to build back, these institutions and industries had to be saved. And when Mr. Roosevelt took courageous and prompt action through the R.F.C. many of those who now question his policies proclaimed him as a great statesman and courageous leader.

The only mistake made in connection with the R.F.C. is the mistake originally made in limiting its powers of assistance to big business. This, in my opinion, was a costly mistake. The farmers, small banks, and small business needed assistance at the time and should have been provided for in the act. Had this been done, much suffering as well as loss would have been averted. We lost a lot of valuable time after the depression struck us and before Mr. Roosevelt took command.

However, after Mr. Roosevelt took command, I am telling you that we got action, and we got real serviceable and efficient action right through the R.F.C. I am going to refer to the accomplishments of the R.F.C., and when I do you will begin to see what leadership means.

Let me give you briefly some of the accomplishments of the R.F.C.:

In 1929 there were 642 bank failures involving deposits aggregating $234,532,000. This was the beginning of Mr. Hoover's administration.

In 1930 there were 1,345 bank failures involving deposits aggregating $864,715,000. This was under Mr. Hoover. No action.

In 1931 there were 2,298 bank failures involving deposits aggregating $1,691,510,000. This was under Mr. Hoover. No action.

In 1932 we had 1,456 bank failures involving deposits aggregating $715,626,000. This was under Mr. Hoover, and the R.F.C. was in existence, but very little action taken except to assist a few of the larger banks.

From January 1, 1933, to March 4, 1933, there were 420 bank failures involving deposits of around $200,000,000. Still under Mr. Hoover, and the R.F.C. still in existence, but both dead as they had been in 1932. In addition 1,417 national banks with deposits aggregating $2,207,964,000 failed to open after the bank holiday and, of course, these banks should be added to Mr. Hoover's list.

When Mr. Roosevelt assumed command he had to close the banks in order to save them. It was the only sensible thing to do. He realized what the do-nothing policy up to that time had done. He realized that faith and confidence had to be restored in the banks. Had Mr. Roosevelt not taken this courageous action I doubt, in 10 days' time, if there would have been a single bank in the United States open.

So far I have dealt with National and State banks. I am sorry I do not have the figures as to what has happened to the State banks that failed to open after the bank holiday, but I do have the record as to national banks. After the bank holiday, March 16, 1933, there were 1,417 national banks that were not allowed to open for one reason or another. In these banks there were deposits aggregating $2,207,964,000. By the first of May 1934, 87 percent of these banks had reopened and 85 percent of the remaining banks had received approved reorganization plans, leaving only 29 of the 1,417 banks that had not worked out of their difficulties; and these 29 banks only had deposits aggregating $16,281,000, which is less than three-quarters of 1 percent of the $2,207,964,000 in frozen deposits in the 1,417 banks on March 16, 1933. That is what the R.F.C. and the comptroller did in 1 year under real leadership. I believe the figures covering State banks will make a similar showing. And in the face of such a record there are those who say the new deal is not working.

But I have not given you the best part of the record. The Congress under the leadership of Mr. Roosevelt, and over the protest of the Tories, passed the deposit-insurance law which, in my opinion, is the greatest banking act ever passed, and this law went into effect January 1, 1934. Since January 1, 1934, there hasn't been a single bank failure. If you do not believe in the efficacy of the deposit-insurance law let me call your attention to the fact that the average number of bank failures in the United States during the 10-year period from 1923 to 1932, occurring during the first 5 months of each year—the period the deposit guarantee law has been in effect—amounted to around 500 each 5 months. During the first 5 months of this year we have not had a single failure, and this is largely due, in my opinion, to the

deposit guaranty law. And I want to call your attention to the further fact that bank deposits under the guarantee law have increased around $2,000,000,000.

Now let us see what part the R.F.C. has played:

As I have stated, the R.F.C., except as to big business, played an unimportant part in recovery until Mr. Roosevelt took command. Since then it has made a wonderful record.

The R.F.C. has authorized loans to 7,080 National and State banks aggregating $1,995,061,938.17. Of this amount, $233,810,926.83 was canceled or withdrawn, $208,331,108.73 remain to the credit of the borrowers and $1,552,919,902.61 has been paid out in cash, of which amount $925,459,565.06, or 60 percent has been repaid. And since the law has been liberalized as to loans to closed banks by the present session of Congress greater relief may be expected.

In addition, since the passage of the Emergency Banking Act, the R.F.C. has authorized or made conditional agreements to purchase $659,380,000 of preferred stock in 3,278 banks and trust companies, and is ready and willing to take stock in other banks.

Now, let us get a birdseye view of the bank record under Mr. Hoover and under Mr. Roosevelt:

UNDER MR. HOOVER

	Number of bank failures	Amount of deposits involved
1929	642	$234,532,000
1930	1,345	864,715,000
1931	2,298	1,691,510,000
1932	1,456	715,626,000
1933 to Mar. 4 to which should be added banks that failed to open after bank holiday	420 1,417	200,000,000 2,207,964,000
Total	7,578	5,914,287,000

UNDER MR. ROOSEVELT

1934	None.	None.

The record the R.F.C. has made in saving, reopening, and assisting banks alone, in my opinion, more than justifies its existence.

In order that you may have a more comprehensive picture of the activities of the R.F.C., let me state that it had made total disbursements as of April 30, 1934, of $5,139,430,378.43, and received in repayments the sum of $1,382,828,921.45. And in order for you to better understand the varied industries and businesses, other than banks, that have been assisted let me enumerate a few:

Amount of loans

Railroads	$402,506,101.49
Insurance companies	89,326,758.56
Mortgage loan companies	251,750,042.91
Building and loan associations	114,132,053.07
Self-liquidating projects	86,604,429.52
To Commodity Credit Corporation on cotton	98,995,171.93
To Commodity Credit Corporation on corn	86,798,152.62
Federal Relief Administration	487,060,753.16
Secretary of Agriculture—crop loans to farmers	115,000,000.00
Farm Loan Commissioner to make loan to farmers	145,000,000.00
Capital Stock Home Loan Bank	80,445,700.00
Capital Home Owners' Loan Corporation	69,000,000.00
States, Territories, and political subdivisions for relief	299,984,999.00
Livestock Credit Corporation	12,668,733.05

Surely no one familiar with the work of the R.F.C. can question for one moment the splendid part it has played in recovery, or the efficient manner in which it has functioned.

RECAPITULATION

First. Thousands of homes and business properties saved through its loans to mortgage and building and loan companies.

Second. Railroads in much better financial position and, most of them, should now be able to weather the storm.

Third. Insurance companies saved and practically all of them now on a sound financial basis. This means the insurance policies in which millions of our people had their life savings tied up will be paid in full.

Fourth. Banks upon a sound financial basis.

Fifth. Not a single bank failure in 1934.

A.A.A.

The Agricultural Adjustment Act, commonly known as the "A.A.A.", to say the least, is an honest effort to place agriculture upon an equality with industry and equalize the profits and benefits thereof between the farmers and those who process and handle farm products. And when I say it is an honest effort to accomplish those ends, and the first real honest to goodness effort put forth by an administration to accomplish those ends, I mean exactly what I say. And I want to say another thing: The principles of the act were conceived by real Americans, deeply in sympathy with the farmers, and who have courage enough not only to talk, but to act. Talking officials and legislators, singing songs of praises to the farmers, as if praise singing would raise the price level of farm products, had just about ruined the farmer. We have been getting action since March 4, 1933.

You may ridicule the "brain trusters" all you please, but you cannot wipe out the record made by the Agricultural Department during the past year by ridicule. When you get through considering the record I believe you will agree with me that gray matter is not a bad thing to have over in the Department. Another thing about the "brain trusters": Some of them may not be practical farmers, but they have brains, and for the first time in the history of the Department, so far as I know, had brains enough to call in the farmers themselves to assist and advise in working out the different farm programs. In other words, the cotton growers worked out their own program, the wheat farmers their program, the tobacco growers their program, and so forth. That is not only showing brain work, but brain work of the best variety, the common-sense variety. And as long as the Department goes to the farmers themselves who, better than anyone else know their own problems, for counsel and advice, I am not afraid of the results.

And I want to say another thing: I am not in sympathy with those who seem to think the Agriculture Department is trying to Hitlerize the farmers. Why, you know and I know that the farmer is the most individualistic citizen in the world and that you had as well try to change the spots of the leopard as to curb his individualistic nature or destroy his freedom of action. If I thought for one moment that the Department of Agriculture contemplated in any way curbing the freedom of the farmer, I would take my coat off and resist the movement in every possible way. All I have got to say about this Hitler business is this: If the farmer has been Hitlerized, he Hitlerized himself.

The farm program, with one exception, is a voluntary program. It has not been imposed upon the farmers. It has been worked out in cooperation with the farmers. The element of force does not enter into it. In an effort to raise the price level of agricultural products the Department of Agriculture, in conjunction with the State agencies and the farmers themselves, has worked out what is known as the "crop-reduction program", and this program, I may add, depends entirely upon the cooperation of the farmers themselves. I do not know of any farmers who think they are being Hitlerized. So far as I know, the farmers have been practically unanimous in their support of the program. And I want to call particular attention to the fact that the Secretary of Agriculture, when the Bankhead cotton bill was before the committee, which is the only legislation the element of compulsion enters into, stated that the only reason he was in favor of the legislation was because over 95 percent of the cotton growers had asked for its passage.

And we should ever keep in mind when considering the Agricultural Adjustment Act that it is an emergency act, designed primarily to take care of the farm situation until the farmers can get back on their feet. I think I know something about the farm problem and the men who have been trying to work it out. As a member of the Agriculture Committee I have been living with the problems for the past 3 years. And I want to say that no governmental officials ever worked harder, ever worked more sincerely and honestly to solve the problems of agriculture, than those in authority today.

The farmers are at last getting a break, and if we keep men in command like MARVIN JONES, Chairman of the House

Agriculture Committee, and Secretary Wallace, they will soon be on top. The criticism that has developed, if you will trace it to its source, you will find, is coming from the packers, the millers, the stockyards, the tobacco manufacturers, and the balance of that crowd that has fattened at the expense of the farmer long enough.

Not only has the administration made an honest effort to raise the prices of farm products, it has also made an honest effort to save the homes of the farmers. The Farm Credit Administration, set up by President Roosevelt, during its first year, loaned the American farmers $1,273,000,000. Of this amount $791,000,000 was loaned to 316,000 American farmers by the Federal Land Bank and Land Bank Commissioner. The balance of the amount went to the farmers on their crops, livestock, and so forth. And this money has not only helped the farmers, but the banks, insurance companies, and farm creditors in general. Of the $791,000,000 loaned to farmers on their lands, $218,230,000 went to commercial banks, $82,480,000 to insurance companies, $21,900,000 for taxes, and $381,540,000 to private mortgage companies, merchants, and other unclassified types of rural creditors. It will be readily seen, therefore, that this money not only saved the farmers, but in all probability many banks and other businesses.

RESULTS

But the best way to measure the efficacy of the farm legislation is by the results it has produced. Let me give you a few of the results:

The average yearly income of the American farmers from 1924 to 1928 amounted to $9,920,000,000, and this income had dropped off to $3,979,000,000 for the period terminating May 1, 1934. What happened to this income during the next year under the Agricultural Adjustment Act? Well, let me tell you. The A.A.A. brought the farmers' income up to $5,530,000,000, an increase of over $1,500,000,000 in 1 year, which amounts to an increase of 39 percent. And to those who would have you believe that this increase was in the form of rentals and benefit payments made to the farmers, let me say that only 12 percent of the increase came from rentals and benefit payments.

Now, let us see how the basic farm commodities originally included in the act—cotton, tobacco, wheat, corn, and hogs—have fared:

The cotton growers received for their cotton and cottonseed in 1932 the sum of $425,488,000. For their 1933 cotton and cottonseed the same cotton growers received $856,776,000, an increase of $431,288,000. So the A.A.A. put $431,288,000 in the cotton growers' pockets the first year.

The tobacco growers received for their 1932 crop of tobacco $104,529,000. For the year 1933 the same tobacco growers received $214,130,000, an increase of $109,601,000. So the A.A.A. put $109,601,000 in the tobacco growers' pockets the first year.

The wheat growers received for their 1932 wheat crop $194,846,000. For the year 1933 the same wheat farmers received $367,153,000, an increase of $172,307,000. So the A.A.A. put $172,307,000 in the wheat growers' pockets the first year.

The hog raisers received for their 1932 hogs $428,000,000. For the year 1933 the same hog raisers received around $457,000,000, an increase of around $29,000,000. So the A.A.A. put $29,000,000 in the pockets of the hog raisers the first year. And in connection with hogs I want to state that the processing tax did not go on until November 1933, hence no benefit payments have been made. It is estimated that the hog raisers during 1934 will receive at least $200,000,000 in benefit payments under the processing tax, so if the hog price holds its own the hog raisers will receive some $200,000,000 more in 1934.

The corn farmers received for their 1932 corn crop $146,090,000. For the year 1933 the same farmers received $242,117,000, an increase of $96,027,000. So the A.A.A. put $96,027,000 in the corn raisers' pockets the first year.

When the A.A.A. was originally enacted the cattlemen did not desire to come under the act, hence cattle were left out. I thought at the time a mistake was being made, as the omission left the Secretary of Agriculture practically helpless in dealing with the cattle situation. During the present session of Congress the cattlemen from all over the United States met here in Washington and decided to come under the act, and the A.A.A. was amended to include cattle, and since then the cattlemen, in cooperation with the Department, have been working out a program. And I call attention to the critics of the act that since cattle were included and since the Department and the cattlemen have been working on a program that there has been a substantial advance in the price of cattle; and my opinion is that as soon as the program has been worked out and put into effect we will have a fairly decent cattle market.

As my district is so vitally affected by the cattle price, I did everything in my power to get cattle included in the act originally, and I kept on fighting until we finally got them in. The cattlemen are solely to blame for cattle being left out of the act originally. Whether it will be wise to put the processing-tax feature into effect as to cattle I express no opinion at this time. The mere fact that cattle are under the act and the processing tax can be imposed if deemed advisable will have a splendid effect. Moreover, since cattle are under the act a cattle program can now be worked out. This was impossible as long as we left cattle out of the act.

Now, let us recapitulate and get a birdseye view of the entire picture. The object of the A.A.A. was to bring the price of farm products up to the 1909–14 price level, and cotton, wheat, tobacco, hogs, and corn were originally included in the act as basic farm commodities to experiment on. Let us see how near the act has accomplished its purposes:

	1909–14 average price level	The 1932 average price level	Mar. 15, 1934, price, including benefit payments
	Cents	*Cents*	*Cents*
Wheat, per bushel	88.40	39.0	85.90
Cotton, per pound	12.40	5.8	13.70
Tobacco, do	10.40	7.4	14.00
Hogs, do	7.22	3.5	6.13
Corn, per bushel	64.20	28.0	52.10

Just one other picture as to the commodities included under the act:

	Income received by growers in 1932	Income received by growers in 1933, including benefit payments	Gain of 1933 over 1932
Cotton	$425,488,000	$856,776,000	$431,288,000
Tobacco	104,529,000	214,130,000	109,601,000
Wheat	194,846,000	367,153,000	172,307,000
Hogs	428,000,000	457,000,000	29,000,000
Corn	146,090,000	242,117,000	96,027,000

As my district and State are so vitally affected by the tobacco prices, I will give the results under the act on the different types of tobacco.

Type	Amount received by growers in 1932	Amount received by growers in 1933
Flue-cured	$43,538,000	$124,600,000
Burley	39,457,000	55,850,000
Maryland	4,155,000	4,705,000
Fire-cured	7,531,000	12,500,000
Dark air-cured	1,655,000	3,475,000
Cigar leaf	8,193,000	13,000,000
Total	104,529,000	214,130,000

The net result of the farm program for the first year is over 300,000 American farms saved through refinancing and the cash income of the American farmers increased over $1,500,000.

And if that is not a good year's work, then I should like for some of the critics to tell me why.

N.R.A.

The National Recovery Act, commonly referred to as the N.R.A., may not be perfect, and I am not contending that

it is, because, in my opinion, many hardships and injustices are being practiced under it, but as imperfect as it is, it will go down in history as labor's first bill of rights and industries' first code of honor.

The prime objects of the act are, first, to get rid of the ruthless competition and unfair trade practices in industry; and, second, to put men to work, shorten the hours of labor, and raise the wage scale, and thus permit labor to share in the profits and benefits of industry.

Under it many unfair trade practices are being eliminated, and ruthless competition, which, in its final analysis, was paid for by labor in the reduction of wages, is becoming a thing of the past.

Under it millions of men and women have been put to work, the hours of labor shortened, and the wages of labor increased.

Under it child labor has been practically abolished and the sweatshop has become a thing of the past. If it had nothing else to its credit, these two humane and merciful provisions in the act would stamp it as one of the outstanding pieces of legislation of the century.

I realize that there is a great deal of criticism of the N.R.A., and some of it, I must admit, is justified. What we need, however, is constructive criticism, made by those in sympathy with the fundamental principles and who are honestly striving to eliminate the bad and preserve the good. In time this will come. We should not become impatient. It is too much to expect that an act of such far-reaching consequences can be put in operation overnight. It will take time to eliminate the dross from the gold.

And let me say in passing that the act has so far accomplished much, and the harsh and sometimes silly criticisms that are directed against it are of no avail. You know you cannot get rid of accomplishments by ridicule, by calling the Blue Eagle a "buzzard", and such tommyrot. Buzzards, you know, do not put men back to work, feed the hungry, clothe the naked, or put faith and hope in the hearts of men, a song on the lips of our women, and the rose color in the cheeks of the children. Buzzards destroy.

And let me say another thing: Many of the men who so characterize the Blue Eagle are more like the buzzard at heart than the Blue Eagle is like the buzzard in looks. The Blue Eagle, the emblem of the N.R.A., stands for human rights, while the human buzzards that would tear down the things it stands for, like the feathered tribe, believe in picking human bones.

As I have stated, the best way to judge the efficiency of any measure is to consider the results it has produced. Measured by such a test, the N.R.A. is a success.

Let me give you some of the results:

(a) Employment: Under date of May 24, 1934, there appeared in the New York Times a statement from the National Industrial Conference Board, which is a nonpartisan board representing labor, capital, and industry, relative to the unemployment situation. This statement, coming as it does from a nonpartisan agency, is probably the most accurate statement on the situation that has appeared. Here is the statement:

The following table shows the number of unemployed workers in the various industrial groups in March 1933, March 1934, and April 1934:

Industrial group	Number of unemployed		
	March 1933	March 1934	April 1934
Extraction of minerals	576,000	459,000	491,000
Manufacturing and mechanical	6,423,000	2,599,000	2,500,000
Transportation	1,591,000	1,422,000	1,415,000
Trade	2,126,000	1,020,000	961,000
Domestic and personal service	607,000	432,000	427,000
Industry not specified	539,000	420,000	417,000
Other industries [1]	296,000	296,000	296,000
All industries	12,158,000	6,647,000	6,506,000
Allowance for new workers since 1930 census	1,045,000	1,374,000	1,401,000
Total unemployed	13,203,000	8,021,000	7,907,000

[1] This group includes agriculture, forestry, and fishing, public service and professional service. The number given is that of the unemployed in 1930, no figures being available from which later changes in employment can be computed.

This statement shows that unemployment under the N.R.A. has been reduced in 1 year from 13,203,000 to 7,907,000, which means that during the year 5,296,000 men and women were put back to work, which is truly a wonderful record.

While the above figures are somewhat higher than the figures gotten out by the Department of Labor, there is no disputing the fact that the N.R.A. has put millions of men and women back to work.

(b) Wages: Increase in wages between March 1933 and March 1934, clearly shows that the N.R.A. has been of inestimable benefit to the laboring people.

Wages increased per hour

	Percent
Factory	22
Anthracite coal	63
Bituminous coal	91
Retail trade	26

(c) Volume of business: From the list I am about to give you a fair idea can be obtained as to the general increase in the volume of business.

	1932 production	1933 production	March 1933 production	March 1934 production
Automobiles.....number	1,370,675	1,989,945	118,002	336,013
Bituminous coal.....tons	309,710,000	327,940,000	23,665,000	38,497,000
Pig iron.....do	8,657,000	13,211,000	542,000	1,620,000
Cotton sales.....bales	5,016,000	6,210,000	495,000	544,000
Freight-car loading.....cars	28,180,000	29,037,000	2,355,000	3,059,000

(d) Profit or loss: The following list gives a fair idea as to whether or not business is recovering under the N.R.A.:

	1933, loss for first quarter	1934, profit for first quarter
International Nickel Co	$80,158	$5,049,270
Montgomery Ward	2,196,099	2,261,097
Southern Ry	1,965,257	31,743
Caterpillar Tractor Co	391,780	1,154,393
Radio Corporation	478,103	1,235,725

(e) Commercial failures: The decrease in commercial failures clearly shows that business under the N.R.A. is getting upon a sounder basis.

	1932	1933	March 1933	March 1934
Number	31,822	20,307	1,948	1,162
Liabilities	$928,313,000	$502,830,000	$48,500,000	$29,228,000

(f) Foreign trade:

	1932	1933	March 1933	March 1934
Exports	$1,576,151,000	$1,647,220,000	$106,293,000	$187,495,000
Imports	1,322,774,000	1,449,559,000	94,860,000	153,075,000

The cost of living, it is true, has gone up, but not far, if any, out of proportion to the general rise in commodity prices, wages, and so forth.

Here are the figures showing increase in the cost of living from March 1933 to March 1934.

	Percent
Total of all groups	9.3
Clothing	27.0
Food	20.0
Fuel and light	1.5
Sundries	3.1
Housing	[1] 2.3

Now, let me give you a bird's-eye view of the change in the business picture from March 1933 to March 1934:

	Percent
Increase in factory employment	37
Increase in factory pay	22
Increase in retail trade pay	26
Increase in factory pay rolls	72
Increase in retail employment	22
Increase in manufacturing production	48

[1] Decrease.

	Percent
Increase in automobile production	194
Increase in iron and steel production	200
Increase in mineral production	25
Increase in electricity used	35
Increase in freight-car loading	31
Increase in value of 421 representative stocks	86
Increase in department-store sales	46
Increase in variety-store sales	86
Increase in construction contracts awarded	197.4
Increase in rural general-store sales	66
Increase in wholesale prices	22.4
Increase in the cost of living	9.3
Decrease in commercial failures	44

Now, if you think the N.R.A. is a bad thing just go to those industrialists who desire to do an honest and legitimate business and ask them if they want to get rid of it. They will tell you "no." Just ask the laboring people if they want to get rid of it. They will tell you "no." Well, the N.R.A. primarily affects industry and labor, and they are agreed that fundamentally it is right.

I admit that there are adjustments to be made in the N.R.A., but these adjustments should be made by those who are in sympathy with the act so there will be no danger of jeopardizing the principles upon which it rests.

It is my candid opinion that the principles of the N.R.A. rightly applied will do more to equalize the profits and benefits of industry than all other laws ever enacted.

OTHER LEGISLATION

I have gone rather fully into the major pieces of legislation. I am sorry that I do not have time to go into the other legislative measures in the same way. May I be permitted, however, to call your attention to some of these measures.

(a) The Securities Act will prevent the sale of worthless stocks and bonds and save the public from being duped out of millions of dollars each year.

(b) The bill regulating the stock exchange will, I hope, prevent the wild and destructive speculation that was prevalent during the Hoover administration.

(c) The amendment to the income tax law designed to prevent the rich from manipulating their tax returns so as to escape taxation, as the Senate investigation revealed many had been doing will, I hope, insure honest returns and thus greatly increase our Federal income from this source.

(d) The bill creating the Tennessee Valley Authority has already opened our eyes to the unreasonable rates the power companies have been charging for electric current and, together with the bill directing an investigation of power rates, will, I believe, result in the American people saving millions of dollars each year on their electric-power bills.

(e) The Tariff Act giving the President the right to adjust tariff rates will, I believe, greatly promote our foreign trade, and thus give an outlet for our surplus products and commodities.

(f) Under the act creating the Home Owners' Loan Corporation as of June 1, 1934, 274,980 American homes had been saved. The loans as of that date amounted to $822,829,888. Had it not been for this act I do not know what the American home owners would have done. The money loaned on the homes, like the money loaned on the farms, has helped practically all classes—the banks, the mortgage companies, the counties and cities in the way of taxes, and many other creditors of the home owners.

(g) The relief acts designed to provide for those unable to help themselves clearly shows that this administration recognizes the governmental responsibility of coming to the relief of those in distress. The human side of this administration, as exemplified in the great relief measures, certainly demonstrates the fact that the American Government still has a soul, and just so long as the American Government keeps its soul it will live and prosper.

(h) And I should also mention the act providing for the homestead projects in different sections of the country. This is a great movement, a movement in the right direction, and I am looking for real and permanent accomplishments to be the result of the movement.

Yes, it has ben a wonderful year, and a year of real achievements that every red-blooded American, regardless of politics, should be proud of.

BALANCE SHEET

In order to find out how we stood in March 1933 under Hoover, and how we stand today under Roosevelt, let us make off a balance sheet.

	Hoover	Roosevelt
1. Federal income collected up to June 6, 1933 on fiscal year ending June 1, 1933	$1,831,309,309.33	
Income collected up to June 6, 1934, on fiscal year ending July 1, 1934		$2,792,556,689.58
2. Income of farmers:		
For year 1932	$3,979,000,000.00	
For year 1933		$5,530,000,000.00
Income on basic farm commodities:		
Cotton	[1] $425,488,000.00	[2] $856,776,000.00
Tobacco	[1] $104,529,000.00	[2] $214,130,000.00
Wheat	[1] $194,846,000.00	[2] $367,153,000.00
Corn	[1] $146,090,000.00	[2] $242,117,000.00
Hogs[3]	[1] $428,000,000.00	[2] $457,000,000.00
3. Profits of corporations:		
180 representative corporations lost in 1932	[4] $46,000,000.00	
Same corporations made in 1932		[5] $560,000,000.00
4. Commercial failures:		
1932	31,822	
1933		20,307
March 1933	1,948	
March 1934		1,163
5. Banks:		
Number of bank failures under Hoover	7,578	
Deposits involved	$5,914,287,000.00	
Number of bank failures in 1934		None
6. Foreign trade:		
Exports:		
1932	$1,576,151,000.00	
1933		$1,647,220,000.00
Imports:		
1932	$1,322,774,000.00	
1933		$1,449,559,000.00
Exports:		
March 1933	$106,293,000.00	
March 1934		$157,495,000.00
Imports:		
March 1933	$94,860,000.00	
March 1934		$153,075,000.00
7. Freight-car loading:		
1932 cars	28,180,000	
1933 do		29,037,000
March 1933 do	2,355,000	
March 1934 do		3,059,000
8. Production:		
Automobiles number	[1] 1,370,000	[2] 1,959,945
Pig iron tons	[1] 8,657,000	[2] 13,211,000
Bituminous coal do	[1] 309,710,000	[2] 327,940,000
Cotton sales bales	[1] 5,016,000	[2] 6,210,000
9. Farms financed:		
Number	[1] 7,208	[6] 316,000
Amount loaned	[1] $27,569,800	[6] $791,000,000
10. Homes financed:		
Number	[1] None	[6] 274,980
Amount loaned	None	[6] $822,829,888
11. Unemployment:		
March 1932	13,203,000	
March 1933		8,021,000
12. Wages:		
Factory wages increased since Roosevelt took charge percent		22
Wages of retail trade increased since Roosevelt took charge percent		20
Wages of anthracite coal miners increased since Roosevelt took charge percent		63
Wages of bituminous coal miners increased since Roosevelt took charge percent		91

	Hoover	Roosevelt
13. Relief	No relief measures	Relief measures passed.
14. Children	1932, Hoover and child labor.	1933, child labor abolished.
15. Sweatshops	1932, Hoover and sweatshops.	1933, sweatshops abolished.
16. Wall Street	Wall Street in the saddle with Hoover.	Acts regulating the sale of securities and the stock exchange passed.
17. March 1933	People forgotten how to smile under Hoover.	
March 1934		People smiling with Roosevelt.
18. March 1933	Every one grouchy and unable to laugh and sing under Hoover.	
March 1934		People laughing and singing with Roosevelt.
19. March 1933	Faith and hope lost under Hoover.	
March 1934		Faith and hope regained under Roosevelt.
The sum total of these columns.	No leadership and depression.	Leadership and prosperity coming back.

[1] 1932.
[2] 1933.
[3] If the present price of hogs holds up, farmers will receive from processing tax $200,000,000 in 1934, which will give them $200,000,000 more for their 1934 hogs than they received in 1933.
[4] Loss.
[5] Profit.
[6] Under President Roosevelt.

Which side of the ledger are you on? I am standing foursquare under Roosevelt's column of the ledger, and I be-

lieve the great majority of the American people are standing under the same column and in the coming election will return men to Congress who will uphold his policies.

And in this connection let me say that Mr. Roosevelt could not have put over his wonderful program had it not been for the able democratic leadership in the Senate and House. Speaker RAINEY and Floor Leader BYRNS, of the House, and Leader ROBINSON and his splendid lieutenants in the Senate, have rendered a valuable service to the whole country.

THN CAME THE TORIES

When the President came to the aid of big interests—the banks, insurance corporations and railroads—as I have heretofore shown, his program dealing with such matters met with the hearty approval and cooperation of the Tories. The President then was a great statesman, a man of vision, a courageous leader, and there is no doubt about it, because big interests so testified.

But the Tories, having gotten their feet under the table, having been filled at the public trough to the point of gorging, are unwilling to get up and let the farmers, the small business men, the laboring people, and just ordinary folks, take a seat and get a square meal, but like Dives of old insist that they feed, as did Lazarus, from the crumbs.

As soon as they began to realize that under the new deal the Government would be run in the interest of all and that they could no longer issue orders to those in authority, they commenced to resort to every conceivable method to discredit the administration of their benefactor.

Let me recall some of the things they have done:

When they found out that the President thought that the profits of industry should be more equally distributed, and that this could be accomplished by increasing the pay of the workingman, in order to discredit the administration they predicted, among other things, that our coal mines would become the habitat of bats and hoot owls and that smoke would no longer issue forth from our factory smokestacks; but to their consternation our coal industry is upon a sounder basis than it has been for the past 25 years, and, daily, smoke is issuing forth from new smokestacks.

When they found out that the President thought that the farmers should receive something more than the cost of production for the products of the soil and should really share in the profits and benefits of agriculture, and the farm-relief measures were enacted, they commenced to holler that the Department of Agriculture was in the hands of brain trusters; but to their consternation the farm problem has steadily improved and the prices of farm products are on the upward grade.

When they found out that the President did not intend to sit idly by and see the public yearly robbed of billions of dollars through the sale of worthless securities, and the Securities Act was passed, in order to discredit the administration, they openly stated that the law would paralyze industry; but to their consternation they found out that public opinion believed that the industry offering stocks and bonds for sale that was unwilling to make a full and true disclosure of its financial condition and the assets back of the securities offered for sale was a crooked industry and should not only be paralyzed but killed.

When they found out that the President did not believe one of the legitimate functions of the stock exchange was to fleece the public to enrich the Tories, and the stock exchange bill was passed, in order to discredit the administration they spent millions of dollars falsely propagandizing the people that the passage of the bill would not only retard but prohibit recovery; but to their consternation recovery is improving every day and has improved to such an extent that there are those among us who think that further relief measures are unnecessary.

When they found out that the President thought more of honest dollars than he does of gold dollars, and the gold-revaluation bill was passed, in order to discredit the administration they predicted a collapse of our financial system; but to their consternation the financial collapse failed to materialize.

THE INSURRECTION CAMPAIGN OF FEAR LAUNCHED BY THE TORIES

Having failed in all their prophecies, they became desperate. Something had to be done to discredit the administration that was daily gaining favor with the masses, even if it took a revolution to accomplish their end; so out to the city of the Steel Trust the money barons and Tories, banded together under the patriotic name of the "Committee for the Nation", went in search of their deliverer, and there was much rejoicing when they found Dr. William Albert Wirt, A.B., A.M., Ph.B., Ph.D., the Don Quixote of Gary. The only difference between the illustrious Spaniard and Dr. William Albert Wirt, A.B., A.M., Ph.B., Ph.D., is the fact that the Spaniard's imagination worked without stimulant or excuse, while it took a cocktail or two, probably three or four, for the good doctor to work his imagination up to the point where, bleary-eyed, he found a Kerensky in the President, a Trotsky in the brilliant, poetic Dr. Tugwell, and a Stalin in a fair, faithful, and innocent female Government clerk. If the good doctor had seen a windmill that night, he would have sworn by the Eternal that it was a Russian zeppelin attempting to bomb the Capitol!

Well, the cocktail revolution died aborning and the only casualties reported are former Senator Jim Reed, the Blackstone of the revolution, and Don Quixote Wirt, A.B., A.M., Ph.B., Ph.D., of the city of the Steel Trust.

Why, the Whisky Rebellion that took place during the early stages of our Republic was more of a success; so, if in the future the good doctor decides to start another rebellion I suggest that he use plain whisky rather than cocktails mixed by his former secretary.

Some day—may it be many years in the future—the good doctor will be called to his reward, and I hope his compatriots will mark his last resting place with an imposing shaft. He deserves it. His name should be perpetuated. And as a fitting tribute to his accomplishments while here on earth, I now suggest the following epitaph:

Through with insurrections
but
Hoping for a glorious resurrection,
Here lies the body of
Dr. William Albert Wirt, A.B., A.M., Ph.B., Ph.D.,
The Don Quixote of Gary
and the
Father of the Cocktail Rebellion.
May the shades of Kerensky, Trotski, Stalin, and the "brain trusters"
Visit not this spot.

THE REGIMENTATION CAMPAIGN OF FEAR LAUNCHED BY THE TORIES

Having adopted as their main line of attack the doctrine of fear, and the cocktail rebellion having failed to give any one the creeps or the jitters, they now holler regimentation.

Why, they are going around talking regimentation like it was a new monster of some kind. They are doing their best to create the impression among ordinary folks, very few of whom know what the word means, that Mr. Roosevelt is trying to regiment them. They do not take time to explain what Mr. Roosevelt is trying to do, but leave the impression that to be regimented is about the next thing to being a galley slave.

I said ordinary folks do not know anything about regimentation; and they do not, because they never practiced it. Not so with Wall Street. Why, Wall Street was practicing regimentation before Trotsky, Stalin, Hitler, and Mussolini and the remainder of the regimenters were born!

Well, being just an ordinary fellow, and not being familiar with the word as applied to government, and here of late reading about it and hearing about it, got my curiosity aroused to the point where I decided to look it up and find out what all the talk was about. I consulted Mr. Webster and several other minor authorities, and since my laborious research has ended, feel qualified to talk about regimentation myself.

Now, for just a few minutes let us look into this business of regimentation.

First, what does it mean? Well, in plain English, it means Government control. You know, in the Army a colonel is in command or control of a regiment, and bosses their conduct and action more or less. Of course, he has a lot of

help in the way of captains and lieutenants and such, but he is the big guy in control. So when the Government steps in and says it is going to regulate the stock exchange, protect the public from buying worthless stocks and bonds by regulating the sale thereof, control our financial policies by regulating money and credits, prohibit unfair trade practices and competition, Wall Street, who has been the big guy, doing most of these very things through its captains and lieutenants, and who had rather die than surrender its prerogative to the Government, in order to frighten the people and get them set against the Government doing these things in the interest of the people, hollers "regimentation."

Such a cry comes with poor grace from Wall Street. Wall Street that has for years controlled our large industries and through them regimented our laboring people; Wall Street that has for years controlled our stockyards, and through them regimented our cattlemen; Wall Street that has for years controlled our tobacco manufacturers, and through them regimented our tobacco growers; Wall Street that has for years controlled our grain exchanges and produce markets, and through them regimented our farmers; Wall Street that has for years controlled our money and credits, and through them regimented practically every man, woman, and child in America, now has the effrontery to accuse this administration of doing, in the interest of the people, the very things it has been doing for years for selfish purposes.

Let me tell Wall Street and the Tories this: If we ever have governmental regimentation, it will be for the purpose of supplanting Wall Street regimentation.

I am against regimentation in any form. I stand for the liberties guaranteed to us under the bill of rights and the Constitution. But if the good Lord is going to regiment me, then may He do it through my Government and not through Wall Street. Give me governmental regimentation—which can only come by a majority of our people favoring it—every day to Wall Street regimentation.

But the fact is that neither Mr. Roosevelt, Secretary Wallace, nor Dr. Tugwell, nor anyone else connected with the administration is trying to regiment anyone. What this administration is trying to do is to forever banish Wall Street regimentation. It is trying to take labor from under the regimentation of capital; it is trying to take the cattlemen from under the regimentation of the packers; it is trying to take the tobacco growers from under the regimentation of the warehousemen and large tobacco manufacturers; it is trying to take the farmers from under the regimentation of the millers and grain manipulators; and it is trying to take our money and credits from under the regimentation of the international bankers. And if Wall Street calls these things "regimentation", then I am for regimentation.

Oh, but they say the Bankhead cotton-control bill is regimentation. Well, if it is, and I am not prepared to say it is not, then it has this in its favor: It is self-imposed regimentation; that is, it was brought about by the cotton growers themselves. Over 95 percent of the cotton growers asked for the bill, and the President and Secretary of Agriculture only approved it after this overwhelming demand, and then only as a temporary emergency measure.

And let me say that when 95 percent of the growers of cotton are agreed upon a law regulating their business, I am not prepared to say that you are doing violence to the principles taught by Jefferson in giving it to them.

THE BUREAUCRATIC CAMPAIGN OF FEAR LAUNCHED BY THE TORIES

And the Tories are using another method of attack against the administration. Knowing that the rank and file of the American people are against government by commissions and bureaus, they are now claiming that Mr. Roosevelt is setting up a bureaucratic government. Such an argument comes, I say, with poor grace from the Tories, who are responsible for most of the bureaus and commissions afflicting our Government today. They are familiar with Mr. Roosevelt's record and the things he stands for, and know that such a cry is pure "bunk." I have fought bureaucracy all of my life and am as strongly against it today as ever. I believe in a representative government administered by the representatives of the people, and so does Mr. Roosevelt. The Tories know this. And they also know that the emergency confronting Mr. Roosevelt when he took command demanded action, immediate action, and that it became neccessary for him, as it did for Mr. Wilson during the war, to set up bureaus and commissions to carry out the emergency measures.

To those who are crying bureaucracy in order to frighten the American people let me propound a few questions:

First. Kindly tell the home owners what good it would do for Congress to provide $2,000,000,000 to refinance homes unless some agency was set up to loan the money to the home owners desiring to refinance?

Second. Kindly tell the farmers what good it would do for Congress to provide for refinancing farm mortgages unless some agency was set up to loan the money to the farmers desiring to refinance?

Also tell the farmers what good it would do for Congress to enact the farm emergency legislation unless some agency was set up to administer the laws?

Third. Kindly tell the bankers, insurance companies, and railroads what good it would do for Congress to appropriate huge sums for their relief unless some agency was set up to loan the money?

Fourth. And kindly tell those who are hungry and in distress what good it would do for Congress to appropriate huge sums for relief unless some agency was set up to feed the hungry and clothe the naked?

When they answer those questions the weakness of their charges will become apparent.

THE CONSTITUTIONAL CAMPAIGN OF FEAR LAUNCHED BY THE TORIES

Oh, but the Tories say that Mr. Roosevelt is riding roughshod over the Constitution. It makes me sick to hear such an argument coming from such a source. Where were the Tories when our Constitution was adopted? It is useless for me to tell you because every red-blooded American knows. They didn't assist in bringing our Constitution into being and God knows I am not looking to that crowd to defend and preserve it now. Let me tell you that Mr. Roosevelt's ancestors were here when our Constitution was adopted, and they were not Tories! The Roosevelts helped prepare the way for our Constitution, have lived under it since it was adopted, ever guarded and defended its pronouncements, and as for me I know it is in safe hands when a Roosevelt—especially Franklin D.—takes an oath to uphold and defend it.

And I do not believe the Tories will get very far with the argument. When they go to the cotton growers who have been benefited by millions of dollars under the laws the Tories now say are unconstitutional, what are they going to say? When they go to the depositors in the banks that have been saved, the home owners who have been protected, and the farmers who have saved their farms and profited by receiving higher prices for their farm products under the laws the Tories now say are unconstitutional, what are they going to say? And when they go to the children who have been freed from work, to the laboring people whose rights have been guaranteed, and to the hungry who have been fed under the laws the Tories now say are unconstitutional, what are they going to say? Well, let me tell you what they are going to say: "May it please God never to let a Tory pass upon the Constitution of the United States!" And to that answer I say amen! and again amen!

THE "BRAIN TRUSTERS'" CAMPAIGN OF FEAR LAUNCHED BY THE TORIES

Now, let me repeat what I have already said: Brains have never wrecked a government, though many governments have been wrecked for lack of brains. The greatest protection the American people have today, in my opinion, is that we have brains at the head of this Government and scattered through the governmental departments and through the House and Senate. And our recovery since the dark hour when Mr. Roosevelt took command is due to the fact we have been doing more brain work and less "politicating" since March 4, 1933, and my candid opinion is that we will get along better if we keep it up until, at least, we get out of this depression.

Where is all of this "brain truster" stuff coming from, anyway? Run it down and you will find that it is coming from the Tory gang that practically wrecked this country and, in a large measure, brought on the depression. They are trying to get back in the saddle, and in order to accomplish their end are resorting to every conceivable method to create fear in the hearts and minds of the American people. Why, of course, that gang is against brains in government. They want pawns who will do their bidding, and not men with honest brains, who are earnestly striving to run our Government in the interest of all.

Here is the rub: We have as many brains in Washington these days as you will find on Wall Street, and because the Washington brains can checkmate the sinister moves made by the Wall Street brains, why the Wall Street brains are simply trying to get rid of the brains down in Washington, knowing that this will have to be done before they can get back in the saddle. My opinion is that they will never again be able to dupe the farmers, laborers, small business men, and just ordinary folks in falling for the bait. Folks, the bait has a hook in it; do not forget that.

THE JEFFERSONIAN CAMPAIGN OF FEAR LAUNCHED BY THE TORIES

But of all the ridiculous things I ever heard is the argument the Tories are making in which they advise the Democrats to stand by the teaching of Jefferson. Why, some of the Tories are going so far as to say they are disciples of Thomas Jefferson. Think of it; the crowd that in days that have come and gone branded Jefferson as a radical, a disturber of the people, an unsafe leader, and a demagogue, now calling upon the people to hearken back to the teachings of Jefferson in order to be delivered from the teaching of Roosevelt. Why, Roosevelt is the greatest living exponent of the teaching of Jefferson, and, in my opinion, if Jefferson were living today, he would be the President's strongest and most loyal supporter.

Poor Jefferson! I am glad he died before becoming disgraced by Tory support.

No one is being fooled by these fear manufacturers. We all know that the object of their ghost stories is to scare the people away while big business recaptures the Government. They were all against the new deal and all it stands for in the beginning, are against it now, and will continue to be against it. The philosophy of the new deal—human rights are higher and more sacred than property rights—and which is the same philosophy of government preached by Jefferson, is diametrically opposed to their philosophy of government—property rights are superior to human rights—dollars, nickels, and cents before men, women, and children.

Oh, the trouble with the Tories is that they are afflicted with "hogitis."

When there is slop to be drunk they want to do the drinking. They are perfectly willing to accept the services of the doctor when sick, but as soon as they get well they want to take charge of the doctor and prescribe the medicine to be given others. Having recovered, they are no longer humble and meek, desirous of doing the right thing, but want to get back in the saddle and ride, as in the days of old, rough-shod over their less fortunate fellow beings, and proclaim again as their battle song "the simple plan, that they should take who have the power, and they should keep who can."

Now I am going to tell you an anecdote that truly portrays their nature:

Out my way two of my good Irish friends, Pat and Mike, had been bitter enemies, and on more than one occasion had paid their respects to each other in language that the rules of the House will not permit me to use. Pat became sick—desperately ill—and the doctors held out very little hope for his recovery. The priest came to administer the last rites, and among other things told Pat that before he would be spiritually ready to leave that he would have to make up with Mike. After considerable argument Pat agreed that if the priest would bring Mike around that he would apologize and ask his forgiveness. Well, Mike came; and Pat, true to his word, prayed his forgiveness, and the friendship between them was seemingly restored. But just as Mike was leaving Pat said: "Now, look here, Mike, I have apologized and we have made up, and our settlement stands if I die; but, Mike, if I get well"—and there was fire in his eyes and conviction in his voice—"this —— —— —— settlement is all off."

Big business, that came to this administration on bended knees when it was sick nigh unto death, is recovering, and its arrogance is now measured by the degree of its recovery.

THEN CAME THE LIMELIGHT SEEKERS

I know that some of the criticism directed against the policies of the President has been made in good faith by men who honestly differ with him; but, in my opinion, most of the criticism from those in authority has come from those who, chafing under being submerged by real leadership, are croaking night and day in an effort to be restored to the limelight they formerly enjoyed. And may I add that human experience teaches that small men like small frogs croak the loudest? Some of these little tadpoles in the political pond are trying to croak like they were real, honest-to-goodness bullfrogs. It is simply pathetic. When the country was right up against it and no one seemed to know what to do their sterility of constructive ideas and policies was exemplified in their silence. But now, after Mr. Roosevelt has gone a long way toward straightening things out, and has put into effect constructive ideas and plans, these master minds who a year ago were unable to think a single constructive thought, are recovering from their vocal—not mental—paralysis to the point of destructive criticism. The decent thing, to say the least, for them to do is to keep silent unless they have something to offer, and if they do have something constructive to offer let me say again that the decent thing for them to do would be to offer their suggestions in the proper way to those in authority instead of running to their press agent or the first radio station that will give voice to their criticisms. Well, these fellows did not do anything when we were behind the clouds, and now since we are beginning to get out in the sunlight our people will, in my opinion, continue to follow the leader who led them out of the shadows rather than those who are attempting to interfere with his command.

FOLLOW THE LEADER

Every great crisis demands a great leader. As to whether a nation successfully passes a crisis depends in a large measure upon whether or not the crisis develops a great leader. Fortunately for America we have weathered every crisis because during every one of them a man of real leadership has come forth.

The crisis of 1776 brought forth Washington, and through Washington freedom; the crisis of 1828 brought forth Jackson, and through Jackson the rule of the people; the crisis of 1860 brought forth Lincoln, and through Lincoln the preservation of the Union; the crisis of 1917 brought forth Wilson, and through Wilson a greater insight into our responsibility to others; and the crisis of 1932 brought forth Roosevelt, and through him, may it please God, a greater and truer democracy in which the powers of government will be exerted in a greater effort to serve mankind.

Whatever may be the opinion of others, I think that the American people have again chosen wisely in selecting their leader. And having chosen him, the big thing is to follow his leadership.

I know that there are differences of opinion, and further differences may develop, but I further know that the progress begun cannot continue unless we are united behind our leader. It is not necessary to agree with everything the leader does or says any more than it is necessary for the private to agree with every order and command given by the general. But it is necessary for our people to follow the leader, just as it is necessary for the private to follow the general, if we are determined to win the battle. And I know that slackers and traitors among the American people are as scarce as they have been in the glorious history of the American Army.

And I hope every citizen in this great country of ours, however humble he may be, will consider himself an integral part of the great American army that is battling under

Roosevelt to not only bring back prosperity and plenty, but to create conditions that will enable all of our citizens to share more abundantly in the material and spiritual blessings of our country.

CONCLUSION

Those may criticize who will. The record stands for itself and when presented will satisfy the American people. My prediction is that long after the critics have died and been forgotten the memory of Franklin D. Roosevelt will live on in the hearts and minds of the American people as a great man and a great leader, and that when the history of this age is finally written his name, like the name of Abou Ben Adhem of old, because he loved his fellow men, will lead all the rest.

The other night in one of the local theaters I heard the new popular song in which Romeo expresses his devotion to his Juliet in language that runs something like this if my memory serves me correctly:

You may not be an angel
Because angels are so few,
But until an angel comes my way
I'll string along with you.

And I want to say to Mr. Roosevelt, if I may be permitted to paraphrase the verse, and in so saying I believe I express not only the sentiment of my people, the Virginians, but the sentiment of the vast majority of the American people:

You may not be a perfect leader
Because perfect leaders are so few,
But until a perfect leader comes my way
I'll string along with you.

INDIAN LIQUOR LAWS

Mr. WERNER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8662) to modify the operation of the Indian liquor laws on lands which were formerly Indian lands.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That hereafter the special Indian liquor laws shall not apply to former Indian lands now outside of any existing Indian reservation in any case where the land is no longer held by Indians under trust patents or under any other form of deed or patent which contains restrictions against alienation without the consent of some official of the United States Government: *Provided, however,* That all lands within the exterior boundaries of an existing or subsequently established Indian reservation shall be subject to all Indian liquor laws now existing or hereafter provided by Congress: *Provided further,* That nothing in this act shall be construed to discontinue or repeal the provisions of the Indian liquor laws which prohibit the sale, gift, barter, exchange, or other disposition of beer, wine, and other liquors to Indians of the classes set forth in the act of January 30, 1897 (29 Stat.L. 506), and section 241, title 25, of the United States Code.

With the following committee amendment:

Page 1, line 9, strike out the following: "That all lands within the exterior boundaries of an existing or subsequently established Indian reservation shall be subject to all Indian liquor laws now existing or hereafter provided by Congress: *Provided further.*"

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PORTER BROS. & BIFFLE ET AL.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to take from the Committee on Claims all evidence on file pertaining to the bill H.R. 7279, Private Calendar No. 142, approved May 9, 1934, for the relief of Porter Bros. & Biffle, and certain other citizens.

I will state that the bill has passed the House. There is no minority report. There is some evidence in there that I want, and I understand this is the way to get it.

The SPEAKER. Is there any adverse report?

Mr. JOHNSON of Oklahoma. There is no adverse report.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

QUARTERS FOR CERTAIN GOVERNMENT SERVICES, EL PASO, TEX.

Mr. THOMASON. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 1731) to make provisions for suitable quarters for certain Government services at El Paso, Tex., and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. THOMASON]?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That when the owners of lots 11, 12, 13, 14, 15, portions of lots 16 and 17, block 21, Campbell's Addition, El Paso, Tex. (hereinafter called the owners), have agreed to erect on such lots a building of such design, plan, and specifications as may be approved by the Secretary of the Treasury as suitable for the use of the Bureau of Immigration, the Bureau of Customs, the United States Public Health Service, and the Bureau of Plant Quarantine, the Secretary of the Treasury is authorized and directed to negotiate, and, subject to an appropriation therefor, lease such building and such lots from the owners for a term of 25 years after such building is ready for occupancy at a fair annual rental, subject to the limitations of section 322 of part II of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, approved June 30, 1932. Such lease shall contain provisions—

(1) Giving the Secretary of the Treasury an option on behalf of the United States to purchase such building and such lots from the owners at any time during the term of the lease at a price which shall not exceed the total cost of construction of the building, plus the sum of $22,500 (the value of such lots), and less an allowance for depreciation of such building of not less than 4 percent per annum of the cost of construction computed from the date of readiness for occupancy up to the time of exercising such option.

(2) For a cancelation of the lease in the event that the lots on which the building is to be constructed are determined, judicially or by agreement, to be lands subject to the jurisdiction of the United States of Mexico.

SEC. 2. There is authorized to be appropriated such amounts as may be necessary to pay the installments of rent provided for in such lease and, in the event the Secretary of the Treasury exercises the option to buy under such lease, to pay the purchase price of such building.

With the following committee amendments:

Page 2, line 7, strike out "provisions" and insert "a provision."

Page 2, strike out all of lines 8 to 17, inclusive.

Page 2, line 18, strike out "(2)."

Page 2, line 24, after the word "lease", strike out the remainder of the paragraph.

The committee amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.;

S. 3025. An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes;

S. 3285. An act to provide for the regulation of interstate and foreign communication by wire or radio, and for other purposes;

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes;

S.J.Res. 93. A joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the western bank of the Mississippi River at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jefferson and his aids, Livingston and Monroe, who negotiated the Louisiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers and others who contributed to the territorial expansion and development of the United States of America; and

S.J.Res. 121. Joint resolution authorizing the President to return the mace of the Parliament of Upper Canada to the Canadian Government.

BILLS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 4337. An act to amend the Judicial Code by adding a new section, to be numbered 274D;

H.R. 8781. An act to increase employment by authorizing an appropriation to provide for emergency construction of public highways and related projects, and to amend the Federal Aid Road Act approved July 11, 1916, as amended and supplemented, and for other purposes; and

H.R. 9184. An act to authorize the Commissioners of the District of Columbia to sell the old Tenley School to the duly authorized representative of St. Ann's Church of the District of Columbia.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 56 minutes p.m.) the House adjourned until tomorrow, Wednesday, June 13, 1934, at 12 o'clock noon.

COMMITTEE HEARING

COMMITTEE ON THE PUBLIC LANDS

(Wednesday, June 13, 10:30 a.m.)

Room 328, House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

501. A letter from the Secretary of War, transmitting a copy of a resolution of the Municipal Council of Guinayangan, Province of Tayabas, P.I.; to the Committee on Insular Affairs.

502. A letter from the Acting Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated June 4, 1934, submitting a report, together with accompanying papers and illustrations, on studies and investigations of beach erosion at the city of Galveston, Tex., made by the Beach Erosion Board, in cooperation with the Court of County Commissioners of Galveston County, Tex., as authorized by the Rivers and Harbor Act approved July 3, 1930 (H.Doc. No. 400); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. LAMBETH: Joint Committee on Printing. House Concurrent Resolution 43. Concurrent resolution authorizing the printing of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan in Washington, D.C., on May 3, 1934; without amendment (Rept. No. 1949). Ordered to be printed.

Mr. LAMBETH: Joint Committee on Printing. House Concurrent Resolution 45. Concurrent resolution to print the proceedings in Congress and in the rotunda upon the acceptance of the statues of George Washington and Robert E. Lee, presented by the State of Virginia; without amendment (Rept. No. 1950). Ordered to be printed.

Mr. STEAGALL: Committee on Banking and Currency. S. 3287. An act to authorize national banks situated in a Territory or possession of the United States to establish branches; without amendment (Rept. No. 1952). Referred to the Committee of the Whole House on the state of the Union.

Mr. BROWN of Michigan: Committee on Banking and Currency. H.R. 9904. A bill to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended; with amendment (Rept. No. 1955). Referred to the Committee of the Whole House on the state of the Union.

Mr. ENGLEBRIGHT: Committee on the Public Lands. H.R. 444. A bill to relinquish the title of the United States to certain lands in the county of Los Angeles, State of California; without amendment (Rept. No. 1956). Referred to the Committee of the Whole House on the state of the Union.

Mr. UTTERBACK: Committee on Agriculture. Senate Joint Resolution 106. Joint resolution authorizing loans to fruit growers for rehabilitation of orchards during the year 1934; without amendment (Rept. No. 1959). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. S. 3739. An act authorizing the President to convey certain buildings, material, and equipment to the Government of the Republic of Haiti; without amendment (Rept. No. 1960). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY of Illinois: Committee on Interstate and Foreign Commerce. H.R. 9834. A bill granting the consent of Congress to the city of Chicago to construct, maintain, and operate a free highway bridge across the Calumet River at or near Torrence Avenue, in the county of Cook, State of Illinois; without amendment (Rept. No. 1961). Referred to the House Calendar.

Mr. BUCK: Committee on Agriculture. House Joint Resolution 369. Joint resolution to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934; without amendment (Rept. No. 1964). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. S. 3741. An act to convey certain lands to the State of South Dakota for public-park purposes, and for other purposes; without amendment (Rept. No. 1966). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. House Joint Resolution 366. Joint resolution to simplify the administration of air-mail routes and contracts; with amendment (Rept. No. 1969). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII.

Mr. DEROUEN: Committee on the Public Lands. S. 1707. An act for the relief of Carlos C. Bedsole; without amendment (Rept. No. 1957). Referred to the Committee of the Whole House.

Mr. McREYNOLDS: Committee on Foreign Affairs. H.R. 2263. A bill for the relief of Anna S. Carrigan; without amendment (Rept. No. 1958). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 9871. A bill to amend an act entitled "An act for the relief of Arabella E. Bodkin", approved May 21, 1934; without amendment (Rept. No. 1962). Referred to the Committee of the Whole House.

Mr. PALMISANO: Committee on the District of Columbia. H.R. 9630. A bill for the relief of E. F. Droop & Sons Co.; without amendment (Rept. No. 1963). Referred to the Committee of the Whole House.

Mr. BLACK: Committee on Claims. H.R. 6047. A bill for the relief of the International-Great Northern Railroad Co.; with amendment (Rept. No. 1965). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CULKIN: A bill (H.R. 9912) to protect the motion-picture industry against unfair trade practices and monopoly; to provide just settlement of complaints of unfair dealings; to provide for the manufacture of wholesome motion pictures, both silent and talking, at the sources of

production; to create a Federal Motion Picture Commission, to define its powers; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MOREHEAD: A bill (H.R. 9913) to extend the times for the commencing and completing the construction of a bridge across the Missouri River at or near Rulo, Nebr.; to the Committee on Interstate and Foreign Commerce.

By Mr. MONTAGUE: A bill (H.R. 9914) to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934; to the Committee on the Judiciary.

By Mr. BANKHEAD: Resolution (H.Res. 435) for the consideration of House Joint Resolution 265, a joint resolution providing for the preparation and completion of plans for a comprehensive observance of the one hundred and fiftieth anniversary of the formulation of the Constitution of the United States; to the Committee on Rules.

By Mr. BRITTEN: Resolution (H.Res. 436) to prevent the unnecessary mutilation of Taft Bridge; to the Committee on the District of Columbia.

By Mr. DOUGHTON: Joint resolution (H.J.Res. 370) to protect the revenue by regulation of the traffic in containers of distilled spirits; to the Committee on Ways and Means.

By Mr. BOYLAN: Joint resolution (H.J.Res. 371) authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the apex block, Constitution and Pennsylvania Avenues, in the city of Washington, D.C., of a permanent memorial to the memory of Thomas Jefferson, third President of the United States and author of the Declaration of Independence; to the Committee on the Library.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5120. By Mr. DIES: Petition of various citizens of Jefferson County, Tex., favoring immediate passage of bill providing old-age pensions; to the Committee on Labor.

5121. By Mr. LINDSAY: Petition of Dugan Bros., Inc., Brooklyn, N.Y., opposing the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

5122. Also, petition of Mildred Morrell, Brooklyn, N.Y., opposing the 3-cent tax per pound on coconut oil; to the Committee on Ways and Means.

5123. Also, petition of the Educational Welfare Committee of the Samuel J. Tilden High School, Brooklyn, N.Y., urging favorable consideration of the Wagner-Lewis unemployment insurance bill; to the Committee on Labor.

5124. By Mr. RUDD: Petition of Dugan Bros., Brooklyn, N.Y., opposing the passage of the Wagner disputes bill (S. 2926); to the Committee on Labor.

5125. Also, petition of the Chamber of Commerce of the Borough of Queens, city of New York, with reference to balancing the Federal Budget, etc.; to the Committee on Appropriations.

5126. Also, petition of the Nassau Savings & Loan Association, 2815 Atlantic Avenue, Brooklyn, N.Y., favoring the passage of the National Housing Act; to the Committee on Banking and Currency.

SENATE

WEDNESDAY, JUNE 13, 1934

(Legislative day of Wednesday, June 6, 1934)

The Senate met at 11 o'clock a.m., on the expiration of the recess.

THE JOURNAL

On motion of Mr. ROBINSON of Arkansas, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 12, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. ROBINSON of Arkansas. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Costigan	Hayden	Patterson
Ashurst	Couzens	Hebert	Pittman
Austin	Cutting	Johnson	Robinson, Ark.
Bachman	Davis	Kean	Robinson, Ind.
Bailey	Dickinson	King	Russell
Bankhead	Dieterich	La Follette	Schall
Barbour	Dill	Lewis	Sheppard
Barkley	Duffy	Logan	Shipstead
Black	Erickson	Lonergan	Smith
Bone	Fess	Long	Steiwer
Borah	Fletcher	McCarran	Stephens
Brown	Frazier	McGill	Thomas, Okla.
Bulow	George	McKellar	Thomas, Utah
Byrd	Gibson	McNary	Thompson
Byrnes	Glass	Metcalf	Townsend
Capper	Goldsborough	Murphy	Tydings
Caraway	Gore	Neely	Vandenberg
Carey	Hale	Norbeck	Wagner
Clark	Harrison	Norris	Walcott
Connally	Hastings	Nye	Walsh
Coolidge	Hatch	O'Mahoney	Wheeler
Copeland	Hatfield	Overton	White

Mr. LEWIS. I announce the absence of the Senator from California [Mr. McADOO] occasioned by continued illness; the absence of the Senator from Idaho [Mr. POPE], in attendance upon the funeral of late Representative COFFIN, of Idaho, and the absence of the Senator from Florida [Mr. TRAMMELL] and the Senator from Indiana [Mr. VAN NUYS], who are necessarily detained from the Senate.

Mr. HEBERT. I desire to announce that the Senator from Pennsylvania [Mr. REED] is absent on account of illness, and that the Senator from New Hampshire [Mr. KEYES] is necessarily absent.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

SUPPLEMENTAL ESTIMATE—EXPENSES OF SILVER-PURCHASE LEGISLATION (S.DOC. NO. 215)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Treasury Department for the fiscal year 1935, amounting to $1,500,000, to meet the expenses for carrying into effect the provisions of House bill 9745, the pending silver purchase bill, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS

The VICE PRESIDENT laid before the Senate resolutions adopted by the National Slovak Society of the United States of America, favoring the enactment of pending legislation, providing unemployment insurance and old-age pensions, which were ordered to lie on the table.

He also laid before the Senate a letter in the nature of a petition from Robert H. Wheeler, vice president, etc., on behalf of the Newark (N.J.) Branch of the National Association for the Advancement of Colored People, praying for the prompt passage of the so-called "Costigan-Wagner antilynching bill", which was ordered to lie on the table.

RAILROAD EMPLOYEES' RETIREMENT SYSTEM

Mr. WALSH. Mr. President, I present and ask that there be printed in full in the RECORD and lie on the table resolutions of the General Court of the Commonwealth of Massachusetts, memorializing Congress in favor of legislation providing a retirement system for railroad employees.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

THE COMMONWEALTH OF MASSACHUSETTS,
OFFICE OF THE SECRETARY,
Boston.

Resolution memorializing Congress in favor of legislation providing for a retirement system for railroad employees

Resolved, That the General Court of Massachusetts hereby records itself in favor of the enactment by the Congress of the United States of the "Hatfield-Wagner bill", so called, current Senate bill no. 3231, which provides for a retirement system for railroad employees; and be it further

Resolved, That the secretary of the Commonwealth forthwith forward copies of these resolutions to the President of the United States, to the presiding officers of both branches of Congress, and to the Members thereof from this Commonwealth.

In senate, adopted June 7, 1934.

In house of representatives, adopted in concurrence June 8, 1934.

A true copy.

Attest:

[SEAL]

F. W. COOK,
Secretary of the Commonwealth.

REPORTS OF COMMITTEES

Mr. BAILEY, from the Committee on Claims, to which was referred the bill (S. 3772) to amend an act entitled "An act for the relief of Arabella E. Bodkin", approved May 21, 1934, reported it without amendment and submitted a report (No. 1410) thereon.

He also, from the Committee on Finance, to which was referred the joint resolution (S.J.Res. 139) to protect the revenue by regulation of the traffic in containers of distilled spirits, reported it without amendment and submitted a report (No. 1411) thereon.

Mr. WAGNER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3724) to aid in providing the people of the United States with adequate facilities for park, parkway, and recreational area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof, reported it with amendments and submitted a report (No. 1412) thereon.

Mr. ADAMS, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 2448) providing payment to employees, Bureau of Reclamation, for mileage traveled in privately owned automobiles, reported it with an amendment and submitted a report (No. 1413) thereon.

Mr. FRAZIER, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 3333) to provide for the purchase and sale of farm products, reported it without amendment and submitted a report (No. 1414) thereon.

Mr. LEWIS, from the Committee on Expenditures in the Executive Departments, to which was referred the bill (S. 3710) to provide sick leave for certain civilian employees of the United States Government, reported it without amendment.

Mr. WALSH, from the Committee on Naval Affairs, to which was referred the bill (H.R. 4554) to amend section 4808 of the Revised Statutes (U.S.C., title 24, sec. 3) to prevent discriminatory reductions in pay of the retired personnel of the Navy and Marine Corps, reported it without amendment and submitted a report (No. 1415) thereon.

Mr. COOLIDGE, from the Committee on Immigration, to which were referred the following bills, reported them severally without amendment:

S. 868. An act to provide for the deportation of certain alien seamen, and for other purposes;

S. 3769. An act to provide for legalizing the residence in the United States of certain classes of aliens; and

S. 3770. An act to provide adjustment of status of certain aliens lawfully admitted without requirement of departure to foreign country.

Mr. COOLIDGE also, from the Committee on Immigration, to which was referred the bill (S. 3771) to authorize the deportation of the habitual criminal, to guard against the separation from their families of aliens of the noncriminal classes, and for other purposes, reported it with an amendment.

Mr. BULOW, from the Committee on Indian Affairs, to which was referred the bill (S. 3522) granting to the State of South Dakota for institutional purposes the property known and designated as the "Canton Asylum", Canton, S.Dak., reported it with an amendment and submitted a report (No. 1416) thereon.

Mr. HEBERT, from the Committee on the Judiciary, to which was referred the bill (S. 1538) authorizing persons, firms, corporations, associations, or societies to file bills of interpleader, or bills in the nature of interpleader, reported it with amendments and submitted a report (No. 1417), thereon.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S.Res. 235) to employ expert assistance to brief, index, and put in form the testimony taken in certain election cases by select committees, reported it without amendment.

FINANCING OF MAYFLOWER HOTEL CORPORATIONS IN THE DISTRICT

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 231, submitted by Mr. GIBSON on May 26, 1934, reported it without additional amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent.

The resolution was previously reported from the Committee on the District of Columbia with amendments, on page 6, line 9, after the word "than", to strike out "May 31" and insert "September 30", and at the end of line 16, after the word "exceed", to strike out "$2,500" and insert "$1,000"; so as to make the resolution read:

Whereas it is reported—

1. That the Mayflower Hotel Co. and the Mayflower Hotels Corporation of America were incorporated in or about 1922 to construct and operate the Mayflower Hotel on Connecticut Avenue in Washington, D.C., the title to the property to be in the Mayflower Hotel Co.;

2. That the following securities of said corporations were sold to the public, viz, $7,500,000 of first-mortgage 6-percent bonds; $2,400,000 of second-mortgage 6½-percent bonds; $3,031,100 of 6-percent preferred stock; and 60,000 shares of common stock, amounting in the aggregate, exclusive of the common stock, to $12,931,100;

3. That a foreclosure of said first mortgage is pending, in which a sale of the properties securing the same has been authorized at a minimum price of $2,800,000;

4. That three bondholders' committees have been formed, which have obtained possession and control of about 80 percent of said bonds;

5. That two of said committees are composed of the original sellers of said securities or of their associates and affiliates;

6. That said bondholders' committees have united in a plan of reorganization, by the terms of which—

(a) No provision is made for any securities or stock except the first-mortgage bonds, with the result that under said plan the holders of said second-mortgage bonds, of the preferred stock, and of the common stock would suffer a total loss;

(b) Upon consummation of the plan depositing first-mortgage-bond holders will receive for each $1,000 principal amount of said first-mortgage bonds (with a proportionately smaller amount for $500 and $100 denominations) $500 principal amount of new 15-year 4½-percent general-mortgage sinking-fund bonds, together with 10 shares of capital stock, making a maximum total of $3,721,500 principal amount of new bonds and the entire outstanding capital stock of the proposed new company (74,430 shares authorized);

(c) Said $3,721,500 mortgage will not be a first lien, but will be second to a mortgage estimated to be for not less than $500,000 nor more than $750,000, the giving of which $500,000 to $750,000 mortgage is claimed to be wholly unnecessary in view of the cash on hand, and of the ability to raise any small deficiency on short-term unsecured notes, or, if necessary, on pledging a sufficient amount of the first-lien mortgage bonds;

(d) The 74,430 shares of stock of the new company proposed by the reorganization committee will be issued to a voting trust committee consisting of three members, who will hold the stock for 2 years, subject to an extension of 6 years, making the voting trust period provided for 8 years altogether, the 6-year extension being subject to the authorization of a majority in interest of the voting-trust-certificate holders;

(e) Provision is made for a reorganization committee of three members, each to be paid $7,500 a year; of a voting trust committee of three members; and for the designation of a bank to supervise the financial affairs of the new company;

(f) The reorganization committee is given authority to bid in the hotel property or to refrain from purchasing it, in their discretion; and if they do bid the property in at the minimum price of $2,800,000, they propose to penalize nondepositing bondholders by settling with them on the basis of such price, whereas the depositing bondholders are to be paid on the basis of $3,721,500 (nearly $1,000,000 more);

(g) The voting trustees shall have full power, if the hotel property is bid in, to sell it and to act as fully as the stockholders themselves might act in regard to any company matters, including the designation of their successors;

(h) The three bondholders' committees shall be paid an aggregate of $62,000 for services;

(i) The bondholding committees with whom bonds have been deposited shall be paid fees and expenses and the charges of their counsel; and there shall be paid the expenses of organization of the new company and of the issuance of its securities and of the first-mortgage loan.

7. That there has accumulated and is on hand from the hotel operations the sum of about $900,000;

8. That it is feared because of the experience of a similar local reorganization, managed, it is asserted by the same persons or some of them, now composing two of the present bondholders' committees, or their affiliates or associates, that the new stockholders' bonds will not sell for more than 20 cents on the dollar, if said reorganization plan is carried out, which would result in a property on which securities were sold for $12,931,100, aside from the common stock, realizing for the security purchasers but $700,000: Now, therefore, be it

Resolved, That for the purpose of providing the Senate with information to serve as a basis for such legislation, if any, as may in its judgment be found necessary in respect of financing the construction of buildings, selling to the public of bonds secured by mortgages on such buildings and the land they cover, and of preferred and common stock of the corporate owners of such real estate, and to correct abuses in such financing, and to protect the public against losses from unsound financing, and in particular to protect such investors as have already suffered losses in this Mayflower Hotel financing and such as are threatened with further and future losses in connection with the proposed reorganization of said Mayflower Hotel corporations and properties the Committee on the District of Columbia, or a duly authorized subcommittee thereof, is directed to investigate all facts in connection with the financing and the proposed reorganization of said hotel and in particular the following matters relating to said corporations and to said proposed reorganization, viz:

(a) Who sold and what methods were pursued to accomplish the sale of $7,500,000 of first-mortgage 6-percent bonds; of $2,400,000 second-mortgage 6½-percent mortgage bonds; of $3,031,100 of 6-percent preferred stock; and 60,000 shares of common stock, all securities of said corporations, and aside from the common stock amounting in the aggregate to $12,931,100.

(b) As to the management of said corporations since their formation in or about 1925 to date.

(c) As to the circumstances which have led up to the fixing, in proceedings for foreclosure of the first mortgage, of $2,800,000 as a price which the Mayflower properties may be sold, on which securities to the amount of $12,931,100 were sold to the public.

(d) Whether the sellers of such securities for $12,931,100 are the same persons, or some of them, who have now obtained control of said securities as members of bondholders' committees of said first-mortgage bonds and the methods used to obtain such control, and to induce the bondholders to whom they sold such bonds to deposit the same with them as reorganizers, and specifically to determine if said sellers of securities and the members of said bondholders' committees are now advocating the sale of said hotel property for $2,800,000, a sum approximately one-fourth the amount of the securities issued against the same.

(e) Whether the proposed reorganization is in the interest of the security holders.

The committee or subcommittee shall make a final report of its investigation, with recommendations, to the Senate, not later than September 30, 1934. For the purposes of this resolution the committee or subcommittee is authorized to avail itself of the services of the Commissioners of the District of Columbia, and of the corporation counsel of the District of Columbia, and to make expenditures to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee. The total of such expenditures shall not exceed $1,000.

The amendments were agreed to.

The resolution as amended was agreed to.

The preamble was agreed to.

CONTINUANCE OF GENERAL SURVEY OF INDIAN CONDITIONS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 241, submitted by Mr. WHEELER on May 17, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That Senate Resolution 79, agreed to February 2, 1928, and continued by subsequent resolutions, authorizing the Committee on Indian Affairs, or any subcommittee thereof, to make a general survey of the condition of the Indians in the United States, hereby is continued in full force and effect throughout the duration of the Seventy-fourth Congress.

EXPENSES OF SPECIAL COMMITTEE ON INVESTIGATION OF MUNITIONS INDUSTRY

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which Senate Resolution No. 244, submitted by Mr. NYE on May 18, 1934, was referred, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the special committee appointed by the Vice President, under authority of Senate Resolution 206, agreed to April 12, 1934, to investigate the munitions industry, hereby is authorized to expend from the contingent fund of the Senate $35,000 in addition to the amount heretofore authorized to be expended for the purposes set forth in said resolution.

HEARINGS BEFORE COMMITTEE ON CIVIL SERVICE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 249, submitted by Mr. BULOW on May 26, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to as follows:

Resolved, That the Committee on Civil Service, or any subcommittee thereof, hereby is authorized during the Seventy-third Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer, at a cost not exceeding 25 cents per hundred words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof may sit during the sessions or recesses of the Senate.

LUCY R. GEHMAN

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 251, submitted by Mr. TOWNSEND on May 28, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay out of the contingent fund of the Senate to Lucy R. Gehman, widow of William H. Gehman, late an employee in the folding room, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ADDITIONAL EXPENDITURES, SPECIAL COMMITTEE ON CONSERVATION OF WILD-LIFE RESOURCES

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 254, reported on June 4, 1934, by Mr. WALCOTT (for himself, Mr. PITTMAN, and Mr. MCNARY), from the Special Committee on Conservation of Wild Life Resources, was referred, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to as follows:

Resolved, That the special committee authorized and directed by Senate Resolution No. 246, on April 17, 1930, to investigate the conservation of wild animal life hereby is authorized to expend in furtherance of such purposes $10,000 in addition to the amounts heretofore authorized.

NERISSIA V. GRAY ET AL.

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 255, submitted by Mr. GOLDSBOROUGH on June 3, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Nerissia V. Gray, daughter, and Leighton O. Talbert, James L. Talbert, and John D. Talbert, sons, of James E. Talbert, late a laborer in the employ of the Senate, under the direction of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of expenses and all other allowances.

EXPENSES OF SPECIAL COMMITTEE ON AIR-MAIL AND OCEAN-MAIL CONTRACTS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 259, submitted by Mr. BLACK on June 5, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the limit of expenditures under Senate Resolution No. 349, Seventy-second Congress, second session, agreed to February 25, 1933, supplemented by Senate Resolution No. 94, Seventy-third Congress, first session, agreed to June 10, 1933, and Senate Resolution No. 143, Seventy-third Congress, second session, agreed to January 24, 1934, is hereby increased by $5,000.

SALLY D. THOMAS

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution No. 262, submitted by Mr. GLASS on June 7, 1934, reported it without amendment, and, on motion

of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Sally D. Thomas, widow of Madison Thomas, late a laborer of the Senate under supervision of the Sergeant at Arms, a sum equal to 1 year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

ELSA M'GUIRE

Mr. BYRNES, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate Resolution 263, submitted by Mr. BARKLEY on June 7, 1934, reported it without amendment, and, on motion of Mr. BYRNES, it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate to Elsa McGuire, widow of E. E. McGuire, late an assistant clerk to the Committee on the Library, a sum equal to 6 months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

A bill (S. 3787) amending the Independent Offices Appropriation Act of 1935; to the Committee on Post Offices and Post Roads.

By Mr. SHEPPARD:

A bill (S. 3788) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Boca Chica, Tex.; to the Committee on Commerce.

By Mr. JOHNSON:

A bill (S. 3789) for the relief of Anna S. Carrigan; to the Committee on Foreign Relations.

By Mr. SHIPSTEAD:

A bill (S. 3790) authorizing the Secretary of War to lend certain Army equipment to the transient and homeless relief division, an agency of Minnesota, for use in caring for homeless persons in such State; to the Committee on Military Affairs.

By Mr. COPELAND:

A joint resolution (S.J.Res. 140) to provide a safe depository for the records of the claims of Civil War widows; to the Committee on Public Buildings and Grounds.

AMENDMENT TO EMERGENCY APPROPRIATION BILL

Mr. LOGAN submitted an amendment intended to be proposed by him to House bill 9830, the first deficiency and emergency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

Add to the first paragraph of title II of the bill, on page 63, after line 19, the following additional proviso:

"*Provided further*, That in order to meet the emergency in the maintenance of schools of less than college grade in the several States, Territories, and the District of Columbia, there is hereby appropriated and made available out of any funds heretofore or herein appropriated for carrying out the purposes of the Federal Emergency Relief Act of 1933, the sum of $75,000,000 for the fiscal year ending June 30, 1935, as an emergency measure solely. The funds hereby appropriated for schools shall be allocated and disbursed on the basis of need to the several States, Territories, and the District of Columbia by the Federal Emergency Relief Administrator in cooperation with and upon the advice of the United States Commissioner of Education. Nothing in this act shall be construed to prevent the distribution of funds, upon application, to privately supported free-tuition schools in need. Nor shall anything in this act be construed to empower any Federal officer to control the instruction or administration in education in any State."

UTILIZATION OF WASTE SLASH PINE

Mr. HATFIELD submitted the following resolution (S.Res. 270), which was referred to the Committee on Agriculture and Forestry:

Whereas the public press has directed attention to the possible development of a new and profitable industry to be developed through the utilization of practically waste slash-pine lands of several States; and

Whereas such an industry, if developed, would provide profitable employment opportunities for thousands now unemployed, and would make possible the savings of many millions of dollars yearly to consumers; and

Whereas there is grave danger that this development may be set aside owing to the opposition of some certain persons now holding responsible Government positions: Be it

Resolved, That a committee of five Members of the Senate, to be appointed by the President of the Senate, is hereby authorized and directed to make a thorough and comprehensive study of the possibilities of developing industries with the use of slash pine; and in making this study such committee is authorized to confer with such other Government departments and agencies as it deems advisable. The committee shall report its findings to the Senate not later than February 1, 1935, together with its recommendations for necessary Federal legislation.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress and succeeding Congresses, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $———, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4460) to provide for the payment of compensation to George E. Q. Johnson.

The message also announced that the House had severally agreed to the amendments of the Senate to the following bills of the House:

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts;

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes; and

H.R. 9125. An act to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934.

The message further announced that the House had severally agreed to the reports of the committees of conference on the disagreeing votes of the two Houses on the amendment of the Senate to each of the following bills of the House:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burress, deceased; and

H.R. 3032. An act for the relief of Paul Jelna.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes; and

H.R. 8662. An act to modify the operation of the Indian liquor laws on lands which were formerly Indian lands.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H.Con.Res. 43. Concurrent resolution authorizing the printing of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan in Washington, D.C., May 3, 1934; and

H.Con.Res. 45. Concurrent resolution to print the proceedings in Congress and in Statuary Hall upon the acceptance in the rotunda of the Capitol of the statues of George Washington and Robert E. Lee, presented by the State of Virginia.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolutions, and they were signed by the Vice President:

S. 2138. An act for the relief of Charles J. Webb Sons Co., Inc.;

S. 3025. An act to amend section 12B of the Federal Reserve Act so as to extend for 1 year the temporary plan for deposit insurance, and for other purposes;

S. 3285. An act to provide for the regulation of interstate and foreign communications by wire or radio, and for other purposes;

S. 3443. An act to provide for the creation of the Pioneer National Monument in the State of Kentucky, and for other purposes;

S.J.Res. 93. Joint resolution authorizing the creation of a Federal Memorial Commission to consider and formulate plans for the construction, on the western bank of the Mississippi River, at or near the site of old St. Louis, Mo., of a permanent memorial to the men who made possible the territorial expansion of the United States, particularly President Thomas Jefferson and his aids, Livingston and Monroe, who negotiated the Lousiana Purchase, and to the great explorers, Lewis and Clark, and the hardy hunters, trappers, frontiersmen, and pioneers and others who contributed to the territorial expansion and development of the United States of America;

S.J.Res. 121. Joint resolution authorizing the President to return the mace of the Parliament of Upper Canada to the Canadian Government;

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 3032. An act for the relief of Paul Jelna; and

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson.

HOUSE BILL REFERRED

The bill (H.R. 8662) to modify the operation of the Indian liquor laws on lands which were formerly Indian lands was read twice by its title and referred to the Committee on Indian Affairs.

LEGISLATIVE REVIEW OF PRESENT SESSION OF CONGRESS

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a radio address delivered by the Senator from Arkansas [Mr. ROBINSON] on June 12, 1934, under the auspices of the National Radio Forum. In this address the Senator from Arkansas reviews in an able and interesting manner the remarkable achievements of the present session of the Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE LEGISLATIVE REVIEW OF THE PRESENT SESSION OF THE CONGRESS

National economic recovery is the general subject toward which legislative efforts have been directed during the present session of the Congress. Ultraconservatives have from time to time asserted that some of the policies of the Roosevelt administration are so radical and have been so hastily formulated as to delay the restoration of confidence and the revival of business. Prophets of evil have not witnessed confirmation of their foreboding. On the contrary, conditions throughout the country appear to be steadily improving, although, as might be expected, there still are enough difficulties and dangers ahead to require the continued cooperation of all lovers of our country.

While the date for adjournment has not yet been fixed, it is likely that the Congress will soon suspend its work, leaving undisposed of a number of measures which were added to the program, some of them a few weeks, others only a few days, ago.

The purpose of this address is to review the important accomplishments which are to be credited to the National Legislature under the leadership of the President since it met on January 3, 1934. If no additional laws should be enacted between now and adjournment, it may be truthfully stated that the present session will be memorable for both the number and the importance of the subject matter dealt with. My hearers will readily understand that the time limit of this address prevents even a complete summary of what has been done.

If your speaker is able to refer to those reforms which are believed to supplement the plans made during last year's extraordinary session and to make brief mention of an additional number of new laws which move forward the forces fighting for recovery against depression on the long front so that those interested may have a comprehensive picture of the struggle, he believes a helpful purpose will have been accomplished by his remarks.

ROOSEVELT MONETARY POLICY

When President Roosevelt was inaugurated, the country was not only confronted with a threatened breakdown of all credit organizations but, due to depreciated foreign currencies, our domestic producers and merchants were at great disadvantage in carrying on foreign commerce. The Roosevelt policies comprehended not only the creation of increased purchasing power and the reduction of unemployment; it also included the revival of foreign trade as essential to the restoration of prosperity.

The silver bill supplements the act passed in the early part of the present session authorizing the nationalization of monetary gold, the reduction of the gold content of our dollar, and the use of a large fund in connection with international exchange. The Silver Act gives the President authority to nationalize silver and to purchase a sufficient amount of it to provide a metallic reserve for one-fourth of our currency. It is expected not only to strengthen purchasing power among our people but also among those whose monetary systems rest upon the white metal, thus lending aid to arrangements for the disposition of our surplus farm and manufactured products. The soundness of the monetary policy has been demonstrated. If it has not produced all the results looked for by its proponents, its application certainly has not been attended by the evil forecast by its opponents.

VETERAN ALLOWANCES

There were inserted in the independent offices appropriation bill for the fiscal year 1935 amendments restoring to the rolls a large number of veterans whose allowances had been discontinued under the authority conferred upon the President in the Economy Act. Other amendments were also incorporated increasing allowances that had been reduced. The President vetoed the bill, and it was passed over his veto.

RECIPROCAL TARIFFS

The bill permitting the President to enter into reciprocal tariff agreements was hotly contested in both the House and the Senate, principally on the ground that it was alleged to constitute an unwarranted delegation of the treaty and the law-making powers. The constitutionality of the law is fortified by numerous legislative and judicial precedents. In almost every period of our country's history since 1794 the Congress from time to time has empowered the President as its agent to impose and remove restrictions on international trade and shipping for the protection of American interests against unfavorable policies pursued by foreign competitors. There is nothing new in the legislation, and there is no ground for fear that the power will be abused. Our foreign commerce has dwindled alarmingly during the last few years. While other governments have taken advantage of the opportunity to enter into reciprocal arrangements respecting tariffs, tonnage, and port facilities, the United States has invited retaliation and detrimental measures on the part of other nations through the imposition of prohibitory duties and through the erection of unnecessarily high tariff walls.

Under this policy American merchants and carriers in the foreign trade have been brought face to face with the ruin of their ventures. Under that policy our commerce has diminished more rapidly than the commerce of our competitors. The Reciprocal Tariff Act comes late, but it is hoped and believed not too late to give opportunity for arrangements of mutual benefit—arrangements through which we may buy from others what we cannot economically provide for ourselves and in return sell to them the surpluses for which we can develop no domestic market.

REGULATION OF SECURITIES EXCHANGES

If there is any one foolish practice which more than others contributed to bringing on the depression which began in 1929 it is the crazy and unrestrained speculation which withdrew for use in gambling funds needed to carry on business and which culminated in hoarding, business stagnation, and the break-down of credit institutions resulting in the reduced purchasing power of the people and appalling unemployment. The act of 1933 regulating the issuance of securities has been modified in particulars where experience has shown its terms to be too harsh and restrictive, while at the same time investors are given access through new statutes providing for the control of transactions on exchanges to information essential to the formation of intelligent opinions in the purchase and sale of securities.

The act also will restrict credit for speculative purposes so that necessary commercial and industrial enterprises may not be unduly interfered with by the excessive use of resources in reckless speculation. Marginal trading hereafter will be prudently supervised. There exists no ground for fear that liquidation will be hasty or unduly compelled. The public should remember that there is no complete remedy for a fool. No law which human intelligence can devise can safeguard against loss when risks are taken. What the President and the Congress seek to do is to require honesty and good faith, and, insofar as possible, outlaw get-rich-quick schemes through which speculators have been plundered and defrauded.

NAVAL CONSTRUCTION

In the hope of ending competition in naval construction, treaties were negotiated in the Washington and London Naval Conferences by which the principal powers agreed to limit their construction. Great Britain and Japan built up to their limits provided in these treaties, but the United States, in the hope of promoting further reductions, permitted building to remain at a practical standstill until the act during the present session when Congress authorized new ships in numbers and sizes approximating the treaty limits. The Navy is the first line of defense in case of international warfare. While the President and Members of Congress hope that further conflicts on the sea may be avoided, no method of assuring safety to our country has been found without maintaining that measure of strength on the waters which will command the respect of other naval powers as well as the confidence of the American public in the ability of its Govern-

ment successfully to defend the lives and property of our citizens against attack from potential foes.

THE WAR ON GANGSTERS

The Federal Government has entered the war against gangsters. The Department of Justice is performing its task in this particular aggressively and effectively. Nevertheless it has been found necessary to enact a number of laws, each supplemental of the other, strengthening the national authority as the only one capable of punishing and restraining those public enemies who pass quickly from one State to another, robbing and murdering defenseless persons, and terrorizing them by kidnapings and by other forms of torture which cannot be tolerated. The Congress has proceeded on the theory that the exercise of all constitutional power, both State and national, is required for the suppression of outlawry which of late years has disgraced our civilization and which threatens the safety of persons and property.

PHILIPPINE INDEPENDENCE

From the days when the United States acquired the Philippine Islands we have been pledged to their independence. Our policy toward the Filipino people has been liberal and generous. Yet we recognize their right to self-government. During this session Congress has passed an act which looks to the complete separation from the United States of the Philippine Islands on terms and conditions to be approved by the Filipino people or their representatives. While some who have business interests in the islands, and others for various reasons, believe that our control there should continue indefinitely, the consensus of opinion among legislators is to the effect that actual freedom should be accorded just as soon as due regard for the mutual interests of the two peoples concerned permits; and this is the principle that has governed Congress in the passage of the legislation.

THE REVENUE ACT OF 1935

Another important accomplishment of the session is found in the so-called "Revenue Act of 1935", removing defects shown by experience in our system for the imposition and collection of income, excise, and other taxes. It is estimated that the new law will add to the national revenue approximately $300,000,000. There are numerous taxes which Congress would like to reduce or repeal, but this cannot be done until expenditures for relief and for other emergency purposes may be diminished or dispensed with.

THE AIR MAIL

No controversy has provoked more bitter or prolonged discussion than the carriage of the air mails. Due to evidence disclosing fraud and collusion in the making of air-mail contracts, the President approved their cancelation. The War Department was ordered temporarily to carry the air mail. New contracts have been authorized and made, under which the service will be improved and expanded, while at the same time its costs to the Government will be lessened. Enormous salaries and speculative gains have been eliminated—salaries so great and out of proportion to the services performed that they became a national scandal.

EQUALITY OF CERTAIN RIGHTS TO WOMEN

The Senate has ratified the treaty between the United States and the governments of Pan America giving rights to women equal to those enjoyed by men under national law and practice.

BANKRUPTCY ACTS

The bankruptcy laws have been modified in two general and important particulars. First, insolvent municipalities and other separate taxing units may institute proceedings in Federal courts, with the consent of the holders of one-third of their obligations, for the refunding of their debts, provided the plan for refunding meets with the approval of the holders of two-thirds or more of the outstanding indebtedness.

Second, a similar privilege has been accorded corporations. Both measures carefully safeguard the interest of creditors by granting rights of intervention, hearings, and protest, and by other provisions intended to make the act applicable only in cases where the interests of the general public will not be detrimentally affected.

SECURITIES OF CERTAIN FOREIGN GOVERNMENTS

Perhaps no legislation during the session has provoked more discussion in this country and abroad than that forbidding the sale in the United States of securities hereafter issued by foreign governments, while such governments are in default in the payment of their war debts to the Treasury. What effect this legislation may have on international finance is problematical. That it has precipitated the war-debts issue is undeniable. Whether it will prove helpful in the long run is questioned by some who fear that it will tend to crystallize public sentiment in opposition to payment among the debtor peoples and stimulate measures of retaliation. Its purpose was to emphasize the opposition of Congress and the President to the cancelation of the debts and to protect investors against a recurrence of the orgy of speculation in foreign securities which preceded the collapse of 1929.

There is not sufficient time to speak of the proposed amendments to the Agricultural Adjustment Act, broadening the powers of the Secretary and making clear his authority with respect to the licensing of processors, particularly of nonbasic commodities, nor of pending amendments to the Oil Control Act. Further treatment of these subjects probably will be deferred until the next session—certainly, unless the Congress is to remain in session for several weeks.

Neither is it practicable to discuss the laws guaranteeing bonds of Federal land banks and of the Home Owners' Loan Corporation, by which, while the actual liability of the Treasury is quite limited, the credit of these organizations is greatly strengthened for the accomplishment of the purposes for which they were created.

GENERAL APPROPRIATION BILLS

The nine annual regular appropriation bills for 1935 appropriate $2,252,651,560.94, and have all been passed. The deficiency bills, other miscellaneous appropriations, and the drought-relief bill will swell the aggregate amount appropriated for the next fiscal year to more than $6,800,000,000; yet it should be remembered that the actual expenditures for the present year are more than $3,000,000,000 less than the Budget estimates submitted by the President; and in 1936—at latest 1937—it is expected that the Budget will be completely balanced, provided, of course, the necessity for supplying sustenance for large numbers of our population has in the meantime passed.

A large number of other legislative measures of general importance have been passed, but they cannot be mentioned because of lack of time.

SOCIAL LEGISLATION NEXT SESSION

Respecting the legislative policy of the next session, I cannot do better than quote from the President's message on the subject to the Congress on June 8:

"Our task of reconstruction does not require the creation of new and strange values. It is rather the finding of the way once more to known, but to some degree forgotten, ideals and values. If the means and details are in some instances new, the objectives are as permanent as human nature.

"Among our objectives I place the security of the men, women, and children of the Nation first.

"This security for the individual and for the family concerns itself primarily with three factors: People want decent homes to live in; they want to locate them where they can engage in productive work; and they want some safeguard against misfortunes which cannot be wholly eliminated in this man-made world of ours."

Bills to carry out this message will not be ready until next session. The process of legislation is by its nature progressive. There will be much to do when Congress convenes again early next year, and so there will be in the years to come.

The "forgotten man" was remembered in our legislation, and we were careful in taking care of him that no undue restriction should be placed on business, even the businesses that exploited our people so gravely in past years. I think we did a good job, and if you ever look at the Literary Digest's poll and observe the votes of a vast cross section of our population you will see that in a proportion of 2 to 1 the people are in accord on this estimate of the President's policies as enacted into law. In fact, huge as was Franklin D. Roosevelt's majority in the election of 1932, the popular majority for the things he stands for is considerably greater. All of which means that the country, after more than a year's experience with him in the White House, has confidence in his judgment and is satisfied that he has made good on promises in the Democratic platform to which he subscribed on the day he was nominated for the Presidency.

It makes no difference what phase of the "new deal" you may have in mind, you will find the roots of the idea in the declaration of principles made by the Democrats in the Chicago convention. There is ample proof that the administration program for national recovery meets with the approval of a majority of the citizens, and that this approval in no sense rests on mere partisan considerations.

After the President had witnessed the naval review a few days ago he was so enthusiastic in his praise of the maneuvers that he signaled from his flagship to the ships in review "Well done." It is believed that when the American people have had an opportunity to review the work of the President and that of the Congress and this administration, they will signal to the Nation's leader as he did to the Navy, "Well done."

ADDRESS BY SENATOR CONNALLY AT CONFEDERATE MEMORIAL EXERCISES

Mr. BANKHEAD. Mr. President, I present an address delivered by the junior Senator from Texas [Mr. CONNALLY] on the occasion of the Confederate memorial exercises at Arlington National Cemetery, Sunday, June 3, 1934, which I ask may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, and it is as follows:

Here in Arlington where sleep the honored dead in the wars of the Republic, we have gathered in memorial service to honor the heroes who followed the flags of Lee and of Jackson. In this sacred soil there rests the dust of some of the soldiers who, in the war of the American Revolution, laid down their lives in liberty's cause. On these sloping hillsides, in the silent chambers of death, repose the bones of soldiers who, in the War of 1812, gave their lives as a sacrifice in order that the new Republic might survive. Under these skies mute monuments mark the spots where lie the remains of soldiers of the Mexican War—soldiers of that gallant army which marched across parched deserts and stormed mountain passes to place the starry banner of the Republic over the palaces of the Montezumas.

The most glorious thing about the Arlington National Cemetery is that here lie alike the bodies of soldiers who followed the banner of Grant and the gallant spirits who gathered under the battle flag of the Confederacy and against hopeless odds and

overwhelming military resources battled for 4 long, bitter, tragic years.

Here, united in the last great sleep, the wearers of the blue and the gray symbolize the union of the dissevered sections, and, sealed by their blood and sanctified by their heroic covenant with death, out of the titanic struggle in which they had such a courageous and historic past a reunited country honors the memory of its patriotic and lofty-spirited sons, whether they wore the blue in triumph or wrapped in their ragged jackets of gray went down to defeat in honor and glory.

Today is the anniversary of the birth of Jefferson Davis, distinguished soldier in the Mexican War, decorated for valor on the field of battle—Jefferson Davis, Secretary of War of the United States under President Franklin Pierce, Senator from the State of Mississippi, who resigned his seat to become President of the Confederacy.

Because of the bitterness aroused against him, his name was erased from the tablet on Cabin John Bridge in the District of Columbia erected while he was Secretary of War. It was President Theodore Roosevelt, that vivid and picturesque American, whose mother was a Georgia woman, and who was a distant kinsman of that great leader in the White House, Franklin D. Roosevelt, who half a century after its removal, caused the name of Jefferson Davis to be restored to the place from which hatred had in anger effaced it.

Today we honor Jefferson Davis, who amidst a multitude of cares and burdens, beset with jealousies and faced by battalions of difficulties, earnestly strove to serve the people who had intrusted to him the destines of the Confederacy.

We honor and love the memory of the Confederate soldier not alone for his martial achievements, but because he was one of the greatest examples of the citizen soldier recorded in the pages of history since Hannibal campaigned amidst the Alps and Caesar led his legions into Gaul. He was not a professional soldier. He was not a mercenary. The South had no standing army. It recruited its forces from the farms and the fields and the ranches—from the homes of the humble as well as the mighty. They took up arms not for the hope of military renown, not to satisfy the promptings of ambition, not to gather into the coffers of their government indemnities and tribute, not to despoil and plunder their adversaries, but they took up arms in defense of their homes and firesides, and in defense of the theories of government to which they had, since the founding of the Republic, tenaciously adhered. The Confederate soldier did not fight to perpetuate slavery. Three-fourths of the men who made up the armies of the South never owned a slave. Their great captain, Robert E. Lee, by voluntary act emancipated his slaves.

The South made war in defense of its conception of the rights of the individual States to withdraw from the Union. This was no strange nor alien doctrine. During the administration of Thomas Jefferson, when the Embargo Act was adopted, New England threatened secession from the Union. Again in 1814, during the War of 1812, delegates from the States of New England met in the celebrated Hartford Convention and deliberated upon secession from the United States and contemplated a proposed union with Canada. That convention was held in the midst of the Nation's struggle for its life in a war with England. Secession was often and vigorously asserted by the politicians of New England.

The South lost on the field of battle. It accepted the arbitrament of the sword. It gave the highest test of its faith. It risked its life for its convictions.

While still suffering the miseries of war, political rancor imposed upon it the most galling bondage ever suffered by a free and proud people. Reconstruction with its horrors and the reign of an intolerable tyranny were thrust upon a prostrate people at the point of the bayonet. Upon economic conditions even more cruel than those from which we are now emerging was imposed a governmental and political despotism. With rare courage and patience her people endured its injustice and out of it all emerged a great though a mightily wronged people.

The Confederacy has often been referred to as "The Lost Cause." No cause is lost that can give to history such examples of heroism—heroism on the battlefield by its brave men and heroism by the women of the South who gave their sons and husbands and brothers to the armies and who in self-denial and in poverty struggled to supply the armies in the field and to rear and support their families at home. No cause is lost that was defended by armies as brave as ever gathered under a war banner and whose valor challenged the admiration of the world and compelled tributes from military critics of every foreign land.

No cause is lost that produced a Stonewall Jackson, whose military exploits are studied by the students of war in European armies. No cause is lost which had for its great captain Robert E. Lee—Lee, whose home lifts its proud columns in this great cemetery and whose memory lives in the hearts of a mighty people and whose fame ornaments the martial annals of the English-speaking race; Lee, who gave his last years to teaching the sons of his former soldiers; Lee, who spurned the use of his name as president of an insurance company for gold.

The ranks of the Confederate armies are now but a scattered and thinning line. In a little while the last reunion will be held. Today we gather to pay our tribute to those who have marched on in their last campaign—to those who have bivouacked with the dead. We commend to the generations who have followed them their example of courage and sacrifice. These same high qualities in time of peace are needed to make America a greater and better land and to give fiber and strength to American character. The Republic has been living in perilous days. There are still dangers and rocks ahead. America needs in its citizenship the patriotism and the sacrifice that the Confederate soldiers displayed in the sixties and in the dark days of reconstruction.

When the body of Stonewall Jackson lay in state, his officers and men passed by the bier to take a final look at their great captain. A young lieutenant approached the casket, saluted, and said: "My General, I was with you in the Shenandoah Valley; I followed you in the battles before Richmond; we were with you at Bull Run when you stood like a stone wall; we charged with you at Chancellorsville, where you fell in the midst of victory. If thou art now with Alexander and Hannibal and Caesar, tell them that your soldiers still know how to make war."

That inspiring tribute is a challenge to every youth of the South. Lee and Jackson and their gallant armies, our forefathers, have taught us how to make war—not war upon the battlefield so much as war in time of peace, war as citizens of the Republic against error and wrong, war for those causes which mean most for the people of America and for the perpetuation of the ideals and traditions of the great Republic in whose service the sons and grandsons of the blue and the gray have side by side shed their blood in the jungles of Cuba and on the red fields of Europe in the cause of human liberty and constitutional government.

ARGUMENT FOR RATIFICATION OF CHILD-LABOR AMENDMENT

Mr. COSTIGAN. Mr. President, recently a careful brief was prepared in behalf of the pending child-labor amendment to the Federal Constitution by Joseph P. Chamberlain, professor of public law of Columbia University; Charles C. Burlingham, former president of the association of the bar of the city of New York; W. W. Gardner, assistant for the legislative drafting research fund, of Columbia University; and Herman A. Gray, professor of law at the New York University Law School. It is a valuable contribution to an important subject which will be presented for action to many State legislatures during the coming 12 months. I ask unanimous consent to have it published in the CONGRESSIONAL RECORD.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

TEXT OF THE PROPOSED FEDERAL CHILD-LABOR AMENDMENT

"SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"SEC. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress."

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I. THE PROPOSED AMENDMENT IS STILL OPEN FOR RATIFICATION

It is necessary at the outset to dispose of the contention that the proposed amendment is no longer open for ratification. Two factors require consideration: the lapse of time since the amendment was proposed by Congress on June 4, 1924; and the effect of earlier rejections by a number of the States.

Ratification within the next few years is not unreasonably long after the proposal of the amendment

The Constitution itself contains no limitation upon the period of time in which the States may validly ratify an amendment proposed by Congress. Article V reads:

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution * * * which * * * shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States * * *."

If the words be taken literally, an amendment once proposed enjoys a deathless existence until ratification. No one argues that they are to be read literally. It is, however, important to remember that any limitation which is sought to be introduced

must be a qualification of the literal import of the words employed in the Constitution.

Prior to the submission of the eighteenth amendment all proposed amendments were submitted to the States without limitation upon the period of ratification. At the instigation of Senator ASHURST, an additional section was added to that amendment by which ratification was required within 7 years if the article were to be operative.

In the extensive debates which accompanied this change there was considered only the desirability of so limiting the ratification period and, more extensively, the constitutionality of such an attempt. It occurred to no Senator that the proposal was anything other than a limitation upon the time otherwise open for ratification by the legislatures of the several States. (See 65 CONGRESSIONAL RECORD, pt. 1, pp. 5556–5559, 5643–5666.)

In *Dillon* v. *Gloss* (256 U.S. 368, 375–376), the limitation clause so inserted was seized upon, by one convicted under the National Prohibition Act, as invalidating the eighteenth amendment. The application for writ of habeas corpus was denied by the Supreme Court. Mr. Justice Van Devanter, speaking for a unanimous court, said:

"We conclude that the fair inference or implication from article 5 is that the ratification must be within some reasonable time after the proposal.

"Of the power of Congress, keeping within reasonable limits, to fix a definite period for the ratification we entertain no doubt. As a rule, the Constitution speaks in general terms, leaving Congress to deal with subsidiary matters of detail as the public interests and changing conditions may require; and article V is no exception to the rule. Whether a definite period for ratification shall be fixed, so that all may know what it is and speculation on what is a reasonable time may be avoided, is, in our opinion, a matter of detail which Congress may determine as an incident of its power to designate the mode of ratification. It is not questioned that 7 years, the period fixed in this instance, was reasonable, if power existed to fix a definite time; nor could it well be questioned considering the periods within which prior amendments were ratified."

From this language two conclusions may be drawn: One is that a proposed amendment is not indefinitely open to ratification, but must favorably be acted upon within a reasonable length of time, if the ratification is to be valid.

The second conclusion is that whatever content may be given to the term "reasonable time", it is some period greater than 7 years. The argument before the Court was directed exclusively to the alleged unconstitutionality of the congressional limitation of the time of ratification. The Court was considering only the power of Congress to shorten an otherwise reasonable period for ratification.

What a reasonable period might be cannot be said. Certain it is that it is longer than the 7-year limitation challenged in *Dillon* v. *Gloss*. The problem of how much longer is made more predictable if it be considered that neither laws nor amendments are unconstitutional, per se. They are declared to be unconstitutional. They are, further, judged as to their validity by a court which has many times expressed its deep reluctance to hold unconstitutional an act of Congress or of a State legislature (*Fletcher* v. *Peck* (6 Cr. 87, 128); *Mayor* v. *Cooper* (6 Wall. 247, 251); *Atkin* v. *Kansas*, (191 U.S. 207, 223); *Williams* v. *Baltimore* (289 U.S. 36, 42, 46)). It cannot be thought that this Court would invalidate a ratification of an amendment to the Constitution because it did not occur immediately after the proposal by Congress. The Constitution contains no clear requirement that such be done. On the contrary, if its words be read literally, the amendment could not be invalidated on this score. Other than that which establishes it as more than 7 years, there is no decision of the Court which affords any guide to what is a reasonable period of time for ratification. If to invalidate an act of Congress is a duty "of great delicacy, and only to be performed where the repugnancy is clear, and the conflict irreconcilable" (*Mayor* v. *Cooper* (6 Wall. 247, 251)), how much more delicate would be the task of declaring void the action of the amending power of the Constitution itself.

Ratification is not barred because of prior rejection

The proposed child-labor amendment has been rejected by vote of both houses in more than 13 States, and of those rejecting 6 have subsequently ratified. It is argued that once having been rejected by 13 States the proposed amendment is automatically killed. The argument runs counter to the words of the Constitution, the constitutional history of the Government, the declaration of the Supreme Court, and the virtually unanimous opinion of the text writers.

The Constitution states that proposed amendments "shall be valid to all intents and purposes, as a part of the Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions in three-fourths thereof." The language does not read, "unless rejected by one-fourth of the several States." Nor is there specified any condition to the power of ratification. The Constitution simply calls for ratification; from its words can be found no indication that this ratification must be at the time of initial action by the legislatures.

The proposed amendment is by no means the first instance of ratification subsequent to an earlier rejection. The fourteenth amendment was adopted only by virtue of ratification subsequent to earlier rejections. Newly constituted legislatures in both North Carolina and South Carolina, respectively, on July 4, and 9, 1868, ratified the proposed amendment, although earlier legislatures had rejected the proposal. The Secretary of State issued a proclamation which, though doubtful as to the effect of attempted withdrawals by New York and New Jersey, entertained no doubts as to the validity of the ratification by North and South Carolina (15 Stat. 706). The following day, July 21, 1868, Congress passed a resolution which declared the fourteenth amendment to be a part of the Constitution and directed the Secretary of State so to promulgate it (15 Stat. 709). The Secretary waited, however, until the newly constituted legislature of Georgia had ratified the amendment (15 Stat. 708) subsequent to an earlier rejection (15 Stat. 710), before the promulgation of the ratification of the new amendment. In the 66 years which have followed, in which the fourteenth amendment has become the most bitterly litigated portion of the Constitution, none has doubted the validity of its ratification.

The question is foreclosed by this long acquiescence by the Court and by the Nation. If more be needed, it should be recalled that there is here more than acquiescence; there is also affirmative action by Congress. And "the practical construction of the Constitution by Congress * * * is entitled to great consideration, especially in the absence of anything adverse to it in the discussion of the Convention which framed, and of the conventions which ratified the Constitution" (*Veazie State Bank* v. *Fenno*, 8 Wall 533, 544). There was, it should perhaps be noted, no discussion of the question here considered in the cursory attention given the amending procedure in either the Constitutional Convention or the Federalist (see Madison's Debates on the Adoption of the Federal Constitution, Elliott's ed., 1845, pp. 530–531, 51; Federalist, no. 43).

Not only is there the action by Congress and the long acquiescence of the Court but there is also a declaration by the Supreme Court which seems completely to foreclose any question of the validity of such ratifications which follow earlier rejections. In West Virginia, despite senate rules of procedure which forbade reconsideration of a measure during the session in which it was defeated, the senate ratified the proposed nineteenth amendment subsequent to a rejection in the same session (Orfield, Procedure of Federal Amending Power, 25 Ill. Law Rev. 418, fn. 38, pp. 436–437; argument of counsel, *Leser* v. *Garnett*, 66 L.ed. 505, 506–507). The Supreme Court, in *Leser* v. *Garnett*, 258 U.S. 130, refused to look behind the certification of the Secretary of State, or to allow him to look behind the official notices sent him. It said (at 137):

"As the legislatures of Tennessee and of West Virginia had power to adopt the resolutions of ratification, official notice to the Secretary, duly authenticated, that they had done so, was conclusive upon him, and, being certified to by his proclamation, is conclusive on the courts."

Finally, it is perhaps of interest that the writers who have considered the question are virtually unanimous in their belief that an earlier rejection does not bar subsequent ratification. (See Jameson, Constitutional Conventions, sec. 579; Willoughby, the Constitutional Law of the United States, sec. 329–a, v. 1, p. 593; Burdick, the Law of the American Constitution, sec. 20, p. 43; Orfield, Procedure of Federal Amending Power, 25 Illinois Law Revised 418, 439; Dodd, Amending the Federal Constitution, 30 Yale Law Journal 321, 347; Grinnel, Finality of State's Ratification of a Constitutional Amendment, 11 American Bar Association Journal 192; Miller, Amendment of the Federal Constitution, 60 American Law Revised 181–184; Ames, Proposed Amendments to Constitution, p. 229; 12 Corpus Juris 682; Watson on the Constitution, v. 2, pp. 1315–18; Garrett, Amending the Federal Constitution, 7 Tennessee Law Revised 286, 294; Wheeler, May Ratification Be Repeated, 20 Case and Comment 548, 550. Contra Cadwallader, Amending the Federal Constitution, 60 American Law Revised 389, 393.)

II. THE SCOPE OF THE AMENDMENT

The proposed amendment reads:

"SECTION 1. The Congress shall have the power to limit, regulate, and prohibit the labor of persons under 18 years of age.

"SEC. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress."

The opponents of the measure seize upon the language used in the amendment and ground an elaborate argument upon the generality of its terms. The vehemence with which their fears are urged seems to necessitate a detailed refutation. Otherwise their alarm could be dispelled simply by the reminder that the proposal seeks to amend a constitution, not to enact a law.

The necessity of general language

No principle is more firmly enrooted in the tradition of constitutional government than that which marks the line between the Constitution itself and legislation enacted under it. The most casual student of constitutional government knows as of course that one looks to the Constitution for grants of power and to the legislation enacted thereunder for the detailed and limited exercise of the power so granted. Over a century ago Chief Justice Marshall clearly formulated the distinction between a constitution and a statute.

In *McCullough* v. *Maryland* (4 Wheat. 316, 415), he said:

"It must have been the intention of those who gave these powers, to insure, as far as human prudence could insure, their beneficial execution. This could not be done by confiding the choice of means to such narrow limits as not to leave it in the power of Congress to adopt any which might be appropriate, and which were conducive to the end. This provision is made in a

constitution intended to endure for ages to come, and consequently, to be adapted to the various crises of human affairs. To have prescribed the means by which government should, in all future time, execute its powers, would have been to change, entirely, the character of the instrument and give it the properties of a legal code."

The words used

The discussion might well have stopped with the reminder that the proposed amendment is to be added to a constitution, and that generality of language is therefore required both by necessity and by long tradition. It has been urged, however, that the text of the proposed amendment includes words of such broad connotation that virtually complete power is proposed to be given Congress over such remote fields as education, the household chores of children, and the entire field of parent-child relationships. The specific words on which these alarms are raised will individually be considered.

Labor: The opponents of the proposed amendment ground their argument chiefly upon the word "labor." It is instructive to examine the basis of this argument. A dictionary definition of labor is cited, which includes both bodily and mental effort. One is then reminded that the powers given Congress may constitutionally be exercised to their utmost extent, and the conclusion then follows that Congress will be given the power to educate, care for, and to nationalize all persons under 18 years of age.

However, in determining the meaning of a word so broad as "labor" the dictionary meaning alone cannot be taken (*Gompers* v. *United States*, 233 U.S. 604, 610).

The principles by which a constitutional amendment is to be construed have authoritatively been declared with regard to the fourteenth amendment:

"The safe way is to read its language in connection with the known condition of affairs out of which the occasion for its adoption may have arisen, and then to construe it, if there be therein any doubtful expressions, in a way, so far as is reasonably possible, to forward the known purposes or object for which the amendment was adopted" (*Maxwell* v. *Dow*, 176 U.S. 581, 602).

This rule of constitutional construction has been formulated by Story, judge, as follows:

"And perhaps the safest rule of interpretation after all will be found to be to look to the nature and objects of the particular powers, duties, and rights, with all the lights and aids of contemporary history, and to give to the words of each just such operation and force consistent with its legitimate meaning as may fairly secure and attain the ends proposed" (*Prigg* v. *Pennsylvania*, 16 Pet. 539, 610–611).

In interpreting the expression "to perform labor" in the laws forbidding the importation of persons under contracts of labor, the Supreme Court, averring that "all laws should receive a sensible construction", held that the Congress could not have intended to include in that law a minister of the gospel under contract to preach in the United States nor, under a subsequent decision, a chemist hired to work on a sugar plantation (*Holy Trinity Church* v. *United States*, 143 U.S. 457, 461; *United States* v. *Laws*, 163 U.S. 258).

The purpose of the proposed amendment is well known. It is to confer on the Congress some of the powers which the States now possess to regulate child labor. Its words are appropriate to accomplish that purpose, and the decisions of the Court show that its interpretation of the language will be made in the light of the known purposes of Congress in preparing and the States in ratifying the amendment.

The word "labor" has received extensive construction in the State courts with regard to the Sunday labor laws. The decisions under these statutes show clearly that the approach of the courts is directed almost exclusively to the consideration of what types of activity were intended by the lawmakers to be prohibited, and that this legislative intention is to be found only in the purpose of the enactment (*City of Topeka* v. *Crawford*, 78 Kans. 583; *Cortesy* v. *Territory*, 6 N.Mex. 682; *Bloom* v. *Richards*, 2 Ohio Stats. 387; *Stacy* v. *Kemp*, 97 Mass. 166).

It is especially interesting that no case has been found where the question has even been raised that the ordinary tasks of the household constitute labor within the terms of the statutes.

Regulate: Some contention is made that the term "regulate" is so broad in its content as to amount to an unwarranted delegation of power to the Congress. The argument is drawn from a few of the broader expressions of the content to be given the word as used in the commerce clause. (See *Mondou* v. *N. Y., N. H. & Hartford Railroad Co.*, 223 U.S. 1, 47; *Texas & N. O. Railroad* v. *Brotherhood of Railway and Steamship Clerks*, 281 U.S. 548, 570.) It may briefly be dismissed. The necessity that a word be construed so as to accord with its purpose has been developed above. The considerations are equally applicable here. No word may be extracted from a sentence and carried over without change to a new use in another context, as though it were a building block to be used indifferently in one structure or another. "A word is not a crystal, transparent and unchanged, it is the skin of a living thought and may vary greatly in color and content according to the circumstances and the time in which it is used" (Holmes, J., in *Towne* v. *Eisner*, 245 U.S. 418, 425). In addition to interstate and foreign commerce, Congress is given power to regulate elections (art. I, sec. 4), the value of money (art. II, sec. 8), the land and naval forces (art. II, sec. 8), the appellate jurisdiction of the Supreme Court (art. III, sec. 2), and the territory and property of the United States (art. IV, sec. 2). As well contend that the connotation given the term in the commerce clause will apply, unchanged, to these diverse powers as to its use in the proposed child-labor amendment.

Prohibit: It has been suggested that the use of the word "prohibit" is especially indicative of a desire that the proposed amendment go beyond reasonable grounds. For unless it be considered pure redundancy, it is urged, the word must mean something in addition to the power granted by use of the word "regulate." The conclusion can find support only in the premise that regulate includes the power to impose reasonable prohibitions and that this content is so well accepted that a cautious draftsman could not find it advisable to insert "prohibit" to make sure that the power of reasonable prohibition be granted the Congress. Even granting all this, it is, however, non sequitur to conclude that the power to prohibit must therefore mean a power unreasonably to prohibit. A reasonable prohibition from the standpoint of social policy would not necessarily be reasonable as a collateral incident of the word "regulate."

However, the most clearly demonstrable fallacy of the argument is that which assumes that a reasonable prohibition had so uniformly been construed as implied by the word "regulate" that the draftsman would find it unnecessary to include express power to prohibit. A court of high repute had but shortly before held that the constitutional amendment allowing public advertising to be regulated and restricted did not include the power to prohibit such advertising. (In re *Opinion of the Justices*, 232 Mass. 605.)

The power granted to a city to regulate the use of its streets by automobiles does not authorize it to prohibit the use of its streets by such vehicles (*Chicago Motor Coach Co.* v. *City of Chicago*, 337 Ill. 200).

The power in a village to regulate buildings does not include the power to prohibit blacksmiths' shops. (*Village Precinct of Hanover* v. *Atkins*, 78 N.H. 308, 310. See, also, *Simpkins* v. *State*, 249 Pac. 168, 170 (Okla.), and the many cases there cited, that the terms are not synonymous.)

Representative government implies discretion in the lawmakers

It has been shown that the powers proposed to be granted Congress are not unduly broad. There is no reason to fear an abuse of this power within the limits in which Congress will be able to act. One who feels that legislators cannot be trusted with power had best retire from civilized society. Government cannot be maintained without the necessity that citizens entrust broad powers to their legislatures. The men who framed our Constitution felt that it would be better to continue the tradition of representative government rather than to guard against unwarranted legislative action by withdrawing the power to legislate.

With regard to child-labor laws, the States have always possessed powers far greater than that which it is proposed to give to the Congress.

"Child-labor laws * * * are founded upon the principle that the supreme right of the State to the guardianship of children controls the natural rights of the parents when the welfare of society or of the children themselves conflicts with parental rights. In this country their constitutionality, so far as we can ascertain, has never been successfully assailed. The supervision and control of minors is a subject which has always been regarded as within the province of the legislative authority. How far it shall be exercised is a question of expediency, which it is the province of the legislature to determine" (*Starnes* v. *Albion Manufacturing Co.*, 147 N.C. 556, 559. See, also, *Sturges & Burn* v. *Beauchamp*, 231 U.S. 320; *State* v. *Rose*, 125 La. 462; *People ex rel. Price* v. *Sheffield Farms-Slawson-Decker Co.*, 225 N.Y. 25; *Green* v. *Appleton Woolen Mills*, 162 Wis. 145.)

The power of the State legislature over the employment of children is plenary. It has been almost a century since the first child-labor legislation began to appear on the statute books. Throughout this very long period of time, in the enactments of all State legislatures dealing with the problem, no example of abuse of authority has been found, nor have the opponents of the proposed amendment adduced any example. In no State has the labor of children on their family farm been regulated. In none has the home been invaded under the guise of regulating child labor. In none has the regulation or prohibition of premature employment operated to destroy the republican form of government. In none has the State's solicitude for the health of its youth been repaid by the automatic conversion of its wards to bolshevism.

By what strange alchemy will the power to regulate child labor become so fraught with peril when entrusted to the National Government? Are the men whom the States send to Congress possessed of some strange virus which makes it unsafe to give to them power exercised as a matter of course by the legislators who remain in the State capitols?

The history of the Federal Government points to the contrary conclusion. It would be vain elaborately to prove the obvious. Yet it is perhaps desirable for illustrative purposes to point the varied and the far-sweeping powers given to Congress which are exercised as a matter of course.

The taxing power comes most readily to mind, especially when it be noted that "the power to tax involves the power to destroy" (*McCullough* v. *Maryland*, 4 Wheat. 316, 431).

The taxing power has been exercised continuously since the formation of the United States. Were the premise of the opponents of the proposed amendment correct, that every power delegated to Congress is exercised to its utmost extent, it would seem to follow that every person and every business which has been affected by Federal taxation would long since have been subjected to economic destruction.

The Congress is given the power to declare war. The power is plenary.

Perkins v. *Rogers* (35 Ind. 124, 167); *Civil Rights Cases* (109 U.S. 3, 18); *In re Wulsen* (235 Fed. 362, 365).

None will contend the Nation has been plunged into continual warfare since its inception.

One supposes that the argument that to make constitutional provision for Federal regulation of child labor is to insure legislation of the most far-sweeping character is drawn largely from the commerce clause. It is conceded that the delegation of this power to Congress has resulted in much legislation. Such has been the necessity of the case. The commercial transaction does not recognize State borders; the increasingly close-knit character of the economy has demanded that there be instituted a legislative system moderately well related to the national character of our commerce. It is fallacy, however, to argue from the development of the commerce clause to an equivalent development of the proposed child-labor amendment. A power to regulate interstate commerce, given in the day of stage-coach communication between 13 seaboard States, must of necessity grow as the interstate transaction becomes increasingly significant. On the other hand, a power to regulate the labor of children has no such expanding field in which to be exercised. It is a power directed at a specific evil; once that evil is limited to whatever extent seems to be desirable, there remains no further field in which the regulatory power may be exercised.

The distinction is vital. Unless it be made, clear thinking is impossible. It is therefore unnecessary to point out that the full implications of the commerce clause have not been realized. Yet it is perhaps of interest that even in a field so predestined to grow, many congressional powers have not yet been exerted. The Federal Employers' Liability Act covers but a portion of the occupations subject to congressional control and only a part of the employees in these occupations. The employees engaged in interstate commerce under the act are but a portion of those constitutionally subject to congressional legislation (see *Illinois Central Railroad Co.* v. *Behrens*, 233 U.S. 473, 477). No control has been exerted over interstate motor transportation, or the interstate transmission of gas or electricity (except so far as produced from water-power sites subject to the control of the Federal Power Commission). Only fragmentary regulation of the interstate telephone and telegraph business has been instituted. The list can be expanded indefinitely. It is irrelevant. Whether or not these fields are soon to be occupied by Congress, they have no bearing upon the powers implied in the child labor amendment. They have interest only when there is remembered the sweeping and detailed regulation now exercised by most of the States over these fields. Judged by such a standard, it seems that Congress at times moves to exert its power much more slowly than do the State governments.

A few examples of virtually unused congressional power may be of interest in connection with this discussion.

Article IV, section 1, provides:

"Full faith and credit shall be given in each State to the public acts, records, and judicial proceedings of every other State. And the Congress may by general laws prescribe the manner in which such acts, records, and proceedings shall be proved, and the effect thereof."

The language was inserted in the Constitution over the protest of a minority who said that it gave to Congress unlimited power to dictate the method by which State courts should decide conflict of laws litigation. (See Corwin, The Full Faith and Credit Clause (1933), 81 U. of Pa. Law Rev., 371, 373.) Yet, under the wide grant of power, Congress has passed but two acts, one in 1790 (1 Stat. 122) and one in 1804 (2 Stat. 298) which prescribe the method of proving judgments, statutes, and public records taken from other States and provide that full recognition shall be given judgments (but not statutes). For suggestive discussions of the unexercised powers open to Congress under this provision, see Corwin, supra, and Cook, The Powers of Congress Under the Full Faith and Credit Clause (1919), 33 Yale Law J. 421.

The fourteenth amendment, section 1 of which has become the most litigated portion of the Constitution, provides, in section 5, that, "The Congress shall have power to enforce, by appropriate legislation, the provisions of this article." This section, combined with the substantive restrictions upon State action contained in section 1, were intended to work a rather fundamental change in the character of the Government, through giving to Congress the power to enforce a bill of rights within the States. (See Flack, the Adoption of the Fourteenth Amendment (1908) 56–81, 94–96; 1 Willoughby on the Constitution (2d ed., 1929), 236–237; Grant, Natural Law Background of Due Process (1931) 31 Columbia Law Rev. 56, 66; note, the Enabling Clause of the Fourteenth Amendment (1933), 33 Columbia Law Rev. 854). Due in chief part to restrictive judicial interpretation (see *Slaughter House Cases*, 16 Wall. 36), but also in large part to congressional inactivity, this purpose has now little importance other than the historical. For under the fifth section quoted above and under equivalent grants of power under the thirteenth and fifteenth amendments, Congress has passed none but the four civil rights acts (14 Stat. 27, 1866; 16 Stat. 141, 1870; 17 Stat. 13, 1871; 18 Stat. 336, 1875). These acts sought only to provide enforcement to insure that some (see *Strauder* v. *West Virginia*, 100 U.S. 303, 311, that Congress has partially enumerated the rights intended by section 1) of the civil rights found in the fourteenth amendment be extended to the Negro. In spite of the restrictive judicial interpretation, the author of the most comprehensive survey of the field concludes that Congress has, among other things, the power to eliminate double taxation by the States, to fix the character of the interstate transaction to which the State in which suit is brought may apply its own law, to establish a rate-making formula to be applied by State regulatory commissions, and to nullify or modify State moratorium legislation (enabling clause of the fourteenth amendment, supra, pp. 864–868). Since the power open to Congress seems equivalent to the power of the Supreme Court to review State action under the due process clause (so long as Congress itself stays within the limits of due process as found in the fifth amendment), the illustrations of congressional power can be expanded indefinitely. This power has not been exercised, nor does there appear to be the remotest likelihood that it ever will so be exercised.

Article I, section 4, reads:

"The times, places, and manner of holding elections for Senators and Representatives shall be prescribed in each State by the legislature thereof; but the Congress may at any time by law make or alter such regulations, except as to the place of choosing Senators."

"In this clause sufficient authority is given the Federal Government, should it so see fit, to assume entire and exclusive control of the election of Senators and Representatives; to establish by acts of Congress the regulations governing the same, and to apply and enforce these regulations by Federal officials and tribunals" (2 Willoughby, supra, 638–639). Under this clause, Congress for 25 years exercised a comprehensive control of congressional elections. The acts passed in 1870 and 1872 (16 Stat. 144, 256; 17 Stat. 347) provided not only an extensive body of law by which these elections were to be governed, but also provided for Federal officials to enforce them and to preserve order. They were held constitutional even when under them there were arrested officers engaged in control of State elections held simultaneously, when such officers interfered with the Federal officials, and where there were arrested private individuals who conspired to interfere with citizens attempting to vote (*Ex parte Siebold*, 100 U.S. 371; *Ex parte Yarborough*, 110 U.S. 651).

With a few exceptions, these acts were repealed in 1894 and the Federal Government has since made no attempt to control congressional elections through its own officials (2 Willoughby, supra, 639).

The examples which have been given are among the more dramatic (as measured by the potentialities of its power) instances of congressional modesty. There are others. Further enumeration is unnecessary. Those presented are sufficient to show that Congress, in common with all legislatures, can be given legislative authority without automatic transformation into a body which hungrily reaches out to bring all possible transactions within its regulations.

The legislative power is limited by due process and judicial review

It is argued that the grant of power embodied in the proposed amendment will be capable of exercise by Congress without judicial supervision, without the restraints upon arbitrary action which are found in the Bill of Rights. The argument that the fifth and other amendments will in this regard be nullified rests upon the erroneous assumption that it can have no application to a subsequent amendment, that the amendment would not only give jurisdiction over the subject matter to the Federal Government but would repeal all checks upon the exercise of this jurisdiction.

The argument controverts the accepted principles of construction. It is conceded that subsequent legislation or amendment repeals earlier provisions which are necessarily in conflict. But this would here be the result only were the proposed amendment to read: "The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age and its power shall be limited by no other provision of the Constitution." Few rules are more firmly established than that which states that the courts will never sanction repeals by implication, that only where two statutes are in irreconcilable conflict will a legislative intent to repeal be presumed (*Beals* v. *Hale*, 4 How. 36, 53; *Russell* v. *Williams*, 106 U.S. 623, 628; *Washington* v. *Miller*, 235 U.S. 422, 628; *United States* v. *Burroughs*, 289 U.S. 159, 164).

The rule applies not only to statutes. If anything, the considerations are far stronger which lead to the refusal to construe one part of the Constitution so as to nullify another provision. Fundamental constitutional principles "are of equal dignity", and none must "be so enforced as to nullify or substantially impair" another (*Dick* v. *United States*, 208 U.S. 340, 359).

"It cannot be presumed that any clause in the Constitution is intended to be without effect" (*Marbury* v. *Madison*, 1 Cr. 137, 174).

The judicial history of the sixteenth and eighteen amendments shows that the constitutional limitations upon congressional legislation are carried over to new amendments as a matter of course.

The sixteenth amendment provided that the "Congress shall have power to lay and collect taxes on income, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." Were the position correct which is adopted by the opponents of the proposed child-labor amendment, it would follow that so long as Congress levied a tax upon income there could be no constitutional restraint upon its action. Yet in the first case to arise under the amendment the court pointed out that an arbitrary tax, amounting to confiscation, would be invalid. It proceeded to consider the tax levied by Congress, and concluded that the tax was not within

such a category (*Brushaber* v. *Union Pacific Railroad Co.*, 240 U.S. 1, 24–26).

An even stronger case is found in the attempt by Congress to tax the salaries of Federal judges. The language of the amendment, reading "from whatever source derived", would seem clearly to justify such taxation. If words mean anything, here is an express grant of power. Yet it was held that the language should not so be construed as to conflict with an implication of article III, section 1: "The judges * * * shall at stated times, receive for their services a compensation which shall not be diminished during their continuance in office." Accordingly, Congress was declared to be without power to levy an income tax upon the salary of a Federal district judge during his tenure of office (*Evans* v. *Gore*, 253 U.S. 245).

Even though the judge be appointed after the enactment of the income tax, where there is no discernible diminution of compensation, however indirect, during his tenure of office, the tax may not constitutionally be applied to his salary (*Miles* v. *Graham*, 268 U.S. 501).

Although there is in the Constitution no word on which State immunity from Federal taxation may be grounded, the general implications of the dual form of government have been declared sufficient to protect States and their instrumentalities from Federal taxation, despite the language of the amendment (*Metcalf & Eddy* v. *Mitchell*, 269 U.S. 514).

Accordingly, income derived from State and municipal bonds may not be taxed (*National Life Insurance Co.* v. *United States*, 277 U.S. 508, 521).

Nor may the salary of an employee of a municipal street railway be subjected to taxation (*Frey* v. *Woodworth*, 2 F. (2d) 725).

This doctrine of tax immunity, it should be noted, is erected in the teeth of language which on its face would justify the taxation of income from any source. The doctrine is grounded on constitutional implications rather than any express mandate of the Constitution. Yet the opponents of the child-labor amendment seem to fear that language, which only by remote implication could be said to negative constitutional limitations, will be so construed as to nullify express provisions of the Constitution.

The eighteenth amendment, giving Congress power by appropriate legislation to enforce the prohibition against the manufacture, sale, or transportation of intoxicating liquors, did not remove this legislation from the limitations imposed by the fifth amendment. In the first case to arise the Court said: "While recognizing that there are limits beyond which Congress cannot go in treating beverages as within its power of enforcement, we think those limits are not transcended by * * * the Volstead Act" (*National Prohibition Cases*, 253 U.S. 350, 387).

In a later case arising under the National Prohibition Act it was declared, after the customary statement that the Court may inquire into neither the degree of necessity for the legislation nor its wisdom, that "what it may consider is whether that which has been done by Congress has gone beyond the constitutional limits upon its legislative discretion" (*Everard Breweries* v. *Day*, 265 U.S. 545, 559).

Legislation enacted under the amendment, providing for methods of enforcement, is subject to the fourth amendment, forbidding unreasonable searches and seizures (*Carroll* v. *United States*, 267 U.S. 132, 147; *State* v. *Knudsen*, 154 Wash. 87, cert. den., 281 U.S. 745; *Salata* v. *United States*, 286 Fed. 125 (C.C.A. 6th)).

In neither the principles of construction nor the judicial history of other amendments is there basis for the contention that the power granted by the proposed child-labor amendment will in some inexplicable fashion be clothed with immunity from the constitutional restraints universally imposed upon congressional action.

Since there would of necessity be judicial review for child-labor legislation, it becomes of interest to determine the probable attitude of the Supreme Court toward the unwarranted extensions of congressional power which are so insistently feared by the opponents of the proposed amendment.

The court has repeatedly and unmistakably announced its opposition to interference with transactions properly subject to State authority, even though that interference be made in the name of a Federal power.

The expanding commercial enterprise of the Nation has, as has earlier been noted, necessitated a more or less corresponding growth in the content of the commerce clause. Transactions which ignore State borders must be subject to a less-restricted governmental authority. Yet throughout this continuing expansion of Federal control over the interstate transaction (carefully to be distinguished from the situation to be found in child-labor legislation), the Supreme Court has uniformly been zealous to prevent any trenching upon the rightful sovereignty of the State. Matters foreign to interstate commerce have consistently been protected against Federal intrusion.

Thus, the attempt of Congress to bar from interstate commerce the products of child labor has been held to be an unconstitutional attempt to control the process of production and manufacture, a subject of local concern (*Hammer* v. *Dagenhart*, 247 U.S. 251).

The Sherman Act has been limited in operation to restraints upon interstate trade and has no application to combinations against local enterprises, no matter how catastrophic the conspiracy may be to those injured (*United Mine Workers* v. *Coronado Coal Co.*, 259 U.S. 344; *United Leather Workers* v. *Herkert & Meisel*, 265 U.S. 457).

Equally sweeping is the taxing power of Congress. Yet the Court has shown itself watchful to prevent the use of this power to gain control over subjects not entrusted to Federal regulation. A tax upon the products of child labor has been voided because it was regarded as an attempt to regulate "a subject not entrusted to Congress" (*Bailey* v. *Drexel Furniture Co.*, 259 U.S. 20).

Similarly, a tax upon contracts for the sale of grain futures has been invalidated as an attempt to go beyond the taxing power granted to Congress (*Hill* v. *Wallace*, 259 U.S. 44).

The power in Congress to license enterprises cannot so be used as to license an individual to conduct a business in a State where such activity has been banned by local law (*Pervear* v. *Commonwealth*, 5 Wall. 475).

The fourteenth amendment declares that no State shall abridge the privileges or immunities of citizens of the United States. The words were narrowly construed to refer only to those privileges and immunities which flow directly from the Federal Government, and to have no operation upon the privileges and immunities which the individual enjoys in his ordinary activities. The construction was adopted because of the large measure of Federal control over the internal affairs of States which would otherwise result (*Slaughter House Cases*, 16 Wall. 36, 78).

The Court has consistently refused to allow any broadening of this narrow construction (*Kidd* v. *Pearson*, 128 U.S. 1; *United States* v. *Cruikshank*, 92 U.S. 542).

The same amendment expressly gives Congress the power to endorse its provisions by appropriate legislation. Again, this has narrowly been construed. Where Congress had attempted to control the activities of individuals, as opposed to the States themselves, the Court has invalidated the legislations (*Civil Rights Cases*, 109 U.S. 3).

Similarly, it has been held that the fifteenth amendment, while it protects against discrimination because of race, color, or previous condition of servitude, does not confer the right of suffrage, which remains a State privilege. No implication of the amendment has been allowed to interfere with the freedom of the States to grant or limit the right to vote as they think best, so long as there be no discrimination of the type forbidden by the amendment (*United States* v. *Reese*, 91 U.S. 214).

Nor does this amendment, despite the power which it gives to Congress to adopt appropriate legislation, confer upon that body any power to prevent individuals, not acting under State authority, from interfering with the right of suffrage (*James* v. *Bowman*, 190 U.S. 127).

Such is the solicitude of the Supreme Court for the power of the States to deal with their internal affairs in the manner they think best. This solicitude has been exercised, at times, almost in the teeth of language pointing to the contrary result. Can it be thought that this Court will so construe the proposed child-labor amendment as to permit congressional invasion of the educational systems of the States, the religious training of the sects, or the parental discipline of the home?

There can be no doubt but that the States have, and always have had, as complete a power over the school, the church, and the home as may be given a government under our constitutions. In their hands is that great reservoir of governmental power sometimes called the "police power." In these fields, where government constitutionally may act the power is that of the State. Their powers are carefully to be contrasted with that proposed to be delegated to the Federal Government, limited as the latter is to the labor of persons under 18 years of age. Yet even the States, with their broad powers, have met with sharp rebuke on the very rare occasions when they have attempted to trench upon matters considered more proper for teacher, cleric, or parent, than for government. This State legislation has been invalidated under the due-process clause of the fourteenth amendment. An identical clause is in the fifth amendment, which limits the Federal Government.

Where a State has attempted to require that grammar-school education be given only in the public schools, the Supreme Court has, on the complaint of a parochial school, invalidated the legislation. In so doing it said:

"The fundamental theory of liberty on which all governments in this Union repose excludes any general power of the State to standardize its children by forcing them to accept instruction from public teachers only. The child is not the mere creature of the State; those who nurture him and direct his destiny have the right, coupled with the high duty, to recognize and prepare him for additional obligations" (*Pierce* v. *Society of Sisters*, 268 U.S. 510, 535).

Again, where a State has attempted to forbid instruction of modern languages other than English to pupils of grammar-school status, the Supreme Court has declared invalid the legislation as a forbidden encroachment upon fields long held beyond the rightful reach of Government. The liberty guaranteed by the due process clause of the fourteenth amendment as well as by the fifth amendment, was held to include the right to "acquire useful knowledge, to marry, establish a home, and bring up children" and

"This liberty may not be interfered with, under the guise of protecting the public interest, by legislative action which is arbitrary or without reasonable relation to some purpose within the competency of the State to effect. Determination by the legislature of what constitutes proper exercise of police power is not final or conclusive but is subject to supervision by the courts" (*Meyer* v. *Nebraska*, 262 U.S. 390, 399–400).

It seems difficult to read this language and thereafter to fear that this Court could permit the Congress, under the guise of child-labor legislation, to invade fields so carefully guarded from the broad powers of the States.

Judged, then, in the light of experience under other constitutional provisions granting powers to Congress, there are two safeguards against the excesses which opponents of the amendment fear. One is that Congress itself has shown moderation in its action, and the other is that the Supreme Court has freely made use of its power to protect the right of the States and of the people when Congress has gone beyond the limits of its grant.

The experience of the eighteenth amendment

The opponents of the proposed child-labor amendment make much of the bitter experience of the eighteenth amendment. But that experience has no relevancy to the proposed child-labor amendment. Both are amendments to the Federal Constitution. Both delegate legislative powers formerly local in nature to the Federal Government. Beyond this the two amendments have nothing in common. Measured only by these two tests, the thirteenth, fourteenth, fifteenth, sixteenth, and nineteenth amendments must also be included in the comparison. To argue from the experience under the eighteenth amendment to that to be expected under the child-labor amendment is to invite error.

Much is made of the extremes to which enforcement of the eighteenth amendment was carried. In this light the eighteenth and the proposed child-labor amendments differ in so many basic characteristics that no analogy whatever may be drawn between the two.

The eighteenth amendment was so drafted as to be an absolute prohibition. "The second section of the amendment * * * does not enable Congress or the several States to defeat or thwart the prohibition, but only to enforce it by appropriate means" (*National Prohibition Cases*, 253 U.S. 350, 387). The proposed child-labor amendment does not so strip Congress of discretion, but permits regulation which may be relaxed or varied as circumstances seem to warrant.

The eighteenth amendment was designed to eradicate from the national culture individual habits, the most tenacious and insistent of the rebels against governmental authority. No such attempt is contemplated in the child-labor amendment. None feels an insistent desire, buttressed by generations of social tradition, to employ children. There can, therefore, be no comparison between the types of enforcement necessary in the two amendments.

The eighteenth amendment attempted absolutely to prohibit the use of beverages which a substantial portion of the population felt to be desirable and harmless. Of necessity there would spring up a huge underworld business whose business would be to supply this desire. Effectively to combat the bootlegger, the racketeer, the mobster, and the other elements of gangdom whose prosperity depended upon this habitual violation of the law, required strong-arm methods on the part of the Government. With this situation must be contrasted the proposed child-labor amendment. There is no widespread and insistent demand for the products of child labor. Even the opponents of this amendment concede child employment to be undesirable. No criminal enterprise could fill this demand, even were it present. The violator of the child-labor laws would not be a gangster. He would be a business man possessed of somewhat more regard for the profits of his enterprise than the health and morals of his child employees. However deplorable his outlook none can expect that the factory would be equipped with machine guns and peopled with thugs in order to repel any Government inspector who happened near.

Enough has been said to indicate the complete folly in attempting to draw from the experience with the eighteenth amendment any competent guide to the enforcement problems of the proposed child-labor amendment. So far as the machinery and the technique of Federal enforcement of child-labor legislation is concerned, sufficient experience has been gained during the earlier attempts by Congress to regulate this field to permit a quite accurate prediction.

Various unfounded objections considered

There remain to be mentioned a few extreme arguments advanced against the ratification of the proposed amendment. They do not merit serious attention. They carry their own refutation written large across their face.

Destruction of the republican form of government: It is argued that to give the Federal Government power to regulate child labor is to destroy the republican form of government. The basis of the argument is not clear; its proponents have made it no clearer through repetition. A republican form of government is commonly understood to be one in which the sovereign power is exercised by representative elected by and responsible to the citizens. Regulation of child labor has no conceivable bearing on this method of governing. If it has, the republican form of government has long since been destroyed in every State of the Union.

Nullification of the fourth amendment: It has been asserted that "the right of the people to be secure in their homes" as guaranteed by the fourth amendment will be swept away if the proposed amendment be adopted. The assertion has not been advanced with any great confidence or with any elaboration. It can be made only if it be assumed: That the proposed amendment authorizes regulations within the home, that Congress will exercise this power, that its enforcement will involve the "unreasonable searches and seizures" forbidden by the fourth amendment, and that the courts would not interfere. Each of the four steps, as has elaborately been demonstrated earlier in this brief, is clearly fallacious.

Compulsory military training and service: It has solemnly been declared that to ratify this amendment is to ensure compulsory military training and service for all persons under 18 years of age. Presumably the contention is based on the assumption that labor is equivalent to military service, and that regulate, limit, and prohibit is equivalent to compel. The earlier discussion of the content of these terms is sufficient answer to this argument. Moreover, Congress already has this power, except so far as limited by other parts of the Constitution. Article I, section 8, clause 12, enables Congress "to raise and support armies." The opponents of ratification of the proposed amendment would have one believe that, having failed to exercise a clear grant of power for 145 years, Congress would seek to require military service under the guise of protective labor legislation.

Nationalization of children: It is believed that the most completely absurd of the arguments advanced against ratification is that which intones a solemn warning against the nationalization of the youth of the country. Diligent but unsuccessful effort has been made to understand precisely what is feared. It summons to mind a horde of wild children, alternately screaming invective at their parents and allegiance to their country. More charitably, it may be feared that children will acquire subversive doctrine unless sent to the mill or the factory at an early age. Perhaps the cry of nationalization is a variation of the more familiar argument, whose falsity has been demonstrated above, that the proposed amendment gives the Congress the power not only to regulate the employment but also the family life of the child. In whatever form this undefined but oft-repeated fear may be expressed, it would seem that it hardly can gain reasonable character.

ANTI-INJUNCTION LABOR LAW—OPINION OF CIRCUIT COURT OF APPEALS

Mr. NORRIS. Mr. President, I have before me a copy of the opinion of the United States Circuit Court of Appeals for the Second Circuit upholding the recent anti-injunction labor law which we passed. I ask unanimous consent that it may be printed in the CONGRESSIONAL RECORD.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

UNITED STATES CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT

LEVERING & GARRIGUES CO., HEDDON IRON CONSTRUCTION CO., HAT FOUNDRY & IRON WORKS, AND MCCLINTIC-MARSHALL CO., PLAINTIFF-APPELLEES, *v.* PAUL J. MORRIN, WILLIAM J. MCGINN, CHARLES MASSEY, AND EARL CALVERT, DEFENDANTS-APPELLANTS

Before Manton, Augustus N. Hand, and Chase, Circuit Judges.

Appeal from the United States District Court for the Southern District of New York. Suit for injunction restraining the defendants from certain acts in a labor controversy. Decree for plaintiffs; defendants appeal. Reversed.

Frank P. Walsh, Esq., attorney for appellants. Frank P. Walsh, Esq., John Walsh, Esq., of counsel.

Edward Maxson, Esq., Merritt Lane, Esq., of counsel for appellees.

MANTON, Circuit Judge: Appeal from a final decree. The decree as entered is alleged to be in violation of the labor law (title 29, U.S.C.A., S. 104, subdivisions (a), (e), (g), (h), (i)). The case was here before (61 Fed. 2d 115), where we reversed the lower court, and that reversal was affirmed by the Supreme Court (289 U.S. 103). We directed that the bill be dismissed without prejudice for lack of jurisdiction unless the appellees amended so as to correct the jurisdictional defect by striking from the bill a number of defendants. Below the court permitted the amendment and enjoined the present appellants.

These appellants, by the decree made October 14, 1933, amended January 8, 1934, are restrained and enjoined, with their agents or servants or those in active concert with them, "from inducing, or attempting to induce, owners, architects, or general contractors to let no subcontracts to plaintiffs for the erection of structural iron and steel on buildings now being or to be erected in the metropolitan district of New York by sending to them circulars or other writing, stating, threatening, warning, or intimating * * * that members of the unions associated with the international may or will refuse to work on buildings upon which plaintiffs have or may have subcontracts, or by ordering, instigating, carrying on, or supporting sympathetic strikes on buildings upon which plaintiffs have or may have subcontracts, or from otherwise attempting by coercive pressure, threats, or intimidation, or such other unlawful means, to compel or influence owners, architects, and general contractors not to patronize the plaintiffs."

After issue was joined, the matter was referred to a master who found that at the time of the occurrences involved, the building industry in the metropolitan district of New York was completely organized, excepting as to appellants and other members of the Iron League. Unions had been recognized and were operating under union conditions, including a closed shop. The appellees and other members of the Iron League were operating on an open-shop basis, the effect of this being that in the construction of large buildings, members of unions operating closed shop and working on the same building at trades other than steel erection, would have to work side by side with nonunion men who might be employed by members of the league. This gave rise to a controversy resulting in continuous strife between the Iron League and the international union for a number of years. The league insisted on operating on an open-shop plan, employing both union and nonunion men. The international's policy has been to cause the league to recognize the union and work under union conditions, including the closed shop. As a result strikes and labor troubles occurred from time to time during the years, some of which were sympathetic strikes.

The master found that the controversy and dispute between the union and the appellees arose because of this difference of opinion and purposes; that the purpose of the appellants was to obtain a closed-shop condition, and the purpose of the appellees to obtain an open-shop condition in their employment of labor; that by making public, notifying, advising, and urging owners, architects, and contractors engaged in the building business that members of the unions would cease and refuse to perform any work or to remain in any relation of employment with them if the subcontracts let for the erection of steel did not provide for the closed shop; that the appellants did give publicity to the existence of their complaint against the appellees by advertising, speaking, and patrolling, and they did so advise and notify the contractors that unless their requests were granted they would advise, urge, and get the agreement of others to cease to perform any work or to remain in any relation of employment with them; that appellants, appellees, the owners, architects, and contractors were all engaged in the same industry; that the dispute was not attended by fraud or violence; and that the defendants did not stand in direct relationship of employer and employee with the appellees.

The present appellants, Paul Morrin, William J. McGinn, Charles Massey, and Earl Calvert, are members of the International Association of Bridge, Structural, and Ornamental Iron Workers and are now the sole defendants, for, after the reversal on the former appeal, permission was granted by the district court to discontinue the suit as to the other named defendants.

In reversing the lower court, we stated that the district court was to determine whether recent legislation (title 29, U.S.C.A., secs. 101–115) had any application to further proceedings in this cause. The applicable provisions of the statute are section 104, which reads:

"SEC. 104. Enumeration of specific acts not subject to restraining orders or injunctions. No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons participating or interested in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts:

"(a) Ceasing or refusing to perform any work or to remain in any relation of employment;

"(e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patroling, or by any other method not involving fraud or violence;

"(g) Advising or notifying any person of an intention to do any of the acts heretofore specified;

"(h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and

"(i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 103 of this chapter."

No court of the United States may grant a restraining order, temporary or permanent, in a labor dispute because of doing in concert the acts enumerated in section 104. Section 113 provides:

"SEC. 113. Definitions of terms and words used in chapter. When used in this chapter, and for the purposes of this chapter—

"(a) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (1) between one or more employers or associations of employees; (2) between one or more employers or associations of employers; or (3) between one or more employees or associations of employees and one or more employees or associations of employees; or when the case involves any conflicting or competing interests in a 'labor dispute' (as hereinafter defined) of 'persons participating or interested' therein (as hereinafter defined).

"(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it, and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

"(c) The term 'labor dispute' includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

"(d) The term 'court of the United States' means any court of the United States whose jurisdiction has been or may be conferred or defined or limited by act of Congress, including the courts of the District of Columbia."

We think that the relief granted in the decree appealed from is in violation of the above statute. The cause grows out of a labor dispute, as defined in section 113 (c) and is a controversy between members of an association of employers and members of an association of employees engaged in the same industry (sec. 113 (a) (6)). The appellees were seeking to arrange terms or conditions of employment.

Now, under the statute, a district court cannot restrain the notifying of parties by interested individuals (sec. 104 (g)) of an intention to refuse to work; nor can the court prevent, in the absence of fraud or violence, the giving of publicity to the facts in the controversy (sec. 104 (e)) or encouraging others to refuse to work (sec. 104 (i)). The fact that the notification and the publicity will result in coercing the parties informed and cause them to refrain from contracting with the appellees cannot be taken into consideration, for the court is without the power to prevent such notification. The court has not the power or authority to issue an injunction against these appellants who are engaged in a controversy arising out of an attempt to establish a closed shop by notifying general contractors and architects of an intention of members of a union to refuse to work, nor can these appellees prevent these appellants from refusing to work or inciting sympathetic strikes.

It is argued, however, that the deprivation of the district court of its power to issue an injunction in a case which does not involve interstate commerce and where the jurisdiction of the court is based upon diversity of citizenship, is tantamount to a grant of jurisdiction with a concurrent withholding of the power to properly administer the causes over which the jurisdiction has been granted, and, therefore, the statute is unconstitutional within the rule announced in *Michaelson* v. *United States* (266 U.S. 42).

However, Congress has the power, as now exercised, of withdrawing this jurisdiction from the district court. Congress may give either whole or restricted jurisdiction at its discretion, provided there is no extension beyond the boundaries fixed by the Constitution (*Kline* v. *Burke Construction Co.*, 260 U.S. 226), and Congress has the power to regulate the power which it grants. *Ex parte Robinson* (19 Wall. 505); *Michaelson* v. *United States*, *supra*.

It has been said that the attributes which inhere on a grant of power over a subject and which are inseparable from it cannot be rendered practically inoperative. But the power to issue an injunction is not necessarily within the class of inherent attributes (*Smith* v. *Apple*, 264 U.S. 274). Congress has not exceeded its powers in this legislation.

We think it unnecessary to consider here whether this statute denying injunctive relief differs from statutes regarded as valid, although they curtailed remedies. In *Duplex Printing Press* v. *Deering* (254 U.S. 443) the statute limited the power to grant injunctions where the relationship of employer and employee existed. The constitutionality of the enactment was raised but not discussed. The court, however, recognized the limitation by acknowledging that the statute imposed restrictions upon the powers of the Federal equity court, and, in fact, stated that the restriction was in the nature of a special privilege or immunity to a particular class.

But the sole effect of the restriction was the subjection of the statute to a strict construction. In *Truax* v. *Corrigan* (257 U.S. 312) upon which the appellees rely, the Supreme Court held unconstitutional a State statute which prohibited the issuance of injunctions in all cases, but those in which the acts complained of were accompanied by violence. But the Truax case involved the power of a State legislature and is to be further distinguished on the basis of the different effects of the respective statutes upon property rights. The Supreme Court stated:

"The opinion of the State supreme court in this case, if taken alone, seems to show that the statute grants complete immunity from any civil or criminal action to the defendant for it pronounces their acts lawful."

In the instant case, the statute considered grants no such complete immunity. Therefore, a case is not presented calling for the invocation of the due-process clause since the present statute is in effect nothing more than a limitation affecting remedy rather than property rights.

The right of a litigant, as stated in *Kline* v. *Burke Construction Co.* (supra, at p. 233), "to maintain an action in a Federal court on the ground that there is a controversy between citizens of different States is not one derived from the Constitution of the United States unless in a very indirect sense. * * * The Constitution simply gives to the inferior court the capacity to take jurisdiction in the enumerated cases, but it requires an act of Congress to confer it. * * * A right which thus comes into existence only by virtue of an act of Congress after its exercise has begun cannot well be described as a constitutional right."

Since Congress may curtail this remedy or withdraw the jurisdiction of the district court, no constitutional rights based upon the withdrawal of remedial rights can be successfully raised, since the litigant never had an absolute constitutional right to have a Federal court take jurisdiction. While we held on the former appeal that there was no jurisdiction, we did permit the district court leave to allow appellees to amend the complaint. Although the complaint was amended, a new decree could not be entered, for the court had not the power to grant the injunction. The statute was applicable and binding on the lower court at the time of the entry of the decree (*Duplex Printing Press Co.* v. *Deering*, supra).

Decree reversed.

THE CALENDAR

The VICE PRESIDENT. Under the unanimous-consent agreement entered into yesterday, the Senate will proceed to the consideration of bills on the calendar, beginning with Order of Business No. 1243, Senate bill 3446.

MOTOR VEHICLES SEIZED FOR VIOLATIONS OF CUSTOMS LAWS

The bill (S. 3446) to authorize the Postmaster General to receive, operate, and to maintain for official purposes motor vehicles seized for violations of the customs laws, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That any vehicle forfeited to the United States by a decree of any court for violations of the customs laws be ordered by the court, upon application of the head of the department by which the seizure is made, to be delivered to the Post Office Department for use in the enforcement of the postal laws and regulations.

Any vehicle acquired under the provisions of this act shall be utilized only for official purposes in the enforcement of the postal laws and regulations. The appropriation available for the maintenance of vehicles in the Postal Service shall be available for the payment of the expenses of maintenance, repair, and operation of said vehicles, including motor-propelled passenger-carrying vehicles. The said appropriation shall also be available for the payment of the actual costs incident to the seizure and forfeiture, and if the seizure is made under any section of law under which liens are recognized, for the payment of the amount of such lien allowed by the court.

HIRE OF VEHICLES FROM POSTAL EMPLOYEES

The bill (H.R. 4224) to authorize the Postmaster General to hire vehicles from postal employees was considered, ordered to a third reading, read the third time, and passed.

GRACE G. COOLIDGE FRANKING PRIVILEGE

The bill (H.R. 5344) granting a franking privilege to Grace G. Coolidge was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF SECTION 3937, REVISED STATUTES

The bill (H.R. 7348) to amend section 3937 of the Revised Statutes was considered, ordered to a third reading, read the third time, and passed.

PRIVATE CONVEYANCE OF LETTERS

The bill (H.R. 7670) relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only, was considered, ordered to a third reading, read the third time, and passed.

MILITARY INSTRUCTOR FOR HIGH-SCHOOL CADETS, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 3644) to provide for the assignment of a military instructor for the high-school cadets of Washington, D.C., which had been reported from the Committee on Military Affairs, with an amendment to add a proviso at the end of the bill, so as to make the bill read:

Be it enacted, etc., That, notwithstanding any other provision of law, the Secretary of War is authorized and directed to detail a retired officer of the United States Army to active duty as professor of military science and tactics at the public high schools of Washington, D.C., and while so detailed such officer shall receive the active pay and allowances of the grade and rank held by him: *Provided*, That appropriations for the War Department, fiscal year ending June 30, 1935, and the item therein for increased pay to retired officers on active duty are hereby increased by the amount of $2,887.56.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3182) to provide for the purchase of the surplus copper heretofore mined and processed in the United States was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

HAMPTON & BRANCHVILLE RAILROAD CO.

The bill (S. 3294) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims to hear, determine, and render judgment upon the claim of the Hampton & Branchville Railroad Co., of Hampton, S.C., against the United States for the sum of $4,306.51, representing the amount of a judgment recovered by the United States from such company by virtue of a certain guaranty contract between such company and the United States entered into in accordance with the provisions of section 209 of the Transportation Act, 1920, and such additional sum as may be found to be due by the United States to such company as a result of such contract.

SEC. 2. The Court of Claims is authorized and directed to make such detailed examination of the accounts of such company as may be necessary in order to ascertain the amount, if any, due such company by the United States by virtue of such contract.

SEC. 3. Such claim may be instituted at any time within 6 months after the enactment of this act, notwithstanding the lapse of time or any statute of limitations. Proceedings in any suit brought in the Court of Claims under this act, appeals therefrom, and payment of any judgment therein shall be had as in the case of claims over which such court has jurisdiction under section 145 of the Judicial Code, as amended.

FRANCIS A. PARRY

The Senate proceeded to consider the bill (S. 2599) for the relief of Francis A. Parry, which had been reported from the Committee on Military Affairs with amendments, on page 1, line 6, after the name "Parry", to insert "deceased"; in line 7, after the word "considered", to strike out "to have served without desertion and"; in line 11, after the word "war", to strike out "but no pension, bounty, retirement pay, back pay, or allowance shall be held to have accrued by reason of this act prior to its passage" and to insert in lieu thereof "*Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act", so as to make the bill read:

Be it enacted, etc., That in the administration of the homestead laws or any laws conferring rights, privileges, or benefits upon widows, children, or heirs of persons honorably discharged from the United States Army, Francis A. Parry, deceased, shall be held and considered to have been honorably discharged on May 21, 1864, as a corporal, Company B, Eighty-second Regiment New York Volunteer Infantry, United States Army (Civil War): *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read "A bill for the relief of Francis A. Parry, deceased."

HEGEMAN-HARRIS CO.

The bill (S. 3581) to authorize the Comptroller General of the United States to settle and adjust the claim of the Hegeman-Harris Co. was announced as next in order.

Mr. KING. Mr. President, I should like to have an explanation of the bill.

Mr. COPELAND. Mr. President, the Senator from Vermont [Mr. GIBSON] went into this matter very carefully and is familiar with it.

Mr. GIBSON. Mr. President, the bill does not call for the appropriation of any additional money. It simply provides for settlement of the claim growing out of the completion of the post-office building at Rutland, Vt.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Claims, with an amendment, on page 2, after line 9, to insert: "The Comptroller General of the United States shall pay the money without regard to any priorities the Government may claim against the National Surety Co. in other cases, and when the money shall so have been paid it shall be set aside for subcontractors, material men, and laborers who did the work or supplied material for this building with a view to paying their claims, if any: *Provided*, That no payment shall be made until 60 days from the passage of this act or until personal notice has been given all claimants for the filing of such claims", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to settle and adjust the claim of the Hegeman-Harris Co. for an amount not exceeding $19,138.18, as reimbursement of expenditures made and cost of work performed by the said Hegeman-Harris Co., in the completion, at the request of the National Surety Co., of contract TSA1755, dated June 25, 1931, with the Brooklyn & Queens Screen Manufacturing Co., Inc., for the construction of the new post-office and courthouse building at Rutland, Vt., after the United States had terminated the right of the Brooklyn & Queens Screen Manufacturing Co., Inc., to proceed and the work had been taken

over by the National Surety Co., as surety on the performance bond, and before said surety company was placed in the hands of a rehabilitator appointed by the insurance department of the State of New York. The Comptroller General of the United States shall pay the money without regard to any priorities the Government may claim against the National Surety Co. in other cases, and when the money shall so have been paid it shall be set aside for subcontractors, material men, and laborers who did the work or supplied material for this building with a view to paying their claims, if any: *Provided*, That no payment shall be made until 60 days from the passage of this act or until personal notice has been given all claimants for the filing of such claims. Such allowance as may be made by the Comptroller General as herein provided shall be paid from the appropriation made for the construction of the building in question, which are hereby made available therefor, and the payment so made shall be charged to the National Surety Co. in the adjustment of the accounts between said company and the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INTERNATIONAL CELEBRATION AT FORT NIAGARA, N.Y.

The joint resolution (H.J.Res. 341) authorizing an appropriation for the participation of the United States in the international celebration at Fort Niagara, N.Y., was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

DR. CHARLES T. GRANGER

The bill (H.R. 4579) for the relief of Dr. Charles T. Granger was considered, ordered to a third reading, read the third time, and passed.

YAKIMA CONFEDERATED TRIBES OF INDIANS

The bill (H.R. 5864) to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

ADJUSTMENT OF SALARIES OF RURAL LETTER CARRIERS

The Senate proceeded to consider the bill (H.R. 8919) to adjust the salaries of rural letter carriers, and for other purposes, which had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 2, line 22, to strike out the numeral "6" and insert the numeral "5", so as to make the bill read:

Be it enacted, etc., That (a) the first paragraph of section 8 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes", approved February 28, 1925, as amended (U.S.C., title 39, sec. 197), is amended to read as follows:

"SEC. 8. The salary of carriers in the Rural Mail Delivery Service for serving a rural route of 30 miles 6 days a week shall be $1,800; on routes less than 30 miles, $60 per mile per annum for each mile or major fraction thereof. Each rural carrier assigned to a route served 6 days in a week shall receive $20 per mile per annum for each mile or major fraction thereof said route is in excess of 30 miles, based on actual mileage, and each rural carrier assigned to a route served 3 days in the week shall receive $10 per mile per annum for each mile or major fraction thereof said route is in excess of 30 miles, based on actual mileage."

(b) The second paragraph of such section 8 (U.S.C., title 39, sec 200) is amended to read as follows:

"Deductions for failure to perform service on a standard rural delivery route for 30 miles and less shall not exceed the rate of pay per mile for service for 30 miles and less; and deductions for failure to perform service on mileage in excess of 30 miles shall not exceed the rate of compensation allowed for such excess mileage."

(c) The third paragraph of such section 8 (relating to equipment-maintenance allowance for rural carriers) (U.S.C., title 39, sec. 206) is amended by striking out "4 cents" and inserting in lieu thereof "5 cents." Such allowance shall not be changed except pursuant to law enacted after the date this act takes effect.

(d) In the case of any carrier in the Rural Mail Delivery Service on the date this act takes effect, who serves 6 days a week a rural route of less than 30 miles, or who serves 3 days a week a rural route of less than 60 miles or two routes of a combined length of less than 60 miles, the annual salary of such carrier shall not be reduced more than $180 by operation of subsection (a) of this section.

SEC. 2. Salaries (not including equipment-maintenance allowances) of rural carriers shall, during that portion of the fiscal year 1934 which remains after the time this act takes effect, and during the fiscal year 1935, be reduced by the percentage of reduction, if any, applicable by law to salaries of employees of the Government generally.

SEC. 3. No consolidation of rural routes shall be made otherwise than on account of the resignation, death, retirement, or dismissal on charges of carriers in the Rural Mail Delivery Service.

SEC. 4. This act shall take effect on the 1st day of the calendar month next following the month in which this act is enacted.

Mr. HEBERT. Mr. President, may I have the attention of the Senator from Tennessee [Mr. MCKELLAR]?

Mr. McKELLAR. Certainly.

Mr. HEBERT. The Committee on Post Offices and Post Roads has reduced the amount of maintenance allowance from 6 cents to 5 cents. I have looked over the report and find there no suggestion of a reason why that was done. This morning I have received a protest from the New England Association of Rural Letter Carriers saying this change is wholly unsatisfactory to them. It occurred to me the Senator might be prepared to make an explanation which might satisfy them.

Mr. McKELLAR. Mr. President, as the Senator knows, the purpose of the bill is to increase the standard rural routes from 24 miles to 30 miles. All standard routes are thus increased. If that had been done and nothing else were done, it would have saved the Government about $11,000,000. The rural carriers were willing to have it done provided their maintenance allowance was increased, and testimony was submitted to the committee in that regard.

The bill as it passed the House carried an allowance of 6 cents, but the Senate committee amended it by inserting "5" instead of "6." As a matter of fact, under an Executive order provided for in the Economy Act, the allowance now is 3 cents, and it has been as low as 1 cent. So the Senator from Rhode Island and others may realize that the allowance of 5 cents is a very great move in the right direction for the rural carriers.

There is some difference of opinion among the rural carriers. The organizations here all want the full 6 cents, but the carriers in my part of the country and in other parts of the country, so I am informed, are perfectly willing to accept 5 cents. They are getting 3 cents now as a maintenance allowance and are willing to take 5 cents. In my judgment, looking at it from their standpoint as well as the standpoint of the Government, the 5-cent provision should be approved. The result would be that the 5-cent maintenance allowance would bring to the Government a saving of something like $5,000,000.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Tennessee what would be the total increase in cost to the Government due to the 5-cent allowance?

Mr. McKELLAR. The law now provides for a 4-cent allowance, but under the Economy Act the President was given authority to reduce it, and it was reduced to 1 cent but more recently has been increased to 3 cents. This amendment would provide a very substantial increase.

Mr. ROBINSON of Arkansas. It would be an increase over the amount authorized by law?

Mr. McKELLAR. Yes. It is an increase of 1 cent. In my judgment, it is a fair and just arrangement both for the Government and for the employees. It is much better for the employees. I hope the Senator from Rhode Island will not object but will let the bill pass.

Mr. HEBERT. Mr. President, am I to understand that representatives of the rural letter carriers finally favored the 5-cent rate?

Mr. McKELLAR. No; not their representatives here. As Chairman of the Committee on Post Offices and Post Roads I have received a great many letters, not only from my State, but from other parts of the country, saying the 5-cent allowance for maintenance is preferable to having the bill not passed at all.

Mr. HEBERT. Would the savings to be effected by the provisions of the bill require the dismissal of any employees?

Mr. McKELLAR. No; quite the contrary. It will probably prevent consolidation, or tend to do that.

Mr. HEBERT. Would it add to the personnel of the rural letter carriers' force?

Mr. McKELLAR. It would not add to the personnel, but it would prevent the dismissal of personnel.

Mr. HEBERT. The Senator mentioned the fact that the rural carriers are now operating under a 3-cent allowance.

Mr. McKELLAR. Yes. That was by Executive order.

Mr. HEBERT. That was under the Economy Act?

Mr. McKELLAR. Yes; that was under the Economy Act. The bill now before us virtually amends the Economy Act so as to make the maintenance allowance 5 cents, whereas formerly, under the law before the economy law was enacted, it was 4 cents.

Mr. HEBERT. In other words, they are now actually receiving 3 cents because of the operation of the Economy Act?

Mr. McKELLAR. That is true.

Mr. HEBERT. Under the bill they would have an increase of 2 cents?

Mr. McKELLAR. That is true.

Mr. HEBERT. It would be an increase from 3 cents to 5 cents and not subject to reduction by operation of the Economy Act?

Mr. McKELLAR. That is true. I think it is a very fair adjustment.

The PRESIDING OFFICER (Mr. CLARK in the chair). The question is on agreeing to the committee amendment.

Mr. LA FOLLETTE. Mr. President, may we have the amendment stated?

The Chief Clerk again stated the amendment, which was, on page 2, line 22, to strike out "6" and insert "5."

Mr. LA FOLLETTE. I ask for a division.

On a division, the amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

NATIONAL LABOR BOARD

The bill (S. 2926) to equalize the bargaining power of employers and employees to encourage the amicable settlement of disputes between employers and employees, to create a National Labor Board, and for other purposes, was announced as next in order.

Mr. WALSH. Mr. President, that is a controversial measure. I suppose it should go over.

The PRESIDING OFFICER. The bill will be passed over.

ALBERT LAWRENCE SLINEY

The bill (S. 432) for the relief of Albert Lawrence Sliney was announced as next in order.

Mr. KING. Let that go over.

Mr. ROBINSON of Arkansas. Mr. President, I trust that the Senator will not insist upon this bill's going over. To my mind the record presents a case that is meritorious.

Mr. KING. I shall not object.

The PRESIDING OFFICER. The objection is withdrawn.

The Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Albert Lawrence Sliney shall be held and considered to have been honorably discharged from the United States Navy on the 19th day of June 1922: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

RETIREMENT OF ACTING ASSISTANT SURGEONS

The bill (S. 433) directing the retirement of acting assistant surgeons of the United States Navy at the age of 64 years was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That acting assistant surgeons of the United States Navy who, on the date of the passage of this act, have reached the age of 64 years shall be placed on the retired list of the Navy with pay at the rate of three-fourths of their active-duty pay.

WILLIAM H. ROUNCEVILL

The Senate proceeded to consider the bill (S. 2700) for the relief of William H. Rouncevill, which had been reported from the Committee on Military Affairs with an amendment, on page 1, line 5, after "Rouncevill", to insert "deceased"; and in line 11, after the word "prior", to insert "or subsequent", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers William H. Rouncevill, deceased, who was a member of Company H, Fifth Regiment Connecticut Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a member of that organization on the 10th day of July 1865: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior or subsequent to the passage of this act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of William H. Rouncevill, deceased."

MILES THOMAS BARRETT

The bill (S. 3678) for the relief of Miles Thomas Barrett was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Miles Thomas Barrett, of Bridgeville, Pa., out of any money in the Treasury not otherwise appropriated, for his service in the United States Army as a private in the Corps of Engineers for the period May 7, 1918, to August 19, 1918, both dates inclusive, the sum of $109.85.

INSPECTION OF SEA FOODS

The bill (S. 3655) to amend the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, was announced as next in order.

Mr. McKELLAR. Let that go over.

Mr. STEPHENS. Mr. President, I hope the Senator will withhold his objection for a moment.

The PRESIDING OFFICER. Does the Senator from Tennessee withhold his objection?

Mr. McKELLAR. I withhold the objection.

Mr. STEPHENS. Mr. President, the object of this bill is simply to allow packers or groups of packers to have inspectors sent to their places of business to make inspections of sea foods. I have heard no objection at all to the bill.

Mr. McKELLAR. I withdraw my objection. I was misinformed as to the bill.

Mr. McNARY. Mr. President, is this the bill proposed by the Senator from New York [Mr. COPELAND], known as the "enlargement of the Food and Drugs Act"?

Mr. STEPHENS. No, sir; it has nothing whatever to do with that measure. It simply provides for inspectors.

Mr. McKELLAR. That was the inquiry I just made of the Senator.

Mr. STEPHENS. All that this bill does it to provide for furnishing an inspector if a packer desires to have an inspector sent by the Department; but the expense of the inspector is to be paid by the individual packer. It will cost the Government nothing.

I have an amendment on the desk which changes the bill somewhat. Instead of requiring that 60 percent of those engaged in the industry shall apply for an inspector, the amendment provides that any packer may ask that an inspector be provided. Of course, he is to pay the expense; and the term "packer" would include a group of packers working together. The same inspector would serve them.

I will say that this matter has been discussed with the administrator of the Pure Food and Drugs Act, and there is no objection whatever to the bill on the part of anyone. It simply grants the privilege of inspection to any packer or group of packers who must bear the expense involved.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was read.

The PRESIDING OFFICER. The Senator from Mississippi offers an amendment, which will be stated.

The CHIEF CLERK. On page 1, line 10, it is proposed to strike out "not less than 60 percent of the packers" and insert "any packer."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes", approved June 30, 1906, as amended, is amended by adding after section 10 thereof the following new section:

"SEC. 10A. The Secretary of Agriculture, upon application of any packer of any sea food sold in interstate commerce, may at his discretion designate supervisory inspectors to examine and inspect all premises, equipment, methods, materials, containers, and labels used by such applicants in the production of such food. If the food is found to conform to the requirements of this act, the applicant shall be authorized, in accordance with regulations prescribed by the Secretary of Agriculture, to mark the food so as to indicate such conformity. Services to any applicant under this section shall be rendered only upon payment of fees to be fixed by regulations of the Secretary of Agriculture in such amount as to cover the cost of the supervisory inspection and examination, together with the reasonable costs of administration incurred by the Secretary of Agriculture in carrying out this section. Receipts from such fees shall be covered into the Treasury and shall be available to the Secretary of Agriculture for expenditures incurred in carrying out this section. Any person who forges, counterfeits, simulates, or falsely represents, or without proper authority uses any mark, stamp, tag, label, or other identification devices authorized by the provisions of this section or regulations thereunder, shall be guilty of a misdemeanor, and shall on conviction thereof be subject to imprisonment for not more than 1 year or a fine of not less than $1,000 nor more than $5,000, or both such imprisonment and fine."

Mr. GORE. Mr. President, do I understand that this is a bill with regard to packing houses?

The PRESIDING OFFICER. Without objection, the clerk will state the title of the bill just passed.

The Chief Clerk read the title of the bill.

Mr. GORE. Mr. President, I have an amendment in regard to the processing tax which I desire to offer to some bill, but this is not the bill I had in mind.

EMORY B. BRONTE

The joint resolution (S.J.Res. 117) authorizing the President of the United States to present the Distinguished Flying Cross to Emory B. Bronte was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized to present the Distinguished Flying Cross to Emory B. Bronte, of San Francisco, Calif., in recognition of his heroic courage and great skill as a navigator on the second successful airplane flight from California to the Hawaiian Islands, made under extremely adverse weather conditions in 25 hours 2 minutes, on July 14 and 15, 1927.

CALIFORNIA DÉBRIS COMMISSION

The bill (H.R. 1503) to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended, was announced as next in order.

Mr. KING. Mr. President, may I have the attention of the Senator from California [Mr. JOHNSON]? My recollection is that we have had a measure of this character upon the books for a long time. I was wondering to what extent this bill modifies existing law, and to what extent, if at all, it enlarges the benefits of the landowners or any claimants for damages against the Government. In other words, what is the purpose of the bill?

Mr. JOHNSON. Mr. President, I am unable to state in detail to the Senator exactly the purpose of the bill, except that it is a bill which was introduced in the House by Representative ENGLEBRIGHT, and was designed to relieve the tension that exists in some directions in relation to the use of lands. I looked into the bill with some care at one time, but the details have escaped my mind at the moment. The Representative assures me that the bill finally had the acceptance and approval of all parties.

Mr. KING. I have no objection.

The Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

MINNIE C. DE BACK

The Senate proceeded to consider the bill (S. 621) conferring upon the United States District Court for the Northern District of California, southern division, jurisdiction of the claim of Minnie C. de Back against the Alaska Railroad, which had been reported from the Committee on Claims with an amendment, on page 1, line 8, after the word "damages", to strike out "including reasonable attorneys' fees and cost of suit", so as to make the bill read:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the Northern District of California, southern division, to hear, determine, and render judgment upon the claim of Minnie C. de Back, of San Francisco, Calif., against the Alaska Railroad for general and special damages by reason of personal injuries alleged to have been sustained by her on or about July 3, 1931, while a passenger aboard one of the trains operated by such railroad.

SEC. 2. In the determination of such claim the Alaska Railroad shall be held liable for any tort committed by any of its servants to the same extent as if it were a private person.

SEC. 3. Such claim may be instituted at any time within 1 year after the enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of such claim, and appeals from, and payment of, any judgment thereon shall be in the same manner as in the case of claims over which such court has jurisdiction under the first paragraph of paragraph 20 of section 24 of the Judicial Code, as amended.

The amendment was agreed to.

Mr. KING. Mr. President, I should like to inquire the reason why the venue of this action which is authorized should be changed. As I understand, the accident occurred up in Alaska.

Mr. JOHNSON. That is correct.

Mr. KING. The suit is sought to be transferred from the Territorial courts of Alaska down into California?

Mr. JOHNSON. The Senator is entirely right. The bill attempts to transfer the venue of the action to the Federal court in California, because the injured party will be remediless if she shall be unable to get into a Federal court outside of Alaska. She has been so severely injured that she cannot go back there.

There are some precedents for this action which I could obtain, I think, for the Senator from Utah; but if it be possible, because it is the last opportunity that I have, I should like to have the bill go over to the House and see whether or not it can be passed there.

Mr. KING. I regard the bill as very extraordinary. Of course, it will put the Government to increased expense to have to bring its witnesses from Alaska down to California. It is a dangerous precedent. I should regret to see the bill passed. I shall not object to its consideration, but it seems to me it is setting up a very dangerous precedent.

Mr. ROBINSON of Arkansas. Mr. President, may I ask why the jurisdiction is laid by the bill in the court of California rather than in the Alaskan courts?

Mr. JOHNSON. Because the plaintiff is a resident of California, and she has been so severely injured that it is impossible for her to go to Alaska.

Mr. ROBINSON of Arkansas. The enactment of the bill would not affect the jurisdiction in any other case?

Mr. JOHNSON. Oh, no; the bill is simply to give the plaintiff an opportunity to have her case heard. She is remediless without it.

Mr. ROBINSON of Arkansas. Very well.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

NATIONAL ARCHIVES

The Senate proceeded to consider the bill (H.R. 8910) to establish a National Archives of the United States Government, and for other purposes, which had been reported from the Committee on the Library with an amendment to strike out all after the enacting clause and to insert:

That there is hereby created the Office of Archivist of the United States, the Archivist to be appointed by the President of the United States, by and with the advice and consent of the Senate.

SEC. 2. The salary of the Archivist shall be $8,000 annually. All persons to be employed in the National Archives Establishment shall be appointed by the Archivist solely with reference to their fitness for their particular duties and without regard to

civil service law; and the Archivist shall make rules and regulations for the government of the National Archives; but any official or employee with salary of $5,000 or over shall be appointed by the President by and with the advice and consent of the Senate.

SEC. 3. All archives or records belonging to the Government of the United States (legislative, executive, judicial, and other) shall be under the charge and superintendence of the Archivist to this extent: He shall have full power to inspect personally or by deputy the records of any agency of the United States Government whatsoever and wheresoever located, to secure the full cooperation of any and all persons in charge of such records in such inspections and in the execution of such measures as may be deemed necessary for the better preservation of the material, and to requisition for transfer to the National Archives Establishment such archives or records as the National Archives Commission, hereafter provided, shall approve for such transfer, and he shall have authority to make regulations for the arrangement, custody, use, and withdrawal of material deposited in the National Archives Building.

SEC. 4. The immediate custody and control of the National Archives Building and such other buildings, grounds, and equipment as may from time to time become a part of the National Archives Establishment (except as the same is vested by law in the Director of National Buildings, Parks, and Reservations) and their contents shall be vested in the Archivist of the United States.

SEC. 5. That there is hereby created also a National Historical Publications Commission, which shall make plans, estimates, and recommendations for such historical works and collections of sources as seem appropriate for publication at the public expense, said commission to consist of the Archivist of the United States, who shall be its chairman; the historical adviser of the Department of State; the chief of the historical section of the War Department, General Staff; the superintendent of naval records in the Navy Department; the Chief of the Division of Manuscripts in the Library of Congress; and two members of the American Historical Association appointed by the president thereof from among those persons who are or have been members of the executive council of the said association: *Provided*, That the preparation and publication of annual and special reports on the archives and records of the Government, guides, inventory lists, catalogs, and other instruments facilitating the use of the collections shall have precedence over detailed calendars and textual reproductions. This commission shall meet at least once a year, and the members shall serve without compensation except repayment of expenses actually incurred in attending meetings of the commission.

SEC. 6. That there is hereby further created a National Archives Council composed of the Secretaries of each of the executive departments of the Government (or an alternate from each department to be named by the Secretary thereof), the Chairman of the Senate Committee on the Library, the Chairman of the House Committee on the Library, the Librarian of Congress, the Secretary of the Smithsonian Institution, and the Archivist of the United States. The said council shall define the classes of material which shall be transferred to the National Archives Building and establish regulations governing such transfer; and shall have power to advise the Archivist in respect to regulations governing the disposition and use of the archives and records transferred to his custody.

SEC. 7. That the National Archives shall have an official seal which will be judicially noticed.

SEC. 8. That the Archivist shall make to Congress at the beginning of each regular session, a report for the preceding fiscal year as to the national archives, the said report including a detailed statement of all accessions and of all receipts and expenditures on account of the said establishment. He shall also transmit to Congress the recommendations of the Commission on National Historical Publications, and, on January 1 of each year, with the approval of the council, a list or description of the papers, documents, etc. (among the archives and records of the Government), which appear to have no permanent value or historical interest, and which, with the concurrence of the Government agency concerned, and subject to the approval of Congress, shall be destroyed or otherwise effectively disposed of.

SEC. 9. That there are hereby authorized such appropriations as may be necessary for the maintenance of the National Archives Building and the administration of the collections, the expenses, and work of the Commission on National Historical Publications, the supply of necessary equipment and expenses incidental to the operations aforesaid, including transfer of records to the Archives Building; printing and binding; personal services in the District of Columbia and elsewhere; travel and subsistence and per diem in lieu of subsistence, notwithstanding the provisions of any other acts; stenographic services by contract or otherwise as may be deemed necessary; purchases and exchange of books and maps; purchase, exchange, and operation of motor vehicles; and all absolutely necessary contingent expenses, all to be expended under the direction of the Archivist, who shall annually submit to Congress estimates therefor in the manner prescribed by law.

SEC. 10. All acts or parts of acts relating to the charge and superintendency, custody, preservation, and disposition of official papers and documents of executive departments and other governmental agencies inconsistent with the provisions of this act are hereby repealed.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LANDS IN NEW MEXICO

The Senate proceeded to consider the bill (H.R. 5369) providing for the issuance of patents upon certain conditions to lands and accretions thereto determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 1, after the word "lands", to insert "upon payment therefor by such persons to the United States at the rate of $1.25 an acre", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue patents for the public lands determined to be within the State of New Mexico in accordance with the decree of the Supreme Court of the United States entered April 9, 1928 (*New Mexico* v. *Texas*, 276 U.S. 558), to the persons in actual and bona fide possession of and claiming title on April 9, 1928, under patent from the State of Texas to such lands, upon payment therefor by such persons to the United States at the rate of $1.25 an acre.

SEC. 2. In order to receive a patent under this act, the persons entitled thereto, their heirs or assigns, shall within 5 years from the passage of this act, submit a written application describing the land according to their claim of title, and the proof of the facts necessary under this act to entitle the applicant to make entry shall be submitted in accordance with such regulations as the Secretary of the Interior may prescribe, including posting and publication of notice as now prescribed under the homestead laws.

SEC. 3. It is further provided that any land acquired by patent under this act shall be subject to the same liens, other than liens for taxes and water and like quasi-public charges, that would have been against such land had it been in Texas.

SEC. 4. As used in this act the term "person" includes an individual, corporation, partnership, or association.

The amendment was agreed to.

Mr. McNARY. Mr. President, I am wholly unacquainted with this bill. I think the Senator from New Mexico should explain it.

Mr. CUTTING. Mr. President, I think I can explain the bill to the satisfaction of the Senator.

Settlers on both sides of the Rio Grande have been issued patents to lands at various times. It was assumed that the boundary line between the States of New Mexico and Texas was the Rio Grande until the year 1927, when the Supreme Court decided otherwise; so that many settlers who had patents as citizens of Texas find now that they are citizens of New Mexico, and vice versa.

This bill is merely to straighten out that technical difficulty. The bill has been approved by the Department of the Interior, and I am sure there cannot be any objection to it.

Mr. CONNALLY. Mr. President, this is the Chavez bill, is it not?

Mr. CUTTING. Yes.

Mr. CONNALLY. I desire to say that I have some minor amendments that I should offer were it not for the shortage of time, but being fearful that the House may not find time to concur in them I shall not press them.

Mr. CUTTING. I hope the Senator will not offer the amendments at this time.

Mr. CONNALLY. I shall not press them at this time. I think they would improve the measure; but since there might be some hitch, I shall not urge them.

I hope the bill will pass.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LANDS IN WILMINGTON, DEL.

The bill (H.R. 7428) providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States, was considered, ordered to a third reading, read the third time, and passed.

FEDERAL BUILDING AT EL PASO, TEX.

The bill (S. 1221) to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I will ask the Senator from Texas to explain the reason for this appropriation. Are the Government's activities at El Paso so great as to call for an additional building? It seems to me we are providing too many buildings in all parts of the United States at the expense of the taxpayers.

Mr. CONNALLY. Mr. President, as I recall this bill at the moment, the Federal Government some time ago had made an appropriation for the construction of additional buildings at El Paso, Tex.; but the site of this building was a piece of territory that is in dispute between the United States and Mexico, known as the "Chamizal." Probably Senators are familiar with it. It has been arbitrated. Because of that dispute as to title, the Government did not feel disposed to go on and construct the building on the disputed territory. This bill authorizes the Government to make a contract with private owners of land in order that the Government may utilize it, and not have any trouble with Mexico over the disputed title.

I will say to the Senator that the quarters are badly needed, and it has been recognized for years that they were badly needed. They would long since have been constructed except for this dispute as to the title of the land in this area.

Mr. KING. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That when the owners of lots 11, 12, 13, 14, 15, portions of lots 16 and 17, block 21, Campbell's Addition, El Paso, Tex. (hereinafter called the "owners"), have agreed to erect on such lots a building of such design, plan, and specifications as may be approved by the Secretary of the Treasury as suitable for the use of the Bureau of Immigration, the Bureau of Customs, the United States Public Health Service, and the Bureau of Plant Quarantine, the Secretary of the Treasury is authorized and directed to negotiate, and, subject to an appropriation therefor, lease such building and such lots from the owners for a term of 25 years after such building is ready for occupancy at a fair annual rental, subject to the limitations of section 322 of part II of the Legislative Appropriation Act for the fiscal year ending June 30, 1933, approved June 30, 1932. Such lease shall contain provisions—

(1) Giving the Secretary of the Treasury an option on behalf of the United States to purchase such building and such lots from the owners at any time during the term of the lease at a price which shall not exceed the total cost of construction of the building, plus the sum of $22,500 (the value of such lots), and less an allowance for depreciation of such building of not less than 4 percent per annum of the cost of construction computed from the date of readiness for occupancy up to the time of exercising such option.

(2) For a cancelation of the lease in the event that the lots on which the building is to be constructed are determined, judicially, or by agreement, to be lands subject to the jurisdiction of the United States of Mexico.

SEC. 2. There is authorized to be appropriated such amounts as may be necessary to pay the installments of rent provided for in such lease and, in the event the Secretary of the Treasury exercises the option to buy under such lease, to pay the purchase price of such building.

Mr. CONNALLY subsequently said: Mr. President, a few moments ago the Senate passed Order of Business 1275, being Senate bill 1221. In the meantime, a similar House bill has come over. I ask unanimous consent to reconsider the vote by which the Senate bill was passed and that the House bill be substituted and passed in its stead and then that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill (H.R. 1731) to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 1221 will be indefinitely postponed.

CUSTOMS EXAMINATION BUILDING, TAMPA, FLA.

The Senate proceeded to consider the bill (S. 2724) to provide for a customs examination building at Tampa, Fla.

Mr. KING. Mr. President, is it necessary to have another building in Tampa, Fla., at an expense of $150,000?

Mr. FLETCHER. Mr. President, I may say to the Senator that the facilities at Tampa for customs examinations are wholly inadequate. At the present time the business transacted in the warehouse consists largely of the classification of leaf tobacco by color. Approximately 60,000 packages of leaf tobacco require weighing and examination per annum, and on the commodity the greater part of an annual revenue of $1,664,806 is collected.

We need these facilities greatly. There must be light in order to make the proper examination and classification. The Department says:

This Bureau on March 10, 1934, requested an allotment of Public Works Administration funds for the above purpose, but, in view of the fact that the great number of requests from the said fund now pending makes the granting of at least some of them uncertain, the Bureau is glad to endorse the above-named bill.

Mr. KING. Mr. President, is there not a building there now?

Mr. FLETCHER. There is a small building there now, but the light is partly shut off.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to acquire at Tampa, Fla., a suitable site for and erect thereon a suitable building to provide the necessary space and facilities for the examination of customs at Tampa, Fla., the cost of the said building and the site therefor to not exceed the sum of $150,000, which said sum is authorized to be appropriated for said purpose.

BILL INDEFINITELY POSTPONED

The bill (S. 3659) authorizing the Oregon-Washington Bridge board of trustees to construct, maintain, and operate a toll bridge across the Columbia River at Astoria, Clatsop County, Oreg., was announced as next in order.

Mr. McNARY. Mr. President, recently this bill was adopted as an amendment to another bill by the House of Representatives, and I accepted the House amendment. I ask that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, the bill will be indefinitely postponed.

COMMERCE IN PETROLEUM

The bill (S. 3495) to regulate commerce in petroleum, and for other purposes, was announced as next in order.

Mr. LONG. Mr. President, may I ask the Senator from Utah what this bill provides?

Mr. THOMAS of Utah. Mr. President, I think there is so much controversy over this measure at the present time that I suggest it go over.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF CRIMINAL CODE

The bill (H.R. 8912) to amend section 35 of the Criminal Code of the United States was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I think the Senator from Utah should make a brief explanation of this bill, in view of its apparent importance.

Mr. KING. Mr. President, this is a measure which was brought to the attention of the Committee on the Judiciary by the Attorney General. It passed the House of Representatives unanimously, came to the Senate, and was reported from the Committee on the Judiciary unanimously.

It transpires that there is no law which will permit prosecution of persons for destroying Government property, beacon lights, and things of that kind. There is nothing which permits us to make an investigation and prosecute persons who are engaged in the "kick-back" practice. They make false returns, claiming that they paid certain amounts to their employees, when they have not done so. This bill just amends the law so as to give the Federal Government authority to deal with that class of cases.

Mr. ROBINSON of Arkansas. Mr. President, with that explanation, I am heartily in favor of the bill.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the Judiciary with amendments, on page 2, line 5, after the word "whoever", to strike out the words "for the pur-





pose of obtaining or aiding to obtain the payment or approval of such claim, or for the purpose and with the intent of cheating and swindling or defrauding the Government of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder"; on page 2, line 18, after the word "entry", to insert the words "in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder"; and on page 3, line 5, after the word "States", to strike out the words "or any branch or department thereof", so as to make the bill read:

Be it enacted, etc., That section 35 of the Criminal Code of the United States, as amended (U.S.C., title 18, secs. 80, 82, 83, 84, 85, and 86), be, and the same is hereby, amended to read as follows:

"SEC. 35. Whoever shall make or cause to be made or present or cause to be presented, for payment or approval, to or by any person or officer in the civil, military, or naval service of the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, any claim upon or against the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, knowing such claim to be false, fictitious, or fraudulent; or whoever shall knowingly and willfully falsify or conceal or cover up by any trick, scheme, or device a material fact, or make or cause to be made any false or fraudulent statements or representations, or make or use or cause to be made or used any false bill, receipt, voucher, roll, account, claim, certificate, affidavit, or deposition, knowing the same to contain any fraudulent or fictitious statement or entry, in any matter within the jurisdiction of any department or agency of the United States or of any corporation in which the United States of America is a stockholder; or whoever shall take and carry away or take for his own use, or for the use of another, with intent to steal or purloin, or shall willfully injure or commit any depredation against, any property of the United States, or any branch or department thereof, or any corporation in which the United States of America is a stockholder, or any property which has been or is being made, manufactured, or constructed under contract for the War or Navy Departments of the United States; or whoever shall enter into any agreement, combination, or conspiracy to defraud the Government of the United States, or any department or officer thereof, or any corporation in which the United States of America is a stockholder, by obtaining or aiding to obtain the payment or allowance of any false or fraudulent claim; and whoever, having charge, possession, custody, or control of any money or other public property used or to be used in the military or naval service, with intent to defraud the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, or willfully to conceal such money or other property, shall deliver or cause to be delivered to any person having authority to receive the same any amount of such money or other property less than that for which he received a certificate or took a receipt; or whoever, being authorized to make or deliver any certificate, voucher, receipt, or other paper certifying the receipt of arms, ammunition, provisions, clothing, or other property so used or to be used, shall make or deliver the same to any other person without a full knowledge of the truth of the facts stated therein and with intent to defraud the United States, or any department thereof, or any corporation in which the United States of America is a stockholder, shall be fined not more than $10,000 or imprisoned not more than 10 years, or both. And whoever shall purchase, or receive in pledge, from any person any arms, equipment, ammunition, clothing, military stores, or other property furnished by the United States, under a clothing allowance or otherwise, to any soldier, sailor, officer, cadet, or midshipman in the military or naval service of the United States or of the National Guard or Naval Militia, or to any person accompanying, serving, or retained with the land or naval forces and subject to military or naval law, having knowledge or reason to believe that the property has been taken from the possession of the United States or furnished by the United States under such allowance, shall be fined not more than $500 or imprisoned not more than 2 years, or both."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MUNICIPAL PUBLIC WORKS, DOUGLAS CITY, ALASKA

The bill (H.R. 9371) to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding $40,000, was considered, ordered to a third reading, read the third time, and passed.

MUNICIPAL PUBLIC WORKS, FAIRBANKS, ALASKA

The bill (H.R. 9402) to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks, construction, reconstruction, and extension of sewers, and construction of a combined city hall and fire-department building, and for such purposes to issue bonds in any sum not exceeding $50,000, was considered, ordered to a third reading, read the third time, and passed.

WRITINGS OF GEORGE WASHINGTON

The Senate proceeded to consider the bill (S. 3178) authorizing the George Washington Bicentennial Commission to print and distribute additional sets of the writings of George Washington, which had been reported from the Committee on the Library with amendments, on page 3, line 7, after the word "Representative", to insert the words "one each to the libraries of the executive departments and independent establishments located in Washington City, which were not created after March 4, 1933"; on line 14, to strike out "1935" and to insert in lieu thereof "1934"; on line 16, after the words "distributed as", to strike out the words "the Commission" and to insert in lieu thereof the words "Library of Congress", so as to make the bill read:

Be it enacted, etc., That section 1 of the act entitled "An act to enable the George Washington Bicentennial Commission to carry out and give effect to certain approved plans", approved February 21, 1930, is amended by striking out all preceding the last sentence therein and inserting in lieu thereof the following:

"That the United States Commission for the Celebration of the Two Hundredth Anniversary of the Birth of George Washington established by the joint resolution entitled 'Joint resolution authorizing an appropriation for the participation of the United States in the preparation and completion of plans for the comprehensive observance of that greatest of all historic events, the bicentennial of the birthday of George Washington', approved December 2, 1924 (hereinafter referred to as the 'Commission'), is authorized and directed to prepare, as a congressional memorial to George Washington, a definitive edition of all his essential writings, public and private (excluding the diaries), including personal letters from the original manuscripts or first prints, and the general orders, at a cost not to exceed $56,000 for preparation of the manuscript. Such definitive edition shall be printed and bound at the Government Printing Office and shall be in about the same form as the already published diaries of George Washington and shall consist of 25 volumes, more or less. There shall be 3,000 sets of such edition, 2,000 of which shall be sold by the Superintendent of Documents (1) at a cost of $50 per set for sets sold to public libraries, and institutions and societies of learning, and (2) the remainder of the 2,000 sets, at $75 per set. The Commission shall, upon the publication of each volume of the remaining 1,000 sets, distribute copies of each such volume as follows: Two each to the President, the library of the Senate, and the library of the House of Representatives; 25 to the Library of Congress; 1 to each Member of the Cabinet; 1 each to the Vice President and the Speaker of the House of Representatives; 1 to each Senator, Representative in Congress, Delegate and Resident Commissioner; 1 each to the Secretary of the Senate and the Clerk of the House of Represenatives; 1 each to the libraries of the executive departments and independent establishments located in Washington City, which were not created after March 4, 1933; and 1 to each member and officer of the Commission. Every such recipient eligible to receive any volume or volumes of such writings at any time prior to the issue of the final volume (but not later than December 31, 1934) shall be entitled to receive a complete set of such writings. The remaining sets, if any, shall be distributed as the Library of Congress directs, including such number of sets as may be necessary for foreign exchange. The usual number for congressional distribution and for depository libraries shall not be printed."

SEC. 2. Section 1 of such act of February 21, 1930, is further amended by adding at the end thereof the following new paragraph:

"The 1,000 extra copies (heretofore privately printed) of the first volume of such writings shall be considered to have been authorized by the Commission and the Commission may accept a donation of such extra copies for distribution for reviews, advertising, and for such other promotional purposes as it may deem advisable. If the Commisison shall direct the Superintendent of Documents to sell any such extra copies of the first volume, he shall offer the same for sale at a cost per copy equal to the cost per copy of the first volume as computed under clause (2) of the third sentence of this section. Such extra copies shall be the only copies of any volume of the set distributed or sold separately."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INVESTIGATION OF TEXTBOOK CONCERNS

The resolution (S.Res. 243) appointing a special committee to investigate certain charges against textbook concerns in connection with the obtaining of contracts for the sale of school books, was announced as next in order.

Mr. McNARY. Mr. President, I ask that the resolution go over for the present.

The PRESIDING OFFICER. The resolution will be passed over.

RAKHA SINGH GHERWAL *v.* THE UNITED STATES

The Senate proceeded to consider the bill (S. 821) conferring jurisdiction on the United States District Court of the District of Oregon to hear, determine, and render judgment upon the suit in equity of Rakha Singh Gherwal against the United States.

Mr. KING. Mr. President, I should like to ask the Senator from Oregon the reason for this measure. I do not find a copy of the bill or the report in my file.

Mr. McNARY. Mr. President, there is a question about the citizenship of this man. I will be fair with the Senator and admit that I am not very familiar with the bill. The Senator from Kentucky [Mr. LOGAN], however, is familiar with it.

Mr. KING. I have no objection.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the United States District Court for the District of Oregon to hear, determine, and render judgment upon any suit in equity brought by Rakha Singh Gherwal against the United States for the purpose of setting aside the default decree of such court rendered November 21, 1924, canceling the certificate of naturalization no. 1649806 of such Rakha Singh Gherwal.

SEC. 2. Such suit in equity may be instituted at any time within 6 months after the enactment of this act, notwithstanding the lapse of time or any statute of limitation. Proceedings for the determination of any such suit shall be had, and appeals from any judgment or decree entered therein shall be taken, in the same manner as in the case of suits in equity over which such court has jurisdiction under paragraph (1) of section 24 of the Judicial Code, as amended.

CHRISTOPHER COTT

The bill (H.R. 3054) for the relief of Christopher Cott was considered, ordered to a third reading, read the third time, and passed.

JOHN CARMICHAEL WILLIAMS

The Senate proceeded to consider the bill (S. 2134) for the reinstatement of John Carmichael Williams in the United States Navy, which was read, as follows:

Be it enacted, etc., That the President be, and he is hereby, authorized, by and with the advice and consent of the Senate, to restore John Carmichael Williams, late a lieutenant, United States Navy, as an officer in the Navy with the rank and precedence which he held on May 22, 1931: *Provided*, That the said John Carmichael Williams shall establish to the satisfaction of the Secretary of the Navy, by the usual examination for such grade, his physical, mental, moral, and professional fitness to perform the duties thereof: *Provided further*, That the said John Carmichael Williams shall be carried as additional to the number of the grade to which he may be restored or at any time thereafter promoted, and he shall not be entitled to receive pay or allowances for the period during which he was not in the active service.

Mr. KING. Mr. President, I should like to have an explanation of the bill from the Senator from Texas.

Mr. SHEPPARD. Mr. President, the committee, after examining this case very thoroughly, came to the conclusion that it ought to be made an exception to the general rule on account of the outstanding record of this man and his expertness in aviation. The Navy is in special need of aviators at this time. For that reason, the committee thought an exception ought to be made.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PURCHASE OF SURPLUS COPPER

Mr. ASHURST. Mr. President, when order no. 1249, Senate bill 3182, to provide for the purchase of the surplus copper, lead, and zinc heretofore mined and processed in the United States, was called, there was objection. I ask to recur to that bill.

The PRESIDING OFFICER. Is there objection to recurring to Calendar 1249? The Chair hears none.

Mr. ASHURST. Mr. President, this is a bill which proposes to authorize the purchase of the surplus lead, zinc, and copper in the United States for the use of the Government.

I have caused an investigation to be made as to the amount of surplus lead, zinc, and copper.

The approximate surplus of copper in the United States is now about 450,000 tons.

The approximate surplus of zinc in the United States is 87,782 tons.

The approximate surplus of lead is 223,000 tons.

These figures represent the surplus copper, zinc, and lead now in the various places of storage and en route to refineries.

The present price of copper is 8 cents; therefore the cost of buying the surplus copper would be $72,000,000.

Lead is now selling at 4 cents; therefore the cost of purchasing the lead surplus would be $17,840,000.

The price of zinc is now 4 cents; therefore the cost of purchasing the zinc surplus would be $7,022,560.

These figures make a total of $96,862,560. I therefore ask that the figures "$200,000,000" be stricken from the bill and that the figures "$96,862,560" be substituted.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ASHURST. I respectfully ask for the present consideration of the bill.

Mr. ROBINSON of Arkansas. Mr. President, I cannot consent to the consideration of the bill.

The PRESIDING OFFICER. The Senator from Arkansas objects.

Mr. ASHURST. I ask unanimous consent that a letter from the Navy Department and certain data relative to copper transmitted by the letter be inserted in the RECORD.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
Washington, D.C., June 11, 1934.

The Honorable HENRY F. ASHURST,
United States Senate, Washington, D.C.

MY DEAR SENATOR: In compliance with the telephone request of your office on June 9, there is enclosed herewith a tabulation showing purchases by the Navy Department of copper, lead, and zinc during the years 1930, 1931, 1932, and 1933.

This tabulation does not include the various small, open-market purchases made by field activities to fill immediate special needs. The quantities purchased in this manner are estimated at approximately 10 percent of the figures shown in the enclosure.

Sincerely yours,

E. T. HOOPES,
Assistant to the Paymaster General.

Memorandum for Commander White:

There are listed below quantities of ingot copper, sheet and pig lead, sheet and slab zinc and protector (boiler) zincs purchased through Supplies and Accounts during 1930, 1931, 1932, and 1933:

Material	1930		1931		1932		1933	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
	Pounds		*Pounds*		*Pounds*		*Pounds*	
Copper, ingot	3,124,500	$410,125.43	2,881,000	$258,147.80	564,000	$32,936.00	1,534,000	$103,800.50
Lead:								
Pig	281,000	16,404.59	130,000	5,997.00	181,600	9,098.50	241,220	9,856.70
Sheet	206,580	23,429.41	185,789	11,283.46	228,520	11,261.79	271,000	14,826.83
Zinc:								
Sheet	235,650	22,746.17	123,000	11,012.65	98,700	7,228.22	54,650	4,205.21
Slab	631,400	34,328.70	370,000	14,284.00	270,000	9,353.00	345,000	18,065.00
Protector	57,800	5,367.08	65,400	5,556.50	56,000	4,207.16	8,200	544.88

WALTER P. HAGAN—WITHDRAWAL OF PAPERS

Mr. SHEPPARD. Mr. President, I ask permission to withdraw from the files the papers in connection with Senate bill 2093, for the relief of Walter P. Hagan (73d Cong., 2d sess.).

The PRESIDING OFFICER. Without objection, it is so ordered.

PHILIPPINE CURRENCY RESERVES

The bill (S. 3530) relating to Philippine currency reserves on deposit in the United States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed, when the funds therefor are made available, to establish on the books of the Treasury a credit in favor of the treasury of the Philippine Islands for $23,862,750.78, being an amount equal to the increase in value (resulting from the reduction of the weight of the gold dollar) of the gold equivalent at the opening of business on January 31, 1934, of the balances maintained at that time in banks in the continental United States by the government of the Philippine Islands for its gold standard fund and its treasury certificate fund less the interest received by it on such balances.

SEC. 2. There is hereby authorized to be appropriated, out of the receipts covered into the Treasury under section 7 of the Gold Reserve Act of 1934, by virtue of the reduction of the weight of the gold dollar by the proclamation of the President on January 31, 1934, the amount necessary to establish the credit provided for in section 1 of this act.

ALICE F. MARTIN

The Senate proceeded to consider the bill (S. 2810) for the relief of Alice F. Martin, widow, and two minor children, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized to pay, out of any money in the Treasury not otherwise appropriated, to Alice F. Martin the sum of $1,800, being the gratuity of 6 months' pay for the support of said Alice F. Martin, widow, Elizabeth Ruth Martin, and Catherine Mary Martin, minor children, of the late George F. Martin, captain, Emergency Officers' Reserve Corps, who died at Walter Reed Hospital May 31, 1919.

Mr. KING. Mr. President, I should like to ask the Senator from Texas whether the passage of this bill would change existing law, and whether it would be a precedent that would be effective in the future?

Mr. SHEPPARD. Mr. President, it would not change the existing law.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

JAMES FOY

The bill (S. 1844) for the relief of James Foy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged sailors James Foy, late of the United States Navy, shall hereafter be held and considered to have been discharged under honorable conditions from the naval service of the United States as a member of that organization on the 8th day of May 1922: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

JORDAN NARROWS (UTAH) MILITARY RESERVATION

The bill (S. 3595) to restore to the public domain portions of the Jordan Narrows (Utah) Military Reservation was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, being no longer needed for or useful for military purposes, all those portions of sections 5 and 6 of township 4 south, range 2 west, Salt Lake base and meridian, heretofore withdrawn and reserved for military purposes and now included within the Utah State Military Reservation, Jordon Narrows, Utah, are hereby transferred from the War Department to, and placed under the control and jurisdiction of, the Department of the Interior to be administered or disposed of under the laws of the United States relating to the administration and disposition of the public domain.

UNIFORM SYSTEM OF BANKRUPTCY

The Senate proceeded to consider the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on the Judiciary with amendments.

The first amendment of the committee was, on page 6, line 9, to strike out " section' " and to insert " section."

The amendment was agreed to.

Mr. KING. Mr. President, will the Senator from North Dakota explain in what manner this bill amends the existing law?

Mr. FRAZIER. Mr. President, it amends the existing bankruptcy law in such a way as to enable the farmers who apply for bankruptcy, to have an appraiser appointed to appraise their property at the existing fair value, and to repurchase that property at the rate of 1-percent interest and the amortization payment. In other words, it provides for a means by which the farmer may have his indebtedness scaled down and go through bankruptcy, and thus have a chance to repurchase and save his property. The bill provides that if the creditors agree they can lease the property to the farmer at a fair rental, and that there be a moratorium for 6 years to prevent its foreclosure.

Mr. KING. Mr. President, may I ask the Senator from North Dakota wherein it would differ from the position which any private debtor might have in the courts?

Mr. FRAZIER. It simply gives the farmer an opportunity to have an appraiser appointed and appraise his property at the present value, and scale down to that present value. It gives him the privilege of continuing to own his property.

Mr. President, it seems to me something has to be done if our farmers are going to retain the ownership of their homes and farms; something must be done to give them an opportunity to have their indebtedness scaled down, and that a moratorium be given them until they can get on their feet and refinance themselves so they can continue to hold their property.

This morning I received a letter from the county chairman of the Holiday Association of a county in North Dakota stating that a local bank there had foreclosed a second mortgage on a farmer's property, and he asked me to take up the matter with the land-bank authorities. I have taken it up with them. Unless there can be an agreement and that farmer be given an extension of time the Holiday Association will step in and take charge of the property, contrary to law, of course, but one cannot blame them because it means to the farmers the holding of their property and the saving of their farms and homes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. FESS. Mr. President, I do not like to object to a bill of this kind. However, I will say that I do not feel that a sufficient explanation has been made to satisfy me. I understand the bill proposes to permit bankruptcy proceedings, and to enable a debtor to adjust his debt on the payment of 1 percent?

Mr. FRAZIER. It provides that an appraiser be appointed by the court to appraise the property at the fair tax value, and if the farmer wishes to, he can buy back his property at the rate of 1-percent interest on an amortization payment over a period of 3 years, under the terms of this bill.

Mr. COPELAND. Mr. President, I call for the regular order.

Mr. FESS. Suppose the mortgagee should be opposed to the purchase.

Mr. FRAZIER. Under the amendment the mortgagees or creditors have the right, if they can reach an agreement, to allow the farmer to continue on his farm on a fair rental basis, the rents to go to the creditors for a period of 6 years.

The PRESIDING OFFICER. The Senator from New York objects to the present consideration of the bill.

Mr. FRAZIER. Mr. President, I desire to serve notice at this time that I intend to do everything I can to get a vote on this bill at this session. If I can do no better, I will offer it as an amendment to some measure which is pending, if we cannot take it up on its own merits. It has been reported by the Judiciary Committees of both the House and the Senate, and I believe we are entitled to a vote upon it.

The PRESIDING OFFICER. The bill will be passed over.

BEQUEST TO WALTER REED GENERAL HOSPITAL

The resolution (S.J.Res. 128) to authorize the acceptance on behalf of the United States of the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, for the benefit of Walter Reed General Hospital was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the commanding officer Walter Reed General Hospital be, and is hereby, authorized to accept the bequest of the late Charlotte Taylor, of the city of St. Petersburg, State of Florida, as contained in her last will and testament and such interest as may have accrued on the funds covered by such bequest, and to receipt therefor on behalf of the United States and to deposit the funds so received in the Treasury of the United States as a special fund dedicated to the purchase of radio equipment or similar means of entertainment for bedridden soldiers or other patients in said hospital, said fund to be subject to disbursement for such purposes upon vouchers submitted by the commanding officer Walter Reed General Hospital under authority of the Secretary of War and to be available until expended.

COHOES HISTORICAL SOCIETY, COHOES, N.Y.

The bill (H.R. 387) donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y., was considered, ordered to a third reading, read the third time, and passed.

TRADING WITH THE ENEMY ACT

The Senate proceeded to consider the bill (S. 852) to amend section 24 of the Trading with the Enemy Act, as amended, which had been reported from the Committee on Finance with an amendment on page 1, line 8, after the word "any", to strike out "internal revenue" and to insert in lieu thereof "income, war-profits, or excess-profits", so as to make the bill read:

Be it enacted, etc., That section 24 (b) of the Trading with the Enemy Act, as amended by the Settlement of War Claims Act of 1928, approved March 10, 1928, is amended by adding at the end thereof the following: "Notwithstanding the expiration of any period of limitation provided by law, credit or refund of any income, war-profits, or excess-profits tax erroneously or illegally assessed or collected may be made or allowed if claim therefor was filed with the Commissioner of Internal Revenue by the Alien Property Custodian on or before February 15, 1933."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SONS OF THE AMERICAN REVOLUTION

The bill (H.R. 6037) to exempt from taxation certain property of the National Society of the Sons of the American Revolution was considered, ordered to a third reading, read the third time, and passed.

SALE OF MILK AND CREAM IN THE DISTRICT OF COLUMBIA

The bill (H.R. 6130) to prevent misrepresentation and deception in the sale of milk and cream in the District of Columbia was announced as next in order.

Mr. GORE. Mr. President, did the clerk call Calendar No. 1305?

The PRESIDING OFFICER. The clerk called the bill H.R. 6130, Calendar No. 1305.

Mr. KING. Mr. President, I do not find it on the printed calendar.

Mr. GORE. The clerk made a mistake. The next bill on the calendar is Order of Business No. 1306.

The PRESIDING OFFICER. The Chair will state that Order of Business 1305 is not on the printed calendar.

Mr. KING. I think that bill was recommitted to the Committee on the District of Columbia, if it is the bill I have in mind.

The PRESIDING OFFICER. The clerk will state the next bill on the calendar.

NEEDY BLIND PERSONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (H.R. 8517) to provide for needy blind persons of the District of Columbia, which was read as follows:

Be it enacted, etc., That the Board of Public Welfare of the District of Columbia (hereinafter called the "Board") is hereby authorized and directed to enforce the provisions of this act for the purpose of maintaining, supporting, and caring for needy blind persons, residents of the said District of Columbia, citizens of the United States, and not inmates of any institution supported in whole or in part by the Federal or District Governments, and said Board shall have the power, subject to the approval of the Commissioners of the District of Columbia (hereinafter called the "Commissioners"), to make and enforce all proper rules and regulations therefor, and said Board shall create a new subdivision which shall be devoted exclusively to the carrying out of the provisions of this act.

SEC. 2. As used in this act, the term "needy blind person" shall be construed to mean any person who by reason of the loss or impairment of eyesight is of such condition that he cannot be rehabilitated for self-support through the facilities offered by the District rehabilitation service of the Federal Board for Vocational Education, and who is unable to provide himself with the necessities of life and who has not sufficient means of his own to maintain himself and who is otherwise qualified as further set forth in this act.

SEC. 3. In order that any person who shall have become blind while a resident of the District of Columbia may be entitled to aid under the provisions of this act such person must be at least 19 years of age and a resident of the District of Columbia for 1 year next preceding his application for aid hereunder: *Provided*, That in order that any person whose blindness originated while he was not a resident of the District of Columbia may be entitled to aid hereunder, such person must be at least 21 years of age and must have been a bona fide resident of the District of Columbia for a period of 7 years immediately preceding the filing of his application for aid hereunder: *And provided further*, That nothing in this act shall be construed to repeal or render void, so far as blind persons are concerned, any existing statutes which create or define a liability on the part of certain persons to support and provide for poor relatives.

SEC. 4. To receive aid under this act, the applicant shall file his application with the Board, accompanied by an affidavit signed by himself stating his age, sex, places of residence during the period stipulated in the District of Columbia, his financial resources and incomes, the name and address of his next of kin, degree of blindness, how long blind, what employment he has had, his general physical condition, and such other information as the Board may designate.

SEC. 5. No aid shall be granted hereunder until the Board is satisfied from the evidence of at least two reputable citizens of the District of Columbia that they know the applicant has the residential qualifications to entitle him to the aid asked for, and from the evidence of a duly licensed and practicing physician whose duty it shall be to describe the condition of the applicant's eyes and to testify to his blindness, which evidence shall be in writing subscribed to by such witnesses, subject to the right of cross-examination by either the Board or the Commissioners; and if the Board is satisfied by such testimony that the applicant is entitled to aid hereunder, it shall, without delay, allow such sum as it finds needed: *Provided*, That the Board shall transmit to the Commissioners a record of their actions in granting or refusing to grant aid to each blind applicant, and any blind applicant who is dissatisfied with the finding of the Board regarding his application for aid, may appeal to the Commissioners who shall now consider the application and if two of the Commissioners shall find that the applicant is entitled to aid under the provisions of this act, they shall then and there award such aid as they deem proper.

SEC. 6. The Board shall investigate semiannually, or oftener, the qualifications of blind persons who receive aid hereunder, and may increase or decrease the allowance within the limits prescribed by the act; or if said Board is satisfied that any person on the list is not entitled to aid hereunder, they shall strike off and entirely remove him from said list, and shall forthwith notify the Commissioners of such action: *Provided, however*, That the person heretofore receiving aid may take an appeal to the Commissioners from such action as if it were an original application for aid: *And provided further*, That such an appeal must be filed within 30 days from the notification by the Board to the beneficiary hereunder of the intended reduction or discontinuation of aid, and no reduction or discontinuance of aid shall be operative until after rendition of the findings of the Commissioners on said appeal.

SEC. 7. No person shall be eligible to receive aid under the provisions of this act who, after receiving said aid, publicly solicits alms in any manner, either by wearing, carrying, or exhibiting signs denoting blindness for the securing of alms, or by any signs calling attention to blindness exhibited on wares and merchandise, or the carrying of receptacles for the purpose of securing alms, or the doing of the same by proxy, or by stationary or house-to-house begging, or any other means of publicly securing aid.

SEC. 8. Any person qualifying for and receiving aid hereunder who removes himself from the jurisdiction of the District of Columbia and thereby ceases to be a resident shall no longer be entitled to the benefits and aid under the provisions of this act, but temporary absence for a reasonable length of time shall not work a forfeiture hereunder when such prolonged absence is caused through illness.

SEC. 9. The benefits hereof shall not be granted to any person between the ages of 16 and 55 years who, having no occupation and being both physically and mentally capable of some useful occupation, or of receiving vocational or other training, refuses for any reason to engage in such useful occupation, or refuses to avail himself of such vocational or other training, or unless for good cause shown signifies his willingness and readiness to enter upon a course of such vocational or other training within a reasonable time: *Provided*, That no person shall be entitled to the benefits of this act who shall refuse to submit to any treatment

or operation to effect a cure when such treatment or operation is recommended by an examining oculist and approved by the Board.

SEC. 10. No person shall be eligible to the benefits of this act who shall hereafter either intentionally deprive himself of his eyesight or assist in the destruction thereof by others; or hereafter shall lose his eyesight during the perpetration of a criminal offense; or shall hereafter lose his eyesight by reason of vicious habits; or through hereafter indulging in so-called "alcoholic beverages": *Provided*, That no payment of any money shall be made under this act for the care or relief of any blind person who has for 5 years preceding his blindness or loss of sight been dependent upon public relief unless such dependency shall have been caused through physical or mental incapacity.

SEC. 11. Whenever it appears after the death of any unmarried person who has received aid under this act that his estate, after deducting the exemptions allowed by law, has property over and above a sufficient amount to pay the expenses of his last illness and burial, such property shall be charged with the amount paid to such person during his lifetime; and claim may be filed against his estate for the recovery of the said amount, and an action may be brought in the name of the District of Columbia by the corporation counsel to recover the same, and the statute of limitations shall not be computed until after the death of the person receiving aid as above provided.

SEC. 12. Any person who attempts to obtain, or obtains, by false representation, fraud, or deceit, any allowance under this act, or who receives any allowance knowing it to have been fraudulently obtained, or who aids or assists any person in obtaining or attempting to obtain an allowance by fraud, shall be punished by a fine of not more than $500 or by imprisonment for not more than 1 year, or by both such fine and imprisonment.

SEC. 13. In order to carry out the provisions of this act there is authorized to be appropriated for the fiscal year ending June 30, 1934, the sum of $75,000, payable from the revenues of the District of Columbia, and for the fiscal year ending June 30, 1935, and annually thereafter, the Commissioners shall include in the estimate of appropriations for said District of Columbia, such an amount as may be necessary for this purpose; and the Commissioners, upon nomination by the Board, shall appoint a supervisor and such additional personnel as may be necessary to administer this act, at such salaries as may be fixed for similar services by the provisions of the Classification Act of 1923; and such employees may be removed by the Commissioners upon recommendation of the Board: *Provided*, That whenever necessary said Board shall appoint an acceptable member of the personnel to stand in loco parentis to any minor qualifying for aid hereunder.

SEC. 14. The provisions of this act are to be liberally construed to effect its objects and purposes, and if any section, subsection, or subdivision of this act is for any reason held to be unconstitutional, such decision shall not affect the validity of such remaining portions of this act.

Mr. GORE. Mr. President, I do not favor legislation of this kind, but I do not intend to interpose an objection. I do wish, however, to submit an amendment. I feel I ought to say that I object to legislation of this sort as a matter of principle. I do not believe in civilian pensions to any class. I have not yet been convinced of the wisdom or of the justice of such a policy. I think whenever we start that policy we can never stop it, and I fear that the day we start it will be doomsday for the taxpayer. I desire to add at this time that the only pensions which I have been able to bring myself to favor are those limited to soldiers who were actually injured in the military service of the country. Pensions to such disabled soldiers and to their dependents I favor. I will go as far and I will go as fast as anyone to pension those who were actually injured in the military service of the country.

I think the dependents of any man whose earning capacity was impaired as the result of his military service are entitled to a pension. I do not really regard that, however, as a gift or a gratuity. I regard it as the payment of a debt.

I do not intend to object to the passage of this bill. I do desire to submit an amendment or two, and I will say in this connection that if any civilian class could be considered as entitled to a pension it would be the blind, of course. There are two amendments which I have sent to the desk. I ask to have them read.

The PRESIDING OFFICER. The clerk will state the first amendment offered by the Senator from Oklahoma.

The CHIEF CLERK. On page 4, line 3, after the word "needed", it is proposed to insert:

Provided, That the provisions of this act shall not apply to both husband and wife: *And provided further*, That in the case of a dependent child living with its parents or parent, such compensation shall not exceed $30 per month.

The amendment was agreed to.

The next amendment offered by Mr. GORE was, on page 8, line 12, after the word "act", to add the following:

Provided further, That this act shall expire on June 30, 1937.

Mr. GORE. The measure, if it works well, can be extended.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENTS OF DISTRICT OF COLUMBIA ALCOHOL CONTROL ACT

The bill (H.R. 9007) to amend section 11 of the District of Columbia Alcoholic Beverage Control Act was considered, ordered to a third reading, read the third time, and passed.

The bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF REVENUE ACT OF 1932

The bill (H.R. 9234) to amend section 601 (c) (2) of the Revenue Act of 1932 was announced as next in order.

Mr. COPELAND. Mr. President, I think I have an amendment to this bill on the table. May I ask the Senator from Wisconsin [Mr. LA FOLLETTE] if he is familiar with that amendment?

Mr. LA FOLLETTE. Mr. President, I am not familiar with the amendment which the Senator intended to offer, although it gave me a great deal of apprehension, I will say to the Senator from New York, not that I have any objection to his intention to offer an amendment, but because we have reached the stage in the proceedings of the Congress where I am very apprehensive that if the Senator's amendment should be attached to this bill it might prevent action upon it at this session. The amendment of the Senator from New York has nothing to do with the subject matter of the pending bill. All this bill, which was reported from the Finance Committee, seeks to do is to provide that the present exemption, so far as sales of malt sirup from the manufacturer directly to the baker are concerned shall also be exempted where such sales are made through an intermediary, either a jobber or a wholesaler.

Mr. COPELAND. If the Senator will permit me, I realize that at this stage of the legislative proceedings it would be embarrassing to add an amendment; and if I may have the assurance of the Senator from Wisconsin that in case we shall both be here next January he will help me to get my bill through, I shall be glad to withdraw my amendment.

Mr. LA FOLLETTE. Mr. President, I am fundamentally opposed to logrolling, but the Senator from New York knows how highly I regard him. I feel certain that any measure which he sponsors ought to receive the consideration of this body; and if I shall be here next session, and if he shall be here, I shall be glad to give his measure most sympathetic consideration.

I also wish to say to the Senator from New York that I appreciate his generosity in permitting this measure to pass without amendment.

Mr. COPELAND. If we both shall be here in January, I shall again thank the Senator.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

PROTECTION OF SEA LIONS

The bill (H.R. 8639) to repeal certain laws providing for the protection of sea lions in Alaska waters was announced as next in order.

Mr. AUSTIN rose.

Mr. DILL. Mr. President, the Senator from Connecticut [Mr. WALCOTT] had an objection to this bill. I do not know whether the Senator from Vermont is going to object also on the same ground.

Mr. AUSTIN. The Senator rose to object at the request of the Senator from New Jersey [Mr. BARBOUR], who is necessarily absent.

Mr. DILL. The objection to this bill has been based upon the fact that there was a desire to prevent the sea lions' being destroyed as a species. I did not know that anyone except the Senator from Connecticut was objecting, and I was agreeable to an amendment that would provide that sea lions may be killed only under regulations prescribed by the Secretary of Commerce, those regulations to be designed to prevent their extinction.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. DILL. Yes.

Mr. COPELAND. Mr. President, I feel that I must interpose an objection because of the attitude of the American Society of Mammalogists.

Mr. TYDINGS. Mr. President, will the Senator from New York withhold his objection for a moment so that I may make a brief statement?

Mr. COPELAND. Certainly.

Mr. DILL. Mr. President, I should like to say a word further about this situation. The sea lions cannot now be killed for sale. The Bureau of Fisheries has ascertained that they are very destructive to salmon; and the Bureau itself kills large numbers of them at the expense of the Government.

It seems a waste of money that the Government should have to pay for the killing of sea lions when they could be killed by those who would like to use the skins and sell them. If this bill shall be amended so that the sea lions may be killed only under regulation prescribed by the Bureau of Fisheries, it would seem to me to meet the objection of those who do not want the sea lion made extinct and it would also meet the views of those who feel that the sea lion is so destructive of fish and of the young fur-bearing seal that they ought to be greatly reduced in numbers.

Mr. TYDINGS. Mr. President, I should like to say to the Senator from New York that one sea lion sometimes weighs several tons, and from observation, it is said that quite often it eats its weight in fish during the fishing season. Because they are so destructive, the Canadian Government and the British Government have attempted to kill them so as to preserve the fish. The sea lions have no value whatsoever for food; they have no value for their skins; and, so far as we are able to learn, they are very destructive to the valuable fish and seals. All the departments of the Government to which this measure has been submitted favor its passage as a matter of protecting game, not of destroying game.

Mr. AUSTIN. Mr. President, what the learned Senators have said appeals to me very strongly, but I have not objected on my own account; I have objected on account of the Senator from New Jersey, who I expect will return to the Chamber before we finish with the calendar. Therefore I ask the courtesy of having the bill go over until his return, and, then, perhaps it may be recurred to.

The PRESIDING OFFICER. The bill will be passed over.

Mr. COPELAND. Mr. President, I ask permission to insert in the RECORD the communication to which I have referred from the American Society of Mammalogists in regard to sea lions.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

Resolution concerning the protection of sea lions

Whereas a bill removing protection from the sea lions of Alaska is now before Congress, and

Whereas there is no conclusive evidence that any such step is economically justifiable or advisable, and

Whereas these mammals congregate in large rookeries where those hostile to them may destroy immense numbers, thereby threatening their extermination before decimation can be generally known: Therefore be it

Resolved, That the American Society of Mammalogists, an organization devoted to the study of mammals and their relations to man, earnestly protest against the passage of this bill.

Resolution passed Thursday, May 10, 1934, Sixteenth Annual Meeting of American Society of Mammalogists held at New York, N.Y.

SURVEY OF SHIP CANAL, PRINCE OF WALES ISLAND, ALASKA

The joint resolution (S.J.Res. 119) authorizing a preliminary examination or survey of a ship canal across Prince of Wales Island, Alaska, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the Secretary of War is hereby authorized and directed to cause an examination or survey to be made with a view to constructing a ship canal across Prince of Wales Island, Alaska, from the head of Hetta Inlet on the west coast to the head of Cholmondeley Sound on the east coast, a distance of approximately 2 miles, the cost thereof to be paid from funds heretofore appropriated or available for examination, surveys, and contingencies of rivers and harbors.

THREE HUNDREDTH ANNIVERSARY OF FOUNDING OF CONNECTICUT

The bill (H.R. 8833) to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut was considered, ordered to a third reading, read the third time, and passed.

FELIX GRIEGO

The Senate proceeded to consider the bill (S. 3627) for the relief of Felix Griego, which had been reported from the Committee on Military Affairs with an amendment, on line 9, after the word "*Provided*", to strike out "That no bounty, pension, pay, or other emoluments shall accrue prior to the 11th day of April 1919", and to insert "That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers or their dependents, Felix Griego, who was a private in the Medical Department, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of the Medical Department on the 11th day of April 1919: *Provided*, That no back pay, compensation, benefit, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

SGT. ALVIN C. YORK

The bill (S. 2452) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list, was announced as next in order.

Mr. KING. Mr. President, I should like to inquire whether it is common for measures of this character to be passed giving major generalships to men who formerly served in the Army?

Mr. McKELLAR. The bill does not propose to make Sergeant York a major general but only a major; that is all. No; it is not common to pass a measure of this kind. On the contrary, it is quite uncommon; but Sergeant York performed an uncommon feat of heroism and he should be given this small measure of acknowledgment of a Nation which has always been proud of and has honored its heroes.

Mr. KING. As I caught the reading, I thought it was major general. I have no objection to the bill.

Mr. McKELLAR. I thank the Senator.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President of the United States be, and he is hereby, authorized, by and with the advice and consent of the Senate, to appoint Sgt. Alvin C. York, late of Company G, Three Hundred and Twenty-eighth Infantry, United States Army, an officer with the rank of major in the United States Army and then to place him on the retired list in that grade.

Mr. McKELLAR. Mr. President, I ask that the report of the committee on the bill just passed be printed in the RECORD at this point.

There being no objection, the report (No. 1231) was ordered to be printed in the RECORD, as follows:

[S.Rept. No. 1231, 73d Cong., 2d sess.]

ALVIN C. YORK

Mr. BACHMAN, from the Committee on Military Affairs, submitted the following report (to accompany S. 2452):

The Committee on Military Affairs, to which was referred the bill (S. 2452) authorizing the President of the United States to appoint Sgt. Alvin C. York as a major in the United States Army and then place him on the retired list, having considered the same reports favorably thereon with the recommendation that it do pass.

The purpose of S. 2452 is to recognize the outstanding and most distinguished service of Sergeant York during the World War. The Adjutant General, in giving the record of Sergeant York's military service, pointed out as follows in a report rendered in 1923:

"The records of this Office show that Alvin C. York, S.N. 1910421, was inducted into the military service November 14, 1917, by the local board for Jamestown, Tenn.; was assigned to the Twelfth Company, One Hundred and Fifty-seventh Depot Brigade, Camp Gordon, Ga., November 16, 1917; was transferred to the Three Hundred and Twenty-eighth Infantry at that place and assigned to Company G, February 9, 1918. He sailed for overseas service May 1, 1918; was promoted to private, first class, July 8, 1918; participated in the following engagements: Lucey sector (Lorraine), June 26–August 9, 1918; Marbache sector (Lorraine), August 17–September 11, 1918; St. Mihiel offensive, September 12–16, 1918; Marbache sector (Lorraine), September 17–18, 1918; and Meuse-Argonne offensive, October 2–November 2, 1918. He was promoted to sergeant November 1, 1918; returned to the United States May 22, 1919; and was honorably discharged May 29, 1919, at Fort Oglethorpe, Ga., with character excellent.

"He was awarded the following decorations:

"Congressional Medal of Honor, with the following citation: 'For conspicuous gallantry and intrepidity above and beyond the call of duty in action with the enemy near Chatel Chehery, France, October 8, 1918. After his platoon had suffered heavy casualties and three other noncommissioned officers had become casualties, Corporal York assumed command. Fearlessly leading seven men, he charged, with great daring, a machine-gun nest which was pouring deadly and incessant fire upon his platoon. In this heroic feat the machine-gun nest was taken, together with 4 officers and 128 men and several guns.'"

French Medaille Militaire, by Presidential decree of May 5, 1919, and French Croix de Guerre with palm, under Order No. 16046 D, dated April 13, 1919, general headquarters, French Armies of the East, with the following citation: "All the noncommissioned officers of his platoon having been disabled, he took command of it, and with seven men succeeded in silencing a nest of enemy machine guns, capturing several machine guns and 132 prisoners, including 4 officers."

Italian Croce di Guerra (no specific citation of record).

Montenegrin Medaille pour la Bravoure Militaire (no specific citation).

Official statement furnished Hon. KENNETH MCKELLAR, United States Senate, December 12, 1923.

By the authority of the Secretary of War.

ROBERT C. DAVIS,
The Adjutant General.

The following is part of favorable report made by the Senate Committee on Military Affairs on a previous similar bill, and it is made a part of this record:

"Alvin C. York was born at Pall Mall, Tenn., on December 13, 1887, and is one of 11 children. He has living 7 brothers and 2 small sisters. The family have lived in the mountains of Tennessee for generations. York's father was a blacksmith, and had a small farm on which he raised wheat and oats and other grain. In November 1911, his father, William York, died and left him provider of and protector of his mother, 1 brother, and 2 small sisters. The other brothers had married or moved away. For a long time he took care of them, running the smithy which his father had left and the farm on which the family lived. In 1915, he joined the Church of Christ and Christian Union. None but a man of deep convictions could attain to their teachings. You cannot meet York without profound respect for his sincere and rugged strength. His church is against fighting in any form. So, when the draft came along and reached out for York, he was in a difficult dilemma. He was not only a member of the church but was second elder and often led in the service. His congregation wanted him to ask for exemption as a conscientious objector. His pastor, R. C. Pile, urged it. His mother, faced with the prospect of losing the head of the household at a time when her health was not robust, also urged it, but York refused. He belonged to the Church of Christ and Christian Union and subscribed to its doctrines, but he was not going to back out on his country when it was drawn into war. Patriotism is very strong in Tennessee. After he got into the Army his conscientious scruples about killing his fellow man gave him great trouble. He was sent to Camp Gordon, Ga., and while learning how to be a soldier frequently talked to Captain Danforth, his captain, about the matter. They discussed every phase of the situation from a Biblical standpoint, and York became convinced that it was his duty to fight and if necessary to kill. The following is quoted from an article by George Pattullo in the Saturday Evening Post of April 26, 1919, which graphically describes his killing of 25 Germans and capture of 132 men:

"'The Eighty-second Division was originally a southern division—nearly all its officers hail from the South. But various shifts and changes resulted in every State of the Union being represented in the Eighty-second in considerable numbers. For instance, one regiment can boast that 35 training camps have contributed men to its ranks. Therefore, the Eighty-second wears AA on its insignia—All America; and they are almost as proud of it as the veteran First Division is of the red numeral on the left shoulder. The men of the First think that means more than a Croix de Guerre; and I am inclined to agree with them.

"'York was soon promoted to corporal in Company G, Three Hundred and Twenty-eighth Infantry, Eighty-second Division. And he was with his company when the Second Battalion of the Three Hundred and Twenty-eighth jumped off from Hill 223, just north of Chatel Chehery, at 6 o'clock on the morning of the 8th of October. Their objective was the Decauville Railroad, 2 kilometers due west; and, by the way, they got it. They got it despite the sheer ridges they had to climb under artillery and machine-gun fire; and the Boches were obliged to pull out of a sector of the Argonne Forest, their communications having been cut.

"'The battalion had to cross a valley several hundred yards in width. On the left rose a considerable hill from which the Boches sprayed them with machine-gun fire; straight ahead toward the elevation known as "167", a steep high ridge from which came a withering fire; Cornay Ridge, on their right, sounded like a thousand steel hammers at work. In other words, the Americans were caught by fire from three directions.

"'York was on the extreme left of the advance, his platoon being the support platoon of the left assault company.

"'"We are losing a lot of men," he said. "See that little rise just where the slope of the hill comes down? Well, it looked like we couldn't get beyond that. The line just seemed to melt away when it reached there."

"'UNDER CROSS FIRE

"'This was due to the fact that Boche machine guns on the hill—now known as "York's Hill"—had the Americans enfiladed. Therefore Sgt. Harry M. Parsons, formerly an actor, who was in command of the platoon, was ordered to advance with his men and cover the left flank. The fire was too hot in the valley, so they skirted the foot of the hill in order to gain some protection.

"'Parsons ordered Acting Sgt. Bernard Early to take two squads and put the enemy machine guns out of action. That was when the real business began.

"'Early had under him 16 men—Corporal York, Corp. William B. Cutting, Corp. Murray Savage, Pvts. Maryan E. Dymowski, Ralph E. Weiler, Fred Wareing, William Wine, Carl Swanson, Mario, Muzzi, Percy Beardsley, Joe Konotski, Feodor Sak, Thomas G. Johnson, Michael A. Sacine, Patrick Donahue, and George W. Wills. Of these, Corporal Savage and Privates Dymowski, Weiler, Wareing, Wine, and Swanson were killed early in the fight, practically by the first blasts from the machine-gun emplacements. Sergeant Early, Corporal Cutting, and Private Muzzi were wounded at the same time, the first named being shot three times through the body. They left Corporal York and seven privates to turn the trick.

"'It was a clear day. There had been mists in the valley and shrouding the hills just after dawn, but they had lifted, so that the movements of the Americans were perfectly visible to the enemy along the ridges. As the little party started up the hill which they proposed to clear of Boches, machine guns peppered them from the Cornay Ridge at their backs; but the trees and brush were very thick and they escaped beyond observation without losing a man. The nests they were after lay on the other side of a slope; the Boches were firing at the infantry in the valley, and were wholly unconscious of the detachment bent on circling round behind them.

"'The Americans went stumbling upward through the leafy jungle, bullets whipping the branches above and round them. None were hit, however, and soon they gained above the fire. It was a stiff climb. I went up that hill later without a pack and free from anxiety, and found it hard going. What must it have been with full equipment, machine guns blazing at them, and the enemy ahead in unknown strength.

"'About two-thirds of the way up they came upon an old wide trench, probably built by the French early in the war. They entered this and followed it. The clamor of the fight on the other side of the hill now grew less.

"'The trench led over the crest. Going warily in single file, now stopping to listen and make sure that no enemy lurked near, now moving with painful caution lest they be heard, the detachment penetrated upward through the dense woods and began to descend the other slope. Sergeant Early was in the lead. Until wounded he directed all the operations; his behavior throughout the entire affair was of the highest order.

"'A SHRIEKING BEDLAM

"'Still they saw no Germans. They could hear firing off at their right; they could hear it ahead; but not a sign of the enemy did they see. Finally they debouched upon a path, and there in the wet earth were fresh footprints.

"'They crossed the path and continued the descent, veering to the left to make sure they should get behind the enemy. A few minutes, and they entered another path—well worn, full of new footprints.

"'"Which way had we better take?" whispered Sergeant Early to Corporal York.

"'"Let's right oblique", answered the mountaineer, and they right-obliqued and went downward along the path.

"'It dipped steeply to a cuplike valley amid the hills. A puny stream flowed through this valley; everywhere were trees and bushes and tangles of undergrowth.

"'Suddenly they espied two Germans ahead of them in the path. Both wore the Red Cross brassard, and both started to run at the first glimpse of the Americans. Some shots were fired, and one stopped. He surrendered; the other disappeared.

"'"It looked like a battle was coming," said York, "so we went into skirmish order."

"'They scattered out amid the riot of brush and pushed forward. Presently the leaders of the party arrived at the stream, and there on the other side were about 20 or 30 Germans, gathered near a small hut that was evidently some kind of P.C. At any rate, several officers were holding a conference and a number of the men were squatted on the ground apparently about to eat.

"'The Americans instantly let fly. A few of the enemy returned the shots, but the majority dropped guns and equipment and threw up their hands, shouting "Kamerad."

"'What had happened? How came the enemy behind them?

"'"Don't shoot", ordered Sergeant Early. "They're going to surrender."

"'Surrender they did, the whole outfit, including the major in command of the battalion.

"'"What are you, English?" he asked.

"'"Americans", answered York.

"'"Good Lord!" said the major.

"'Early's detachment now made preparations to take them out. But before they could move all hell broke loose. Along the steep slope of the hill facing them, not 30 yards away, was machine gun after machine gun, snugly placed in fox holes, but pointing in the other direction. The Boches manning them swung these guns around and opened up a fusillade on the attackers. The valley became a chattering, shrieking bedlam. Some Heinies on a hill far to the rear of the Americans sensed a new menace and opened up wildly against their own position, but their fire was many yards high and merely seared the tops of the trees.

"'At the first blast of fire every Heinie prisoner dropped flat on his stomach and hugged the ground. The Americans followed their example. Some took refuge behind trees, others burrowed amid the underbrush; but six were killed. Sergeant Early was shot through the body; Corporal Cutting had three bullets through the left arm; Private Muzzi had a wound in the shoulder; Private Beardsley, who had an automatic and was crouched down near Corporal York when the trouble started, crept back to a big tree for protection. On one side of him lay Private Dymowski and on the other was Private Wareing. Both were riddled with bullets—shot all to pieces. Beardsley told me afterward that he considered the situation hopeless and could not operate his gun.

"'Nine hundred and ninety-nine thousand nine hundred and ninety-nine men out of a million would have considered the situation hopeless. The millionth man was Corp. Alvin C. York. The second elder was down on his haunches amid the brush picking off the Boches as fast as he could shoot. From this moment the battle became all York's.

"'Six of the detachment were killed almost immediately after the machine guns opened up; three were wounded, including the sergeant in command. York and seven privates remained.

"'Of these, Private Beardsley could do nothing from his position while the enemy fire kept up, for it raked both sides of his tree from close to the ground to a height of 4 feet.

"'Pvt. Michael A. Sacina says in his statement: "I was guarding the prisoners with my rifle and bayonet on the right flank of the group of prisoners, so close to them that the machine gunners could not shoot at me without hitting their own men. This saved me. During the fighting I remained on guard, watching these prisoners and unable to turn around and fire myself, for this reason. From where I stood I could not see any of the other men in my detachment."

"'And Private Donahue, a game little Irishman: "During all this shooting I was guarding the mass of Germans taken prisoners and devoted my attention to watching them. When we first came in on the Germans I fired a shot at them before they surrendered. Afterward I was busy guarding the prisoners and did not shoot. From where I stood I could see only Privates Wills, Sacina, and Sak. They were also guarding prisoners."

"'NEVER A THOUGHT OF DEATH

"'Pvt. George W. Wills: "When the heavy firing from machine guns commenced I was guarding some of the German prisoners. During this time I saw only Privates Donahue, Sacina, Beardsley, and Muzzi. Private Swanson was right near me when he was shot. I closed up very close to the Germans with my bayonet on my rifle and prevented some of them who tried to leave the bunch and get into the bushes from leaving. I knew that my only chance was to keep them together and also to keep them between me and the Germans who were shooting. I heard Corporal York several times shouting to the machine gunners on the hill to come down and surrender, but from where I stood I could not see Corporal York. I saw him, however, when the firing stopped and he told us to get along the sides of the column."

"'My purpose in quoting the statements of these men is to show by elimination what York did in order to convince the skeptical. Every man except the second elder is now accounted for; we know from their own lips what the survivors of the first blasts did in the fight that ensued. But somebody killed more than 20 Boches on the slopes of that hill and put 35 machine guns out of action. Who was it?

"'Capt. B. Cox, of Atlanta, Ga., who later came over the hill frontally with his platoon, told me that he counted a dozen dead Boches lying along a path and saw the arms and legs of 8 or 10 more sticking out from behind bushes. His estimate placed the dead at 25. I am putting the number at 20 to be conservative and because the slaughter was the least part of the exploit. What counts is the fact that the second elder of a church opposed to fighting should have given battle to an entire machine-gun battalion—and got away with it.

"'He never thought of surrender. His problem was to make the enemy give up as quickly as possible, and he kept yelling to them to "Come down!"

"'Bang! Bang! "Come down!" York would shout, precisely as though the surrender of a battalion to an individual soldier were the usual thing—and I really believe he regards it that way, provided the soldier be an American.

"'"Somehow I knew I wouldn't be killed", he said. "I've never thought I would be—never once from the time we started over here."

"'At the first crack of the machine guns on the slope opposite him York dropped to earth. He was in a narrow path leading to the emplacements. Directly in front lay the Boche prisoners, groveling in fear of their comrades' fire. The machine guns were less than 30 yards away and were blazing straight down. Their stream of fire mowed off the tops of the bushes as though they had been cut with a scythe.

"'And then the second elder got going on his own account. Sighting as carefully as he was wont to do in the turkey matches at home in Tennessee, he began potting the Boches in their fox holes and the Boches who were hiding behind trees and the Boches who were firing at him from the shelter of logs. And with every shot he brought down an enemy. No; I am wrong. He showed me a crease on a tree bole later and confessed his belief that he had missed that one.

"'"You never heard such a clatter and racket in all your life", he said. "I couldn't see any of our boys. Early and Cutting had run along toward the left in front of me just before the battle started, but I didn't know where they were."

"'SHOT THE WHOLE BUNCH

"'"If I'd moved, I'd have been killed in a second. The Germans were what saved me. I kept up close to them, and so the fellers on the hill had to fire a little high for fear of hitting their own men. The bullets were cracking just over my head, and a lot of twigs fell down.

"'"Well, I fired a couple of clips or so—things were moving pretty lively, so I don't know how many I did shoot—and first thing I knew a Boche got up and flung a little bomb at me about the size of a silver dollar. It missed and wounded one of the prisoners on the ground, and I got the Boche—got him square.

"'"Next thing that happened a lieutenant rose up from near one of them machine guns, and he had seven men with him. The whole bunch came charging down the hill at me, like this. They held their guns like this [indicating].

"'"I had my automatic out by then and let them have it. Got the lieutenant right through the stomach, and he dropped and screamed a lot. All the Boches who were hit squealed just like pigs. Then I shot the others."

"'"You killed the whole bunch?"

"'"Yes, sir; at that distance I couldn't miss." He killed this detachment before they could charge 20 yards downhill—eight men.

"'"As soon as the Germans saw the lieutenant drop most of them quit firing their machine guns and the battle quieted down. I kept on shooting, but in a minute here come the major who had surrendered with the first bunch. I reckon he had done some shooting at us himself, because I heard firing from the prisoners and afterward I found out that his pistol was empty.

"'"He put his hand on my shoulder like this and said to me in English: "Don't shoot any more, and I'll make them surrender." So I said, "All right", and he did so, and they did so.'

"As York himself would phrase it, the battle now quieted down and the Boches descended from their positions on the hill. They came in droves; their arrival swelled the number of prisoners to 90.

"Meanwhile the enemy machine guns from the hills back of the Americans were still spitting wildly in their direction, and none of the little detachment knew at what moment other Germans might arrive or an undiscovered nest open on them. Their own dead lay about, and they had three wounded, but it became imperative that the detachment should return with their captures immediately. Accordingly Corporal York formed up the prisoners in column and placed his surviving comrades as escort.

"To him came Acting Sergeant Early and Corporal Cutting. The former said: 'York, I'm shot, and shot bad. What'll I do?' York answered: 'You can come out in rear of the column with the other boys.' Private Donahue helped bring him in, for Early was seriously wounded. Corporal Cutting and Private Muzzi were able to walk out unassisted.

"After the turmoil of fighting, none but a woodsman could have found his way back. York's sense of direction was perfect, but though he knew whither he wanted to go he did not know the best way of getting there. The Boche major decided for him.

"'Go along this path,' he suggested, pointing down the one which skirted the base of the hill.

"Of course, York went the other way; that was all he needed to determine him. He formed up his prisoners, placed the major in front of him as a screen, a couple of other officers behind him, and started up the side of the hill through the thick woods. The long line trudged behind, herded by the 7 men left of the detach-

ment, with Sergeant Early and the 2 other wounded bringing up the rear. All the Boches had flung down their weapons and equipment on surrendering. The field of battle was littered with their stuff.

"'Just as we started I passed the body of Corp. Murray Savage', York told me, strongly moved. 'Him and I were cronies—he was my bunkie—but I had to leave him there. I didn't dare to take my eye off the mob of prisoners.'

"As they toiled up the hill the major tried to engage York in conversation.

"'How many men have you got?' he inquired.

"'I got aplenty', returned the second elder grimly, and made him step faster.

"It was impossible to see where they were going on acount of the thick brush, but York knew that the direction was right to bring them out on the side of the hill where the Americans ought to have established a post of command by this time. A hundred yards or more, and they were challenged. They had stumbled upon another Boche machine-gun nest. York thrust the major in front of him, covered the crew with his pistol, and ordered them to surrender. They abandoned their weapons and equipment and joined the prisoners.

"BACK TO SAFETY

"'During the journey back they flushed several more nests. In one the crew offered resistance.'

"'I had to shoot a man there,' remarked Corporal York, regretfully. 'When we hit the next nest and I got ready to settle them if they didn't give up, the major tapped me on the shoulder and said, "Don't kill any more and I'll make them surrender", and he did.'

"The result of these operations was that York and his small detachment pretty well cleaned up that hill before they arrived on the other side. He says that somebody was shooting at them from behind as they went along, but without any damage.

"Probably this firing came from a bunch of machine gunners whom Captain Danforth accounted for half an hour later. With Sergeant Olson and two runners he easily captured 44 prisoners while going back for his support platoons.

"On the far slope of the hill York heard a loud challenge of 'Halt!' and perceived a bunch of doughboys about to fire. He shouted to them that he was bringing prisoners, and they permitted him to approach. The men were part of a detachment that had taken up position in the old abandoned trench York and his party had followed earlier in the day.

"It was wearing on toward 10 o'clock when York and his column emerged from the scrub at the foot of the hill and halted near a dugout in which the attacking Americans had just established a battalion P.C. The battalion was now well upon the ridges fighting its way toward the Decauville Railroad.

"'I certify that I personally counted the prisoners reported to the P.C. of the Second Battalion, Three Hundred and Twenty-eighth Infantry, by Corp. Alvin C. York, Company G, Three Hundred and Twenty-eighth Infantry, on October 8, 1918, and found them to be 132 in number.' (Jos. A. Woods, first lieutenant, assistant division inspector.)

"'After reporting there York had to take his prisoners farther back. Their route lay through the valley for some distance, and a Boche look-out on a knoll atop Cornay gave the range to his artillery. A few seconds, and shells began bursting close to the column. The prisoners yelled and squealed, and some of them attempted to scatter. The Americans herded them back into line and York broke the whole column into a run, which was sustained until they got beyond the shelling.'"

"Gen. Charles P. Summerall, the corps commander, had this to say to York:

"'Corporal York, your division commander has reported to me your exceedingly gallant conduct during the operations of your division in the Meuse-Argonne battle. I desire to express to you my pleasure and commendation for the courage, skill, and gallantry which you displayed on that occasion. It is an honor to command such soldiers as you. Your conduct reflects great credit not only upon the American Army but upon the American people. Your deeds will be recorded in the history of this great war and they will live as an inspiration not only to your comrades but to the generations that will come after us. I wish to commend you publicly and in the presence of the officers of your division.'

"Also from the History of the Eighty-second Division, by Lieut. Col. George E. Roosevelt:

"'The corps objective which the Three Hundred and Twenty-eighth Infantry reached on October 8 was a narrow-gage railroad which supplied the German troops opposing the Seventy-seventh Division with food and ammunition. This strategic line was seized and held in an assault of great brilliancy by the Second Battalion, Three Hundred and Twenty-eighth Infantry. It was during this attack that Sgt. Alvin C. York, with some assistance from 7 men in his squad, fought and whipped a first-class German battalion, capturing and bringing into our lines 132 prisoners, including the German major and 3 other officers. This has been called the outstanding individual achievement of the war.'

"The following is from an editorial in the Philadelphia Ledger, dated May 7, 1919:

"'While a certain type of mind will squirm these days as it reads of the honors that crowd the path of Sgt. Alvin C. York, of Tennessee, who, like the captains of Bible times, slew 25 Germans and captured 132 in one engagement, although he was an elder in the Church of Christ and was opposed to war, at the same time, for most healthy-minded Americans York will stand as the best type of the American soldier. For Sergeant York was opposed to war and is still opposed to war. Though he has been medaled and honored by Congress and by Foch and is now being given practically the freedom of America, he is still the same simple, honest elder of the Tennessee mountains and has not become a blood-thirsty monster or a cruel and relentless advocate of might as against right. No; Elder York when he was drafted saw there was a great idea back of America's participation in the war. He believed that "righteousness exalteth a nation", and also that it should prevail, and he convinced himself and others, too, that it was this country's duty and his, by the way, not some other person's duty who was not an objector, to put an end to the threat of might with which Germany filled the earth. As a Christian, as Dr. Vandyke has pointed out, York made that tremendous and necessary distinction between hate and righteous abhorrence of wrong, without which abhorrence moral and spiritual concepts are a mere feeble beating of the winds. So, as our Muhlenberg did in the Revolutionary days, Elder York saw that there was a time for fighting as well as a time for prayer and exhortation. And that he returns to his homeland fit in body and mind, and modest withal, warrants the enthusiasm over him, since what he does and says is a rebuke to those who would have us believe that this high police duty that our men performed across the ocean has permanently impaired the American character. As Sergeant York proves, as it were, on behalf of all his associates, it has given them a clearer vision of actualities and a new sense of the value of peace, but not a peace at the cost of dishonor, at the cost of right helpless before wrong, unpunished and unrepentant.'

"Also from an editorial from the Louisville Courier Journal of October 11, 1919:

"'Alvin C. York, who might have lived in luxury like Mary Pickford had he been willing to capitalize his fame as a hero, is marvelously—to many persons incomprehensively—modest, earnest, and unmercenary. His speech made in Louisville in the interest of the education of children in the mountains of Tennessee hardby is a revelation. His fame as a man of high ideals precedes him as far as his fame as a military hero, but his appearance in the flesh and his expression of the spirit impress anew the manliness of the man, which is even more inspiring than the achievement of the hero in the smoke and the sweat of battle. We admire the might and skill of a Trojan warrior. We revere the moral qualities of Lincoln. In the presence of Sergeant York, backwoodsman, blacksmith, farm hand, pillar of the local church, are combined the romantic attributes of a soldier of singular and all but incredible achievement and the clear vision of the rare man of little schooling and much reflection, who is the superior of the highly educated in essential enlightment.

"'It is said too often that the military hero is the mere daredevil type, the sporting spirit who finds in war his first opportunity for really worthy accomplishment. It is believed too widely that courage upon the battlefield proceeds from the love of excitement, which makes the dashing polo player, roughrider, or the reckless motorist. It is well for young Americans to hear from Sergeant York the following:

"' "I was offered many different kinds of positions, and tonight I could have $500,000 in bank if I'd accepted those offers, but I read in a little book I carried on the battlefields of France something that I remembered. It said, 'What does it profit a man if he gain the whole world and lose his own soul?'

"' "When I came back here I remembered that those little ones in the mountains were struggling for something greater than money—the right to become upright and Christian men and women—and I thought I would show them the example."

"'School histories of the recent war should contain a chapter telling the story of Alvin C. York's attitude toward his responsibilities after his return to America.

"'Like Putnam, who is credited in legend with having crept into a wolf's den and dispatched a destructive pariah, Sergeant York has the sort of self-confidence which makes possible Homeric achievement in the fight. Like Putnam, he returned to the farm at the end of the war. Putnam's fame is everlasting, because he is compared with Cincinnatus. York's fame will live because of his Lincolnian simplicity and moral steadfastness, not because of the incident in the Argonne solely.'"

Your committee sets forth the official military citations that accompanied the award of the Congressional Medal of Honor, which citations are as follows:

"GENERAL ORDERS, NO. 59

"Award of Medal of Honor

"WAR DEPARTMENT,

"*Washington, May 3, 1919.*

"By direction of the President, under the provisions of the act of Congress approved July 9, 1918, the Medal of Honor was awarded April 11, 1919, in the name of Congress, for conspicuous gallantry in action in France to the following-named enlisted men of the United States Army:

"'Alvin C. York (serial no. 1910421), corporal, Company G, Three Hundred and Twenty-eighth Infantry. For conspicuous gallantry and intrepidity above and beyond the call of duty in action with the enemy near Chateau-Thierry, France, October 8, 1918. After his platoon had suffered heavy casualties, Corporal York assumed command. Fearlessly leading seven men, he charged with great daring a machine-gun nest which was pouring deadly and incessant fire upon his platoon. In this heroic feat the machine-gun nest was taken, together with 4 officers and 128 men and several guns.'

"Major General Duncan, who commanded the Eighty-second, or All-American, Division, and who presented the Medal of Honor, said, in announcing the award:

"'The commanding general takes particular pride in announcing to the command this fine example of courage and self-sacrifice. Such deeds are evidence of that spirit and heroism which is innate in the highest type of American soldier and responds unfailingly to the call of duty wherever or whenever it may come.'

"Petain, the Marshal of France, commander of the French Armies, issued the following citation to Alvin C. York in order no. 16046, dated April 13, 1919:

"'GENERAL HEADQUARTERS OF THE FRENCH ARMIES OF THE EAST

"'With the approbation of the Commander in Chief of the American Expeditionary Forces in France, the Marshal of France, commander in chief of the French Armies of the East, cites in the award of the Army, Corp. Alvin C. York, no. 1910421, Company G, Three Hundred and Twenty-eighth Regiment, American Infantry. All the noncommissioned officers of his platoon having been put out of the battle, he took command, and with seven men succeeded in reducing to silence a nest of enemy machine guns, capturing 132 prisoners, 4 of whom were officers, and several machine guns.'

"Marshal Foch, commander in chief of the allied armies, decorated Sergeant York with the Croix de Guerre, with palm. General Pershing, Commander in Chief of the American Expeditionary Forces, decorated him with the Distinguished Service Cross. The King of Montenegro awarded him with the Medaille de Bravours. The French Government awarded him its Medal of Honor. The Italian Government awarded to him its Medal of Honor and the Italian Croche di Gerra. The State of Tennessee awarded him a medal of honor.

"In bestowing the Croix de Guerre with palm on April 24, 1919, Marshal Foch said:

"'What you did was the greatest thing ever accomplished by any soldier of any of the armies of Europe.'

"On the occasion of his landing in New York, on the return from the war on May 24, 1919, he was met by generals, admirals, Congressmen, and many notables. That night he was the chief guest at a dinner of 128 members of the Tennessee Society at the Waldorf Hotel, Maj. Gen. George B. Duncan, commander of the Eighty-second Division of the American forces, of which York, as a member of Company G, Three Hundred and Twenty-eighth Infantry, was a part, paid Sergeant York this tribute:

"'This is a very unique experience indeed. I have talked with soldiers a great deal, but this is the first time in my life I have been the guest to honor one. It is an especial distinction to have on one side the admiral who safely conducted us to Europe (Vice Admiral Gleaves, of Nashville) and on the other side to be reflected in the glory of one of the most distinguished soldiers the world has produced. His deeds are of the character that go down in history, upon which boys and girls of our country are fed to make them patriotic and in time of emergency to emulate the example he set.'

"On his arrival at Nashville, the capital of his State, in May 1919, York was given a great ovation at the Ryman Auditorium, fully 6,000 people being present. In answer to many tributes paid him, York, among other things, said:

"'The American Army in France and in Europe has had the opportunity to accomplish the greatest victory ever known. They did it with a will. They did it with a spirit, and I say that the American Army is the greatest army in the world today.

"'And America is the only nation that has the greatest generation of young men; let's make it a better nation and a more Christian nation. Let's better the towns and cities, but first let's better ourselves.'

"The people of Tennessee have given to him a farm in Fentress County, near his former home, and he is now engaged in cultivating that farm. Recently he had a destructive fire, burning his barn and some of his stock and much grain. He is also engaged in educational work. He has refused to go on the movie stage or to lecture for money for himself or do any of the other things for the purpose of advertising himself or making money out of his patriotic conduct during the war. This is a very high and dignified position and one that ought to be emulated. The Government of the United States can well afford to give him this honor of a commission and to retire him on the small annual pay that will go to him in the event the bill is passed and he is appointed and retired by the President.

"Nor, in the opinion of your committee, will this action be regarded as a precedent that will ever be embarrassing to the Congress. Perhaps no one in the war performed a more conspicuous act of bravery, and instead of its being a precedent that the people of the United States would not want followed, it will be a precedent showing the high esteem in which the people of the United States hold a conspicuous act of bravery upon the part of one of its enlisted soldiers, and, therefore, your committee earnestly recommends that the bill be passed."

ROBERT RAYFORD WILCOXSON

The bill (H.R. 5809) to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp was announced as next in order.

Mr. KING. Mr. President, I should like to know whether this is to be the policy of the Government and whether there has been an investigation made by the proper authorities to determine at least what are the obligations of the Government.

Mr. SHEPPARD. Mr. President, all this bill proposes to do is to authorize the Compensation Commission to examine the case and see if it can be brought within the terms of the Compensation Act. The War Department and the Military Affairs Committee realize that there is no precedent for payment by Congress in such cases, but there should be some provision by which men who enter the military training camps and are injured may be provided for. This bill provides that the Compensation Commission shall look into the case and ascertain whether, under the rules governing the compensation of employees for injuries while in the service, the beneficiary under this bill may be compensated under the law.

Mr. KING. As I understand the bill, it automatically places the beneficiary in the category referred to?

Mr. SHEPPARD. Provided that on examination the Commission finds that he would be entitled to relief under the rules they apply to other Government employees who are injured in the service.

Mr. KING. It does not automatically, then, place him in the relief class?

Mr. SHEPPARD. No; not at all.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

CONTINUATION OF INVESTIGATION BY FEDERAL TRADE COMMISSION

The joint resolution (S.J.Res. 115) to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress, first session, was announced as next in order.

Mr. HEBERT. Mr. President, the Senator from New Jersey [Mr. BARBOUR] objected to this joint resolution, and, in his absence, I ask to have it go over.

Mr. NORRIS. Mr. President, does the Senator from Rhode Island object?

Mr. HEBERT. I do not object except on behalf of the Senator from New Jersey [Mr. BARBOUR], who is necessarily absent from the Senate.

Mr. NORRIS. I should dislike very much in the absence of a Senator to insist on taking up the joint resolution; but if it shall not be passed now, of course, it will be dead for this session. The only thing the joint resolution, as amended, does is to extend the time to 1936—an extension of 1 year—for the Federal Trade Commission to continue its investigation under Senate Resolution 83, under which it has been operating for 2 or 3 years.

The Federal Trade Commission is unable to finish the investigation within the time fixed by the limitation. There is no dispute or question about the joint resolution, and there are some very important things yet to be done which will remain unfinished if the joint resolution shall not be passed. It only extends the time for the investigation to 1936.

Mr. HEBERT. Mr. President, I myself have no objection to the joint resolution. I was merely acting on behalf of the Senator from New Jersey. I may say to the Senator from Nebraska it is my information that the Senator from New Jersey will return to the Senate before the conclusion of the consideration of the calendar this morning, and then, no doubt, the Senator may recur to it.

Mr. NORRIS. I am satisfied the Senator from New Jersey would have no objection if he understood the purpose of the joint resolution. Under the circumstances, I ask that the joint resolution go over temporarily without prejudice.

Mr. HEBERT. Very well.

The PRESIDING OFFICER. Without objection, the joint resolution will be passed over temporarily without prejudice.

Mr. NORRIS subsequently said: Mr. President, a short time ago we passed over temporarily Senate Joint Resolution 115, to provide for the continuation of the investigation authorized by Senate Resolution 83, Seventieth Congress,

first session. The objection was made on behalf of the Senator from New Jersey [Mr. BARBOUR], who has now returned. I have talked with him about it, and he has no objection to the joint resolution; and I ask unanimous consent that we may return to it.

The PRESIDING OFFICER. The Senator from Nebraska asks unanimous consent to return to Senate Joint Resolution 115, Order of Business No. 1317. Is there objection?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Interstate Commerce with an amendment, on page 2, line 4, after the word "January", to strike out "1937" and insert "1936", so as to make the joint resolution read:

Whereas it is learned that the Federal Trade Commission, because of lack of time, money, and personnel, intends to close its utilities investigation under S.Res. 83, Seventieth Congress, first session, without investigating various important corporations included among those described in said resolution; and

Whereas it is in the public interest that certain of said corporations be investigated. Therefore be it

Resolved, etc., That the Federal Trade Commission be, and it is hereby, authorized and directed to proceed under the Senate resolution aforesaid until it has investigated such of said corporations as in its judgment should be investigated, but the investigation shall be completed and the Commission's final report, with recommendations, shall be submitted to the Congress not later than the first Monday in January 1936.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

ANALYTICAL REGISTER OF REGULAR ARMY OFFICERS

The Senate proceeded to consider the joint resolution (S.J.Res. 101) authorizing the publication as a public document of America Secure Analytical Register of Regular Army Officers and Security Statistics, with graphs, 1775–1934, which had been reported from the Committee on Military Affairs, with an amendment, on page 3, after line 16, to strike out section 5, as follows:

SEC. 5. There is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $10,000 to be paid to said John J. Lenney for the services rendered and to be rendered in compiling the study hereinbefore mentioned, such sum to be paid upon completion of such compilation and shall be in addition to his compensation as an adjudicator of insurance claims in the office of the Administrator of Veterans' Affairs or any other income received by him from the United States.

So as to make the joint resolution read:

Whereas there is no comprehensive register containing brief military biographies of all regular officers of the United States Army and no comprehensive statistical tables nor graphs showing all the tangible elements of national security from 1775 to 1934; and

Whereas there is sufficient evidence of public need for publication of such register, tables, and graphs; and

Whereas a compilation of such register, tables, and graphs has been completed by John J. Lenney for the period 1775 to 1923, both dates inclusive: Therefore be it

Resolved, etc., That the Secretary of War is authorized and directed to compile and publish a comprehensive register containing brief military biographies of all regular officers of the United States Army and comprehensive statistical tables and graphs showing all the tangible elements of national security for the period beginning with 1775 and ending December 31, 1934, such compilation to be known as "America Secure Analytical Register of Regular Army Officers and Security Statistics with Graphs, 1775–1934", by John J. Lenney.

SEC. 2. The Secretary of War is further authorized and directed to use the compilation made by John J. Lenney, such compilation including the years 1775 to 1923, and to appoint said John J. Lenney to complete such compilation in accordance with the provisions of this resolution. Such appointment of said John J. Lenney shall be for such number of months, not exceeding 12, from the date of approval of this resolution, as may be necessary to complete such compilation and shall be without prejudice to the status or compensation of said John J. Lenney as an adjudicator of insurance claims in the Office of the Administrator of Veterans' Affairs or to his relative standing in respect of efficiency. The Secretary shall appoint additional employees to assist said John J. Lenney and shall provide drafting and photostatic services and necessary materials at a cost not to exceed $7,322, to be paid out of the available appropriations for the War Department.

SEC. 3. The Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Director of the Budget, and the Administrator of Veterans' Affairs are authorized and directed to furnish to said John J. Lenney such information as may be necessary to complete the compilation provided for by this resolution, if such information is not inconsistent with the public interest.

SEC. 4. Such compilation, when completed, shall be printed as a Senate document and 10,000 additional copies shall be printed, of which 3,000 shall be for the use of the Senate, 6,900 shall be for the use of the House of Representatives, and 100 for the use of said John J. Lenney.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

SUPERINTENDENT OF SHILOH NATIONAL PARK, TENN.

The Senate proceeded to consider the resolution (S.Res. 198) creating a select committee to investigate charges against the Superintendent of the Shiloh National Park, Tenn.

Mr. KING. Mr. President, will not the Senator from Tennessee consent to an amendment to reduce the size of the committee from five? It seems to me that the investigation, while it may be important, may be conducted by two Senators and not more than three.

Mr. McKELLAR. Mr. President, the committee has recommended that "five" be stricken out and "three" inserted; and I will say to the Senator for his information that the amount to be expended has been reduced from $2,000 to $1,000, both of which amendments I have accepted. I ask the clerk to state the amendments.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 1, line 1, before the word "Senators", it is proposed to strike out "five" and insert "three"; and on page 2, line 15, after the word "exceed", to strike out "$2,000" and insert "$1,000", so as to make the resolution read:

Resolved, That a select committee of 3 Senators, 2 of the majority party and 1 of the minority party, be, and the same is hereby, authorized to be appointed by the Vice President to examine into charges of incompetency and abuse of official duties by the superintendent of the Shiloh National Park at Pittsburg Landing, Tenn.; and specifically the following charges of wrongdoing at said park:

First. As supervising officer for the Civil Works Administration, the said superintendent did on or about January 11, 1934, make a false certification of certain pay rolls.

Second. That in November 1933 it is alleged that he offered a bribe of a position to be paid out of Government funds.

For the purposes of this resolution the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions and recesses of the Senate in the Seventy-third Congress, to employ such clerical and other assistants, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of the committee, which shall not exceed $1,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

The PRESIDING OFFICER. The question is on agreeing to the amendments.

The amendments were agreed to.

The resolution, as amended, was agreed to.

EXECUTION OF INDEMNITY AGREEMENT BY SECRETARY OF THE TREASURY

The Senate proceeded to consider the bill (S. 3224) authorizing the Secretary of the Treasury to execute a certain indemnity agreement, which had been reported from the Committee on Finance with an amendment, on page 2, line 1, after the numeral "7", to strike out "1932" and insert "1922", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized to execute in the name of the United States, and deliver to the liquidating agent of the Biltmore-Oteen Bank, Biltmore, N.C., upon receipt from such liquidating agent of $385, an agreement of indemnity binding the United States to make reimbursement to such liquidating agent in the event that such liquidating agent is required to make payment to a bona-fide holder upon presentation of draft numbered 380, dated November 7, 1922, in the amount of $385, drawn by the Biltmore-Oteen Bank, Biltmore, N.C., on the Hanover National Bank, New York, N.Y., to the order of the Treasurer of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ROBERT RAYL

The bill (S. 3562) for the relief of Robert Rayl was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to issue patent to Robert Rayl on desert-land entry, Blackfoot, Idaho, numbered 039831, entered by him November 17, 1925, for the northwest quarter, and the west half southwest quarter section 15, township 11 south, range 17 east, Boise (Idaho) meridian.

MEXICAN INTERNATIONAL BOUNDARY COMMISSION

The joint resolution (S.J.Res. 81) to provide for defraying the expenses of the American section International Boundary Commission, United States and Mexico, was announced as next in order.

Mr. KING. Mr. President, I should like to make an inquiry of the Senator from New Mexico. The commission referred to in the joint resolution has been in existence from time immemorial. There ought to be some period when it should conclude its labors. We are creating commissions to last from time to eternity. I should like some of these commissions some day to end. Is the Senator from New Mexico familiar with this measure which continues this boundary commission which has been in existence for many years and giving them an additional appropriation? Does he know when, if at all, it is intended that this commission shall terminate its labors?

Mr. HATCH. Mr. President, I do not know. I regret I am unable to answer the question of the Senator.

Mr. ROBINSON of Arkansas. May I say to the Senator from Utah that the joint resolution was presented, as I understand, at the instance and on the recommendation of the State Department. It is designed to carry on the work of the Joint Boundary Commission, which has been in progress for some years and which will probably continue for some years.

Mr. KING. I agree with my friend that it will continue for some years. I should like, though, to serve notice, Mr. President, that at the next session of Congress there ought to be a report as to what has been done and what is anticipated to be done, and that, in my opinion, Congress ought to bring to an end the Commission, as well as many others.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That there is hereby authorized to be appropriated, in addition to amounts heretofore authorized to be appropriated, the sum of $60,000 to defray the expenses of the American Section, International Boundary Commission, United States and Mexico, in the conduct of an engineering investigation, study, and report to the Secretary of State to determine the feasibility and best means of effecting the canalization of the Rio Grande from the Caballo Reservoir site in New Mexico to the international diversion dam near El Paso, Tex., in order to facilitate Federal control of the channel of the Rio Grande and compliance by the United States with its obligations to deliver, at said international diversion dam, water to Mexico pursuant to the convention concluded May 21, 1906, providing for the equitable distribution of waters of the Rio Grande for irrigation purposes, including salaries and wages; fees for professional services; rents; travel expenses; per diem in lieu of actual expenses for subsistence; printing and binding; purchase, exchange, maintenance, repair, and operation of motor-propelled passenger- and freight-carrying vehicles; telephone, telegraphic, and air-mail communications; ice; equipment, supplies, and materials and other such miscellaneous expenses as the Secretary of State may deem necessary properly to carry out the investigation.

UPPER MISSISSIPPI RIVER WILD LIFE AND FISH REFUGE

The bill (S. 3411) to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge was announced as next in order.

Mr. KING. Mr. President, I should like an explanation of the measure. I have had some complaint to the effect that notwithstanding the very large appropriation the Commission has been very slow in acquiring land, and there is some doubt as to the necessity of the acquisition of additional land.

Mr. MURPHY. Mr. President, the bill does not contemplate the appropriation of an additional dollar. Money was appropriated for the acquisition of the land for a game preserve and it has not all been expended. We are about to engage in making a 9-foot channel in the Mississippi River. Because of the flooding of a great many lowlands which were originally intended for the game preserve, the purpose and intent are to use the balance of the money appropriated to buy adjacent hillsides, where desirable and where needed, for continuance of the refuge.

May I ask if that explanation is satisfactory to the Senator from Utah?

Mr. KING. Very well.

Mr. MURPHY. Mr. President, the House has passed a bill which, I believe, is identical in language, being Calendar No. 1488. I ask that the House bill be substituted for the Senate bill and placed upon its passage.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Iowa?

Mr. KING. Mr. President, is the House bill textually the same?

Mr. MURPHY. Yes; it is.

Mr. KING. I shall not object, but it seems to me the Commission ought to have proceeded with greater celerity in the execution of the task devolving upon it under the law. I am rather surprised to learn about the 9-foot channel. We have spent over $550,000,000 upon the Mississippi River in order to have boats plying up and down the river, and yet there are fewer boats now than in the days of Mark Twain. How many more millions or hundreds of millions of dollars are to be wasted on the Mississippi River no one seems to know.

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent that the House bill—H.R. 9646—be substituted for the Senate bill and considered at this time. Is there objection?

There being no objection, the bill (H.R. 9646) to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. The Senate bill—S. 3411—of the same title will be indefinitely postponed.

WILSON G. BINGHAM

The bill (H.R. 2632) for the relief of Wilson G. Bingham was announced as next in order.

Mr. KING. Mr. President, I understood a substitute was offered for this bill.

Mr. LOGAN. Mr. President, it is not a substitute. Originally the Senate committee made a report which was in the nature of an amendment striking out of the House bill all after the enacting clause and inserting. The measure was recommitted to the Committee on Military Affairs, and we have simply reported favorably the House bill. The bill is one that is very meritorious. A young man named Bingham——

Mr. KING. Mr. President, will the Senator permit me to interrupt him?

Mr. LOGAN. Certainly.

Mr. KING. I do not quite agree with the Senator as to the merit of the bill, but my understanding is that it is expected automatically to place Mr. Bingham on the retired list.

Mr. LOGAN. That is correct. That is the reason why it is meritorious. It only allows him to have his case reexamined. It is very different from the other bill. He was probably the most brilliant young man in the service.

Mr. KING. I have no objection if an amendment has been made along the lines indicated.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill (H.R. 2632) for the relief of William G. Bingham was considered, ordered to a third reading, read the third time, and passed.

MAJ. E. P. DUVAL

The bill (S. 1293) authorizing the President to order Maj. E. P. Duval before a retiring board for a hearing of his case, and upon the findings of such board determine whether

or not he be placed on the retired list with the rank and pay held by him at the time of his resignation, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of War, under the direction of the President, is hereby authorized, in his discretion, to order E. P. Duval, late major, United States Army, before a retiring board for the purpose of a hearing of his case and to inquire into and determine the facts touching the nature and occasion of his disability, and to find and report the cause which, in its judgment, has produced his incapacity, and whether such cause is an incident of the service, according to the statute, and that upon the findings of such board the President is further authorized, in his discretion, to nominate and, by and with the advice and consent of the Senate, to appoint said E. P. Duval a major, the grade which he had at the time of his resignation, and to place him on the retired list of the Army: *Provided*, That no pay, bounty, or other allowance during the period between the time that he resigned and the time of the passage of this Act shall become due and payable by virtue of this act.

JAMES HENRY GREEN

The bill (H.R. 6497) for the relief of James Henry Green was considered, ordered to a third reading, read the third time, and passed.

LIQUOR DISTILLERIES AND RECTIFYING PLANTS

The bill (S. 3635) to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries was announced as next in order.

Mr. LEWIS. Mr. President, I am moved to rise and ask that an identical House bill, which has passed the House and is now on the Senate calendar, be substituted for the Senate bill which has been reported favorably, and that the House bill be put upon its passage.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois?

There being no objection, the Senate proceeded to consider the bill (H.R. 9617) to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries was considered, ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Senate bill 3635 will be indefinitely postponed.

PAUL I. MORRIS

The Senate proceeded to consider the bill (H.R. 2669) for the relief of Paul I. Morris, which had been reported from the Committee on Claims, with an amendment, on page 1, line 5, to strike out "$764" and insert "$100", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any funds in the Treasury not otherwise appropriated, the sum of $100 to the said Paul I. Morris in full payment for hospital, physician, and nursing bills and funeral expenses incurred by him in the last illness, death, and burial of William Fuller Morris, who died July 21, 1930, as the result of disease contracted at the citizens' military training camp, Fort McClellan, Ala.

SEC. 2. That the amount herein appropriated shall be in full settlement of all claims of the said Paul I. Morris against the United States on account of the death of his said son.

Mr. GEORGE. Mr. President, the House bill was favorably reported by the committee, with an amendment reducing the amount allowed to the parents of the young man from $764 to $100. I ask the Senate to disagree to the committee amendment with an amendment. I move that the committee amendment be amended by striking out $100 and inserting in lieu thereof "$660." I ask that the amendment of the Committee on Claims be rejected and my amendment be adopted in lieu thereof. If the claim be meritorious and should be paid, the amount of the actual out-of-pocket expense incurred by the parents of the young man should be allowed.

The PRESIDING OFFICER. The amendment of the Senator from Georgia to the committee amendment will be stated.

The CHIEF CLERK. It is proposed, on page 1, line 6, in the committee amendment to strike out "$100" and insert in lieu thereof "$660."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

COMMEMORATION OF BOYHOOD HOME OF "STONEWALL" JACKSON

The bill (H.R. 8513) to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson was considered, ordered to a third reading, read the third time, and passed.

SCHOOL DISTRICT 17–H, BIG HORN COUNTY, MONT.

The Senate proceeded to consider the bill (S. 2894) to provide funds for cooperation with school district no. 17–H, Big Horn County, Mont., for extension of public-school buildings to be available to Indian children, which was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $158,000 for the purpose of cooperating with school district no. 17–H, Big Horn County, Mont., for the extension and improvement of public-school buildings at Hardin and at Crow Agency: *Provided*, That the expenditure of any moneys so appropriated shall be subject to the condition that the schools maintained by said district shall be available to all Indian children of the school district on the same terms, except as to payment of tuition, as other children of the school district: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

Mr. KING. Mr. President, my understanding when the matter was under consideration sometime ago was that the amount involved was in the neighborhood of $50,000. I see it is now $158,000. I should like the Senator from Montana [Mr. WHEELER] to explain whether the amount, whatever may be provided, is to come from the Treasury of the United States or from the tribal funds of the Indians.

Mr. WHEELER. Mr. President, it is not to come from the tribal funds.

Mr. KING. The $158,000 to be provided is for the purpose of cooperating with school district no. 17–H, Big Horn County, Mont., for the extension of public-school buildings to be available to Indian children at Hardin and at Crow Agency.

Mr. WHEELER. Yes. The bill has the endorsement of the Department. The Crow Agency of Montana takes in a large part of Big Horn County. Heretofore there has been a high school where the Indians have gone to private school. The Department is doing away with that school and sending them to public schools, but there is not sufficient room in the public schools to accommodate all the Indian children. The Department came to the conclusion that it would be much better for the Indian children and that they would become Americanized much better and more quickly if they should go to the public schools. They are willing to build the additional room necessary for the accommodation of the Indian children. I think it is a very meritorious bill. The plan has worked very well in every place where it has been adopted, and to the advantage of the Indians and white people generally.

Mr. KING. I have no objection.

The PRESIDING OFFICER (Mr. DUFFY in the chair). Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed.

REGULATION OF MORTGAGE FORECLOSURES IN THE DISTRICT

The bill (S. 2684) to regulate foreclosure of mortgages and deeds of trust in the District of Columbia was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Utah [Mr. KING] to state the purpose of the bill and to explain the important changes which it would make in existing law?

Mr. KING. Mr. President, the bill does not go so far as it ought to go nor does it meet the requirements as I believe they should be met. I introduced a bill which I thought was adequate. It provided that where mortgages or trust deeds have been given to secure the payment of obligations, there should not be sales by mere advertisement, as so many have been made, whereby persons lose their homes and have no chance for redemption.

I introduced a bill providing there should be a 1-year period of redemption. The committee did not agree with me, but reported the bill, which had the approval of the Commissioners, and which does change existing law to this extent: It provides that notice shall be given, as I recall, for 90 days in contradistinction to the present system, in order that debtors may not be sold out without any notice whatever. It does not go far enough, but I think it is a step in the right direction.

Mr. ROBINSON of Arkansas. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments, on page 3, line 13, after the word "foreclosure", to strike out "setting a day for the" and insert "directing such"; and in line 20, after the word "sale", to strike out "as fixed by the court", so as to make the bill read:

Be it enacted, etc., That subchapter 2 of chapter 16 of the Code of Laws for the District of Columbia, approved March 3, 1901, as amended, is amended by inserting after section 539 thereof the following new sections:

"SEC. 540. No real property or interest therein shall be sold for default under the terms of any mortgage, deed of trust, or other instrument hereafter executed to secure the payment of any note, bond, or other evidence of indebtedness, whether or not containing a power of sale, except by decree or order of the Supreme Court of the District of Columbia to be entered in a proceeding brought therefor as hereinafter set forth.

"SEC. 541. Every such proceeding shall be commenced by the mortgagee named in a mortgage, or by the trustee or trustees named in a deed of trust, at the request of any holder of any note, bond, or other evidence of indebtedness secured thereby upon which the principal or any part thereof, or interest thereon, is overdue and unpaid, or where other default has occurred under the terms of the mortgage or deed of trust. Where such default has occurred and it is desired that a foreclosure proceeding shall be commenced, the mortgagee or the trustee or trustees, as the case may be, shall file an affidavit with the auditor of the Supreme Court of the District of Columbia, setting forth the nature of the default, the name of the owner of record of the property charged and his last-known address, and a review of the terms of the mortgage or deed of trust as to its date, the amount secured thereby, and the date of maturity.

"Upon the filing of such affidavit and the exhibition to the auditor of such note, bond, or other evidence of indebtedness, it shall be the duty of said auditor to cause a notice of said default to be promptly given to the owner of record by registered mail, with request for return receipt, directed to his last-known address as shown by said affidavit. At the expiration of 90 days from the mailing of such notice, if the amount in default, which shall exclude the amount due under any acceleration clause contained in the deed of trust, mortgage, or other instrument, has not been paid, together with all actual and necessary costs incurred, or if such other default in the mortgage or deed of trust as shall form the basis of the aforesaid affidavit shall not have been remedied, the auditor shall make a report to the Supreme Court of the District of Columbia with a recommendation for the sale of the property so charged and, within 10 days thereafter, the court shall sign the appropriate order or decree of foreclosure, directing such sale by the trustee or trustees named in said mortgage or deed of trust, conditioned upon such prior advertisement as may be fixed therein or to the court may seem proper, upon such terms and conditions as may be provided for in the said mortgage or deed of trust. No such sale, however, shall be had hereunder if at any time prior to the day of sale the breach of the terms of the mortgage or deed of trust has been remedied by payment of such money as may be due and in default, or by the performance of any omitted act required by said mortgage or deed of trust to be done: *Provided further*, That all costs and expenses incident thereto and properly chargeable hereunder shall have been paid: *And provided further*, That nothing herein contained shall be held to curtail any right of the mortgagor, or person, firm, or corporation obligated by the said mortgage or deed of trust, or note, bond, or other evidence of indebtedness secured thereby to pursue any remedy, either at law or in equity, to set aside the sale upon proof of fraud or gross inadequacy in the sale price.

"In case of default under the terms of any deed of trust, mortgage, or other instrument securing the payment of any note, bond, or evidence of indebtedness wherein the property charged is not a dwelling house occupied by the owner thereof, the court may, upon application either by the mortgagee, trustee, or by any holder of any note, bond, or other evidence of indebtedness, appoint a receiver for the rents accruing from said property for the period of such default and, upon a sale of the property so charged or payment of the amount in default, the court shall make such order for the disposition of the funds in the hands of such receiver as may be equitable and proper.

"SEC. 542. The trustee or trustees making sale of the property, as hereinbefore provided, will be allowed a commission not in excess of 2 percent of the first $5,000 of the sale price of said property over and above the amount of any prior mortgage or deed of trust and not in excess of 1 percent of the balance of said sale price: *Provided, however*, That such commissions shall not, in any case, be less than $50. Where the notice hereinbefore provided shall have been given and no sale of the property is made, the trustee or trustees shall be allowed a commission not in excess of one-half of the commissions above provided for in the event of sale, but in no event less than the sum of $25. The trustee or trustees shall be allowed, in addition, such reasonable attorney's fees or other costs as may have been incurred by the trustees: *Provided, however*, That no attorney selected by the trustee or trustees shall be entitled to compensation unless his selection by the trustee or trustees shall have been approved by appropriate order of the Supreme Court of the District of Columbia. The auditor as aforesaid shall be entitled to the following fees for services rendered under this act: Where the mortgage or deed of trust, or the unpaid balance thereof, being foreclosed, is not in excess of $10,000, no fee; if in excess of $10,000 but not more than $100,000, $10; and if in excess of $100,000, $25; such fee to be paid out of the proceeds of the sale of any such foreclosed property; and in the event that such property be not sold, said fee shall be included in the costs and expenses to be paid by the party obligated under such mortgage or deed of trust to avoid a sale thereunder.

"SEC. 543. Within 10 days after the execution and delivery of a conveyance of the property so sold, the trustee or trustees making sale of any real estate under this act shall file in the office of the clerk of the court a report and statement of such sale, which shall show, among other things, the name of the purchaser, the amount for which the property was sold, and the terms of sale, together with the disbursements made by the trustee or trustees out of the proceeds of any such sale. The provisions of section 545 of the Code of Law of the District of Columbia insofar as the same are inconsistent herewith are hereby repealed."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 1646) to promote safety on the streets and highways of the District of Columbia by providing for the financial responsibility of owners and operators of motor vehicles for damages caused by motor vehicles on the public highways in the District of Columbia, to prescribe penalties for the violation of the provisions of the act, and for other purposes, was announced as next in order.

Mr. McCARRAN. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

EDUCATION OF CHILDREN OF SOLDIERS, ETC., KILLED IN WORLD WAR

The bill (H.R. 9143) providing educational opportunities for the children of soldiers, sailors, and marines who were killed in action or died during the World War, was announced as next in order.

Mr. WALSH. Mr. President, I should like to ask the Senator from New York [Mr. COPELAND], who reported the bill, why it is limited to the District of Columbia. If funds are to be provided for the higher education of children of soldiers killed in the World War, why should it not apply to the children of all soldiers throughout the Nation?

Mr. COPELAND. Mr. President, this bill is to place the District of Columbia on the same plane as the States.

Mr. WALSH. Have the States passed similar legislation?

Mr. COPELAND. Yes; 25 States have done so. We are acting now as the legislature of the District of Columbia.

Mr. WALSH. Very well.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on the District of Columbia with amendments, on page 2, line 4, after the word "child", to insert "in any one year", and in line 5, after the words "*Provided further*", to strike out the remainder of the bill and insert a proviso, so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, from funds to the credit of the District of Columbia in

the Treasury of the United States not otherwise appropriated, the sum of $3,600, annually, for the fiscal years 1935 to 1943, inclusive, for aid in the education of children (between the ages of 16 and 21 years, inclusive, who have had their domicile in the District of Columbia for at least 5 years) of those who lost their lives during the World War as a result of service in the military or naval forces of the United States, including tuition, fees, maintenance, and the purchase of books and supplies: *Provided*, That not more than $200 shall be available for any one child in any one year: *Provided further*, That appropriations made in accordance with this act shall be expended, under rules and regulations prescribed by the Board of Education of the District of Columbia, only for such children as the said Board, from time to time, may find to be in need of such aid and in such amounts as the said Board from time to time may determine in the case of each child.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

NATIONAL ASSOCIATION OF STATE LIBRARIES

The bill (S. 3311) to incorporate the National Association of State Libraries was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That Irma A. Watts, reference librarian, Pennsylvania Legislative Reference Bureau, Harrisburg, Pa.; Joseph Schafer, superintendent, State Historical Society, Madison, Wis.; Ella May Thornton, librarian, Georgia State Library, Atlanta, Ga.; Margaret C. Norton, superintendent, department of archives, Illinois State Library, Springfield, Ill.; Johnson Brigham, State librarian, Des Moines, Iowa.; George S. Godard, State librarian, Hartford, Conn.; Herbert O. Brigham, State librarian, Providence, R.I.; Gilson G. Glasier, State librarian, Madison, Wis.; Edward H. Redstone, State librarian, Boston, Mass.; Harrison J. Conant, State librarian, Montpelier, Vt.; Henry E. Dunnack, State librarian, Augusta, Maine; Louis J. Bailey, State librarian, Indianapolis, Ind.; Harriet M. Skogh, superintendent, general library division, State Library, Springfield, Ill.; Alice M. Magee, State librarian, New Court Building, New Orleans, La.; their associates and successors, are hereby created a body corporate of the District of Columbia with the name of "National Association of State Libraries" (hereinafter referred to as the "corporation").

SEC. 2. The objects and purposes of the corporation shall be to develop and increase the usefulness and efficiency of State libraries and other libraries doing the work of State libraries.

SEC. 3. The corporation shall have perpetual succession with power (1) to sue and be sued in its corporate name; (2) to make contracts; (3) to acquire by gift, purchase, devise, bequest, or in any other lawful manner, and to hold, convey, or otherwise dispose of, such property, real or personal, as may be necessary for, or in furtherance of, its corporate objects and purposes; (4) to receive contributions of money from individuals, foundations, or corporations and make expenditures thereof; (5) to adopt a corporate seal and alter the same at pleasure; (6) to adopt and alter a constitution and bylaws not inconsistent with the laws of the United States or of any State; (7) to determine the times and places of its meetings, and the number, tenure, and duties of the officers and committees of the corporation; (8) to elect its officers, who shall conduct the business of the corporation within the powers granted by this act; (9) to determine eligibility for membership in the corporation; and (10) to do any and all acts necessary or appropriate to carry into effect the objects and purposes of the corporation.

SEC. 4. The principal office of the corporation shall be maintained in the city in which the president of the corporation resides, but annual or other meetings may be held in any place in the United States.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

DEPOSIT OF TRIBAL OR INDIVIDUAL INDIAN FUNDS

The bill (S. 3665) to amend section 28 of the act of May 25, 1918 (relating to deposits of tribal or individual Indian funds), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 28 of the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1919", approved May 25, 1918, is amended by inserting immediately before the colon at the end of the first proviso in the second sentence thereof a semicolon and the following: "except that no such bond or collateral shall be required to be furnished by any such bank which is entitled to the benefits of section 12B of the Federal Reserve Act with respect to any deposits of such tribal or individual funds to the extent that such deposits are insured under such section."

AMENDMENT OF BANKRUPTCY ACT

The bill (S. 3666) to amend section 61 (relating to deposits of bankrupt estates) of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States, approved July 1, 1898, was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, this bill should be explained. It apparently amends in an important particular the law relating to bankruptcy. I do not see the Senator from South Dakota, who reported the bill, in the Chamber.

Mr. HEBERT. Mr. President, if the Senator will permit me——

Mr. ROBINSON of Arkansas. Certainly.

Mr. HEBERT. I made inquiry concerning the purpose of this bill. It merely proposes to make a very simple amendment that would absolve depositories from giving security for deposits where the deposits are insured in the Federal Deposit Insurance System. In other words, if they should be required to give security by surety bond, it would be double security, because in those cases where the Government insures the deposit it is fully insured.

Mr. ROBINSON of Arkansas. I inquire if the report of the committee is unanimous.

Mr. HEBERT. I am not advised as to that. I am not on the committee. I made inquiry and ascertained this much information, which I am passing on to the Senator.

Mr. COUZENS. Mr. President, may I ask if the bill only excludes the amount covered by deposit insurance—$2,500 or $5,000, as the case may be—from the required surety bond?

Mr. HEBERT. I am not advised as to that, Mr. President. I simply passed on the information which came to me because I was interested to know the purpose of the bill.

Mr. COUZENS. Apparently that is what it does provide.

Mr. ROBINSON of Arkansas. Yes; it provides that—

Depositories shall not be required to give security by surety bond or otherwise for so much of said deposits as are insured by the Federal Deposit Insurance Corporation.

I have no objection to the consideration of the bill.

Mr. WALSH. Mr. President, may I ask the Senator a question? Complaints have come to me from time to time that under the bankruptcy law the judges of the district courts have authority to designate the place of deposit of assets of concerns in bankruptcy; and it has been suggested that that authority has been used to secure the deposit of those assets in certain favored banks. Does the bill under discussion seek to broaden that power or to remedy that alleged abuse?

Mr. HEBERT. It is my understanding that it does not change that power in any way. It simply absolves the depository from furnishing security for the deposit to the extent that it is insured by the Federal Deposit Insurance Corporation, as I understand. That is the explanation that was made to me.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking and Currency with an amendment, on page 1, line 7, to strike out "A pledge of assets or other collateral may be accepted in lieu of a surety bond for the surety of such deposits, and the depositaries" and insert "Depositories", so as to make the bill read:

Be it enacted, etc., That section 61 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States", approved July 1, 1898, is amended by adding at the end thereof the following new paragraph:

"(b) Depositories shall not be required to give security by surety bond or otherwise for so much of said deposits as are insured by the Federal Deposit Insurance Corporation."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HARRY H. A. LUDWIG

The bill (S. 2757) for the relief of Harry H. A. Ludwig was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That notwithstanding the provisions and limitations of section 6 of the act entitled "An act to amend the act entitled 'An act to amend the act entitled "An act for the

retirement of employees in the classified civil service, and for other purposes", approved May 22, 1920, and acts in amendment thereof', approved July 3, 1926, as amended", approved May 29, 1930, the Administrator of Veterans' Affairs is authorized and directed to extend the benefits of such section to Harry H. A. Ludwig, formerly an employee of the War Department, Engineer Department at large, in the same manner and to the same extent as if application had been made within 3 months after the effective date of such act of May 29, 1930. The application of the said Harry H. A. Ludwig for the benefits of such act of May 29, 1930, shall be filed with the Administrator of Veterans' Affairs within 3 months from the date of the approval of this act.

ALLOTMENT OF PUBLIC DOCUMENTS AND FRANKING PRIVILEGE

The joint resolution (S.J.Res. 130) to amend section 72 of the Printing Act, approved January 12, 1895, and acts amendatory thereof and supplementary thereto, relative to the allotment of public documents, and section 85 of the same act fixing the date of the expiration of the franking privilege to Members of Congress, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That section 72 of chapter 23 of the Printing Act (U.S.C., title 44, sec. 158), approved January 12, 1895, and acts amendatory thereof and supplementary thereto, be, and is hereby, amended to read as follows:

"SEC. 72. Allotment of documents: The congressional allotment of public documents (except the CONGRESSIONAL RECORD) printed after the expiration of the term of office of the Vice President of the United States, or any Senator, Representative, Delegate, or Resident Commissioner, shall be delivered to his or her successor in office.

"The Vice President of the United States and any Senator, Representative, Delegate, or Resident Commissioner in Congress, having public documents to his credit at the expiration of his term of office shall take the same prior to the 30th day of June next following the date of such expiration, and if he shall not do so within such period he shall forfeit them to his or her successor in office."

SEC. 2. That section 85 of chapter 23 of the Printing Act (U.S.C., title 39, sec. 326), approved January 12, 1895, be, and is hereby, amended to read as follows:

"SEC. 85. Franking privilege: The Vice President of the United States, and Senators, Representatives, Delegates, and Resident Commissioners in Congress, the Secretary of the Senate, and Clerk of the House of Representatives may send and receive through the mail all public documents printed by order of Congress; and the name of the Vice President, Senator, Representative, Delegate, Resident Commissioner, Secretary of the Senate, and Clerk of the House shall be written thereon, with the proper designation of the office he holds; and the provisions of this section shall apply to each of the persons named herein until the 30th day of June following the expiration of their respective terms of office."

SALE OF TIMBER ON NATIONAL FORESTS

The Senate proceeded to consider the bill (S. 2856) authorizing the adjustment of existing contracts for the sale of timber on the national forests, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of Agriculture is hereby authorized, upon application from the contracting parties involved, when such action is necessary in his judgment to prevent hardship, at his discretion and under such conditions, rules, and regulations as he may prescribe, to terminate any contract, made prior to May 1, 1933, for the sale of timber on national forests, without requiring the payment of damages for failure to cut all of the timber involved, except as the value of the remaining timber may have been reduced by the cutting and removal done by the purchaser: *Provided*, That all applications for action by the Secretary under the authority of this act shall be submitted within 1 year from the date of its approval.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

INTERNATIONAL COUNCIL OF SCIENTIFIC UNIONS

The bill (H.R. 6781) to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions was considered, ordered to a third reading, read the third time, and passed.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

The bill (H.R. 1) to provide for controlled expansion of the currency and the immediate payment to veterans of the face value of their adjusted-service certificates was announced as next in order.

Mr. KING. That bill is reported adversely, is it not?

The PRESIDING OFFICER. The bill is reported adversely. Is there objection to its present consideration?

Mr. COUZENS. This bill was substantially passed upon as an amendment to the silver bill. Therefore, since the Senate has expressed itself on the bill, I ask that it be passed over.

Mr. COPELAND. Mr. President, I ask the Senator to withhold his objection for a moment.

It is a matter of great concern to some of us that this measure came up the other day in connection with the silver bill. That bill was regarded by many friends of the bonus as of such great importance that it would be an unfortunate thing to add to it something which would perhaps invite a veto. The friends of the plan for relieving the veterans were under a very great embarrassment because of the legislative situation.

Furthermore, when the matter came up the other day the Senator from Minnesota [Mr. SHIPSTEAD], in offering the amendment, made no reference to the fact that it was the bonus bill. Unquestionably some Senators failed to realize the significance of his proposal, and in consequence failed to vote for it.

Mr. President, my feeling is that without unnecessary oratory the Senate ought to have a chance to vote upon this measure, to deal with it upon its merits. I hope that will be the attitude of the Senate—that we may take a vote here to see exactly what the sentiment of the Senate is on the question of the bonus, independent of its relationship to any other bill or any other measure.

Mr. COUZENS. Mr. President, I entered an objection previously, and withheld it; but if there is to be no debate on the bill, and there is to be a roll call, I shall not object. The bill cannot be dealt with during the consideration of the calendar by unanimous consent, however, if the subject is to be debated.

Mr. COPELAND. I agree to that fully; and my suggestion is that an immediate vote be taken upon the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. BORAH. Mr. President, I have no objection to a vote being taken; but before we agree to take up the bill, I desire to have it understood that we are to have a yea-and-nay vote.

Mr. ROBINSON of Arkansas. Mr. President, I shall object to the consideration of the bill. We had a vote on the bill just a day or two ago.

The PRESIDING OFFICER. The Senator from Arkansas objects.

Mr. COPELAND. I appeal to my leader——

Mr. ROBINSON of Arkansas. Mr. President, I object.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

DR. A. W. PEARSON AND OTHERS

The bill (H.R. 7121) authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians was considered, ordered to a third reading, read the third time, and passed.

MEASUREMENT OF VESSELS USING PANAMA CANAL

The bill (H.R. 7667) to provide for the measurement of vessels using the Panama Canal, and for other purposes, was announced as next in order.

Mr. COPELAND. Let that bill go over.

Mr. GORE. Mr. President, I ask the Senator from New York to withhold his objection to the consideration of this bill.

The PRESIDING OFFICER. Does the Senator from New York withhold his objection?

Mr. COPELAND. I do.

Mr. GORE. Mr. President, let me say that this is a House bill. For the fourth time the measure has passed the House. Its passage has been recommended by every Secretary of War since the Panama Canal was opened. It is strongly urged by the present Governor of the Panama Canal Zone, Governor Schley. It is strongly urged by President Roose-



velt in a letter to the chairman of the House committee and in a letter to myself as chairman of the Senate committee.

The bill reduces the existing tolls. It places the Panama Canal tolls on the basis of the net vessel tonnage of earning capacity instead of net registered tons.

Let me use this illustration: The *Empress of Britain* today, when she passes through the Suez Canal, pays $30,700 per transit. When the same vessel passes through the Panama Canal she pays less than $19,000. One reason for the reduced payment in passing through the Panama Canal is the fact that she converted a cloakroom into a cabin and thus reduced payments made to the Panama Canal authorities.

The Secretary of War has written a letter, which I have here, giving the assurance that he will fix the tolls not in excess of 90 cents per ton. Under the existing situation the ships of every government on the seas pass through the Panama Canal at a less charge than vessels of the United States, excepting only those of Japan, and her vessels are small. Therefore her charge is equal to our own.

Every consideration pleads for the passage of this measure; and there can be no substantial objection to it, except there have been perhaps some ship concerns that have entertained an unjustified fear that it might militate against them.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. GORE. Yes.

Mr. ROBINSON of Arkansas. Mr. President, I have made some investigation of this bill. I am convinced that it is a meritorious measure and I hope it may receive consideration.

Mr. GORE. I hope Senators will not object.

Mr. COPELAND. Mr. President, I served as a member of the subcommittee of the Committee on Commerce which made an investigation of the Panama tolls. In the first place, it was a strange procedure that this bill was sent to the Committee on Interoceanic Canals rather than to the Committee on Commerce, because there is a very important relationship between the welfare of the American merchant marine and the charges on the Panama Canal.

This bill may be all right, but the bill which was presented to us 2 years ago was in the interest of the tankers and the Standard Oil Co. outfit and to the disadvantage of the American merchant marine. Perhaps I am not competent to pass on the matter, but it is so important that we cannot settle it during the consideration of unobjected bills on the calendar, and I am constrained to object.

The PRESIDING OFFICER. The Senator from New York objects.

Mr. GORE. Mr. President, I desire to give notice at this time that I shall move to take up the bill at the first opportunity.

The PRESIDING OFFICER. The bill will be passed over.

W. B. FORD

The Senate proceeded to consider the bill (H.R. 2419) for the relief of W. B. Ford, which had been reported by the Committee on Claims with an amendment, on page 1, line 6, to strike out "$2,000" and to insert in lieu thereof "$1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, and in full settlement of all claims against the Government, the sum of $1,000 to W. B. Ford, injured in the performance of his duties while postmaster at Oskaloosa, Kans.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

MASSACHUSETTS BONDING & INSURANCE CO.

The bill (H.R. 4838) for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts, was considered, ordered to a third reading, read the third time, and passed.

HAROLD E. SEAVEY

The bill (S. 2489) for the relief of Harold E. Seavey was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, directed to pay to Harold E. Seavey, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $150 for damages to the household effects sustained by the said Harold E. Seavey in the storm and seas of January 27–28, 1933, at the Cuckolds Light Station at Newagen, Maine.

MRS. GEORGE LOGAN AND OTHERS

The bill (H.R. 2416) for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM T. ROCHE

The bill (H.R. 6696) for the relief of William T. Roche was considered, ordered to a third reading, read the third time, and passed.

Mr. KING. Mr. President, I would like to have an explanation of this bill. I was just wondering what the obligation of the Government is with respect to rural carriers. I will not object, but I reserve the right to move to reconsider the vote by which the bill was passed.

The PRESIDING OFFICER. The Senator has that right.

J. B. HUDSON

The bill (H.R. 7220) for the relief of J. B. Hudson was considered, ordered to a third reading, read the third time, and passed.

JOHN W. ADAIR

The bill (H.R. 7272) for the relief of John W. Adair was considered, ordered to a third reading, read the third time, and passed.

DALLAS COUNTY CHAPTER, AMERICAN RED CROSS

The bill (H.R. 7953) for the relief of the Dallas County Chapter of the American Red Cross was considered, ordered to a third reading, read the third time, and passed.

YELLOW DRIVURSELF CO.

The bill (S. 3469) for the relief of the Yellow Drivurself Co. was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. C. Matthews, Karl Matthews, and C. G. Matthews, all of Chattanooga, Tenn., a partnership trading as the Yellow Drivurself Co., the sum of $512. Such sum represents the amount of a claim against the United States under contract no. W6145qm–4, entered into October 28, 1930, in good faith, by such Yellow Drivurself Co. and the constructing quartermaster at Fort Oglethorpe, Ga., for the War Department. Such company furnished a car as specified in such contract, but the Comptroller General was unable to allow the payment of any claim for rental under such contract because such expenditure was not specifically authorized by law, as required by section 5 of the Legislative, Executive, and Judicial Appropriation Act of July 16, 1914 (U.S.C., title 5, sec. 78).

BILL PASSED OVER

The bill (S. 3748) to amend certain sections of the Banking Act of 1933 and the Federal Reserve Act, and for other purposes, was announced as next in order.

Mr. LEWIS. Mr. President, in view of the absence of my colleague [Mr. DIETERICH], who is interested in this bill, and

of the Senator from Ohio [Mr. BULKLEY], likewise interested in it, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

EMMA R. H. TAGGART

The bill (H.R. 2326) for the relief of Emma R. H. Taggart was announced as next in order.

Mr. KING. Mr. President, I should like to inquire whether it is the rule prevailing in the Government, if the Senator from Texas will advise us, to pay 1 year's salary to the widow of an employee?

Mr. CONNALLY. I do not know just what the practice is at the present time. This has been the custom for many years. I do not know what it is just at the moment. The committee looked into the matter and recommended the passage of the bill.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

BERNARD M'SHANE

The Senate proceeded to consider the bill (H.R. 434) for the relief of Bernard McShane, which had been reported from the Committee on Claims with an amendment, on page 1, line 4, after the word "pay", to insert the words "out of any money in the Treasury not otherwise appropriated", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Bernard McShane, of Sacramento, Calif., the sum of $861.33 in full settlement of all claims against the Government of the United States, the same being an amount due him with interest from November 2, 1923, by the Post Office Department, as a balance of an amount of $1,400 reward for services rendered as chief of police, Sacramento, Calif., in connection with the arrest and conviction of Roy G. Garner, charged with hold-up and robbery of the Southern Pacific train no. 20, between Roseville and Newcastle, Calif., on May 20, 1921: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agent, attorneys or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

PHYSICIANS AND SURGEONS HOSPITAL, LTD.

The bill (H.R. 471) for the relief of Physicians and Surgeons Hospital, Ltd., was considered, ordered to a third reading, read the third time, and passed.

MORRIS SPIRT

The bill (H.R. 529) for the relief of Morris Spirt was considered, ordered to a third reading, read the third time, and passed.

CLARENCE A. WIMLEY

The bill (H.R. 1306) for the relief of Clarence A. Wimley, was considered, ordered to a third reading, read the third time, and passed.

JOHN PARKER CLARK, SR.

The bill (H.R. 1308) for the relief of John Parker Clark, Sr., was considered, ordered to a third reading, read the third time, and passed.

JOHN PARKER CLARK, JR.

The bill (H.R. 1345) for the relief of John Parker Clark, Jr., was considered, ordered to a third reading, read the third time, and passed.

C. V. MASON

The bill (H.R. 1354) for the relief of C. V. Mason was considered, ordered to a third reading, read the third time, and passed.

MICHAEL PETRUCELLI

The bill (H.R. 1792) for the relief of Michael Petrucelli, was considered, ordered to a third reading, read the third time, and passed.

JEANIE G. LYLES

The bill (H.R. 2038) for the relief of Jeanie G. Lyles, was considered, ordered to a third reading, read the third time, and passed.

GUSTAV WELHOELTER

The bill (H.R. 3791) for the relief of Gustav Welhoelter, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM J. KENELY

The bill (H.R. 5584) for the relief of William J. Kenely, was considered, ordered to a third reading, read the third time, and passed.

OSWALD H. HALFORD AND OTHERS

The bill (H.R. 7816) for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress, was announced as next in order.

Mr. VANDENBERG. Let that go over.

Mr. STEPHENS. Mr. President, will not the Senator withhold his objection?

Mr. VANDENBERG. I withhold the objection. I understand the War Department reports against the bill; is that correct?

Mr. STEPHENS. Mr. President, I do not think there is any opposition on the part of the War Department to the bill. The former Secretary of War, Patrick H. Hurley, simply stated, "I trust the foregoing will furnish the committee the desired information."

Secretary Weeks did at one time interpose an objection to a similar bill. I should like to take just a moment to explain the measure.

Mr. KING. Mr. President, I notice that Secretary Hurley stated that he did not recommend the bill.

Mr. STEPHENS. I did not understand the Senator.

Mr. KING. On page 4 of the report it is shown that the Secretary of War said:

Careful consideration has been given to these bills, and an expression of opinion regarding the merits of House bill 993 is contained in the enclosed copy of the letter from this Department, dated March 28, 1924, to the Chairman Committee on Claims.

Mr. STEPHENS. Mr. President, I should like to say a word or two in regard to this matter.

There were 11 of these young men who were in the military service. They were informed that within about 10 days they would have to go across to France. Without leave, they went to see their relatives. In a very few days they returned voluntarily. They served during the war. All of them save one were promoted. Each one received an honorable discharge. Each one made a very splendid soldier.

There are recommendations here from the officers who were directly over these men. I can cite three lettes, but I shall call attention to only one, a letter from Col. William C. O'Ferrall, Field Artillery, United States Army.

Of course, in leaving as they did, these young men breached their duty; but, as I have said, they simply went home to bid good-bye to their relatives and friends, and they returned voluntarily. Each one rendered good service, each one received an honorable discharge, and, as I have already said, all save one were promoted during the period of the war.

The only thing this bill provides is that these young men shall be allowed to receive what was due them from the Government, the amount that was withheld, what they were not paid because of this action.

It does seem to me that, under these circumstances, this bill should be passed, and that these men should be allowed to receive what was due them from the Government. I hope objection will not be made.

Mr. KING. Mr. President, let me ask the Senator, were they not courtmartialed and sentenced to 2 years?

Mr. STEPHENS. They were, but the sentences were suspended.

Mr. VANDENBERG. I withdraw the objection.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

RALPH LAVERN WALKER

The bill (H.R. 7893) for the relief of Ralph LaVern Walker, was considered, ordered to a third reading, read the third time, and passed.

HEIRS OF C. K. BOWEN, DECEASED

The bill (H.R. 8328) for the relief of the heirs of C. K. Bowen, deceased, was announced as next in order.

Mr. KING. Let the bill be read.

The bill was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Mary E. Christenson, Houston, Tex.; Mrs. F. N. Heiman, Seabrook, Tex.; Mrs. A. B. Christenson, Burbank, Calif.; and C. K. Bowen, Burbank, Calif.; heirs of C. K. Bowen, deceased, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $450.50, for damages sustained by the said heirs of the said C. K. Bowen, deceased, who lost his life during the hurricane of September 9, 1900, when the light station at Halfmoon Shoal, Tex., was demolished, and the said C. K. Bowen, deceased, was drowned, as shown by Public Document No. 103 of the Fifty-seventh Congress, first session, dated December 7, 1901: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

AMENDMENT OF BANKING ACT OF 1933

Mr. FLETCHER. Mr. President, may I inquire regarding Order of Business 1360, being the bill (S. 3748) to amend the Banking Act of 1933? I was called out of the room at the time that was reached, and I should like to know what disposition was made of it.

The PRESIDING OFFICER. The Chair will say to the Senator from Florida that Senate bill 3748 was passed over at the request of the Senator from Illinois [Mr. LEWIS], due to the absence of his colleague [Mr. DIETERICH].

Mr. FLETCHER. I hope the bill may be passed. It is a very important bill, and is recommended by the Secretary of the Treasury and by the Comptroller, and reported unanimously by the Committee on Banking and Currency of the Senate.

Mr. KING. Mr. President, I call for the regular order.

Mr. FESS. Mr. President, does the Senator from Florida refer to the bill to amend the Federal Reserve Act?

Mr. FLETCHER. Yes.

Mr. FESS. It is quite a long bill, and I was anxious to know just what it provided for.

Mr. FLETCHER. It is quite a long bill. It is what is called an "omnibus bill."

Mr. KING. Regular order!

The PRESIDING OFFICER. The regular order is called for. The clerk will state the next bill on the calendar.

GRAND TETON NATIONAL PARK

The Senate proceeded to consider the bill (S. 3705) to extend the boundaries of the Grand Teton National Park in the State of Wyoming, and for other purposes.

Mr. CAREY. Mr. President, I offer several amendments which I ask to have stated.

The PRESIDING OFFICER. The amendments of the Senator from Wyoming [Mr. CAREY] will be stated.

The CHIEF CLERK. It is proposed on page 10, line 25, after the period to insert the following new sentence: "Persons residing in the county of Teton and persons residing within such park, as its boundaries are now defined and as they are extended by this act, on lands privately owned shall have free right of ingress and egress to and from such park"; on page 12, beginning with line 5, to strike out down to and including line 2, on page 13; and on page 13, line 9, to strike out "9" and insert "8."

Mr. KING. I should like to inquire of the Senator from Wyoming whether the bill has the approval of his colleague? My recollection is that Senator Kendrick, during his lifetime, when this measure or one similar to it was under consideration, had a great deal of objection to its terms. I was wondering if the objections which then existed have been taken cognizance of and provision made to meet them in the pending bill?

Mr. CAREY. Mr. President, I had the same objections to the bill as did my late colleague, Senator KENDRICK. This bill represents a compromise between various parties and factions, and is a bill to settle a dispute of many years' standing. Under the bill there will be given to the United States about one and one-half million dollars worth of land which has been purchased by Mr. Rockefeller. I think the bill is so written that it satisfies most people. Of course there are some who would object to the bill, but the Governor of Wyoming and my present colleague, I know, are both favorable to the passage of the bill, as I am.

Mr. WALSH. Mr. President, I should like to inquire what expense is involved to the Federal Government?

Mr. CAREY. There is no expense involved to the Federal Government.

Mr. WALSH. I understand Mr. Rockefeller has given this large area of land.

Mr. CAREY. Mr. Rockefeller has given it to the Government.

Mr. WALSH. Does the Interior Department favor the bill?

Mr. CAREY. We have not had a report from the Interior Department, but the bill has been worked out with the National Parks Service.

Mr. WALSH. I understood the President had stated he was opposed to the acquisition by the Federal Government of any more land for park or other purposes. I wondered what the attitude of the Interior Department was with regard to the measure, inasmuch as the land was given to the Government.

Mr. CAREY. I think the Department is favorable. We have not had a report from the Department.

The PRESIDING OFFICER. The question is on agreeing to the amendments of the Senator from Wyoming [Mr. CAREY].

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the north, east, and south boundaries of the Grand Teton National Park, in the State of Wyoming, are hereby extended by the addition of the land as hereinafter described:

Beginning on the present western boundary line of the Grand Teton National Park at a point where the hydrographic divide between Webb Canyon and Moran Canyon intersects the hydrographic divide of the Teton Mountains (within what will probably be when surveyed section 1, township 45 north, range 117 west, sixth principal meridian); thence northerly and northeasterly along the divide formed by the crest of the Teton Range to the projected position of what will be when surveyed the line between sections 4 and 5, township 47 north, range 116 west; thence southerly along the section line between sections 4 and 5, 8, and 9, to the point for the corner of sections 8, 9, 16, and 17; thence east along the line between sections 9 and 16, 10 and 15, 11 and 14, 12 and 13, township 47 north, range 116 west, sections 7 and 18, 8 and 17, 9 and 16, to the point for the corner of sections 9, 10, 15, and 16, township 47 north, range 115 west; thence south along the line between sections 15 and 16, 21 and 22, 27 and 28, to the point for the corner of sections 27, 28, 33, and 34; thence east along the line between sections 27 and 34, 26 and 35, to the point

for the corner of sections 25, 26, 35, and 36; thence south along the line between sections 35 and 36, township 47 north, range 115 west, sections 1 and 2, 11 and 12, 13 and 14, 23 and 24, to the corner of sections 23, 24, 25, and 26; thence east along the line between sections 24 and 25, township 46 north, range 115 west, sections 19 and 30, 20 and 29, 21 and 28, 22 and 27, 23 and 26, 24 and 25, township 46 north, range 114 west, sections 19 and 30, to the point for the quarter section corner of sections 19 and 30; thence south along the meridional quarter section line of unsurveyed sections 30 and 31, township 46 north, range 113 west, and surveyed sections 6, 7, 18, 19, and 30, township 45 north, range 113 west, to the present boundary of the Teton National Forest; thence easterly, southerly, and southwesterly along the Teton National Forest boundary to the corner of sections 26, 27, 34, and 35, township 41 north, range 116 west; thence west along the line between sections 27 and 34 to the city limits of the town of Jackson; thence following the city limits of Jackson, northerly and westerly to the section line between sections 27 and 28; thence north on the section line between sections 27 and 28 to the quarter section corner between sections 27 and 28; thence west one-fourth mile; thence north one-half mile to the east sixteenth section corner between sections 21 and 28; thence north three-fourths mile; thence east one-fourth mile to the north sixteenth section corner between sections 21 and 22; thence north on the line between sections 21 and 22, 15 and 16 to the corner of sections 9, 10, 15, and 16; thence east on the line between sections 10 and 15 to the quarter corner between sections 10 and 15; thence north one-fourth mile; thence east one-fourth mile; thence north one-half mile; thence east one-fourth mile to the north sixteenth section corner between sections 10 and 11; thence north on the line between sections 10 and 11, 2 and 3, to the corner of sections 34 and 35, township 42 north, range 116 west and sections 2 and 3, township 41 north, range 116 west; thence west along the township line between townships 41 and 42 north to the quarter section corner between section 3, township 41 north, range 116 west, and section 34, township 42 north, range 116 west; thence northerly on the meridional quarter section line of section 34 to the north bank of the Gros Ventre River; thence northeasterly along the north bank of the Gros Ventre River to the line between sections 34 and 35; thence north on the line between sections 34 and 35, 26 and 27, 22 and 23, 14 and 15, to the quarter section corner of said sections 14 and 15; thence west one-fourth mile; thence north one-fourth mile; thence west one-fourth mile; thence north one-fourth mile to the quarter section corner of sections 10 and 15; thence east one-fourth mile; thence north one-fourth mile; thence east one-fourth mile to the south sixteenth section corner between sections 10 and 11; thence northerly on the line between said sections 10 and 11 to the north sixteenth section corner between said sections 10 and 11; thence east one-fourth mile; thence north one-fourth mile to the west sixteenth section corner of sections 2 and 11; thence in a straight line to the northwest corner of section 1, township 42 north, range 116 west; thence west on the line between townships 42 and 43 north to the present boundary of the Grand Teton National Park; thence northerly along the east boundary and southwesterly along the north boundary of the Grand Teton National Park to the place of beginning; also a tract embracing the following lands: Section 4, northwest quarter, northwest quarter southwest quarter, west half northeast quarter; section 5, north half, north half south half; section 6, north half, north half south half, township 42 north, range 116 west, sixth principal meridian, and all the lands within the extended boundary limits as above described, including lands heretofore reserved as national forests, shall be, and the same are hereby, made a part of the Grand Teton National Park subject to all laws and regulations now or hereafter made applicable thereto or for the government of said park, and subject to all valid existing claims, locations, entries, or applications under the laws of the United States or of the State of Wyoming, whether for homestead, mineral, right-of-way, or any other purposes whatsoever, and subject to the right of any such claimant, locator, entryman, or applicant to the full use and enjoyment of his land or rights: *Provided*, That nothing herein contained shall affect any existing reclamation project under the Federal reclamation laws situated within the above-described boundaries, or the jurisdiction of the Bureau of Reclamation in connection therewith, except that the level of the Jackson Lake Reservoir shall not be increased beyond its present high-water mark unless expressly authorized by Congress: *Provided further*, That the Secretary of the Interior may grant leases for the use of land for the accommodation of visitors in such park under the authority contained in the act entitled "An act to establish a National Park Service, and for other purposes", approved August 25, 1916, as amended; but in the area included within the boundaries of such park lying north of the southern boundary of township 42 north, sixth principal meridian, no such lease shall be granted, nor shall the Secretary of the Interior acquire any property subject to any lease, permitting the erection of any building, structure, improvement, or other facility for hotel, lodge, camp, store, restaurant, or other similar purposes, except that any lease with respect to any property acquired by the Secretary of the Interior pursuant to this act existing at the time of such acquisition and permitting the use or operation of any building, structure, improvement, or facility existing on June 1, 1934, for the accommodation of visitors may be continued in force until January 1, 1945: *And provided further*, That guest ranches now located within the area hereby added to the park may be permitted to operate within said park under such authority and regulations as may be deemed appropriate by the Secretary of the Interior.

SEC. 2. The Secretary of Agriculture is authorized and directed to designate and set aside in the Teton National Forest a strip of land 1 mile wide extending from the northern boundary of the Grand Teton National Park to the southern boundary of the Yellowstone National Park, for the purpose of the construction and maintenance as provided in this section of a park road between such national parks. The Secretary of the Interior is authorized and directed to construct and maintain such road and to prescribe and enforce such rules and regulations as may be necessary to protect and preserve the roadway from unsightly structures. No leases or permits shall be granted in the strip of land so designated and set aside; but nothing in this section shall be construed as terminating or preventing the renewal of any existing leases within such strip of land.

SEC. 3. The Secretary of the Interior is hereby authorized, in his discretion, to accept in behalf of the United States, donations of land, interests in land, and such other property and moneys for the purposes of said Grand Teton National Park as may in his judgment be desirable in the administration of said park, the title and evidence of title to lands and interest therein to be satisfactory to the Secretary of the Interior: *Provided*, That State lands within the above-mentioned park extension may be exchanged for unappropriated public lands outside said park in the State of Wyoming, on a basis of equal values, under regulations approved by the Secretary of the Interior providing for joint representation of the State and the United States for the purpose of determining the value of the lands to be exchanged.

SEC. 4. The use of the lands within the enlargement of the Grand Teton National Park herein authorized which lie south of Buffalo Fork, east of the Snake River, and east of the existing main highway running north from the town of Jackson, Wyo., to the present Menors' Ferry bridge, for game management, including the raising of hay for the winter feeding of elk and other wild life, shall be under the administration of the Biological Survey: *Provided*, That the plans and designs for any buildings, structures, and physical improvements erected or constructed by the Biological Survey in the exercise of such administration shall first be submitted to and approved by the Secretary of the Interior.

SEC. 5. In order to compensate the county of Teton, State of Wyoming, for the loss of taxes resulting from the enlargement of the Grand Teton National Park made by this act, the Secretary of the Treasury shall pay to such county, out of moneys received from the operation of the Grand Teton and Yellowstone National Parks, an annual sum over a period of 20 years from the date of enactment of this act, such sum to be computed as follows: (1) During each of the first 10 years of such period, a sum equal to the average annual amount of the taxes levied for all county and school-district purposes during the years 1929 to 1933, both inclusive, on all property included in such enlargement which was privately owned prior to June 1, 1934, and which shall have been transferred to the United States after such date and prior to the year for which such payment is made, such sum not to exceed $25,000 for any one year; and (2) during each of the second 10 years of such period, an amount equal to the amount so paid for the last year of such first 10-year period decreased by 10 percent of such amount for the first year of such second 10-year period and by an additional 10 percent of such amount for each year thereafter. Payments made under this section during the first 10 years of the above 20-year period shall be made upon vouchers duly submitted by the chairman of the Board of County Commissioners of Teton County, and shall be certified by the county clerk of such county and by the Secretary of the Interior. If the receipts from the Grand Teton and Yellowstone National Parks shall not be sufficient in any year of such 20-year period to cover the payment for such year authorized by this section, the amount of any such deficiency shall be cumulated and shall constitute a charge against such receipts for subsequent years until the payments authorized by this section shall have been made in full.

SEC. 6. The enlargement of the Grand Teton National Park made by this act shall not obstruct or interfere with the reasonable and necessary use of the adjoining Teton National Forest or any natural resource thereof; and notwithstanding any other provision of law, the Secretary of Agriculture is authorized to determine and define such rights-of-way over or across such park area for the movement of timber, mineral, or other natural resources to or from such national forest as may be necessary for the proper administration of such national forest. The use of such rights-of-way shall be subject to such reasonable rules and regulations as may be jointly approved and promulgated by the Secretary of the Interior and the Secretary of Agriculture. Owners or occupants of ranch land in the county of Teton engaged in the business of cattle raising thereon shall be entitled to move their cattle in the spring and fall of each year between their respective ranches and summer ranges, across such portions of said park and subject to such reasonable regulations as the Secretary of the Interior may from time to time prescribe, having due regard to the necessity for permitting said cattle to graze in their movement across said park lands. Persons residing in the county of Teton and persons residing within such park, as its boundaries are now defined and as they are extended by this act, on lands privately owned shall have free right of ingress and egress to and from such park. If any lands added to the Grand Teton National Park by this act are occupied under leases or permits heretofore issued or authorized by the Secretary of Agriculture or the Secretary of the Interior, said leases or permits, subject to compliance with all terms and conditions therein set forth, shall be continued in the case of summer homes for a period of 25 years from the date of enactment of this act, and in the case of commercial enterprises,

for a period of 10 years after December 31, 1934: *Provided*, That in the case of any leases or permits for commercial enterprises no enlargment or increase in number of any existing buildings, structures, or other improvements shall be permitted after the date of enactment of this act: *And provided further*, That the termination of any leases or permits in the case of commercial enterprises shall not become effective in any event until the lessees or permittees shall be reimbursed for the reasonable value of the buildings, structures, and improvements erected or made prior to June 1, 1934, on the lands with respect to which such leases or permits were granted.

SEC. 7. The authority granted to the Secretary of the Interior by the Interior Department Appropriation Act for the fiscal year ending June 30, 1932, to incur obligations and enter into contracts for the acquisition of privately owned lands and/or timber within national parks is hereby extended to cover the lands described in section 1: *Provided*, That any appropriations made pursuant to this authorization shall not exceed the cost of lands which may have been, or which may be, purchased and donated to the United States by outside sources.

SEC. 8. The Secretary of the Interior is authorized and directed to issue to Albert W. Gabbey, of Jenny Lake, Wyo., a patent in fee to the following-described lands (comprised in stock-raising homestead entry no. 015468, Evanston land office): The west half of the northeast quarter, the north half of the northwest quarter, and the southeast quarter of the southwest quarter, of section 7, township 44 north, range 115 west, sixth principal meridian.

AMEND THE CIVIL SERVICE RETIREMENT ACT

The bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, I shall ask the Senator from Kentucky [Mr. LOGAN] or the Senator from Vermont [Mr. GIBSON] to explain the bill. What changes are made in the existing law by the measure under consideration?

Mr. GIBSON. Mr. President, if the bill may go over for the present I shall look it up and give an explanation later.

The PRESIDING OFFICER. The bill will be passed over.

Mr. GIBSON subsequently said: Mr. President, I ask unanimous consent to return to Calendar 1378, Senate bill 2702, and for its immediate consideration.

The PRESIDING OFFICER. The Senator from Vermont asks unanimous consent for immediate consideration of Senate bill 2702. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 2702) to amend the Civil Service Retirement Act of May 29, 1930, and for other purposes, which had been reported from the Committee on Civil Service with an amendment to strike out all after the enacting clause and to insert the following:

That subsection (c) of section 12 of the Civil Service Retirement Act of May 29, 1930, as amended (U.S.C., supp. VII, title 5, sec. 702a (c)), is amended to read as follows:

"(c) In case an annuitant shall die without having received in annuities purchased by the employee's contributions as provided in (2) of section 4 of this act an amount equal to the total amount to his credit at time of retirement, the amount remaining to his credit and any accrued annuity shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such annuitant and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such annuitant;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the annuitant, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person.

"In the case of an annuitant who has elected to receive an increased annuity as provided in section 4 of this act, the amount to be paid under the provisions of this subsection shall be only the accrued annuity."

SEC. 2. Subsection (d) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (d)) is amended to read as follows:

"(d) In case an employee shall die without having attained eligibility for retirement or without having established a valid claim for annuity, the total amount of his deductions with interest thereon shall be paid, upon the establishment of a valid claim therefor, in the following order of precedence:

"First, to the beneficiary or beneficiaries designated in writing by such employee and recorded on his individual account;

"Second, if there be no such beneficiary, to the duly appointed executor or administrator of the estate of such employee;

"Third, if there be no such beneficiary or executor or administrator, payment may be made, after the expiration of 30 days from the date of the death of the employee, to such person or persons as may appear in the judgment of the Civil Service Commission to be legally entitled thereto, and such payment shall be a bar to recovery by any other person."

SEC. 3. Subsection (e) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (e)) is amended to read as follows:

"(e) In case a former employee entitled to the return of the amount credited to his individual account shall become legally incompetent, the total amount due may be paid to a duly appointed guardian or committee of such former employee. If the amount of refund due such former employee does not exceed $1,000, and if there has been no demand upon the Civil Service Commission by a duly appointed guardian or committee, payment may be made, after the expiration of 30 days from date of separation from the service, to such person or persons, in the discretion of the Commission, who may have the care and custody of such former employee, and such payment shall be a bar to recovery by any other person."

SEC. 4. Subsection (f) of such section 12 (U.S.C., supp. VII, title 5, sec. 702a (f)) is amended to read as follows:

"(f) Each employee or annuitant to whom this act applies may, under regulations prescribed by the Civil Service Commission, designate a beneficiary or beneficiaries to whom shall be paid, upon the death of the employee or annuitant, any sum remaining to his credit (including any accrued annuity) under the provisions of this act."

Mr. KING. Mr. President, I assume the Senator from Vermont intends to make a brief explanation of the terms of the bill.

Mr. GIBSON. Mr. President, under the present plan, it is necessary, when an annuitant dies, to have an administrator appointed, which entails a considerable expense upon the estate of the annuitant. The bill provides that the annuitant may designate to whom payment shall be made. That is the principal feature of the bill. It provides that the annuitant may make designation as to whom the amount due his estate shall be paid.

Mr. KING. I ask the Senator whether it increases the amount to any annuitant as now provided by law?

Mr. GIBSON. It does not.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LILLIAN G. FROST

The bill (S. 574) for the relief of Lillian G. Frost was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to Lillian G. Frost, mother of Franklin Blaine Frost, late vice consul and third secretary, Department of State, the sum of $3,500, being 1 year's salary of her deceased son, who died while in the Foreign Service; and there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sufficient sum to carry out the purpose of this act.

ALICE M. A. DAMM

The bill (H.R. 5357) for the relief of Alice M. A. Damm was considered, ordered to a third reading, read the third time, and passed.

AWARDS TO OFFICERS AND MEN OF THE COAST GUARD

The bill (S. 3679) to place officers and men of the Coast Guard on the same basis as officers and men of the Navy with respect to Medals of Honor, Distinguished Service Medals, and Navy Crosses was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for all purposes of the act entitled "An act to provide for the award of Medals of Honor, Distinguished Service Medals, and Navy Crosses, and for other purposes", approved February 4, 1919 (U.S.C., title 34, secs. 354–364, inclusive), the naval service of the United States shall be deemed to include the United States Coast Guard.

SEC. 2. For the purposes of such amendments as are made by the foregoing section, sections 6 and 8 of such act of February 4, 1919 (U.S.C., title 34, secs. 359 and 361), shall be deemed to refer to the Secretary of the Treasury, "Pay of the Coast Guards", and the Treasury Department wherever they refer to the Secretary of the Navy, "Pay of the Navy", and the Navy Department, respectively.

PROTECTION OF SEA LIONS IN ALASKAN WATERS

Mr. DILL. Mr. President, earlier in the session Calendar No. 1311, being House bill 8639, was passed over because the Senator from New Jersey [Mr. BARBOUR] was absent and he had asked the Senator from Vermont [Mr. AUSTIN] to

object for him. I have conferred with those Senators, and they have no objection to the bill being taken up. I ask unanimous consent for immediate consideration of that bill.

Mr. KING. I ask that the bill be read.

The PRESIDING OFFICER. The bill will be read.

The bill was read as follows:

Be it enacted, etc., That all acts and parts of acts making it unlawful to kill sea lions, as game animals or otherwise, in the waters of the Territory of Alaska are repealed: *Provided, however,* That the laws concerning game animals in Alaska, except insofar as they relate to sea lions, shall not be affected hereby.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill.

There being no objection, the Senate proceeded to consider the bill (H.R. 8639) to repeal certain laws providing for the protection of sea lions in Alaskan waters.

Mr. DILL. Mr. President, I offer an amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Washington will be stated.

The CHIEF CLERK. It is proposed, on page 1, to strike out lines 6 and 7, as follows: "That the laws concerning game animals in Alaska, except insofar as they relate to sea lions, shall not be affected hereby" and to insert in lieu thereof the following: "sea lions shall not be killed in the waters of Alaska except under such rules and regulations as the Secretary of Commerce may prescribe in order to prevent the extinction of sea lions as a species of interesting sea life in the waters of Alaska."

Mr. ROBINSON of Arkansas. Mr. President, I do not desire to object to the amendment offered by the Senator from Washington [Mr. DILL]. This bill ought to pass. The evidence submitted to the committee shows that the sea lion is a destructive animal; that he has done more to destroy salmon and other valuable fish, as everyone knows, than any other one agency; so there ought not to be objection to the consideration of the bill. The species, of course, ought to be preserved as a curiosity, but the idea of preserving and protecting the most depredatory animal in existence is absurd. There was never any reason for the protection of the sea lion. He destroys the things we wish to conserve.

Mr. COPELAND. Mr. President, when we have a bill like this on the floor it is always disconcerting, because there are such opposing interests. It is a remarkable fact that the State of Oregon, which is more interested in salmon fishing than any other State in our continental United States, protects the sea lion. Scientists dispute that it eats salmon, or that even the kingfish does, which has been at times accused of eating it. But the amendment, as I understand——

Mr. DILL. It would specifically protect them from extinction.

Mr. COPELAND. I withhold my objection, but at the same time I think it is a matter which may be subject to review.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Washington [Mr. DILL].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. DILL. I ask that Senate bill 3525 be indefinitely postponed.

The PRESIDING OFFICER. Senate bill 3525 will be indefinitely postponed.

DISPOSITION OF LIGHTHOUSE RESERVATIONS

The bill (S. 3737) authorizing the Secretary of Commerce to dispose of certain lighthouse reservations, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce is hereby authorized to convey to the town of Castine, State of Maine, for public-park purposes, that portion of the Dice Head Lighthouse Reservation, Maine, which is not required for lighthouse purposes, containing about 3 acres and including certain existing structures thereon, but excepting the light tower and a plot of land 100 feet square surrounding the tower, which are to be retained, together with the rights of ingress and egress over the land transferred as may be necessary for maintenance of the automatic light established in the tower. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 11 of this act.

SEC. 2. The Secretary of Commerce is hereby authorized to convey to the village of Old Field, State of New York, for public-park purposes, that portion of the Old Field Point Lighthouse Reservation, N.Y., which is no longer required for lighthouse purposes, containing about 7½ acres and including the existing structures thereon. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 11 of this act.

SEC. 3. The Secretary of Commerce is hereby authorized to convey to the town of Southold, State of New York, for public-park purposes, that portion of the Horton Point Lighthouse Reservation, State of New York, which is no longer required for lighthouse purposes, containing approximately 8 acres, and the existing structures thereon, reserving unto the United States the rights of ingress and egress over the property so transferred for maintenance of a light established on the premises. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred and the conditions imposed by section 11 of this act.

SEC. 4. The Secretary of Commerce is hereby authorized to convey to the town of Cohasset, State of Massachusetts, for public-roadway purposes, that portion of the Minot's Ledge (Shore) Lighthouse Reservation, Mass., which is not required to be retained for lighthouse purposes, consisting of a strip of land approximately 35 feet in width and 650 feet in length lying adjacent to the present roadway known as "Border Street." The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the town, and the conditions imposed by section 11 of this act.

SEC. 5. The Secretary of Commerce is hereby authorized to convey to the State of Wisconsin (Door County Park Commission), for public-park purposes, the Baileys Harbor Range Lighthouse Reservation, Wis., which is no longer required for lighthouse purposes, containing about 30.10 acres and including certain appurtenances. The deed of conveyance shall describe by metes and bounds the land transferred and the conditions imposed by section 11 of this act, and further provide that no part of the land shall be commercialized or otherwise objectionably used.

SEC. 6. The Secretary of Commerce is hereby authorized to convey to the State of Michigan (Department of Conservation), for public-park purposes, Government Island Lighthouse Reservation, otherwise known as "Island No. 6", in the Les Cheneaux group in the north end of Lake Huron, which is no longer required for lighthouse purposes, containing about 214.25 acres. The deed of conveyance shall describe the property transferred and the conditions imposed by section 11 of this act.

SEC. 7. The Secretary of Commerce is hereby authorized to reconvey to the State of Delaware (State highway department) the abandoned Delaware Breakwater Range Rear Lighthouse Reservation, State of Delaware, comprising about 10 acres in extent (660 feet square), which is no longer required for lighthouse purposes and may not be utilized for any other purpose by the United States.

SEC. 8. The Secretary of Commerce is hereby authorized to convey to the State of Florida, for public-roadway purposes, that portion of the Crooked River Range Lighthouse Reservation, State of Florida, which is not required for lighthouse purposes, consisting of a strip of land approximately 66 feet in width and 500 feet in length, near the southern boundary of the reservation. The deed of conveyance shall describe by metes and bounds the portion of the reservation transferred to the State, and the conditions imposed by section 11 of this act.

SEC. 9. The Secretary of Commerce is hereby authorized to transfer to the Department of Agriculture, for use by the Bureau of Biological Survey, the Hilton Head Lighthouse Reservation, situated on Hilton Head Island, S.C., which is no longer required for lighthouse purposes, comprising a total area of approximately 90.52 acres.

SEC. 10. The Secretary of Commerce is hereby authorized to transfer to the War Department, for military purposes, the Bolivar Point Lighthouse Reservation, State of Texas, which is no longer required for lighthouse purposes, comprising an area of about 2 acres, together with several buildings thereon formerly used for lighthouse purposes.

SEC. 11. Each conveyance authorized by sections 1 to 8, inclusive, shall be subject to the express condition that the grantee assume the obligations imposed by such sections, including carrying out the purposes of the grant. The Secretary of Commerce may at any time, by letter addressed to its chief executive officer or officers, notify any such grantee which has not begun to perform or has ceased to perform any such obligation that the property so conveyed will revert to the United States; and if such grantee does not begin or resume the performance of such obligation within a period of 6 months from the date of such notice, such property shall, upon the expiration of such period revert to the United States without further notice or demand or any suit or proceeding. The United States reserves the right to resume ownership, possession, and control, for Government purposes, of any of the property so conveyed, at any time and without the consent of the grantee.

GOVERNMENT LAND AT WOODS HOLE, MASS.

The bill (H.R. 6622) authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass., was considered, ordered to a third reading, read the third time and passed.

VESSEL FOR RESEARCH WORK IN OCEAN FISHERIES

The bill (H.R. 8930) to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries, was announced as next in order.

Mr. KING. I ask that that bill go over, Mr. President.

Mr. SMITH. Mr. President, I should like to have the Senator withhold his objection, because this is a matter of great importance.

The PRESIDING OFFICER. Does the Senator from Utah withhold his objection?

Mr. KING. I withhold it, but not with any very great alacrity. I will withhold it for an explanation; but I want to call the Senator's attention to the fact that we have now hundreds of vessels that might be made available for the purposes contemplated by this bill, and yet the bill calls for an appropriation of $500,000.

Mr. SMITH. Mr. President, the situation is this: The Department of Commerce has made a statement before the committee that they had heretofore asked to have certain vessels allocated to them, but they were totally unfitted for the work contemplated. They are left absolutely helpless in performing a work that is essential; that is, to find out, as they have developed a means of finding out, the probable location and quantity of different fishes which are propagated in the northern seas. Those waters are the most prolific source of our food fish. This is a matter of vital importance. Anyone reading the report would not catch its full significance or the necessity for the Bureau of Fisheries to be equipped with a proper vessel to do the work which they are supposed to do but which they cannot do. The vessels which they have are not of the character designed for this work and are not of the character of vessels which other countries have for the same purpose. Therefore, they are handicapped, and it is essential that they should have this ship. It seems to me that we should authorize them either to purchase or to construct a vessel which is suitable for their purpose, particularly in view of the fact that more than $50,000,000 is involved in these fisheries.

I think the Senator from Utah ought to be reminded of the fact that this great department would not come here and ask for an appropriation or an authorization if the matter were not of vital importance to the well-being of the people to whom it is essential that fish from this source be supplied.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Arkansas?

Mr. SMITH. I yield.

Mr. ROBINSON of Arkansas. I desire to support the statement made by the Senator from South Carolina. The ocean fisheries have become of great economic value, and we have now no ship that is available and properly equipped for the service for which the vessel provided by this bill is desired. I think the bill ought to receive consideration, and hope the Senator from Utah may find it consistent to withdraw his objection and allow the bill to pass.

Mr. WALSH. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Massachusetts?

Mr. SMITH. Yes.

Mr. WALSH. Mr. President, I want thoroughly to endorse what has been said, both by the Senator from South Carolina and the Senator from Arkansas. It is most important that scientific knowledge be obtained as to the movement of the fish. Much time, energy, and effort will be saved and the consumer will be helped by making fish cheaper if the fisherman can go direct to the fields where the fish are at particular seasons of the year.

I understand the objection of the Senator from Utah is to the large amount of money proposed to be appropriated.

Mr. KING. Exactly.

Mr. WALSH. I appreciate his viewpoint in that regard, but I think this amount can be arranged to be taken from appropriations for public works under the authority given the President.

Mr. ROBINSON of Arkansas. Whether that can be done or not is a question that cannot be settled in connection with the consideration of this bill, but it is important that the ship contemplated by the bill shall be authorized, and it is important that the equipment which is necessary for the ship also be authorized.

Mr. WALSH. The Senator is exactly correct.

Mr. ROBINSON of Arkansas. Our practice has been to wait until fish and game are almost destroyed before taking steps to conserve them. This ship if provided will serve a very useful, very helpful purpose.

Mr. WALSH. And other countries have already taken this step.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. KING. Mr. President, in view of the heavy battery of most eminent Senators brought against me, of course, it is obvious that a man who lives in a section remote from the ocean cannot withstand the powerful discharge of their artillery. I may say, however, Mr. President, that I do not agree with all that these estimable Senators have said. Norway, Sweden, Denmark, Great Britain, and Japan, and other nations bordering upon the ocean have made their explorations of the great deep for fish and for other purposes, and have submitted a vast amount of information, perhaps in excess of that submitted by the United States, and they have not had the fine ships which it is now sought to provide for our service.

Mr. SMITH. Oh, yes; they have.

Mr. ROBINSON of Arkansas. Mr. President——

Mr. KING. Quite recently; yes.

Mr. ROBINSON of Arkansas. The Senator is making the concession that I hoped he would make.

Mr. KING. Quite recently, yes; because quite recently they, as well as some organizations of the United States, are not satisfied with the more primitive but more effective methods which have been pursued in the past.

I do object to this large appropriation. It is not necessary. It seems to me, with the hundreds and hundreds of vessels we have, any one out of a multitude would be effective for this purpose. We appropriated $18,000,000, as I recall, a few years ago for vessels for the prohibition service. They could not take the hundreds of craft which the Government owned, but we had to authorize the building of new ships.

Every little department of the Government that conceives it ought to have a vessel or some other craft to accomplish the task assigned to it comes to Congress and gets an appropriation, regardless of the fact that we have millions of dollars' worth of ships that would be of equal service for the discharge of the duty. I shall withdraw the objection, but I shall vote against the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

Mr. WALSH. Mr. President, in connection with House bill 8930, just passed, I ask unanimous consent to have printed in the RECORD the excellent report thereon submitted by the Committee on Commerce.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

[S.Rept. No. 1293, 73d Cong. 2d Sess.]

RESEARCH VESSEL FOR THE BUREAU OF FISHERIES

Mr. STEPHENS, from the Committee on Commerce, submitted the following report (to accompany H.R. 8930):

The Committee on Commerce, to whom was referred the bill (H.R. 8930) to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries, having considered the same, report favorably thereon and recommend that the bill do pass without amendment.

The purpose of the proposed legislation is to provide a modern vessel for use in research work with respect to ocean fisheries. Such a vessel is much needed and particularly along the Atlantic coast.

The broad continental shelf of the North Atlantic coast is the most productive area within reach of our fishermen, yielding more than one-third of the total fishery harvest produced in the United States and Alaska. In 1929 the quantity from Maine to Virginia amounted to 1,105,000,000 pounds, valued at more than $52,000,000. These fisheries gave employment to 51,300 persons engaged on vessels and at shore plants directly concerned with the preparation of marine products, as well as an unknown number of persons in supporting industries, such as shipbuilding, marine hardware and supplies, cordage, textile mills, and others.

Most of the ills of the fisheries may be traced to lack of knowledge concerning the fluctuations in abundance of fish. The affairs of the industry cannot be conducted in an orderly and economic manner, if it cannot be told as to the reasonable probabilities in the kind and volume of produce. The situation at present makes for a huge economic waste occasioned by unforeseen gluts and famines. Recent scientific work has proven that the gluts of some of our most important fishes can be foreseen, for, in many cases, they have been proven due to unequal reproductive success and, in others, to changes in hydrographic conditions. In either case suitable data collected by a research vessel could give the clue to impending changes.

As an illustration, the primary cause of the tremendous fluctuation in the abundance of mackerel is the relative success or failure of reproduction, producing unequal numbers of mackerel from the annual spawnings. By measuring the abundance of mackerel of each year's brood as soon as its members are old enough to be caught commercially, and by observing their subsequent decline in abundance, it is possible to estimate the relative number of mackerel present in the sea in any 1 year and the percentage decline that is likely to occur during the following year. By summing up the estimated abundance of each age group of mackerel, the total yield for the coming year can be gaged with considerable accuracy, granting that the same number of vessels operate as were engaged in the fishery in the year on which the estimate was based.

The ability to predict the general trend years in advance is no longer a matter of theory. The Scottish Fisheries Board is able to predict years in advance the general trend of the haddock and cod fisheries. Denmark has done much the same kind of work in the plaice fisheries. The French Government has done a great deal to increase the per-boat capture of their trawlers. France has a great trawler fleet which operates on the Grand Banks, Banquereau, and Greenland. In 1924 the French Government tackled the man-sized job of studying the codfish and its habitat.

Today they are in a position to tell their fishermen where to go to find the codfish. They know months in advance whether or not the Grand Banks of Newfoundland are likely to be productive, or whether Greenland or the Labrador coast bids fair to offer the greatest returns. A research boat accompanies the fleet. Daily reports from the trawlers and studies are made on this vessel, and the fishing fleet directed to what points to go to make catches.

Other nations engaged in this fishery industry are pursuing similar policies, even Egypt having a 148-foot vessel for this work, Ireland a 156-foot vessel, and other nations with such vessels of varying length as will appear in the hearings.

The work of the Bureau of Fisheries requires a vessel about 160 feet in length, driven by a 1,000-horsepower electric motor, powered by four diesel electric generators.

The vessel needed by the Bureau of Fisheries is a hydrographic ship and also one that is able to do commercial fishing. The vessel should be similar to a commercial trawler with great deck space and with space for installing large winches and to hold thousands of fathoms of wire for towing nets on the bottom and a fish hold to store the catch for a time until it can be disposed of. In order to be effective, the fish must be actually caught and with the same tools used by commercial fisheries.

The second thing required is a research vessel so built as to handle the scientific equipment and gear. No vessel has been found so far in the Government service that could do the work required. In order to serve the needs, a vessel especially designed for these purposes must be built. This is the experience of foreign governments uniformly. Virtually all of the foreign research vessels have been built from special designs that are planned for the type of work to be performed.

Great Britain has 5 research vessels, Scotland 3, Ireland 1, Egypt 1, South Africa 1, Norway 2, Sweden 1, Denmark 3, Russia 3, Germany 2, Belgium 1, France 3, Portugal 1, and Japan 1.

The United States has on the Atlantic coast one 85-foot diesel ship, stationed at Booth Bay Harbor, Maine, and used as a tender for the marine fish hatchery at that place. It collects fish eggs and spawning fish, brings them to the hatchery, and distributes the product. It is not suitable for offshore work. The Bureau of Fisheries needs a vessel that is capable of working on the offshore banks extending from North Carolina to the Grand Banks of Newfoundland. Such a vessel will be used at any place where it can be of the best service to the fisheries of the United States.

The only vessels on the Pacific coast consist of 16 vessels somewhat over 30 feet in length used as tenders and patrol boats in Alaska. All of these vessels are fully needed there, and in fact additional patrol boats must be hired at the present time there. None of these vessels are adapted to the work required.

The initial cost of building such a vessel and equipping her with the best scientific equipment would be around $500,000. The annual operating cost would be around $54,000.

SPECIAL STATISTICAL STUDIES BY THE DEPARTMENT OF COMMERCE

The bill (H.R. 9654) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof and for other purposes, was announced as next in order.

Mr. LA FOLLETTE. Mr. President, I ask that that bill may go over without prejudice, because I wish to prepare an amendment to it.

The PRESIDING OFFICER. The bill will be passed over without prejudice.

Mr. LA FOLLETTE subsequently said: Mr. President, a few moments ago I asked that Calendar 1385, the bill (H.R. 9654) to authorize the Department of Commerce to make special statistical studies upon payment of the cost thereof and for other purposes, be passed over without prejudice in order that I might prepare an amendment. I am now ready to offer the amendment, and I ask unanimous consent to recur to that order of business.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

The Senate proceeded to consider the bill.

Mr. LA FOLLETTE. I offer the following amendment: On page 2, after line 21, add a new section as follows:

SEC. 4. This act shall cease to be effective 1 year after the date of its enactment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed to insert a new section at the end of the bill, as follows:

SEC. 4. This act shall cease to be effective 1 year after the date of its enactment.

So as to make the bill read:

Be it enacted, *etc.,* That the Department of Commerce be, and hereby is, authorized, within the discretion of the Secretary of Commerce, upon the written request of any person, firm, or corporation, to make special statistical studies relating to foreign trade, domestic trade, and other economic matters falling within the province of the Department of Commerce; to prepare from its records special statistical compilations; and to furnish transcripts of its studies, tables, and other records, upon the payment of the actual cost of such work by the person, firm, or corporation requesting it.

SEC. 2. All moneys hereafter received by the Department of Commerce in payment of the cost of such work shall be deposited in a special account to be administered under the direction of the Secretary of Commerce. These moneys may be used, in the discretion of the Secretary of Commerce, and notwithstanding any other provision of law, for the ordinary expenses incidental to the work and/or to secure in connection therewith the special services of persons who are neither officers nor employees of the United States.

SEC. 3. The Secretary of Commerce shall prescribe rules and regulations for the enforcement of this act; and the Secretary of Commerce shall make a report to Congress, at the beginning of each regular session, giving a detailed statement showing (1) the name of every person, firm, or corporation for whom work has been performed under the authority of this statute; (2) the nature of the services rendered to him; (3) the price charged for these services by the Department of Commerce; and (4) the manner in which the moneys received were deposited or used.

SEC. 4. This act shall cease to be effective 1 year after the date of its enactment.

Mr. KING. Mr. President, what is the purpose of the bill generally? Will the Senator from Wisconsin inform me?

Mr. LA FOLLETTE. Mr. President, I assume it has the same purpose as a similar bill which was passed relating to the Bureau of Labor Statistics of the Department of Labor. The general purpose of the bill is to permit the Department of Commerce, within the discretion of the Secretary, to accept moneys from private individuals who wish to pay for certain statistical and other types of research work.

As I stated when the bill relating to the Bureau of Labor Statistics was under consideration, I am very doubtful about the public policy of governmental agencies accepting money from private sources for the purpose of conducting specific types of investigation and then having the reports bear the stamp of approval of the Government.

However, there was rather a good showing made so far as concerns the need for work of this kind being conducted at that time. I was perfectly willing to experiment and try out the matter for a year, but insisted there should be some

definite date fixed when the authority should expire and that it should not become an established policy of the Government without our having an experimental period of 1 year to ascertain how it might work. Therefore, consistent with that position, I have offered the same amendment to this bill which I offered, and which was accepted, to the bill relating to the Bureau of Labor Statistics.

Mr. KING. I think the amendment very worthy, but I doubt very much the propriety of the legislation. I know several years ago many of the employees of the Federal Government in the Foreign Service were operating out of the Foreign Service Bureau of the Department of Commerce, and in some instances were in effect representatives of the big interests. The information which they were accumulating and the work which they were doing were too often in the interest of the big corporations, the Steel Corporation and other organizations, which were using our Foreign Trade Service for the advancement of their exports to foreign countries.

Mr. LA FOLLETTE. The bill limits the type of research to statistical research. So far as I am concerned I am willing to try it for 1 year, but I do not like to have such a law placed upon the statute books indefinitely. If the amendment is accepted limiting it to 1 year, and if as an experiment it works out satisfactorily, we can reenact the statute at another session.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ATLANTIC WORKS, OF BOSTON, MASS.

The Senate proceeded to consider the bill (S. 1601) to carry out the findings of the Court of Claims in the case of the Atlantic Works, of Boston, Mass., which had been reported from the Committee on Claims with amendment, on line 5, after the words "sum of", to strike out "$133,872.44" and insert "$22,170.30", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $22,170.30 to the Atlantic Works, of Boston, Mass., being the difference between the actual cost of the construction of the revenue cutter *Daniel Manning* and the amount paid under the contract entered into for the building of said vessel, as found by the Court of Claims and reported in Senate Document No. 5, Sixty-eighth Congress, first session.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3130) to extend the benefit of the United States Employment Compensation Act to Frank A. Smith was announced as next in order.

Mr. KING. Over.

The PRESIDING OFFICER. The bill will be passed over.

HARRY E. GOOD, ADMINISTRATOR

The bill (H.R. 3243) for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased, was considered, ordered to a third reading, read the third time, and passed.

MARY ORINSKI

The bill (H.R. 3748) for the relief of Mary Orinski was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 4447) for the relief of Vertner Tate was announced as next in order.

Mr. KING. Unless we may have an explanation, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 5639) for the relief of Harriet V. Schindler was announced as next in order.

Mr. KING. I should like to have an explanation of that bill. I do not have the report here. Let the bill go over.

The PRESIDING OFFICER. The Senator from Utah objects and the bill will be passed over.

The bill (H.R. 5835) for the relief of Ward L. Lawton, special disbursing agent, Lighthouse Service, Department of Commerce, was announced as next in order.

Mr. McNARY. Mr. President, I think there should be a word of explanation said about that bill.

Mr. KING. I think so, too.

The PRESIDING OFFICER. The bill appears to have been reported by the Senator from North Carolina [Mr. BAILEY], who does not seem to be on the floor at the moment.

Mr. McNARY. Under the circumstances, I ask that the bill be presently passed over without prejudice.

The PRESIDING OFFICER. Without objection, the bill is passed over without prejudice.

WESTERN UNION TELEGRAPH CO.

The bill (H.R. 5947) authorizing adjustment of the claim of the Western Union Telegraph Co. was considered, ordered to a third reading, read the third time, and passed.

MABEL CARVER

The bill (H.R. 6324) for the relief of Mabel Carver was considered, ordered to a third reading, read the third time, and passed.

ST. ANTHONY'S HOSPITAL AT MICHIGAN CITY, IND.

The bill (H.R. 7067) for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 7292) for the relief of the Boston Store Co., a corporation, Chicago, Ill., was announced as next in order.

Mr. KING. Mr. President, let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

DONALD K. WARNER

The bill (H.R. 7372) for the relief of Donald K. Warner was considered, ordered to a third reading, read the third time, and passed.

ARTHUR A. BURN, SR., AND J. K. RYLAND

The bill (H.R. 7631) for the relief of Arthur A. Burn, Sr., and J. K. Ryland was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3502) for the relief of the estate of William Bardel was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

HUNTER B. GLASSCOCK

The Senate proceeded to consider the bill (H.R. 3749) for the relief of Hunter B. Glasscock, which had been reported from the Committee on Claims with an amendment, on page 1, line 3, after the article "the", to strike out "Postmaster General" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is authorized and directed to credit the account of Hunter B. Glasscock, former postmaster at Springton, W.Va., in the sum of $623.60. Such sum represents the amount due the United States on the final auditing of the account of the said Hunter B. Glasscock covering the period from his resignation on July 3, 1931, to December 10, 1931, both dates inclusive, during which period another person was in charge of the post office at Springton, W.Va. By reason of the failure of such person to file a bond he was not, under the postal laws and regulations, duly qualified as acting postmaster, and the said Hunter B. Glasscock is held responsible for the conduct of the post office during such period.

SEC. 2. The surety on the bond of the said Hunter B. Glasscock, as postmaster at Springton, W.Va., is hereby relieved of any liability on account of such shortage.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

THEODORE W. BELAND

The bill (H.R. 4952) for the relief of Theodore W. Beland was considered, ordered to a third reading, read the third time, and passed.

THOMAS F. OLSEN

The Senate proceeded to consider the bill (H.R. 5400) for the relief of Thomas F. Olsen, which had been reported from the Committee on Claims with an amendment on page 1, line 3, to strike out "Postmaster General" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States is hereby authorized and directed to credit in the accounts of Thomas F. Olsen, postmaster at De Kalb, Ill., in the sum of $18,687.19. Such sum represents postal funds in the amount of $136.30 and postage-stamp stock in the amount of $18,550.89, which were lost in the burglary of the post office at De Kalb, Ill., on February 10, 1931, from no fault or negligence on the part of the postmaster.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

ROCCO D'AMATO

The Senate proceeded to consider the bill (H.R. 7736) for the relief of Rocco D'Amato, which had been reported from the Committee on Claims with an amendment on page 1, line 4, after the name "Rocco D'Amato" to insert "out of any money in the Treasury not otherwise appropriated", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Rocco D'Amato, out of any money in the Treasury not otherwise appropriated, the sum of $1,000, in full settlement of all claims against the Government of the United States, being the amount of bonds deposited as security to guarantee the production of an alien and filed with the inspector in charge of immigration at New York and later forfeited because of the failure of the bondsman to produce the alien on the date of appearance in compliance with the terms of the delivery bond: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

STATE OF NEBRASKA

The Senate proceeded to consider the bill (H.R. 9820) for the relief of the State of Nebraska, which had been reported from the Committee on Claims with an amendment on page 1, line 6, after the word "issue", to strike out "with", and insert "without", so as to make the bill read:

Be it enacted, etc., That notwithstanding the provisions of section 3646, as amended, of the Revised Statutes of the United States, the disbursing clerk of the Department of Agriculture is authorized and directed to issue, without the requirement of an indemnity bond, a duplicate of orginal check numbered 15757, drawn January 17, 1934, in favor of "State treasurer of Nebraska trust fund" for $10,451.12 and lost, stolen, or miscarried in the mails.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

OSCAR C. OLSON—BILL PASSED OVER

The bill (H.R. 4175) for the relief of Oscar C. Olson, was announced as next in order.

Mr. KING. While the sum involved in the bill is very unimportant, I wonder whether we are to establish the principle of the Government being responsible for the loss of baggage of persons traveling upon foreign ships. That seems to be the principle of the bill.

Mr. GIBSON. Mr. President, may I suggest that the claimant was under military orders, traveling to France, and was on a boat which was torpedoed? He was under orders from his Government to proceed to France during the war. The amount of the claim is small and the committee, after due consideration, thought it should be acted upon favorably.

Mr. KING. Mr. President, may I ask whether it is the policy of the Government to compensate for losses which may be sustained by the multitude of Government employees? We have more than 1,300,000 now on the pay roll. Is it to be the policy of the Government to compensate for losses of baggage and what not while Government employees are traveling?

Mr. GIBSON. I have known of a number of cases where the Government has recompensed officers of the Army who lost their baggage while in the service of their Government.

Mr. KING. I think the policy proposed to be established is absolutely wrong. If we pay the losses of men in the Army, there is no reason why we should not pay the losses of other employees of the Government in the discharge of their duties. I object and ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JERRY O'SHEA

The bill (H.R. 4666) for the relief of Jerry O'Shea was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 4670) for the relief of Lyman D. Drake, Jr., was announced as next in order.

Mr. KING. I have examined the bill hurriedly. I wonder whether the person seeking relief ought not to have gone before the Compensation Board? He claims he received an injury while working upon the Panama Railroad. I am not sure whether that is a Government agency or not. If so, why should he not resort to the instrumentality set up by the Government for the purpose of determining whether he came within its terms, and if so, to what compensation he was entitled?

Mr. GIBSON. Mr. President, the Panama Railroad is a governmental institution. The Government owns 98 percent of its stock. This is an old bill which received favorable consideration at the hands of the House. The committee felt we should pass upon it favorably, but I have no objection if the Senator from Utah desires to offer the amendment he suggests.

Mr. KING. I ask that the bill go over for the purpose of enabling me to prepare an amendment so the matter may be referred to the proper Federal agency which passes upon these claims of Federal employees.

The PRESIDING OFFICER. On objection, the bill will be passed over.

F. M. PETERS AND J. T. AKERS

The bill (H.R. 4957) for the relief of F. M. Peters and J. T. Akers was considered, ordered to a third reading, read the third time, and passed.

EDITH L. PEEPS

The bill (H.R. 5031) for the relief of Edith L. Peeps was was considered, ordered to a third reading, read the third time, and passed.

MOSES ISRAEL

The Senate proceeded to consider the bill (H.R. 4793) for the relief of Moses Israel, which had been reported from the Committee on Claims with an amendment on page 1, line 6, to strike out "$3,500" and insert "$2,500", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Moses Israel, the sum of $2,500 for damages suffered by reason of being struck and injured by a Government automobile which was driven by an employee of the Post Office Department: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or

receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 3146) for the relief of John W. Barnum was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

JOHN J. CORCORAN

The bill (H.R. 4082) for the relief of John J. Corcoran was considered, ordered to a third reading, read the third time, and passed.

E. E. HALL

The bill (H.R. 4446) for the relief of E. E. Hall was considered, ordered to a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (H.R. 4832) for the relief of Edgar Sampson was announced as next in order.

Mr. KING. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 5109) for the relief of Joe G. Baker was announced as next in order.

Mr. KING. Mr. President, let that go over for the reason heretofore stated, in connection with another bill, that the claim ought to go before the appropriate agency set up by the Government for the consideration of such claim.

The PRESIDING OFFICER. On objection, the bill will be passed over.

The bill (H.R. 4395) for the relief of the General Warehousing Co. was announced as next in order.

Mr. McCARRAN. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

LAURA B. CRAMPTON

The bill (H.R. 452) for the relief of Laura B. Crampton was considered, ordered to a third reading, read the third time, and passed.

STELLA E. WHITMORE

The bill (H.R. 8688) for the relief of Stella E. Whitmore was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of this bill from the Senator making the report?

The PRESIDING OFFICER. This bill was reported by the Senator from Kansas [Mr. CAPPER].

Mr. CAPPER. Mr. President, this bill will simply make it possible for the claimant to collect on four Liberty Bonds of $50 each that were lost. It is now 4 years since they were lost, and the committee is of the opinion that ample time has passed to safeguard the interests of the Government; so it recommends the passage of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

WILLIAM SHELDON

The bill (H.R. 3606) for the relief of William Sheldon was considered, ordered to a third reading, read the third time, and passed.

FRANK BAGLIONE

The bill (H.R. 7107) for the relief of Frank Baglione was announced as next in order.

Mr. McCARRAN. May we have an explanation of this bill from the Senator making the report?

Mr. WHITE. Mr. President, this is a bill authorizing the payment to Frank Baglione of the sum of $3,500 in full settlement for damages sustained by his infant son.

This injury was to a boy about 5 years old who undertook to cross the street adjacent to a schoolhouse, and was there struck by a Government truck and suffered a fractured skull. The Government authorities, I believe, found that the injury resulted from the excessive speed at which the Government truck was being driven. The boy suffered a fractured skull, and has been subject to frequent and severe headaches and other disabilities which have continued since the accident.

Mr. McCARRAN. I have no objection.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

M. N. LIPINSKI

The bill (H.R. 7264) for the relief of M. N. Lipinski was announced as next in order.

Mr. KING. Mr. President, this bill presents a situation which perhaps calls for some relief; but, if it does, it calls for a censure of the Bureau of Fisheries for their negligence in the dissemination of a poison which it is claimed resulted in the death of certain animals.

It seems to me that we are now called upon to pay for the negligence of the persons who are claimed to have been conducting scientific investigations. They ought to have had sense enough to know that the dissemination of arsenic would result in the death of animals eating the grass where the arsenious oxide was distributed, or drinking the water in which the arsenic had been placed.

Mr. WHITE rose.

Mr. KING. If the Senator wants to defend the Bureau of Fisheries for its negligence, very well; but I think if we pay this claim the officials of the Government who were so negligent ought themselves to be compelled to pay the damages.

Mr. WHITE. Mr. President, I do not know that I want to enter into a defense of the Bureau of Fisheries, although the Bureau of Fisheries in its own behalf insists that what it did was approved by scientists, and there has been some controversy on the part of the Bureau of Fisheries as to whether or not they were in any degree responsible for this damage. It seemed to the committee, however, that the weight of the testimony was to the effect that these cattle were poisoned as the result of these experimental uses of arsenic by the Bureau of Fisheries.

I may say that the loss sustained by the claimant was very considerably in excess of the amount which the House committee and the Senate committee finally agreed upon as proper to be paid under all the circumstances. The bill really represents to some extent an apportionment of the loss.

Mr. VANDENBERG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Michigan?

Mr. WHITE. I yield.

Mr. VANDENBERG. I hope the Senator will take into consideration, after reading yesterday's Tugwell hearings, the fact that science has certain latitude at the present time. [Laughter.]

Mr. WHITE. I do not know that I want to comment on that statement. There was a controversy here as to who was to blame, but the committees of both House and Senate were satisfied that reimbursement ought to be made to this extent.

Mr. KING. Obviously, the Senator or the committee believed the claimant and disbelieved the so-called scientists. Is not that the case?

Mr. WHITE. I believe there was fault on someone's part. It is just a question of degree. This was an experimental use of arsenic. I do not know that the Bureau of Fisheries had any reason at the time to believe that cattle were pastured on the lands adjacent to these waters. They were rearing-pools up in the section of the country referred to in the bill; and, so far as I recall, there was no evidence that cattle had access to the water.

Mr. SHIPSTEAD. Mr. President, the state of facts is that the bureau admits that it used arsenious acid to de-

stroy weeds. This man had rented this land for pasture. Arsenic was found in the animals after they were dead. This is a bill for the relief of the man who suffered the loss, and not a bill to punish the bureau.

Mr. KING. I think probably the man ought to be compensated, but the point I am making is that these negligent officials ought to pay for it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

ROYCE WELLS

The bill (H.R. 7387) for the relief of Royce Wells was considered, ordered to a third reading, read the third time, and passed.

WILLIAM CHINSKY

The bill (H.R. 7697) for the relief of William Chinsky was considered, ordered to a third reading, read the third time, and passed.

FIRST STATE BANK & TRUST CO., MISSION, TEX.

The bill (H.R. 8727) for the relief of the First State Bank & Trust Co., of Mission, Tex., was considered, ordered to a third reading, read the third time, and passed.

RELIEF OF PUERTO RICO

The joint resolution (H.J.Res. 344) to amend the joint resolution entitled "Joint resolution for the relief of Porto Rico", approved December 21, 1928, to permit an adjudication with respect to liens of the United States arising by virtue of loans under such joint resolution was announced as next in order.

Mr. McCARRAN. Let that go over.

Mr. COPELAND. Mr. President, I hope the Senator from Nevada will not press his objection. Puerto Rico is in so much distress and so unhappy just now over the sugar quota that I think we ought not to disregard this little relief bill.

I hope my friend from Nevada will withdraw his objection to the bill.

Mr. McCARRAN. If I could understand the bill in the short time we have in which to understand it, I might withdraw the objection; but at this time I cannot see my way clear to do so.

The PRESIDING OFFICER. Objection being made, the bill will be passed over.

GOVERNMENT OF PUERTO RICO

The bill (H.R. 5330) to amend the act of March 2, 1917, entitled "An act to provide a civil government for Puerto Rico, and for other purposes", was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

ARTHUR SMITH

The bill (H.R. 6350) for the relief of Arthur Smith was considered, ordered to a third reading, read the third time, and passed.

CAMP EAGLE PASS, TEX.

The bill (S. 3121) authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex., was announced as next in order.

Mr. SHEPPARD. Mr. President, a similar bill has passed the House, and is No. 1459 on the calendar of the Senate. It is House bill 8728. I ask that it be substituted for the Senate bill, and that the Senate bill be indefinitely postponed.

The PRESIDING OFFICER. The Senator from Texas asks unanimous consent to substitute House bill 8728 for Senate bill 3121. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 8728) authorizing the Secretary of War to lease or sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.

Mr. McCARRAN. Mr. President, I ask the Senator from Texas to explain the bill.

Mr. SHEPPARD. Mr. President, this is an abandoned reservation. It has been abandoned for a number of years. The Department has been allowing the city to use it for park purposes, the only purposes for which it is now feasible to use it. This bill merely continues the existing status.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 3121 will be indefinitely postponed.

CHURCH OF THE GOOD SHEPHERD, MEMPHIS, TENN.

The bill (H.R. 7161) to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn., was considered, ordered to a third reading, read the third time, and passed.

JEANNETTE S. JEWELL

The bill (H.R. 1769) for the relief of Jeannette S. Jewell was announced as next in order.

Mr. McCARRAN. I should like to have an explanation of this bill.

Mr. VANDENBERG. Mr. President, this bill follows the usual custom of allowing 1 year's compensation to the wife of any deceased person who dies as an American consul in the Foreign Service. It is in the regular form.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

ROSEMUND PAULINE LOWRY

The bill (H.R. 7781) for the relief of Rosemund Pauline Lowry was considered, ordered to a third reading, read the third time, and passed.

INDIANS OF KLAMATH INDIAN RESERVATION, OREG.

The Senate proceeded to consider the bill (S. 1508) providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon, which had been reported from the Committee on Indian Affairs with amendments.

The first amendment was, in section 1, page 1, line 4, after the word "within", to strike out "1 year" and insert "2 years"; in line 7, after the word "Indians", to strike out "belonging to" and insert "having rights on"; on page 2, line 1, after the word "Indians", to strike out "belonging to" and insert "having rights on"; in line 12, after the word "Interior", to insert "after due notice and hearing"; and in line 17, after the word "shall", to strike out "after due notice and hearing", so as to make the section read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to prepare, within 2 years after date of the approval of this act, a complete roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who were living on the date of the passage of this act. Upon the completion of such roll it shall constitute the final roll of the members of the Klamath and Modoc Tribes and the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon for all purposes, including the distribution of tribal lands, funds, or other property now existing or which may hereafter accrue. In the event of the death of any person whose name appears on the roll herein provided for, his interest in any allotment and in the tribal lands, funds, or other property of such Indians shall descend in accordance with the laws of descent and distribution of the State of Oregon; except that if any such person dies without heirs his interest shall revert to and become a part of the common tribal property. The Secretary of the Interior, after due notice and hearing, may remove from such roll any names which are found to have been placed thereon through fraud or error, and he shall cancel the allotment and trust patent of any person whose name is so removed, whereupon the land covered by such allotment and trust patent shall become a part of the common tribal property.

The amendment was agreed to.

The next amendment was, in section 2, page 3, line 1, to strike out "duly elected business committee" and insert "Tribal Council", so as to make the section read:

SEC. 2. No person whose name appears upon the tribal roll of any other Indian tribe and who is recognized as a member of that tribe shall be enrolled as a member of any tribe or band of

Indians belonging to the Klamath Indian Reservation in the State of Oregon. In case the tribal council of the Klamath Indian Reservation shall question the right of enrollment under this act of any person, they may communicate their objections to such enrollment to the Secretary of the Interior, and no name shall be finally enrolled by said Secretary in such case until he has fully determined said objection.

The amendment was agreed to.

The next amendment was, in section 3, page 3, line 8, after the word "Any", to insert "enrolled"; in line 9, after the word "Indians", to strike out "belonging to" and insert "having rights on"; and in line 19, after the word "prescribe", to insert "in installments not to exceed $300 per annum", so as to make the section read:

SEC. 3. Any enrolled member of the Klamath or Modoc Tribes or the Yahooskin Band of Snake Indians having rights on the Klamath Indian Reservation in the State of Oregon who was living on the date of the closing of the allotment rolls in 1910 but failed to receive an allotment of land, and every person born since that date and living on the date of the passage of this act whose name appears on the final roll herein authorized shall be paid the sum of $1,500 from available tribal funds on deposit in the United States Treasury, under such rules and regulations as the Secretary of the Interior shall prescribe, in installments not to exceed $300 per annum.

The amendment was agreed to.

The next amendment was, in section 4, beginning on page 3, line 20, to strike out the section as printed in the bill and insert a new section, as follows:

SEC. 4. That in making said final roll as herein provided for, the Secretary of the Interior shall exclude therefrom all persons who are of less than one-sixteenth degree of Indian blood, except those who are already enrolled at the Klamath Indian Agency in Oregon.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WILLARD FAMILY ASSOCIATION TABLET

The Senate proceeded to consider the bill (S. 3528) to grant permission to the Willard Family Association to erect a tablet at Fort Devens, Mass., which was read, as follows:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant permission to the Willard Family Association to erect an appropriate tablet at Fort Devens, Mass., on the site of the farm formerly owned by Maj. Simon Willard, but the United States shall not be put to any expense in or by the erection thereof.

Mr. WALSH. Mr. President, this is merely a permissive bill, agreed to by the War Department. There will be no expense to the Government.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ANTHONY J. CONSTANTINO

The Senate proceeded to consider the bill (S. 2539) for the relief of Anthony J. Constantino, which had been reported from the Committee on Military Affairs with an amendment, to strike out all after the enacting clause and to insert the following:

That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers Anthony J. Constantino, private, Quartermaster Corps, United States Army, shall hereafter be held and considered to have been honorably discharged from the military service of the United States on the 14th day of July 1919: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WALTER L. RASASCO

The bill (S. 3464) to retire Walter L. Rasasco with rank of second lieutenant, Air Corps, United States Army, was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. FLETCHER subsequently said: Mr. President, I ask the Senator from Utah to let Senate bill 3464 be considered. It is a most meritorious case. This man was injured while in the service and while in line of duty. He was run into by an automobile and completely wrecked.

The PRESIDING OFFICER. Does the Senator from Utah withdraw his objection?

Mr. KING. Mr. President, this bill would elevate this man and place him on the retired list. Let me call the Senator's attention to the recommendation of the Secretary of War:

If placed on the retired list of the Army as a second lieutenant under the provisions of S. 3464, the beneficiary thereof would receive retired pay at the rate of $1,125 per annum exclusive of deduction prescribed by the Economy Act.

For the reasons set forth in the foregoing, the War Department is opposed to the enactment of this legislation.

Mr. FLETCHER. Mr. President, that is the usual report the Department makes in cases like this, perhaps. But they want the case adjusted through the Veterans' Administration.

I will say to the Senator that, if this bill were enacted, this man would be just where he would have been if he had not been run over by this automobile or this motorcycle, and injured as he was injured. The retired pay would be about a thousand dollars a year, after deductions were made.

This man cannot possibly perform any more work. He has been operated on 13 times, and has more operations to undergo. He is a complete wreck from injuries received in the service and in line of duty. This bill would simply provide a means for his living of something like $1,000 a year.

Mr. KING. Mr. President, there is no doubt that the man ought to be compensated; but here is the report, and the Senate ought to be advised as to the precedent it is asked to establish:

The War Department is consistently opposed to discriminatory special legislation of this type and can find no justification for the passage of this measure, which contemplates the retirement as a second lieutenant of an individual who never held a commission in the Army. Moreover, the enactment of this legislation would inevitably lead to the presentation of many similar claims for special consideration.

The retirement system of the Army has been provided for the twofold purpose of attracting desirable permanent personnel to the service and of vitalizing the active list. Its maintenance for such purpose is vital to the national defense and should not be jeopardized by its improper use. Obviously, in creating the retired list for officers of the Regular Army, it was not the intent of Congress to utilize retirement as a relief measure for individuals or to place upon such retired list persons other than the permanent commissioned personnel of the Military Establishment.

If the Senator wishes to present a bill to compensate this man for the injuries sustained, I shall be glad to vote for it, but in the light of this recommendation, and the precedent which the bill would establish, I shall object.

Mr. FLETCHER. Mr. President, I should like to have the Senator permit the Chairman of the Committee on Military Affairs to make a statement.

Mr. KING. I shall be glad to support a bill to give the man relief.

Mr. FLETCHER. There is no way in which he can be given relief, except in this way.

Mr. KING. I do not agree with the Senator. It is not a question of the individual; it is a question of principle. The Senator says there is no other way. If the Senator refuses to introduce a bill, I shall prepare one and introduce it to give the man proper compensation.

The PRESIDING OFFICER. Objection is made, and the bill will be passed over.

ASSOCIATION OF PRODUCERS OF AQUATIC PRODUCTS

The bill (H.R. 9233) authorizing associations of producers of aquatic products was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

CENSUS OF UNEMPLOYMENT

The bill (H.R. 9391) to provide for a census of unemployment, employment, and occupations, to be taken as of

November 12, 1934, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

POST-OFFICE BUILDING AT FINDLAY, OHIO

The bill (H.R. 8909) to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio, was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of this measure? There seems to be no report.

Mr. SHEPPARD. Mr. President, my colleague is not in the Chamber at the present time, and I ask that the bill go over without prejudice until he may return.

The PRESIDING OFFICER. The bill will be passed over without prejudice.

POST OFFICE SITE, SAN ANTONIO, TEX.

The bill (H.R. 8514) authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property, was considered, ordered to a third reading, read the third time and passed.

MILITARY RESERVATION, MONTEREY, CALIF.

The Senate proceeded to consider the bill (S. 3660) to grant to the city of Monterey, Calif., an easement for street purposes over certain portions of the military reservation at Monterey, Calif., which had been reported from the Committee on Military Affairs with amendments, on page 4, line 5, after the word "reservation", to strike out the words "granted to the city of Monterey, Calif., pursuant to H.R. 10203, March 10, 1926" and to insert in lieu thereof the words "over which an easement was granted by the Secretary of War on July 14, 1926, pursuant to the act approved June 7, 1926 (44 Stat. 699)", and on page 5, line 7, after the word "beginning", to insert a colon and the words "*Provided*, That the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he deems necessary", so as to make the bill read:

Be it enacted, etc., That the Secretary of War is authorized and directed to grant to the city of Monterey, Calif., an easement over certain parcels (to be used in widening Lighthouse Road in such city) of the military reservation at Monterey, Calif., described as follows:

Parcel 1. Beginning at a point on the southwesterly line of Lighthouse Road (sometimes called "Lighthouse Avenue"), distant south 67° 17½' east, 143.01 feet from the point of intersection of the north line of the United States military reservation, Monterey, Monterey County, Calif., and the southwesterly line of Lighthouse Avenue, said point of intersection being distant south 89° 30' west, 732.92 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning south 62° 26' east, 586.6 feet to a point; thence southeasterly (following the arc of a circle whose radius is 400 feet, and the center of which circle bears south 27° 34' west, 400 feet distant from the last-mentioned point (530.8 feet; thence south 13° 36' west 568 feet to a point distant north 13° 36' east, 53 feet from the point of intersection of the south line of said United States military reservation with the west line of said Lighthouse Road; thence north 29° 40' east, 15.75 feet to a point on said west line of Lighthouse Road; thence along said west line of Lighthouse Road the following courses and distances: North 15° 47' east, 516.5 feet; thence north 12° 55½' east, 100 feet; thence north 5° 2½' east, 100 feet; thence north 7° 12' west, 100 feet; thence north 26° 9' west, 100 feet; thence north 45° 29' west, 100 feet; thence north 60° 26½' west 71.63 feet; thence north 65° west 639.03 feet to the point of beginning.

Parcel 2. Beginning at a point on the north line of the United States military reservation, Monterey, Monterey County, Calif., distant north 89° 30' east, 116.34 feet from the point of intersection of said north line of the United States military reservation with the southwesterly line of Lighthouse Avenue, said point of beginning also being distant south 89° 30' west, 616.58 feet from a stone monument at the northeast corner of said United States military reservation; and running thence from said point of beginning north 89° 30' east, along said north line of the United States military reservation, 77.9 feet to a point; thence south 62° 26' east, 238.96 feet to a point on the northwesterly line of that certain part of said United States military reservation over which an easement was granted by the Secretary of War on July 14, 1926, pursuant to the act approved June 7, 1926 (44 Stat. 699); thence south 40° 12' west, along said northwesterly line of said grant to the city of Monterey, 23.79 feet to a point on the northeasterly line of Lighthouse Road; thence north 65° west, along said northeasterly line of Lighthouse Road 302.75 feet to the point of beginning.

Parcel 3. Beginning at the point of intersection of the northeasterly line of Foam Street with the northeasterly line of Lighthouse Road in the United States military reservation, Monterey, Monterey County, Calif., said point of beginning being the southernmost corner of that certain part of said United States military reservation granted to the city of Monterey, Calif., pursuant to H.R. 10203, March 10, 1926; thence south 65° east, along said northeasterly line of Lighthouse Road, 319.8 feet to a point; thence north 62° 26' west, 346.6 feet to a point on said northeasterly line of Foam Street; thence south 34° 36' east, along said northeasterly line of Foam Street, 30.68 feet to the point of beginning: *Provided*, That the Secretary of War is authorized to make such changes in the foregoing description of the three parcels as he deems necessary.

SEC. 2. The easement authorized by this act to be granted shall continue during such period as it shall be used exclusively for street purposes, subject to such conditions, restrictions, and reservations as the Secretary of War may impose for the protection of the military reservation and subject to a right-of-way over such parcels for the use of the United States during the continuance of such easement.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONDITION OF AGRICULTURE

The joint resolution (S.J.Res. 124) authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally was announced as next in order.

Mr. VANDENBERG. Mr. President, I ask that this measure be temporarily passed over pending the return to the Chamber of the Senator from Rhode Island [Mr. HEBERT]. He asked that it go over until he could get back.

Mr. WHEELER. Mr. President, let me say to the Senator that the Department of Agriculture has reported favorably on this joint resolution, and I am very anxious that it shall be passed. The National Livestock Association is very much in favor of it, and the National League of Commission Merchants have also gone on record wholeheartedly in favor of the joint resolution.

Mr. McCARRAN. What is its purpose?

Mr. VANDENBERG. Let it go over, without prejudice, until the Senator from Rhode Island shall return. I, myself, have no objection to it.

The PRESIDING OFFICER. The joint resolution will be passed over temporarily.

WILLIAM S. STEWART

The bill (H.R. 5122) for the relief of William S. Stewart was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

JULIA E. SMITH

The bill (H.R. 3705) for the relief of Julia E. Smith was considered, ordered to a third reading, read the third time, and passed.

ANTHONY HOGUE

The bill (H.R. 3793) for the relief of Anthony Hogue was announced as next in order.

Mr. KING. Mr. President, with respect to this bill and one or two others which we have passed, I think that some committee, either the Committee on the Judiciary or the Committee on Post Offices and Post Roads, should report a bill fixing a statute of limitations. I notice that claims are presented for accidents alleged to have occurred as far back as 1910. Obviously the Government of the United States cannot protect itself against claims which are hoary with age.

In every city of the United States where the municipality is liable for torts, there is a time limitation. Claimants must present their claims within 3 months, or 6 months, and suits must be brought within 1 year. That is in order that the city may be advised, get its witnesses, and be prepared to defend. But we just make appropriations in such cases, without giving the Government any chance to defend, to determine what are the facts. I think there ought to be a statute which would limit the period within which such

claims could be presented, so that the Government would be fully protected.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was ordered to a third reading, read the third time, and passed.

SALE OF POST-OFFICE BUILDING AT FINDLAY, OHIO

Mr. FESS. Mr. President, I ask unanimous consent to return to Order of Business No. 1438, being House bill 8909, and for its immediate consideration.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

There being no objection the Senate proceeded to consider the bill (H.R. 8909) to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio.

Mr. FESS. Mr. President, the Senator from Texas [Mr. CONNALLY] is now in the Chamber and will explain the necessity for the measure. It merely provides for extending the time. There should certainly be no objection to the bill. The bill has reference to the sale of the post-office building and site at Findlay, Ohio. All that is asked is to have the time extended giving opportunity to sell the old building, the necessity for such extension being due to the failure of one company which was to take the bonds, and which necessitated finding a new market for the bonds.

Mr. CONNALLY. Mr. President, the Committee on Public Buildings and Grounds investigated the matter and reported favorably, because it seemed the most practical way to go ahead and dispose of this property, as I now recall.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

WILLIAM S. STEWART

Mr. WHITE. Mr. President, my attention was distracted and I did not hear what disposition was made of House bill 5122.

The PRESIDING OFFICER. It was passed over.

Mr. WHITE. Mr. President, I ask unanimous consent that we may return to that bill. I did not hear who asked that it go over, so I do not know that I could make any satisfying explanation.

Mr. KING. Mr. President, this was the case where a man was injured in 1912 in Panama. There ought to be some period within which the statute of limitations should run. I shall object for the present.

Mr. WHITE. There is nothing I can say?

Mr. KING. Nothing.

Mr. DAVIS. I ask for the regular order.

The PRESIDING OFFICER. The regular order is demanded. The clerk will state the next bill on the calendar.

LYMAN D. DRAKE, JR.

Mr. KING. Mr. President, I objected a few moments ago to House bill 4670. I ask that we may recur to the bill. I withdraw my objection and ask for the passage of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 4670) for the relief of Lyman D. Drake, Jr., which was ordered to a third reading, read the third time, and passed.

MARY A. ROCKWELL

The bill (H.R. 4387) for the relief of Mary A. Rockwell was announced as next in order.

Mr. McCARRAN. May we have an explanation of the bill?

The PRESIDING OFFICER. The bill seems to have been reported by the Senator from North Carolina [Mr. BAILEY], who is not in the Chamber at present. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

JOHN R. NOVAK

The bill (H.R. 6284) for the relief of John R. Novak was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

Mr. FRAZIER. Mr. President, I ask unanimous consent to return to Calendar No. 1299, Senate bill 3580. I have talked with the Senators who previously objected and they have withdrawn their objections.

The PRESIDING OFFICER (Mr. OVERTON in the chair). Is there objection to the request of the Senator from North Dakota?

There being no objection, the Senate proceeded to consider the bill (S. 3580) to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States" approved July 1, 1898, and acts amendatory thereof and supplementary thereto, which had been reported from the Committee on the Judiciary with an amendment.

The PRESIDING OFFICER. The first amendment has been heretofore agreed to. The clerk will state the next amendment.

The next amendment was to insert a new paragraph (7) at the end of the bill, so as to make the bill read:

Be it enacted, etc., That section 75 of the act of July 1, 1898, entitled "An act to establish a uniform system of bankruptcy throughout the United States", as amended, is amended as follows: In section 75, entitled "Agricultural Compositions and Extensions" (a) in line 2, after the words "upon petition of at least" and before the words "farmers within any county", strike out the word "fifteen" and insert the word "five", and after subsection (r) add a new subsection (s) to read as follows:

"(s) Any farmer failing to obtain the acceptance of a majority in number and amount of all creditors whose claims are affected by a composition or extension proposal, or if he feels aggrieved by the composition or extension, may amend his petition or answer asking to be adjudged a bankrupt. Such farmer may at the time of the first hearing petition the court that all of his property, whether pledged, encumbered, or unencumbered by liens or otherwise, be appraised at its then actual value and that his homestead and exemptions be set aside and that he be allowed to retain possession of any part or parcel or all of the remainder of his property and pay for same under the terms and conditions set forth in this act.

"(1) Upon such a request being made in the petition or answer, or at the time of the first hearing, appraisers shall be designated and appointed. Such appraisers shall appraise all the property of the debtor at its then reasonable actual value. The words 'actual value' shall not necessarily imply cash value, but shall imply the reasonable and fair value of the property at the time the appraisal is made. Such appraisers shall be designated and appointed, and their appraisals shall be made in all other respects, with right of objections, exceptions, and appeal in accordance with this act: *Provided*, That in case of real estate either party may file objections, exceptions, and appeals within 1 year from date of order approving the appraisal.

"(2) After the value of the debtor's property shall have been fixed by the appraisal as herein provided, the referee shall issue an order setting aside to such debtor his homestead and exemptions, subject to any existing mortgages or liens upon such homestead or upon any such exemptions to an amount equal to the value, as fixed by the appraisal, of such homestead or to the value of such exempt property as is covered by any mortgage or lien, and shall further order that the possession, under the control of the court, of any part or parcel or all of the remainder of the debtor's property, shall remain in the debtor subject to a general lien, as security for the payment of the value thereof to the trustee of the creditors, if a trustee is appointed, such a lien to be subject to and inferior to all prior liens, pledges, or encumbrances. Such prior liens, pledges, or encumbrances shall remain in full force and effect, and the property covered by such prior liens, pledges, or encumbrances shall be subject to the payment of the claims of the secured creditors holding such prior liens, pledges, or encumbrances up to the actual value of such property as fixed by the appraisal provided for herein. All liens herein on livestock shall cover all increase, and all liens on real property shall cover all rental received or crops grown thereon by the debtor, as security for the payment of any sum that may be due or past due under the terms and provisions of the next paragraph, until the full value of any such particular property has been paid.

"(3) At the time of the order setting aside to the debtor his homestead and exemptions, and giving him possession, under the control of the court, of any part, parcel, or all of the remainder of his property, whether pledged or covered by any prior lien or encumbrance, the debtor shall agree and bind himself that he will pay to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, the value of the property as fixed by the appraisal together with interest at the

rate of 1 percent per annum on the following terms: Two and one-half percent, together with interest on or before 6 months from date of agreement; 2½ percent, together with interest on or before 12 months; 2½ percent, together with interest on or before 18 months; 2½ percent, together with interest on or before 24 months, and that thereafter he will pay 5 percent principal, together with interest semiannually for the following year and will pay the balance on or before 6 months after the last semiannual payment has been made to the secured creditors, as their interests may appear, and to the trustee of the unsecured creditors, as his interest may appear, if a trustee is appointed.

"(4) The debtors may consume or dispose of any part or parcel or all of said property whether covered by the general lien to the trustee, if a trustee is appointed, or subject to pledges or prior liens or encumbrances held by secured creditors, provided he pays the appraised value of such part or parcel or all, as the case may be, to the secured creditors, as their interests may appear, and the trustee of the unsecured creditors, as his interests may appear, if a trustee is appointed, or he may put up a bond approved by the referee in bankruptcy that he will make payments, as provided for herein, of any property so consumed or disposed of.

"(5) In case the debtor fails to make any payments, as herein provided, to any or all of the secured creditors or to the trustee of the unsecured creditors, then such secured creditors or the trustee may proceed to enforce their pledge, lien, or encumbrances in accordance with law. It shall be the duty of the secured creditors and of the trustee of the unsecured creditors to discharge all liens of record in accordance with law, whenever the debtor has paid the appraised value of any part, parcel, or all of his property as herein provided.

"(6) The secured creditors holding prior liens and the trustee of the unsecured creditors holding a general lien hereunder shall have all the rights of such lienholders under existing law except the extension of time and the reduction of the indebtedness to the amount of the appraised value of the debtor's property and such debtor shall be discharged from all his debts, both private and public, as provided for in this act, with the exception of those provided for and agreed to by him in this section.

"(7) In case a majority in number and amount of all the secured and unsecured creditors of the debtor file written objections, at the first hearing, to the manner of payments and distribution of debtor's property as herein provided for, then the court after having set aside the debtor's homestead and exemptions, shall stay all proceedings for a period of 6 years, during which 6 years the debtor shall retain possession of all or any part of his property, under the control of the court, provided he pays a reasonable rental annually for that part of the property of which he retains possession. The first payment of such rental to be made within 6 months of the date of the order staying proceedings, such rental to be distributed among the secured and unsecured creditors, as their interests may appear, under the provisions of this act. At the end of 6 years, or prior thereto, the debtor may pay into court the appraised price of the property of which he retains possession, less rentals paid: *Provided*, That upon request of any lienholder on real estate the court shall cause a reappraisal of such real estate and the debtor may then pay the reappraised price, less rentals paid, into the court and thereupon the court shall, by an order, turn over full possession and title of said property to the debtor and he shall be discharged from all his debts, both private and public, as hereinbefore provided."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WATER OF MINERAL CONTENT ON FEDERAL LAND

The bill (H.R. 6366) making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government, was considered, ordered to a third reading, read the third time, and passed.

CHARLES FARR

The bill (H.R. 6625) for the relief of Charles Farr was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H.R. 7163) for the relief of D. F. Tyler Corporation and the Norfolk Dredging Co. was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The bill will be passed over.

THELMA LUCY ROUNDS

The Senate proceeded to consider the bill (H.R. 3636) for the relief of Thelma Lucy Rounds, which had been reported from the Committee on Claims with an amendment, on page 1, line 5, to strike out "$1,500" and to insert in lieu thereof "$270.28", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $270.28 to Thelma Lucy Rounds, Fall River, Mass., in full settlement of all claims against the Government of the United States for injuries received while visiting the U.S.S. *Bridge* at Newport, R.I., on July 12, 1931, when an enlisted man showing visitors a revolver fired a shot through Miss Rounds' leg, causing injuries which resulted in a long period of unemployment: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 8035) for the relief of James M. Pace was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The bill will be passed over.

WADE DEAN

The bill (H.R. 740) for the relief of Wade Dean was considered, ordered to a third reading, read the third time, and passed.

SILAS B. LAWRENCE

The bill (H.R. 1133) for the relief of Silas B. Lawrence was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, the claimant under this bill was injured and lost an arm while serving on a posse when two of his companions in the party were killed. I think it is an entirely meritorious bill, and I hope it may be passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection the bill was considered, ordered to a third reading, read the third time, and passed.

AMENDMENT OF DISTRICT ALCOHOLIC BEVERAGE CONTROL ACT

Mr. KING. Mr. President, a few moments ago the Senate passed the bill (H.R. 9622) to amend subsection (a) of section 23 of the District Alcoholic Beverage Control Act. The corporation counsel of the District has called my attention to the fact that in the preparation of that bill inadvertently certain of the provisions of the existing law were omitted which are absolutely necessary to have incorporated as a part of the bill. The bill itself provides merely to exempt wholesalers in the District of Columbia from paying a double tax. It was recommended by the officials of the Government. I ask to return to it for the purpose of having inserted in the bill one of the sections of existing law which was inadvertently omitted. I ask unanimous consent to recur to that bill, and for reconsideration of the votes by which the bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection the votes will be reconsidered. The clerk will state the amendment proposed by the Senator from Utah.

The CHIEF CLERK. At the end of section 1, on page 2, after line 5, it is proposed to insert a new paragraph "(1)", so as to make the bill read:

Be it enacted, etc., That subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act is amended so as to read as follows:

"SEC. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided:"

"(1) A tax of 35 cents on every wine-gallon of wine containing more than 14 percent of alcohol by volume, except champagne,



or any wine artificially carbonated and a proportionate tax of a like rate on all fractional parts of such gallon; (2) a tax of 50 cents on every wine-gallon of champagne or any wine artificially carbonated, and a proportionate tax at a like rate of all fractional parts of such gallon; (3) a tax of 50 cents on every wine-gallon of spirits, and a proportionate tax at a like rate on all fractional parts of such gallon; (4) and a tax of $1.10 on every wine-gallon of alcohol, and a proportionate tax at a like rate on all fractional parts of such gallon."

SEC. 2. That subsection (e) of section 23 be amended by inserting the word "taxable" after the word "upon" in the beginning of the first sentence and by inserting the word "taxable" after the word "upon" in the beginning of the second sentence.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time and passed.

ERNEST ELMORE HALL

The bill (H.R. 3176) for the relief of Ernest Elmore Hall was considered, ordered to a third reading, read the third time, and passed.

CARL F. CASTLEBERRY

The bill (H.R. 3296) for the relief of Carl F. Castleberry was considered, ordered to a third reading, read the third time, and passed.

ROLAND ZOLESKY

The bill (H.R. 3912) for the relief of Roland Zolesky was considered, ordered to a third reading, read the third time, and passed.

CARLETON-MACE ENGINEERING CORPORATION

The bill (H.R. 4659) for the relief of Carleton-Mace Engineering Corporation was announced as next in order.

Mr. McCARRAN. Mr. President, I should like to have an explanation of this bill.

Mr. LOGAN. Mr. President, does the Senator object to the consideration of the bill?

Mr. McCARRAN. I have asked for an explanation of the bill.

Mr. LOGAN. Mr. President, this is a bill for the relief of Carleton-Mace Engineering Corporation. It is one of those old claims growing out of contracts made by the Navy Department, as I recall, or the Railroad Administration. The committee to which the bill was referred, of course, went into it most carefully and considered all the recommendations and reports.

It has been before the Bureau of Yards and Docks before and they disallowed the claim. It has also been before the General Accounting Office, and there they could find no authority for paying it. The general conclusion seems to have been as to the loss—and the claim is for the amount of loss incident to carrying on some work in connection with the naval ammunition depot in Massachusetts—that there could be no way to pay it unless Congress should so authorize.

The loss has been ascertained to be $32,726.14. There is no question about the amount. Of course it is a gratuity, but it was a loss sustained in carrying out a contract made with the Government, and, as I recall, while I have not read the report recently, the former Secretary of the Navy considered there was merit in the claim.

Mr. McCARRAN. I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

SARD S. REED

The Senate proceeded to consider the bill (H.R. 987) for the relief of Sard S. Reed which had been reported from the Committee on Claims, with an amendment, on page 1, line 3, after the article "the", to strike out "Postmaster General" and insert "Comptroller General of the United States", so as to make the bill read:

Be it enacted, etc., That the Comptroller General of the United States be, and he is hereby, authorized and directed to credit the accounts of Sard S. Reed, postmaster at Earlsboro, Okla., in the sum of $715.90 on account of the loss of postal and fixed credit funds resulting from the burglary of the Earlsboro post office on May 1, 1927: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JEANNETTE WEIR

The bill (H.R. 8108) for the relief of Jeannette Weir was considered, ordered to a third reading, read the third time, and passed.

SQUAW ISLAND FREIGHT TERMINAL CO., BUFFALO, N.Y.

The bill (S. 3482) conferring jurisdiction upon the Court of Claims of the United States to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., of Buffalo, N.Y., against the United States in respect of loss of property occasioned by the breaking of a Government dike on Squaw Island was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred upon the Court of Claims of the United States, notwithstanding the lapse of time or any statute of limitations or other limitations upon the jurisdiction of such court, to hear, consider, and render judgment on the claim of Squaw Island Freight Terminal Co., Inc., for just compensation to it for loss of property and/or damages occasioned by the breaking of an inadequate and/or improperly and insufficiently constructed Government dike on Squaw Island between Black Rock Canal and the Niagara River in December 1921 and January 1922.

LAKE CHAMPLAIN BRIDGE, VERMONT

The bill (S. 3742) granting the consent of Congress to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a toll bridge across Lake Champlain at or near West Swanton, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State Board of Public Works of the State of Vermont to construct, maintain, and operate a bridge and approaches thereto across Lake Champlain, at a point suitable to the interests of navigation, between a point at or near East Alburg, Vt., and a point at or near West Swanton, Vt., in accordance with the provisions of an Act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. If tolls are charged for the use of such bridge, the rates of tolls may be so adjusted as to provide a fund sufficient to pay (a) the reasonable cost of maintenance, repair, and operation of the said bridge and its approaches, and (b) the amortization within a reasonable time, and not exceeding 25 years from the date that the bridge is opened to traffic, and under reasonable condition, of any loan or loans, including reasonable interest, taxes, and financing charges made or to be made in connection with the construction of said bridge and its approaches.

SEC. 3. An accurate record of the cost of the bridge and its approaches, and of all the expenditures for maintaining, repairing, and operating the same, and of the tolls collected from time to time, shall be kept and shall at all reasonable times be available for the information of all persons interested in the construction, operation, and maintenance thereof.

SEC. 4. The right to sell, assign, transfer, mortgage, or pledge any or all of the rights, powers, and privileges conferred by this act is hereby granted to the said State Board of Public Works of the State of Vermont or any corporation to which, or any person to whom, such rights, powers, and privileges may be sold, assigned, or transferred, or who shall acquire the same through mortgage, pledge, foreclosure, or otherwise, including therein the United States of America acting by or through the President, the Federal Emergency Administrator of Public Works, such other agency or agencies as may be designated or created for such purpose pursuant to the National Industrial Recovery Act or any other amendment or supplement thereto, or any other agency or agencies as may be created for such purpose by the Congress of the United States, and such person or corporation is hereby authorized and empowered to exercise all of the rights, powers, and privileges conferred upon the State Board of Public Works of the State of Vermont as fully as though conferred herein directly upon such corporation or person.

SEC. 5. Whenever a sum sufficient to amortize and pay off the amount of money used in building and constructing said bridge

shall have been collected, the State Board of Public Works of the State of Vermont shall declare said bridge free and open to the use of the general public without the imposition of any further tolls or charges for the use of said bridge.

SEC. 6. The right to alter, amend, or repeal this act is hereby expressly reserved.

MERRIMACK RIVER BRIDGE, LAWRENCE, MASS.

The bill (H.R. 9571) granting the consent of Congress to the county commissioners of Essex County in the State of Massachusetts to construct, maintain, and operate a free highway bridge across the Merrimack River in the city of Lawrence, Mass., was considered, ordered to a third reading, read the third time, and passed.

TAXATION OF RECEIVERS

The Senate proceeded to consider the bill (H.R. 8544) making receivers appointed by any United States courts and authorized to conduct any business, or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 6, after the word "shall", to insert "from and after the enactment of this act", so as to make the bill read:

Be it enacted, etc., That any receiver, liquidator, referee, trustee, or other officers or agents appointed by any United States court who is authorized by said court to conduct any business or who does conduct any business, shall, from and after the enactment of this act, be subject to all State and local taxes applicable to such business the same as if such business were conducted by an individual or corporation.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SALE OF LANDS TO SAN DIEGO, CALIF.

The bill (H.R. 3084) authorizing the sale of portions of the pueblo lands of San Diego to the city of San Diego, Calif., was considered, ordered to a third reading, read the third time, and passed.

MISSOURI RIVER BRIDGE AT WASHINGTON, MO.

The bill (H.R. 9645) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo., was considered, ordered to a third reading, read the third time, and passed.

OHIO RIVER BRIDGE, ROCKPORT, IND.

The bill (H.R. 9721) authorizing the Spencer County Bridge Commission of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky., was considered, ordered to a third reading, read the third time, and passed.

JOINT RESOLUTION PASSED OVER

The joint resolution (S.J.Res. 135) to amend the Settlement of War Claims Act, 1928, as amended, was announced as next in order.

SEVERAL SENATORS. Over!

The PRESIDING OFFICER. The joint resolution will be passed over.

DIVERSIFICATION OF PRISON INDUSTRIES

The bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, was announced as next in order.

Mr. VANDENBERG. Over!

The PRESIDING OFFICER. The bill will be passed over.

Mr. STEPHENS subsequently said:

Mr. President, I ask unanimous consent to return to order of business 1469, being the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, to which objection was made by the Senator from Michigan [Mr. VANDENBERG]. I understand he objected because of the fact that the Senator from Rhode Island [Mr. HEBERT], who was not in the Chamber at the moment, had an amendment which he desired to offer. I ask unanimous consent for the present consideration of the bill. I have the amendment now ready to offer.

Mr. VANDENBERG. Mr. President, if the Senator from Mississippi has the amendment which the Senator from Rhode Island proposed to offer I have no objection.

Mr. STEPHENS. I have. The amendment was passed upon by the Senator from Rhode Island and myself, and I requested him to offer it. As he is not in the Chamber I intend to offer it in behalf of the Senator from Rhode Island and myself.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Mississippi?

There being no objection, the Senate proceeded to consider the bill (H.R. 9404) to authorize the formation of a body corporate to insure the more effective diversification of prison industries, and for other purposes, which had been reported from the Committee on the Judiciary with amendments. The first amendment was, in section 1, on page 1, line 11, after the word "industries" to insert "which shall be a governmental body", so as to make the section read:

That in order more effectively to carry out the policy and purposes of the act of May 27, 1930 (46 Stat. 391; U.S.C., title 18, sec. 711), entitled "An act to provide for the diversification of employment of Federal prisoners, for their training and schooling in trades and occupations, and for other purposes", the President is hereby authorized and empowered, in his discretion, to create a body corporate of the District of Columbia to be known as "Federal Prison Industries", which shall be a governmental body.

The amendment was agreed to.

The next amendment was, in section 2, on page 2, line 5, before the word "consumers" to insert the words "retailers and".

The amendment was agreed to.

Mr. STEPHENS. Mr. President, I now offer the amendment which has been agreed upon by the Senator from Rhode Island [Mr. HEBERT] and myself.

The PRESIDING OFFICER. The amendment will be read.

The CHIEF CLERK. On page 2, after line 20, it is proposed to strike out section 4, as follows:

SEC. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation to transfer to the credit of the corporation upon the books of the Treasury, all balances then standing to the credit of the prison industries working capital fund. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital and for the purposes enumerated in the said act of May 27, 1930, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. The corporation shall from time to time deposit with the Treasurer of the United States to the credit of miscellaneous receipts, so much of its earnings as shall, in the judgment of its board of directors, exceed the amount needed for a reasonable operating capital and surplus. All accounts of the corporation shall be subject to audit by the Comptroller General of the United States.

And in lieu thereof to insert the following:

SEC. 4. The Secretary of the Treasury is hereby authorized and directed, upon the formation of the corporation, to transfer to a fund to be known as the "Prison industries fund" all balances then standing to the credit of the prison industries working capital fund. All moneys under the control of the corporation shall be deposited or covered into the Treasury of the United States to the credit of said fund and withdrawn therefrom only pursuant to accountable warrants or certificates of settlement issued by the General Accounting Office. All valid claims and obligations payable out of said fund shall be assumed by the corporation. The corporation is hereby authorized to employ the aforesaid fund, and any earnings that may hereafter accrue to the corporation, as operating capital for the purposes enumerated in the said act of May 27, 1930, and in accordance with the laws generally applicable to the expenditures of the several departments and establishments of the Government, and also for the payment of compensation in such amounts as the Attorney General may authorize to inmates of penal institutions or their dependents for injuries suffered in any industry: *Provided*, That in no event shall compensation be paid in a greater amount than that provided in the Federal Employees' Compensation Act of September 7, 1916, as amended. Accounts of all receipts and disbursements of the corporation shall be rendered to the General Accounting Office in such manner, to such extent, and at such

times as the Comptroller General of the United States may direct for settlement and adjustment pursuant to title III of the act of June 10, 1921 (42 Stat. 23), and such accounting shall include all fiscal transactions of the corporation, whether involving appropriated moneys, capital, or receipts from other sources: *Provided further*, That the Comptroller General of the United States is hereby authorized in his discretion to sanction the use of moneys provided and authorized by law for the operation of such corporation and to allow credit for items not otherwise allowable in accordance with law if and when established to be reasonably necessary to a proper functioning of the legally authorized activities of the corporation.

Mr. VANDENBERG. Mr. President, will the Senator from Mississippi now state that the measure is satisfactory to the Senator from Rhode Island?

Mr. STEPHENS. It is. The amendment was agreed upon by the Senator from Rhode Island and myself.

Mr. GEORGE. Mr. President, may I say that I introduced an identical bill. The committee reported the House bill. I understand this is the amendment which the Senator from Rhode Island [Mr. HEBERT] desired and that it is satisfactory to him.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

CENTENNIAL OF INDEPENDENCE OF THE REPUBLIC OF TEXAS

The Senate proceeded to consider the concurrent resolution (S.Con.Res. 21) establishing a joint committee to investigate the question of participation by the Government in the Centennial of the Independence of the Republic of Texas, which was read as follows:

Resolved, etc., That there is hereby established a joint congressional committee to be composed of three Senators, to be appointed by the President of the Senate, and three Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, to inquire into and report to Congress to what extent, if any, the Federal Government should participate in the Centennial of the Independence of the Republic of Texas, to be held in the State of Texas in the year 1936.

The expenses of the committee, which shall not exceed $5,000, shall be paid, one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives, upon vouchers, approved by the chairman.

Mr. CONNALLY. Mr. President, I desire to offer an amendment to the concurrent resolution.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In line 11, after the word "committee", it is proposed to insert, "including necessary clerical assistance and traveling expenses."

The amendment was agreed to.

The resolution, as amended, was agreed to.

ADMINISTRATIVE FURLOUGHS IN POSTAL SERVICE

The Senate proceeded to consider the bill (H.R. 9046) to discontinue administrative furloughs in the Postal Service which had been reported from the Committee on Post Offices and Post Roads with amendments in section 2, line 7, after the word "in", to strike out "any branch of"; in line 8, after the word "reduced", to strike out "beyond 5 percent in any 1 year"; and, on page 2, line 6, after the word "resignation", to strike out "but not more in any 1 year than 5 percent of said number in service during January 1934, nor shall any employee in such service be deprived of employment such as he had during said month of January or be in worse position with respect to his compensation for such employment, by reason of any action taken pursuant to the authority conferred by other provisions of law"; so as to make the bill read:

Be it enacted, etc., That such provisions of section 9 (a) of the Independent Offices Appropriation Act, 1934, as relate to rotative furloughs, and such provisions as continued and amended for the fiscal year 1935, shall not apply to the Postal Service.

SEC. 2. The number of employees in the Postal Service shall not be reduced beyond 5 percent in any 1 year, by reason of the discontinuance of any authority for granting furloughs, below the number as shown on the pay rolls of employees in service during the month of January 1934, after deducting the number who have been removed from the pay rolls after the effective date of this act by reason of death, normal retirements, or resignation.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ADMINISTRATION OF AIR-MAIL ROUTES AND CONTRACTS

The joint resolution (S.J.Res. 134) to simplify the administration of air-mail routes and contracts was announced as next in order.

Mr. AUSTIN. Over.

Mr. McKELLAR. Mr. President, will the Senator withhold his objection until the measure may be explained?

Mr. AUSTIN. Certainly.

Mr. McKELLAR. Mr. President, this joint resolution proposes an amendment to the Air Mail Act. It is the purpose of the Government to take advantage of an additional contract that has been made under recent bidding. Under the law as it is the Postmaster General has a right to let a portion of the transcontinental routes or to let the whole route under one contract. A contract was let from New York, I think, to Fort Worth, Tex., as one route, and from Fort Worth, Tex., to Los Angeles is another route. The Department had a most favorable bid. My recollection is that it was 13 cents a mile.

Mr. FESS. It was 13 cents a mile from New York to Fort Worth and 9½ cents from Fort Worth on.

Mr. McKELLAR. Yes. It was a very favorable contract, and the desire is hereafter to permit the route to be let as one all the way. It is manifestly to the interest of the Government; it will save the Government a great deal of money; the Department has recommended it, and I hope the Senator will let the joint resolution be passed.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. McCARRAN. Mr. President, I am wondering if the very question that we recently discussed at length and at an enormous expense to the Government is not uppermost in this very matter. I think the measure deserves greater consideration than merely such passing consideration as can be given to it at this time. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

WAR-MINERALS RELIEF STATUTES

The bill (S. 3675) to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes", was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in any claim that has heretofore been filed within the time and in the manner provided by the act approved March 2, 1919 (40 Stat. 1272), as amended, generally referred to as the "War Minerals Relief Statutes", in which the Supreme Court of the District of Columbia under the authority conferred upon said court by the act approved February 13, 1929 (45 Stat. 1166), has adjudged or decreed interest payments or obligations to be losses reimbursable within the meaning of the act of March 2, 1919 (40 Stat. 1272), as amended, the Secretary of the Interior shall open or reopen such claim and include in his adjustments and payments of losses interest which has been paid or has accrued to the date of approval of this act: *Provided, however*, That such losses shall be shown to the satisfaction of the Secretary of the Interior as a matter of fact to be the result of a legal obligation incurred within the statutory period as provided in said act of March 2, 1919: *And provided further*, That the sum paid in satisfying said claims shall not exceed in total $1,250,000. It is also provided that all settlements under this act and pursuant to its provisions shall constitute full and complete discharge of all obligations of the United States accruing under the War Minerals Act and acts amendatory thereof.

PIERRE E. TEETS

The bill (H.R. 206) for the relief of Pierre E. Teets was considered, ordered to a third reading, read the third time, and passed.

EARL V. LARKIN

The bill (H.R. 3318) to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army was con-

sidered, ordered to a third reading, read the third time, and passed.

W. R. M'LEOD

The bill (H.R. 5606) for the relief of W. R. McLeod was considered, ordered to a third reading, read the third time, and passed.

CAPT. FRANK J. M'CORMACK

The bill (H.R. 6998) for the relief of Capt. Frank J. McCormack was considered, ordered to a third reading, read the third time, and passed.

THOMAS F. COONEY

The Senate proceeded to consider the bill (S. 2771) for the relief of Thomas F. Cooney which had been reported from the Committee on Claims with an amendment on page 1, line 5, after the words "sum of", to strike out "$4,000" and insert "$2,000"; and on line 9, after the name "Oregon", to insert the following proviso: "*Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $2,000 to Thomas F. Cooney, of Las Cruces, N.Mex., in full satisfaction of his claim against the United States for damages for injuries sustained on the stairs in the Federal Building, Portland, Oreg.: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

Mr. McCARRAN. Mr. President, may we have an explanation of this bill?

Mr. CUTTING. Mr. President, Mr. Thomas F. Cooney, for whom this bill was introduced, was one of the old pioneers and explorers in New Mexico a great many years ago. In his extreme old age he was summoned by the Post Office Department to testify in a post-office case at Portland, Oreg. There he slipped on the stairs of the courthouse in the Federal Building and blood poisoning set in so that it became necessary to amputate his leg. The post-office inspector who was responsible for his being there has done everything in his power since that time to see that Mr. Cooney got compensation. The Treasury Department have not denied the responsibility, but they have no funds to take care of the matter, and they state that they do not consider it their duty to make any recommendations with regard to payments of this kind. They have made no objection and do not disclaim the responsibility.

The actual expenses Mr. Cooney incurred for the amputation of his leg were $1,524. The bill as amended gives him less than $500 extra for his injury. Mr. Cooney is entirely destitute; he is almost 80 years of age; I do not believe there can be any opposition to the bill.

Mr. McCARRAN. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

M. R. WELTY

The bill (H.R. 6238) for the relief of M. R. Welty was considered, ordered to a third reading, read the third time, and passed.

MAY L. MARSHALL, ADMINISTRATRIX

The bill (H.R. 8115) for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield, was considered, ordered to a third reading, read the third time, and passed.

WILLIAM THOMAS

The bill (H.R. 8587) to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas, was considered, ordered to a third reading, read the third time, and passed.

B. J. SAMPLE

The bill (H.R. 8650) for the relief of B. J. Sample was considered, ordered to a third reading, read the third time, and passed.

LAS VEGAS HOSPITAL ASSOCIATION, LAS VEGAS, NEV.

The bill (S. 2927) for the relief of Las Vegas Hospital Association, Las Vegas, Nev., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Las Vegas Hospital Association, Las Vegas, Nev., the sum of $407.80 in full settlement of all claims against the Government on account of expenses incurred by the late Clayton George Hilborn, gunner's mate, third class, United States Navy, for medical treatment from March 31, 1933, to April 11, 1933, while suffering from injuries received in an automobile accident on March 30, 1933, while on leave of absence from the U.S.S. *Tennessee*, with orders to report at Puget Sound, Wash.

STEFANO TALANCO AND EDITH TALANCO

The Senate proceeded to consider the bill (S. 3472) for the relief of Stefano Talanco and Edith Talanco, which had been reported from the Commitee on Claims with amendments, on page 1, line 7, to strike out "$15,000" and insert "$9,500"; on page 2, line 3, to strike out "$10,000" and insert "$2,000"; in line 4, to strike out "$5,000" and insert "$7,500"; and to add at the end of the bill a proviso, so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Stefano Talanco and his minor daughter, Edith Talanco, both of Bexar County, Tex., the sum of $9,500 in full satisfaction of their claims against the United States for damages on account of personal injuries suffered on May 17, 1932, when a United States Army airplane, piloted by Lt. E. T. Seltzer, crashed into the automobile owned by said Stefano Talanco, which was parked on the Castroville Road, Bexar County, Tex., and in which said Stefano Talanco and Edith Talanco were sitting at the time of such collision, such sum representing (1) $2,000 for permanent personal injuries suffered by said Stefano Talanco, and (2) $7,500 for personal injuries suffered by said Edith Talanco: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOANS TO THOSE ENGAGED IN THE FISHING INDUSTRY

The bill (S. 3780) for the relief of persons engaged in the fishing industry was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That there is hereby authorized to be appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of $2,000,000, or so much thereof as may be necessary, for the purpose of making loans to citizens of the United States engaged in any branch of the fishing industry for the purpose of repairing, rebuilding, and replacing boats, nets, poles, twine, wharves, plants, and other equipment damaged or destroyed by storms, hurricanes, cyclones, tornadoes, tidal waves, floods, or ice in the years 1933 and 1934, the said loans to include capital to resume fishing operations. Such loans shall be made by the Secretary of Commerce in such sums respectively and upon such terms and conditions as the said Secretary shall prescribe.

SEC. 2. The term "fishing industry" in the preceding section embraces all kinds of aquatic products, including sponges, shrimp, lobsters, crabs, oysters, clams, mussels, and all other kind of fish whether specifically named herein or not.

By the term "citizens of the United States" in the preceding section is meant persons, corporations, partnerships, and associations, but no corporation, partnership, or association shall be deemed a citizen of the United States unless such corporation, partnership, or association was formed under the laws of the United States, or any State, Territory, District, or possession of the United States, and unless at least 90 percent of the interest in such corporation, partnership, or association is owned by persons who are citizens of the United States. In the case of a corporation all of its officers and directors must be citizens of the United States.

SEC. 3. The loans herein authorized shall be available in the United States, its Territories, and other possessions.

SEC. 4. The money herein authorized to be appropriated shall be immediately available, and loans made shall be paid in such installments, for such period, and at such rate of interest as the Secretary of Commerce shall prescribe.

SEC. 5. That any person who shall knowingly make any false representation for the purpose of obtaining any loan under this act shall, upon conviction thereof, be punished by a fine of not exceeding $1,000 or by imprisonment not exceeding six months, or both.

MEDICAL SERVICES TO FORMER EMPLOYEES OF THE UNITED STATES

The bill (H.R. 1766) to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF SALE OF MILK AND OTHER DAIRY PRODUCTS

The concurrent resolution (H.Con.Res. 32) authorizing and directing the Federal Trade Commission to investigate conditions with respect to the sale and distribution of milk and other dairy products in the United States was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of the Senator from South Carolina [Mr. SMITH]. This is a concurrent resolution. There is contained in the resolution, on page 3, lines 21, 22, and 23, an authorization for an appropriation of $60,000 for the purposes of the resolution. I am of the opinion, from a casual investigation of the subject matter, that the resolution should be agreed to; but there is no power to incorporate in a mere concurrent resolution an authorization for an appropriation. It is, therefore, suggested to the Senator in charge of the resolution that the provision for authorization of an appropriation be stricken from the concurrent resolution, and that hereafter in some appropriate bill the appropriation be made.

Mr. SMITH. Mr. President, I think perhaps a reading of the report would indicate that the appropriation was provided by the House. This is a House concurrent resolution. However, if the inclusion of the authorization would jeopardize the adoption of the resolution, of course, I should be perfectly willing to modify it.

Mr. ROBINSON of Arkansas. It is not a mere question of adopting the resolution. The measure would not be effective for the purpose of an appropriation because it is a mere concurrent resolution. In order to make the appropriation effective, legislation is required. A concurrent resolution is not legislation in that sense. I make the suggestion not from a desire to defeat the resolution, but in order to assist in making it effective. A concurrent resolution is not signed by the President. It is a mere expression of the will of the two Houses.

Mr. SMITH. I am willing that it shall be amended by striking out, on page 3, lines 21, 22, and 23, and I offer the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. It is proposed, on page 3, to strike out lines 21, 22, and 23, as follows:

> There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $60,000 for the purposes of this resolution.

Mr. ROBINSON of Arkansas. Mr. President, I wish it understood that I think the appropriation should be authorized, but it cannot be authorized by the concurrent resolution.

Mr. McCARRAN. Mr. President, there is a similar resolution now pending before the Committee to Audit and Control the Contingent Expenses of the Senate. That resolution has the approval of the Committee on Agriculture and Forestry, of which the learned Senator from South Carolina [Mr. SMITH] is chairman. Because of that fact I ask that the pending concurrent resolution may go over.

Mr. LA FOLLETTE. Mr. President, I appeal to the Senator from Nevada not to interpose an objection to the resolution at this time. I am in entire sympathy, as the Senator knows, with his resolution, but it has been pending for weeks and weeks in the Committee to Audit and Control the Contingent Expenses of the Senate. I am so anxious to have the subject inquired into that I appeal to the Senator from Nevada to let the concurrent resolution now be adopted. If he obtains action upon his resolution he can at any time within 2 days enter a motion to reconsider the vote by which we adopt this resolution; but if by chance his resolution should not be passed and the concurrent resolution should be defeated, we would be entirely frustrated in getting an investigation of the situation which is so necessary from the point of view of the producers of dairy products.

Mr. ROBINSON of Arkansas. Mr. President, may I say to the Senator from Nevada that I join in the suggestion just made by the Senator from Wisconsin. My purpose is to make the concurrent resolution effective and to prevent its being avoided by the objection to which I have referred. If the Senator can see fit to withdraw his objection, the concurrent resolution will be amended as suggested and the necessity for again considering the matter will be avoided.

Mr. McCARRAN. Mr. President, I have made a study of the situation for months. I considered it all last summer with a special committee. It was as a result of my resolution that the matter has been brought to its present status. As I view it—I hope I am not wrong, but I am sincere and I think I am well founded in my viewpoint—if the pending concurrent resolution should be passed it would throw the matter into the Federal Trade Commission and there it would die, whereas if we could have adopted my resolution which has been approved by the Committee on Agriculture and Forestry, and which has merit, a Senate committee would conduct the investigation, would use all the agencies of the Government, and we would get results by way of legislation. I am very sincere about the matter.

Mr. LA FOLLETTE. Mr. President, I do not for a moment question the Senator's sincerity. He has done a magnificent piece of work in attempting to bring these conditions to the attention of the country and to secure action. I appeal to the Senator to let action be taken on the resolution, because certainly an investigation by the Federal Trade Commission is better than no investigation at all.

May I say to the Senator that he will be in full control of the situation for 2 days after the Senate shall have acted? He may enter a motion to reconsider the vote by which the concurrent resolution was passed. What I am afraid of is that if the determination which seems to have been made to adjourn the present session of Congress on next Saturday shall be carried out, this resolution will fail if the Senator objects, and his resolution will fail, and thus we will have no investigation of this subject, which is tremendously important to every farmer in the United States who produces a quart of milk upon his farm.

Mr. McCARRAN. Mr. President, will the Senator permit an inquiry?

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. LA FOLLETTE. I ask for recognition in my own right.

The PRESIDING OFFICER. The Senator from Wisconsin is recognized.

Mr. LA FOLLETTE. I yield to the Senator from Nevada.

Mr. McCARRAN. Mr. President, will the Senator kindly tell me, in view of his zeal in this matter, why it is that the Committee to Audit and Control the Contingent Expenses of the Senate has refused to report back this resolution, notwithstanding the fact that the Committee on Agriculture and Forestry had unanimously reported it favorably?

Mr. LA FOLLETTE. I cannot answer that question. I am not a member of the Committee to Audit and Control the Contingent Expenses of the Senate; but I do know that the Senator from Nevada has been most active in his efforts to get action upon the resolution, and I am apprehensive that his efforts and those of other Senators who are interested in the matter may not be effective in the closing hours of this Congress. It seems to me extremely important that this whole summer and fall should not go by without this investigation, and I am simply appealing to the Senator to let the resolution pass now. The Senator will be in a position at any time within 2 days to enter a motion to reconsider, and thus hold the matter in abeyance; and then we can ascertain whether there will be a report from the Committee to Audit and Control the Contingent Expenses of the Senate.

I sincerely hope the Senator will give us two strings to this bow, which will be possible if he will not insist upon his objection.

Mr. COPELAND. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from New York.

Mr. COPELAND. I know that the dairy farmers of my State are very eager to have the pending resolution pass. I desire to add my voice to that of the Senator from Wisconsin, and urge the Senator from Nevada, with whatever influence I have, to withdraw his objection.

Mr. MURPHY. Mr. President——

Mr. LA FOLLETTE. I yield to the Senator from Iowa.

Mr. MURPHY. I add my appeal to the Senator from Nevada to those of the Senator from Wisconsin and the Senator from New York. The Senator from Nevada has made the ground ready for an investigation of milk conditions. My concern is the concern of the producer, and that is the concern of the Senator from Nevada.

As a member of the Committee on Agriculture and Forestry, I supported it in reporting favorably the Senator's resolution; but I hope we shall not be left in a position where possibly we shall be without any investigation whatsoever.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. McCARRAN. The Senator from South Carolina [Mr. BYRNES], who is the Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, is now on the floor; and it seems to me that he might at least enlighten the Senate as to why there has been no action on the resolution. I desire to say, further, that there will not be any action if this Federal agency takes hold of the matter. I know what the result will be. It will be a coat of whitewash. They do not want the Senate of the United States to investigate this matter, because if we do somebody will be investigated, and there will not be a whitewash extended to somebody else.

The PRESIDING OFFICER. The time of the Senator from Wisconsin has expired. Is there objection to the present consideration of the resolution?

Mr. McCARRAN. I object to the consideration of the resolution.

Withholding my objection for the moment, I now call on the Chairman of the Committee to Audit and Control the Contingent Expenses of the Senate and ask him to explain why the resolution heretofore and now pending before his committee has not been reported.

Mr. BYRNES. Mr. President, the Committee to Audit and Control the Contingent Expenses of the Senate unanimously voted against reporting the resolution, the committee unanimously believing that the investigation should be made by the Federal Trade Commission. It reached that conclusion after making an investigation, hearing members of the Federal Trade Commission, ascertaining that they had already devoted thought to the subject and made some investigation, and after reading a copy of a letter from the Secretary of Agriculture, presented to the committee, in which the Secretary stated that he believed from his investigations of the matter that it might be important to have an investigation, but he believed the investigation should be made in the manner indicated by the resolution.

The Committee to Audit and Control the Contingent Expenses of the Senate believed that the Federal Trade Commission should make the investigation. Therefore it did not report the resolution.

Mr. McCARRAN. I interpose an objection to the further consideration of the resolution.

The PRESIDING OFFICER. Objection being made, the resolution will be passed over.

AMENDMENT OF PACKERS AND STOCKYARDS ACT

The Senate proceeded to consider the bill (S. 2246) to amend the Packers and Stockyards Act, which had been reported from the Committee on Agriculture and Forestry with an amendment, to strike out all after the enacting clause and to insert:

That the act to regulate interstate and foreign commerce in livestock, livestock products, dairy products, poultry, poultry products, and eggs, and for other purposes, approved August 15, 1921 (U.S.C., title 7, secs. 181–229), is hereby amended by the addition of the following title:

"TITLE V—LIVE POULTRY DEALERS AND HANDLERS

"SECTION 501. The handling of the great volume of live poultry required as an article of food for the inhabitants of large centers of population is attendant with various unfair, deceptive, and fraudulent practices and devices resulting in the producers sustaining sundry losses and receiving prices far below the reasonable value of their live poultry in comparison with prices of other commodities and in unduly and arbitrarily enhancing the cost to the consumers. Such practices and devices are an undue restraint and unjust burden upon interstate commerce and are a matter of such grave concern to the industry and to the public as to make it imperative that steps be taken to free such commerce from such burden and restraint and to protect producers and consumers against such practices and devices.

"SEC. 502. (a) The Secretary of Agriculture is authorized and directed to ascertain from time to time and to designate the cities where such practices and devices exist to the extent stated in the preceding section and the markets and places in or near such cities where live poultry is received, sold, and handled in sufficient quantity to constitute an important influence on the supply and price of live poultry and poultry products. On and after the effective date of such designation which shall be publicly announced by the Secretary by publication in one or more trade journals or in the daily press or in such other manner as he may determine to be adequate for the purpose approximately 30 days prior to such date, no person other than packers as defined in title II of said act and railroads shall engage in, furnish, or conduct any service or facility in any such designated city, place, or market in connection with the receiving, buying, or selling on a commission basis or otherwise, marketing, feeding, watering, holding, delivering, shipping, weighing, unloading, loading on trucks, trucking, or handling in commerce of live poultry without a license from the Secretary of Agriculture as herein authorized valid and effective at such time. Any person who violates any provision of this subsection shall be subject to a fine of not more than $500 or imprisonment of not more than 6 months, or both.

"(b) Any person desiring a license shall make application to the Secretary who may by regulation prescribe the information to be contained in such application. The Secretary shall issue a license to any applicant furnishing the required information unless he finds after opportunity for a hearing that such applicant is unfit to engage in the activity for which he has made application by reason of his having at any time within 2 years prior to his application engaged in any practice of the character prohibited by this act or because he is financially unable to fulfill the obligations that he would incur as a licensee.

"SEC. 503. Sections 202, 401, 403, and 404 of said act are amended by the addition of the words 'or any live poultry dealer or handler' after the word 'packer' wherever it occurs in said sections. The term 'live poultry dealer' means any person engaged in the business of buying or selling live poultry in commerce for purposes of slaughter either on his own account or as the employee or agent of the vendor or purchaser.

"SEC. 504. The provisions of sections 305 to 316, both inclusive, 401, 402, 403, and 404 of said act shall be applicable to licensees with respect to services and facilities covered by this title and the rates, charges, and rentals therefor except that the schedules of rates, charges, and rentals shall be posted in the place of business of the licensee as prescribed in regulations made by the Secretary.

"SEC. 505. Whenever the Secretary determines, after opportunity for a hearing, that any licensee has violated or is violating any of the provisions of this title, he may publish the facts and circumstances of such violation and by order suspend the license of such offender for a period not to exceed 90 days, and if the violation is flagrant or repeated he may by order revoke the license of the offender."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ST. LUDGERS CATHOLIC CHURCH, GERMANTOWN, MO.

The bill (H.R. 3595) for the relief of St. Ludgers Catholic Church, of Germantown, Henry County, Mo., was considered, ordered to a third reading, read the third time, and passed.

PRODUCTION AND SALE OF TOBACCO

The bill (H.R. 9690) to place the tobacco-growing industry on a sound financial and economic basis, to prevent unfair competition and practices in the production and marketing of tobacco entering into the channels of interstate and foreign commerce, and for other purposes, was announced as next in order.

Mr. McNARY. Mr. President, I should like to have an explanation of this bill by the chairman of the committee.

Mr. SMITH. Mr. President, this is a bill which was passed by the House looking toward the control of the sale of tobacco through placing a tax on certain surpluses in order to control the marketing thereof in line with the tobacco-control program. The tobacco growers throughout the country, so far as I have been informed—and I am in touch with the majority of them—are very much in favor of this proposed legislation. It has passed the House, and I think it has in it great merit. It is simply to tax certain excess tobacco grown in order to control its sale during the current year. I believe all those who are interested, and the committee themselves, agree that the bill should pass.

Mr. FLETCHER. Mr. President, I have an amendment to offer to the bill. On page 15, lines 7 and 8, to strike out "1932–33 and 1933–34" and insert in lieu thereof "1926 to 1930."

Mr. FESS. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

BETHESDA-CHEVY CHASE PARK SITE

The Senate proceeded to consider the bill (S. 2603) authorizing the Secretary of Agriculture to convey certain lands to the Maryland-National Capital Park and Planning Commission, of Maryland, for park purposes, which had been reported from the Committee on Agriculture and Forestry with amendments, on page 5, line 8, after the word "purposes", to insert "Said conveyance shall be made by the Secretary of Agriculture at such time, not to exceed 18 months after the approval of this act, as will enable the Department of Agriculture to complete the transfer of the animal experimental station now located on the lands hereinbefore described, to the new site at Beltsville, Md.", and on line 16, after the word "provided", to insert "or at any time discontinues the use of such lands for the purposes herein provided", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture be, and he is hereby, authorized and directed to convey by good and sufficient deed to the Maryland-National Capital Park and Planning Commission, a public agency created by the General Assembly of Maryland, chapter 448 of the laws of the 1927 session of said assembly, all of the following pieces or parcels of land situate, lying, and being in Montgomery County, in the State of Maryland, being a part of a tract of land called "Oatland", designated and described as follows: Beginning for the same at a point at the end of six hundred and thirty-one and sixty-two one-hundredths feet measured on the last line of a conveyance made the 13th day of December 1855, by John Davidson and wife to James H. Davidson for sixty acres one rood and twenty-three square perches of land, more or less, a part of said tract, it being where said line is intersected by a line of fence running southward from said point, and with the last line of the aforesaid conveyance north eighty-seven and one-fourth degrees, west seventy-three and ninety-three one-hundredths perches, to a large post and stone; thence with the first line of said conveyance with three degrees thirty-five minutes allowance for west variation and running with the fence south forty and one-fourth minutes, west seventy-one and thirty-two one-hundredths perches; thence with the second line with three and one-fourth degrees allowance for west variation, running with the fence south seventy-seven degrees, east twenty-six and one-half perches, to a stake; then north three and one-half degrees, west twenty-eight and three-fourths perches, to the division fence of the experimental station; thence with said fence south eighty-seven and one-fourth degrees, east seventy-five and sixty-seven one-hundredths perches; then still with the line of fence north three and one-half degrees, east seven and eighty-one one-hundredths perches; thence to include a small piece of land running through a house and bisecting a pear tree south eighty-seven and one-fourth degrees, east twenty and three-tenths perches, to a stake in the first aforesaid line of fence running southward from the place of beginning; thence with said fence north three degrees, west twenty-six and fifteen one-hundredths perches, to the place of beginning, containing twenty acres of land, more or less, being all of the same land and premises described in and conveyed by deed from Henry Bradley Davidson and Mary S. P. Davidson to the United States of America, dated July 5, 1899, recorded July 7, 1899, among the land records for said Montgomery County, in Liber T.D., Numbered 8, folio 429, and the following; also all that tract or part of tract of land situate in said Montgomery County called "Friendship", or by whatever name or names the same may be known, contained within the metes and bounds, courses, and distances following, to wit: Beginning for the same at a stone at the end of one thousand four hundred and thirty-two and sixty-seven one-hundredths feet on the twelfth line of a conveyance made the 10th day of February in the year 1863 by William Peters to Allison Naylor for parts of tracts of land called "Pritchett's Purchase and Friendship", containing one hundred and sixty-one acres, more or less, and running thence with the twelfth line of said conveyance south two degrees three minutes, west six hundred and forty-two and two-tenths feet, to a stake on the east side of the branch; still with the outlines of said conveyance south twenty-nine degrees, east two hundred and twenty-seven and seven-tenths feet, to a point where formerly stood a bounded white oak tree marked for Batemans corner in the division line of the land of John Davidson and the land formerly owned by Charles King; then with said division line reversed south thirty-five degrees thirty-two minutes, west one thousand four hundred and nineteen feet, to the end of the seventeenth line of Friendship; then with said seventeenth line reversed north twenty-three degrees twenty-five minutes, west one thousand five hundred and thirty-eight and twelve one-hundredths feet, to a stake; then leaving the outlines and running across said conveyance north sixty-six degrees thirty-five minutes, east one thousand four hundred and sixty-nine and fifty-eight one-hundredths feet, to the place of beginning, containing thirty-four and nine one-hundredths acres of land; excepting, however, four and nine one-hundredths acres of land heretofore conveyed by Elizabeth Jane Wilson and others to the Metropolitan Southern Railroad Company on the 10th day of July of the year 1890 by deed of that date recorded among the land records of Montgomery County, Maryland, in Liber J.A., Numbered 19, folio 450, and the following, leaving the quantity of land hereby intended to be conveyed to contain thirty acres of land, more or less, being all of the same land described in and conveyed by deed from Elizabeth J. Wilson, Robert Wilson, and others to the United States of America, dated August 11, 1902, recorded December 18, 1902, among the land records for said Montgomery County in Liber T.D., Numbered 24, folio 224, and the following, to be used exclusively for public-park purposes. Said conveyance shall be made by the Secretary of Agriculture at such time, not to exceed eighteen months after the approval of this act, as will enable the Department of Agriculture to complete the transfer of the animal experimental station now located on the lands hereinbefore described to the new site at Beltsville, Maryland. If the said Maryland-National Capital Park and Planning Commission fails to use such lands for the purposes herein provided, or at any time discontinues the use of such lands for the purposes herein provided, or attempts to alienate such lands, title thereto shall revert to the United States of America.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

G.A.R. ENCAMPMENT, ROCHESTER, N.Y.

The Senate proceeded to consider the bill (H.R. 9145) to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934.

Mr. METCALF. Mr. President, I send to the desk certain amendments which I offer to the bill.

The PRESIDING OFFICER. The amendments will be stated.

The CHIEF CLERK. On page 1, line 7, after "1934", it is proposed to insert "and the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July."

The amendment was agreed to.

The CHIEF CLERK. In line 9, after the word "such", it is proposed to strike out "encampment" and insert "encampments."

The amendment was agreed to.

The CHIEF CLERK. On page 2, line 1, it is proposed to strike out "$3,700" and insert "$7,700."

The amendment was agreed to.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed, as follows:

Be it enacted, etc., That the President is authorized to permit the band of the United States Marine Corps to attend and give concerts at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., on August 14, 15, and 16, 1934, and the National Convention of the Disabled American Veterans of the World War, to be held at Colorado Springs, Colo., during the first week in July.

SEC. 2. For the purpose of defraying the expenses of such band in attending and giving concerts at such encampments there is authorized to be appropriated the sum of $7,700, or so much thereof as may be necessary, to carry out the provisions of this act: *Provided*, That in addition to transportation and Pullman accommodations the leaders and members of the Marine Band be allowed not to exceed $5 per day each for actual living expenses while on this duty, and that the payment of such expenses shall be in addition to the pay and allowances to which they would be entitled while serving at their permanent station.

The title was amended so as to read: "An act to authorize the attendance of the Marine Band at the National Encampment of the Grand Army of the Republic to be held at Rochester, N.Y., August 14, 15, and 16, 1934, and at the National Convention of the Disabled American Veterans of the World War to be held at Colorado Springs, Colo., during the first week in July."

Mr. COSTIGAN. Mr. President, I ask leave to place in the RECORD two telegrams and a letter relative to the bill just passed.

There being no objection, the telegrams and letter were ordered to be printed in the RECORD, as follows:

DENVER, COLO., *June 9, 1934.*

Senator EDWARD P. COSTIGAN,
United States Senate, Washington, D.C.:

Please help us amend bill 9145 to send Marine Band also to Disabled Veterans' Convention held June 30 to July 7 at Colorado Springs.

E. W. COMBS,
Commander Department of Colorado.

COLORADO SPRINGS, COLO., *June 10, 1934.*

Senator E. COSTIGAN,
Senate Office Building, Washington, D.C.:

Earnestly solicit your cooperation and assistance in securing amendment to House bill 9145 to permit Marine Band come to Colorado Springs during week June 30 to July 7 while Fourteenth Annual National Convention of Disabled American Veterans of the World War is in session. Bill has already passed House permitting band attend G.A.R. Encampment, and we are very anxious have them here.

DARIUS ALLEN,
Chairman Citizens' Committee for D.A.V. Convention.

COLORADO SPRINGS CHAMBER OF COMMERCE,
Colorado Springs, Colo., June 9, 1934.

Hon. E. P. COSTIGAN,
United States Senate, Washington, D.C.

DEAR SENATOR COSTIGAN: The convention of the Disabled American Veterans, which will be held in Colorado Springs June 30 to July 7, is one of the most outstanding and significant to be held here in years.

A United States band would add much to the convention. We, as well as the D.A.V. members, would appreciate it if you could give your support to an amendment which has been proposed to House bill 9145, which authorizes the sending of the United States Marine Band to the National Convention of the Grand Army of the Republic, to authorize the sending of the band to Colorado Springs for the D.A.V. convention.

It has been many years since a United States military band has been here, and all the residents, as well as the convention visitors, would greatly enjoy it.

Very truly yours,

E. E. JACKSON,
General Secretary.
J. E. TOMPKINS,
Chairman Convention Committee.

Mr. COSTIGAN subsequently said: Mr. President, in the case of House bill 9145, the Senate added an amendment to the bill as it passed the House. I move that the Senate insist upon its amendment, ask for a conference, and that the Chair appoint the conferees.

The motion was agreed to; and the Chair appointed Mr. WALSH, Mr. COSTIGAN, and Mr. METCALF conferees on the part of the Senate.

GREEN LAKE FISH CULTURAL STATION, MAINE

The bill (S. 3014) to authorize the transfer of the Green Lake Fish Cultural Station, in Hancock County, Maine, as an addition to the Acadia National Park, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Commerce be, and he is hereby, authorized and directed to transfer to the control and jurisdiction of the Secretary of the Interior as an addition to the Acadia National Park, established under the act of February 26, 1919 (40 Stat. 1178), and acts supplemental thereto, all that tract of land containing 820 acres, more or less, with improvements thereon if any, comprising the abandoned Green Lake Fish Cultural Station, in Hancock County, Maine, said tract being no longer needed for fish-cultural purposes: *Provided*, That such action shall be in full recognition of any outstanding lease affecting said land.

FORT STANWIX NATIONAL MONUMENT, NEW YORK

The Senate proceeded to consider the bill (S. 3684) to provide for the establishment of a national monument on the site of Fort Stanwix, in the State of New York, which had been reported from the Committee on Public Lands and Surveys with an amendment, on page 2, line 12, after the word "by", to strike out "purchases" and insert "purchase", so as to make the bill read:

Be it enacted, etc., That when title to the site and/or portion thereof at Fort Stanwix, in the State of New York, together with such buildings and other property located therein as may be designated by the Secretary of the Interior as necessary or desirable for national monument purposes, shall have been vested in the United States, said area and improvements, if any, shall be designated and set apart by proclamation of the President for preservation as a national monument for the benefit and inspiration of the people and shall be called the "Fort Stanwix National Monument": *Provided*, That such area shall include at least that part of Fort Stanwix now belonging to the State of New York.

SEC. 2. That the Secretary of the Interior be, and he is hereby, authorized to accept donations of land, interests in land and/or buildings, structures, and other property within the boundaries of said national monument as determined and fixed hereunder, and donations of funds for the purchase and/or maintenance thereof, the title and evidence of title to lands acquired to be satisfactory to the Secretary of the Interior: *Provided*, That he may acquire on behalf of the United States out of any donated funds, by purchase at prices deemed by him reasonable, or by condemnation under the provisions of the act of August 1, 1888, such tracts of land within the said national monument as may be necessary for the completion thereof.

SEC. 3. That the administration, protection, and development of the aforesaid national monument shall be exercised under the direction of the Secretary of the Interior by the National Park Service, subject to the provisions of the act of August 25, 1916, entitled "An act to establish a National Park Service, and for other purposes", as amended.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF BANKRUPTCY ACT

The bill (S. 3779) to amend section 4 of "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplementary thereto", approved June 7, 1934, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 4 (a) (7) of the act entitled "An act to amend an act entitled 'An act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898, and acts amendatory thereof and supplemental thereto", approved June 7, 1934, is hereby amended by adding at the end of said clause (7) after the words "*Provided further*, That the provisions of this clause (7) shall apply to estates pending at the time of the enactment of this amendatory act", the words "in which the time for filing such claims has not expired."

SECOND-CLASS POSTAL MATTER

The bill (S. 3764) to reduce the fee to accompany applications for entry as second-class matter of publications of limited circulation, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of the act entitled "An act to provide for fees for entry of a publication as second-class matter, and for other purposes", approved July 7, 1932 (47 Stat. 647; 39 U.S.C., supp. VII, sec. 226a), is hereby amended by striking out the first semicolon and inserting in lieu thereof a colon and the following proviso: "*Provided*, That the fee to accompany applications for entry as second-class matter of publications having a circulation of not more than 2,000 copies shall be $25; ".

FALSE RETURNS BY POSTMASTERS

The bill (S. 3765) to enable the Postmaster General to withhold commissions on false returns made by postmasters was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That that part of the act of June 17, 1878 (20 Stat. 141), which comprises section 45 of title 39, United States Code, is hereby amended to read as follows:

"In any case where the Postmaster General shall be satisfied that a postmaster has made a false return of business, or that a postmaster has mailed or caused to be mailed matter in order to obtain commissions on cancelations of stamps, it shall be within the discretion of the Postmaster General to withhold commissions on such returns and to allow any compensation that under the circumstances he may deem reasonable or proper. The form of affidavit to be made by postmasters upon their returns shall be such as may be prescribed by the Postmaster General."

CLAIMS OF POSTMASTERS FOR LOSSES

The bill (S. 3766) to amend the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882, as amended, was announced as next in order.

Mr. McCARRAN. Mr. President, may we have an explanation of this bill?

Mr. McKELLAR. Mr. President, the Postmaster General now has the power to settle claims of less than $500 made against the Department. The Comptroller General has held that when it comes to losses by fire, burglary, or other unavoidable casualties, the present law does not extend that far. The Department recommended that the law be extended so as to include those three items.

I think this should be done. Surely if we have the right to have other kinds of claims settled, we should have the right to have this kind settled.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. McCARRAN. Mr. President, on page 2, line 7, I notice the words "Federal migratory bird hunting stamps." I wondered what the Postmaster General had to do with that.

Mr. McKELLAR. Mr. President, if the Senator wants me to be frank, I do not know.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of the act entitled "An act authorizing the Postmaster General to adjust certain claims of postmasters for loss by burglary, fire, or other unavoidable casualty", approved March 17, 1882 (22 Stat. 29), as amended (U.S.C., supp. VII, title 39, sec. 49), be, and it is hereby, amended to read as follows:

"The Postmaster General may investigate all claims of postmasters, Navy mail clerks, and assistant Navy mail clerks for the loss of money-order funds, postal funds, postal-savings funds, postage stamps, stamped envelops, newspaper wrappers, postal cards, postal-savings cards, postal-savings stamps, postal-savings certificates, United States war-savings certificate stamps, United States Government thrift stamps, war-tax revenue stamps, internal-revenue stamps, Federal migratory bird hunting stamps, and funds received from the sale of such stamps belonging to the United States in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for the loss of key-deposit funds, funds deposited to cover postage on mailings, and funds received as deposits to cover orders for stamped envelops, in the hands of such postmasters, Navy mail clerks, or assistant Navy mail clerks, and for losses of customs charges collected on dutiable mail articles occurring after April 1, 1924, resulting from burglary, fire, or other unavoidable casualty, and for the loss occurring after April 1, 1924, by bank failure of any such funds deposited in National or State banks, and if he shall determine that such loss resulted from no fault or negligence on the part of such postmasters, Navy mail clerks, or assistant Navy mail clerks, may pay to such postmasters, Navy mail clerks, or assistant Navy mail clerks, or credit them with the amount so ascertained to have been lost or destroyed, and may also credit postmasters, Navy mail clerks, or assistant Navy mail clerks with the amount of any remittance of money-order funds, postal funds, postal-savings funds, funds received from the sale of United States war-savings certificate stamps, United States Government thrift stamps, war-tax revenue stamps, Federal migratory bird hunting stamps, and internal-revenue stamps, or other public funds, made by them in compliance with the instructions of the Postmaster General, which shall have been lost or stolen while in transit by mail from the office of the remitting postmaster, Navy mail clerk, or assistant Navy mail clerk to the office designated as his depository, or after arrival at such depository office and before the postmaster at such depository office has become responsible therefor, or to the postmaster at any other post office, or to the proper customs officer in the case of customs charges collected, and authorized shipments of postage and other stamp stock lost while in transit by mail from one postmaster, Navy mail clerk, or assistant Navy mail clerk to another postmaster, Navy mail clerk, or assistant Navy mail clerk, or to or from the Post Office Department, and such funds remitted after April 1, 1924, in compliance with instructions of the Postmaster General in the form of drafts or checks which have been returned unpaid or dishonored by reason of the closing of the banks issuing such drafts or checks: *Provided*, That in all cases of bank failure the postmaster shall first file with the receiver of the insolvent bank a claim for the full amount of the funds involved and assign such claim to the Postmaster General, who shall receive all dividends accruing in any such case."

AMENDMENT OF UNITED STATES CODE

The bill (H.R. 8460) to amend section 392 of title 5 of the United States Code was considered, ordered to a third reading, read the third time, and passed.

COMPENSATION OF LETTER CARRIERS IN VILLAGES

The bill (H.R. 9595) to increase the compensation of letter carriers in the village delivery service was announced as next in order.

Mr. McKELLAR. Mr. President, in making the report on this bill there is an evident mistake, and I ask that the bill be recommitted to the Committee on Post Offices and Post Roads.

The PRESIDING OFFICER. Without objection, it is so ordered.

CODE OF LAWS FOR THE CANAL ZONE

The Senate proceeded to consider the bill (H.R. 8700) to establish a code of laws for the Canal Zone, and for other purposes.

Mr. McNARY. Mr. President, I should like to have some explanation of this bill.

Mr. GORE. Mr. President, this is a House bill, which constitutes a code of laws for the Panama Canal Zone.

On the 17th of May 1928 Congress passed a law requiring the revision and codification of the laws applicable to the Panama Canal Zone. In pursuance of that requirement, a Mr. Paul A. Bentz was selected to prepare the codification, and he seems to have been eminently qualified for the task.

In collaboration with the United States district judge and the United States district attorney for the Panama Canal Zone, Mr. Bentz prepared the codification. It was then submitted to a committee of revision made up of 8 members, 6 of whom were lawyers, 1 of whom was an Army officer, and 1 of whom was a naval officer. They revised the draft prepared by Mr. Bentz and the judge and the district attorney.

It was then resubmitted to a committee of three for a further revision, and when it left their hands it went to the Governor of the Panama Canal Zone, by him was submitted to the President of the United States, and by him referred to the Secretary of War and the Attorney General. It has their approval, and I have a letter from the Secretary of War recommending its adoption.

This proposal simply collates and compiles the existing laws relating to the Panama Canal Zone. In other words, it is a codification. To a very limited extent only is it a revision. As I remember, there are only 29 changes in existing law, and 20 of them relate to the punishment to be imposed in certain cases. It does away with minimum penalties.

I repeat, it collates, revises, and codifies the existing law, including the Executive orders which have been ratified or confirmed by Congress.

Mr. McNARY. I have no further objection.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

CARLETON-MACE ENGINEERING CORPORATION

Mr. WALSH. Mr. President, I ask unanimous consent to return to Order of Business 1457. When that number was

called, the Senator from Nevada [Mr. McCARRAN] objected, and he is prepared at this time to withdraw his objection.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H.R. 4659) for the relief of Carleton-Mace Engineering Corporation.

Mr. McCARRAN. Mr. President, I objected to the consideration of this bill when it was called, and now that the Senator from Massachusetts is in the Chamber, I ask for an explanation.

Mr. WALSH. Mr. President, this is a claim by the Carleton-Mace Engineering Corporation against the Navy Department under a contract which the company had with that Department.

Former Secretary Adams, in a report to the committee, gave his opinion as follows:

> The Navy Department would be inclined, for the reasons set out above, to recommend favorable action on the bill, provided that the amount allowed be restricted to such actual loss as the contractor may have suffered in the performance of the contract named in the bill.

The committee have recommended the restriction suggested and have only permitted the actual amount which the Navy Department indicated it would be willing to pay.

Mr. McCARRAN. May I ask the Senator whether there were hearings in the matter?

Mr. WALSH. There were hearings before the Committee on Claims, and a unanimous report, made by the Senator from Kentucky [Mr. LOGAN].

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the call of the calendar having been completed from Order of Business No. 1243, the clerk will now call the first bill on the calendar.

BILLS PASSED OVER

The bill (S. 882) to provide for the more effective supervision of foreign commercial transactions, and for other purposes, was announced as next in order.

Mr. FESS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 506) conferring upon the President the power to reduce subsidies, and for other purposes, was announced as next in order.

Mr. FESS. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 583) relating to the classified civil service was announced as next in order.

Mr. VANDENBERG. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 316) relative to the qualifications of practitioners of law in the District of Columbia was announced as next in order.

Mr. McCARRAN. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 2359) to provide for the disposition of unclaimed deposits in national banks, was announced as next in order.

Mr. FESS. What is this bill?

Mr. McNARY. I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

FREE DISTRIBUTION OF COTTON

The Senate proceeded to consider the bill (S. 2500) to aid in relieving the existing national emergency through the free distribution to the needy of cotton and cotton products, which had been reported from the Committee on Agriculture and Forestry, with amendments.

The first amendment of the committee was, on page 2, line 10, before the word "years", to insert the word "three."

The amendment was agreed to.

Mr. FESS. Mr. President, I should like to have an explanation of this bill.

Mr. SMITH. Mr. President, I shall not insist upon the bill being considered at this time, because I think the object sought in the bill can be taken care of in another manner.

The VICE PRESIDENT. The bill will be passed over.

BILLS AND JOINT RESOLUTION PASSED OVER

The bill (S. 2018) relative to Members of Congress acting as attorneys in matters where the United States has an interest was announced as next in order.

SEVERAL SENATORS. Over!

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 2411) to amend the Emergency Railroad Transportation Act, was announced as next in order.

SEVERAL SENATORS. Over!

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S.J.Res. 31) consenting that certain States may sue the United States and providing for trial on the merits in any suit brought hereunder by a State to recover direct taxes alleged to have been illegally collected by the United States during the fiscal years ending June 30, 1866, 1867, and 1868, and vesting the right in each State to sue in its own name, was announced as next in order.

Mr. FESS. Let that go over.

The VICE PRESIDENT. The joint resolution will be passed over.

The bill (S. 2788) to amend section 5219 of the Revised Statutes as amended (relating to State taxation of national banking associations), was announced as next in order.

Mr. McKELLAR. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

MANUFACTURE, SHIPMENT, AND SALE OF ADULTERATED FOOD

The bill (S. 2800) to prevent the manufacture, shipment, and sale of adulterated or misbranded food, drink, drugs, and cosmetics, and to regulate traffic therein; to prevent the false advertisement of food, drink, drugs, and cosmetics; and for other purposes, was announced as next in order.

SEVERAL SENATORS. Over!

Mr. COPELAND. Mr. President, if the many Senators who objected will withhold their objections, I should like to make a statement.

Of course, it is too much for a Senator to hope that under this unanimous-consent arrangement the bill could be passed; but I wish it were possible for Senators to permit the bill to be passed today.

There never was a bill presented to the Senate which has had more conscientious attention, more serious study and more honest effort, and in the interest of the citizens of our country who are to be protected by the bill and by the operations of the law the bill should pass. Every objection which has been raised by Senators has been given careful consideration, and I believe in 90 percent of cases the Senator who has raised the objection has been satisfied by the explanation which has been made or by the inclusion in the bill of the particular provision which he has thought should be included.

Mr. President, in behalf of the men and women of our country, I wish it might be possible for Senators to refrain from objecting, and let the bill pass.

Mr. McKELLAR and Mr. FESS. Over!

The VICE PRESIDENT. The bill will be passed over.

BILLS PASSED OVER

The bill (S. 2334) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order.

Mr. ROBINSON of Arkansas. Mr. President, at the request of the Senator from Ohio [Mr. BULKLEY], who is ill, I am compelled to object to the consideration of the bill.

The VICE PRESIDENT. The bill will be passed over.

The bill (H.R. 6898) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or

the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., was announced as next in order.

Mr. ROBINSON of Arkansas. I make the same statement regarding this bill which I made concerning the preceding bill.

The VICE PRESIDENT. The bill will be passed over.

BILL INDEFINITELY POSTPONED

The bill (H.R. 7581) to authorize a board composed of the President, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Agriculture to negotiate with foreign buyers with the view of selling American agricultural surplus products at the world market price and to accept in payment therefor silver coin or bullion at such value as may be agreed upon which shall not exceed 25 percent above the world market price of silver, and to authorize the Secretary of the Treasury to issue silver certificates based upon the agreed value of such silver bullion or coin in payment for the products sold, and for other purposes, was announced as next in order.

Mr. PITTMAN. Mr. President, since the passage of the silver bill this bill is virtually dead, and I move that it be indefinitely postponed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the bill will be indefinitely postponed.

BILL AND JOINT RESOLUTION PASSED OVER

The bill (S. 1978) to assure to persons within the jurisdiction of every State the equal protection of laws, and to punish the crime of lynching, was announced as next in order.

Mr. McKELLAR. Over.

The VICE PRESIDENT. The bill will be passed over.

The joint resolution (S.J.Res. 7) proposing an amendment to the Constitution of the United States relative to taxes on certain incomes was announced as next in order.

Mr. FESS. Over.

The VICE PRESIDENT. The joint resolution will be passed over.

PROTECTION OF LABOR IN ITS OLD AGE

The bill (S. 493) to protect labor in its old age, which had been reported from the Committee on Pensions with amendments, was announced as next in order.

The VICE PRESIDENT. The amendments have heretofore been agreed to. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That this act shall be known and may be cited as the "United States Old Age Security Act."

DEFINITIONS

SEC. 2. When used in this act—

(a) "Bureau" shall mean the Old Age Security Bureau;

(b) "State or Territory authority" shall mean the State or Territory authority charged with cooperating with the bureau;

(c) "Assisted person" shall mean a person entitled to receive assistance under a State or Territory plan approved by the bureau; and

(d) The masculine shall include the feminine.

AUTHORIZATION AND APPROPRIATION

SEC. 3. There is hereby authorized to be appropriated annually, out of any money in the Terasury not otherwise appropriated, the sum of $10,000,000, to be apportioned among the States or Territories as provided herein, to aid them in giving assistance to aged persons under the conditions of this act: *Provided*, That the President is hereby authorized to allocate not to exceed $10,000,000 from any funds that may be made available for carrying out the terms of the Emergency Relief Act of 1933 for the fiscal year ending July 1, 1935, and the fiscal year ending July 1, 1936, to be expended as provided under the terms of this act.

ALLOTMENT NOT TO BE USED FOR LANDS

SEC. 4. No portion of any money allotted under the act for the benefit of any State or Territory shall be applied to the purchase, rental, erection, repair of any building, or for equipment, or for the purchase or rental of any lands.

MONEY TO BE SPENT BY STATE

SEC. 5. All money allotted under this act to any State shall be expended under the supervision of the State authority.

ACCEPTANCE OF ACT BY STATE

SEC. 6. In order to receive the benefit of this act, any State or Territory shall, through its legislature—

(a) Accept the provisions of this act;

(b) Empower and designate a State or Territory board or officer as the State or Territory authority to prepare the plan herein provided for, to cooperate with the bureau, and to supervise the expenditure of the funds; and

(c) Appoint the State or Territory treasurer as custodian of any allotment paid it under this act, who shall receive and provide for the proper custody and disbursement of all money so paid.

SEC. 7. (1) There is hereby created in the Department of Labor a bureau to be known as the "Old Age Security Bureau."

(2) The bureau shall be in charge of a director to be appointed by the Secretary of Labor.

(3) There is hereby authorized to be employed by the bureau a chief clerk and such special agents, assistants, clerks, and other employees at such rates of compensation and in such numbers as Congress may from time to time provide by appropriations.

DUTIES OF BUREAU

SEC. 8. It shall be the duty of the bureau to carry out the provisions of this act, and to that end—

(a) To make the necessary rules and regulations;

(b) To examine plans submitted by a State or Territory authority for the disbursement of an allotment to the State or Territory under this act, and to approve such plans and any changes thereof;

(c) To make necessary investigations of the administration of any plan approved by it;

(d) To cooperate with State or Territory authorities and other agencies, public and private, for the purpose of improving the administration of old-age assistance and of studying the problem of old age in the United States;

(e) To withhold from any State or Territory the payment of any allotment or installment thereof when it decides that the money allotted is not being expended as provided in the plan;

(f) To certify to the Treasurer of the United States the amount of allotment to any State or Territory; and

(g) To take any other action necessary to carry out the purpose of this act.

APPEAL TO PRESIDENT OR SECRETARY

SEC. 9. When any allotment or any installment thereof is withheld by the bureau, the State or Territory affected may appeal to the Secretary of Labor, and from his decision to the President of the United States, who may either affirm or reverse the action by the bureau or the Secretary as he may judge proper. The Bureau on receiving notice of the opinion of the Secretary or of the President shall take action to accord with it.

CONTENTS OF PLAN

SEC. 10. The bureau shall not approve any plan submitted by the State or Territory authority which does not provide that—

(1) The plan shall be State-wide or Territory-wide and if administered by subdivisions of the State or Territory shall be mandatory on such subdivisions.

(2) An old person entitled to relief under it:

(a) Is a citizen of the United States and a resident of the State or Territory for a period of years determined by the State or Territory law providing old-age assistance;

(b) Is 65 years old, except up to January 1, 1939, plans may be approved in which the age requirement is above 65 but no more than 70 years;

(c) Does not possess real and/or personal property of a value in excess of $5,000; and

(d) Has no child or other person responsible under the law of the State or Territory for his support and able to support him.

(3) There shall not be charged against the allotment made under this act more than one-third of the total sum paid to aged persons under the plan, except that payments made in excess of $1 a day to any such person and payments made to persons who are not citizens of the United States, shall not be taken into account.

(4) So much of any sum paid as assistance, which shall be equivalent to the share paid from the allotment under this act, shall be a lien on the estate of the assisted person and upon his death shall be collected by the State or Territory and reported to the bureau provided in this act.

CHANGES IN PLAN

SEC. 11. The State or Territory authority may at any time submit proposed changes in the plan to the bureau, which may approve such changes if they are in accord with the provisions of this act.

REPORTS BY STATE OR TERRITORY AUTHORITY

SEC. 12. (1) The State or Territory authority shall annually, on or before the 1st day of May of each year, or as soon thereafter as possible, submit to the bureau a statement—

(a) Of the amount of the appropriation made by the State or Territory for the period of the ensuing fiscal year for the purpose of assistance without including any part of the expenses of administration;

(b) An estimate of the sum which must be contributed by any political subdivision of the State or Territory during such year for the purpose of assistance without including any part of the expenses of administration;

(c) A statement of the amount collected, if any, from the estate of any assisted person for which the State or Territory is accountable to the United States under section 10, subsection (4); and

(d) An estimate of the amount unexpended of any allotment made from appropriation under this act for the current year.

(2) (a) The bureau shall compute annually the amount of allotment to be given such State or Territory at one-third of the sum of (a) and (b) of subsection (1) of this section, after deducting from such one-third the sum of (d) and (c) of such subsection.

(b) If the amount of assistance to any aged person under the plan be at a rate in excess of $1 a day, then only so much of the appropriations by the State or Territory and the political subdivision thereof shall be taken as a basis for computation, which when added to the Federal allotment will provide assistance at the rate of $1 a day.

(c) If the sum of all allotments be in excess of the appropriations for the purpose, then the allotment to each State or Territory shall be diminished to that percentage which the appropriations bear to the sum of all allotments.

(3) The State or Territory authority shall report at such date to the bureau, in respect to the administration of the plan, and shall make such other reports at such time as may be fixed by the bureau.

(4) Each State or Territory authority, as soon as possible after the 30th day of June of each year, shall notify the bureau of the exact amount unexpended of its allotment for the year ending on such 30th day of June, and the bureau shall adjust the allotment to each State or Territory in accordance therewith.

NOTIFICATION TO TREASURER

SEC. 13. The Bureau shall annually notify the Treasurer of the United States of the States or Territories whose plans have been accepted and are in force and the amount of the allotment made to each State or Territory. The Treasurer shall thereupon pay to the treasurer of each such State or Territory the sum so allotted in quarterly installments beginning the 1st of July of each year unless he is notified by the bureau to withhold or change the amount of any allotment, in which case he shall act in accordance with such notification.

ACTION OF COMPTROLLER GENERAL

SEC. 14. The Comptroller General is authorized and directed to allow credit in the accounts of the Treasury of the United States for payment of allotments in the amount notified him by the Commission.

Mr. GORE subsequently said: Mr. President, I was temporarily called out of the Chamber to attend a meeting of the District Committee. During my absence Senate bill 493 was reached. I have been watching its call. I ask unanimous consent to reconsider the vote by which the measure was passed, because it is not consistent with the special message submitted to the House last week by the President, who suggested that measures of this kind, together with others, ought to be very carefully considered by a commission. For that reason I ask to reconsider, as I understand a commission is to be appointed for that purpose.

The VICE PRESIDENT. The Senator from Oklahoma [Mr. GORE] asks unanimous consent that the vote by which Senate bill 493 was passed be reconsidered. Is there objection? The Chair hears none.

Mr. GORE. I ask that the bill go over.

The VICE PRESIDENT. The bill will be passed over.

AMENDMENT OF CRIMINAL CODE

The bill (S. 1842) to amend sections 211, 245, and 312 of the Criminal Code, as amended, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That sections 211, 245, and 312 of the Criminal Code, as amended, are each amended by adding at the end thereof the following: "The provisions of this section shall not be construed to apply to any book or information relating to the prevention of conception, or article, instrument, substance, drug, medicine, or thing designed, adapted, or intended for the prevention of conception, for use (1) by any physician legally licensed to practice medicine in any State, Territory, or the District of Columbia, or by his direction or prescription; (2) by any medical college legally chartered under the laws of any State, Territory, or the District of Columbia; (3) by any druggist in filling any prescription of a licensed physician; or (4) by any hospital or clinic licensed in any State, Territory, or the District of Columbia."

Mr. McCARRAN subsequently said: Mr. President, I ask unanimous consent to recur to Calendar No. 868, being Senate bill 1842, which was passed without my being aware of it. I desire to ask unanimous consent that the vote by which the bill was passed be reconsidered.

The VICE PRESIDENT. The Senator from Nevada asks unanimous consent to reconsider the vote by which Senate bill 1842 was passed. Is there objection? The Chair hears none.

Mr. McCARRAN. Mr. President, I object to the consideration of the bill, and ask that it go over.

Mr. HASTINGS. I understand the request of the Senator from Nevada is that the vote on Senate bill 1842 be reconsidered and that it go over?

Mr. McCARRAN. That is correct.

Mr. HASTINGS. Of course, Mr. President, I am very anxious to have the bill passed, but I realize that it is the practice in the Senate, because of the rapid passage of bills, that such unanimous consent requests are granted. I hope the Senator will reconsider the request and permit the bill to be passed. There may not be much chance of its passing in the House, but I certainly should like at this time to have the bill pass the Senate. It has been before the Senate for 2 years or more. I should like to have the bill pass the Senate at any rate so as to encourage the women who have been working so hard to get the legislation enacted.

The VICE PRESIDENT. There is objection, and the bill will be passed over.

COURT SALES OF REAL ESTATE

The bill (H.R. 1567) amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court, was considered, ordered to a third reading, read the third time, and passed.

INDEMNITY BONDS FOR NATIONAL BANKS

The bill (S. 2915) requiring national banks to obtain indemnity bonds from State-qualified bonding companies, was announced as next in order.

Mr. HASTINGS. Over!

Mr. NEELY. Mr. President, will the Senator withhold his objection until I shall have made a brief statement?

The VICE PRESIDENT. Does the Senator from Delaware [Mr. HASTINGS] withhold his objection in order to allow the Senator from West Virginia to make a brief statement?

Mr. HASTINGS. I do.

Mr. NEELY. Mr. President, the serious attention of the Senate is invited to the important bill to which the Senator from Delaware [Mr. HASTINGS] has just objected.

It is as follows:

Hereafter every national banking association shall obtain all bonds indemnifying the association against misfeasance by its officers or employees, or against theft, burglary, larceny, or other misappropriation or loss of the funds of such association, from insurance or bonding companies duly qualified by the State in which such association is located to do business therein. The provisions of this act shall apply to all such bonds obtained after the date of enactment of this act and all renewals of such bonds now held by such associations.

To the foregoing I have submitted the following amendment in the nature of a substitute:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That hereafter every national banking association and every other banking institution which is or becomes a member of the Federal Deposit Insurance Corporation shall obtain all bonds indemnifying the association or institution against misfeasance by its officers or employees, or against theft, burglary, larceny, or other misappropriation or loss of the funds of such association or institution, from insurance or bonding companies duly qualified by the State in which such association or institution is located to do business therein."

On the 21st day of last February a bill similar to the one under consideration was introduced by the senior Senator from Florida [Mr. FLETCHER] and was on the same day referred to the Committee on Banking and Currency. Later it was reported in the papers that the committee had rejected the Fletcher bill. Thereafter I introduced a similar measure, which is the one to which the Senator from Delaware now objects. Without any suggestion on my part, my bill was referred to the Committee on the Judiciary. I was appointed chairman of a subcommittee to conduct hearings on this bill. The hearings were held and printed. Subsequently the Committee on the Judiciary ordered that the bill be reported to the Senate with the recommendation that it be passed. All but three members of the committee voted for a favorable report. The Senator from Rhode Island [Mr. HEBERT], the Senator from Delaware [Mr.

HASTINGS], and the Senator from Vermont [Mr. AUSTIN] voted against the bill. But I have been informed by the able Senator from Vermont [Mr. AUSTIN] that he now favors this legislation.

An explanation of the purpose of the bill, and some of the reasons why it should be passed are set forth in the majority report of the committee, as follows:

Every State in the Union requires American surety and bonding companies to comply with its laws as a condition precedent to such companies doing business in the State in question.

In the year 1932, by virtue of the laws of the various States, the American companies paid into State treasuries a total premium tax of $11,613,626.28. The minimum tax of $6,630.27 was paid to the State of Nevada and the maximum of more than two and one-half million dollars was paid to the State of New York.

In the same year and from the same source California received more than a million dollars; Pennsylvania, Massachusetts, and New Jersey each more than three-fourths of a million dollars; and Illinois and Ohio each received more than a half million dollars. Connecticut, Indiana, Michigan, and Missouri each received almost $300,000; Texas and Wisconsin each received more than $200,000; Iowa, North Carolina, Oklahoma, Tennessee, Vermont, and Virginia each received more than $100,000.

Every State in the Union has provided means whereby process commencing suit may be legally served on every American surety company which does business therein.

The American companies regularly maintain approximately 100,000 agents and 30,000 other employees.

Thirty of the qualified companies paid their employees, in the year 1933, $48,300,831 in salaries and wages.

At least one great foreign insurance association—

Commonly known as "London Lloyd's"—

which actively and successfully competes with the American companies for the business of writing indemnifying bonds throughout the United States, has legally qualified to do business in only one State in the Union, Illinois. This association maintains practically no agents or employees in this country. It pays no premium taxes in any State excepting Illinois. And, excepting Illinois, there is no State in the Union in which process commencing suit against it can be legally served.

This foreign company and every other foreign company will be required, if the bill is enacted into law, to pay its fair proportion of premium taxes into the treasury of each State in which it supplies indemnifying bonds to national banking associations.

The bill does not seek to create a monopoly in favor of the American companies; it does not propose to confer a single favor upon them, or to provide them a single advantage. Nor does it seek to bar any foreign company or association from participating in the writing of surety bonds for national banking associations.

The VICE PRESIDENT. Under the rule under which the Senate is operating the time of the Senator, 5 minutes, has expired.

Mr. NEELY. I ask unanimous consent to proceed for 3 additional minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. NEELY. I continue to read from the majority report of the committee:

The sole purpose of the legislation is to eliminate the notoriously unfair advantage which the foreign company in question has long enjoyed and still enjoys over the American companies, and to require it to bear its equitable share of the burdens which are now borne exclusively by the American companies and from which the latter have no means of escape.

The effect of the bill, if it becomes a law, will simply be to equalize the conditions under which the foreign carriers of insurance and American surety companies may compete for the American business of writing bonds for national banking associations.

Mr. President, under the existing order, of course, this bill cannot be taken up unless the Senator from Delaware withdraws his objection, but I now give notice that just as soon as the parliamentary situation will permit I shall move the Senate to proceed to the consideration of this bill, notwithstanding the objections which have been interposed. I hope that the so-called "railroad men's pension bill", in which I am deeply interested, and which is now the unfinished business of the Senate, will be promptly passed in order that I may move the further consideration of Senate bill 2915 before the Senate adjourns this afternoon.

Mr. AUSTIN. Mr. President, I am anxious to make a statement at this time because I fear I may not have an opportunity at some other time to make the statement.

I voted in the committee against this bill, but afterward I had an opportunity to see the record of the hearings. They had not been printed at the time when I voted in the committee, and I was not informed fully of the situation. Now I have changed my mind—a right which I reserve and exercise sometimes, and I did exercise it in this case.

I wish to state some of the facts which move me to do that. I will not argue them, but I have listed them so as to save time.

American companies are required by law to protect the public by the following acts, which foreign companies are not required to do.

If a $10,000 bond is written anywhere in the United States, $5,000 must be set up as a reserve against the unearned premium.

If a loss of $10,000 should be payable in the future, $10,000 must be set up as a reserve to meet that demand.

Periodic examinations by the insurance commissioners of the various States ascertain that such reserves are maintained.

State premium taxes, insurance-department taxes, and other State taxes, as well as local real-estate taxes, must be paid. These taxes aggregate for a year $8,000,000 in round figures.

Federal taxes are levied on both domestic and foreign companies. Millions of dollars' worth of Government, State, and other securities are purchased by American companies for investment to the obvious support of American business.

An organization is maintained by American companies in States where they do business, and process can be served upon them there; no such organization is maintained by the foreign company, not domesticated, and process cannot be served upon it unless it volunteers to accept service.

American companies cannot discriminate between customers as to rates in order to obtain business in competition, whereas such discrimination is not hampered by any law or regulation affecting foreign undomesticated companies.

These burdens on the American companies add to the cost of doing business, which disables them from meeting the competition in rates of the foreign undomesticated company.

The foreign company being able to write the insurance for less money can select and does select risks, which again tends to the disadvantage of the domestic company in respect to the losses it must pay. This strengthens the foreign company's position in competition with the domestic company.

The relative contribution to the general welfare of American companies excites support for the bill.

Millions of dollars must be invested in this country by the American companies in capital, surplus, and reserves, whereas such sums may be all invested abroad by the foreign company.

The American companies employ approximately 30,000 direct employees and pay out annually in wages and salaries in the United States $50,000,000.

Stock casualty and surety net written premiums aggregated in 1932 $555,055,231, on which there was paid total premium tax of $11,613,626.28.

Approximately 100,000 agents are employed throughout this country by American companies; 0.9 of them gain their livelihood from this business.

Our banks are benefited by large deposits arising from this business. December 31, 1932, these deposits equalled $50,000,000. To this should be added the deposits of agents and other employees.

These facts throw such weight into the scales as to tip the balance decisively in favor of the bill.

All that is required by the bill is that the competing foreign corporation put itself in the same relation to our economic and civic life as the American company does, and then it can do business without the handicap which it now has over the American company. This will doubtless make the cost to consumers greater, but the total cost will be better distributed than it is today, and the general effect on American business ought to be favorable.

For these reasons I shall support this bill if it comes to a vote.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

Mr. HASTINGS. Mr. President, I still object to the passage of this bill.

Mr. ROBINSON of Arkansas. Then, Mr. President, I shall have to demand the regular order.

The VICE PRESIDENT. The regular order is demanded.

Mr. LONG. Mr. President, a Senator has 5 minutes, has he not?

The VICE PRESIDENT. Under the rule adopted in connection with unanimous-consent agreements, unobjected bills were to be considered on the calendar. If any Senator objects, and the regular order is called for, the bill goes over. If unanimous consent is given for the consideration of a bill, then it is subject to discussion under the 5-minute rule. Is there objection?

Mr. HASTINGS. I object.

The VICE PRESIDENT. Objection is heard. The clerk will state the next bill in order on the calendar.

CLAIMS OF GRAIN ELEVATORS AND GRAIN FIRMS

The joint resolution (S.J.Res. 102) authorizing and directing the Comptroller General of the United States to certify for payment certain claims of grain elevators and grain firms to cover insurance and interest on wheat during the years 1919 and 1920 as per a certain contract authorized by the President was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Whereas it is provided in the act entitled "An act to provide further for the national security and defense by encouraging the production, conserving the supply, and controlling the distribution of food products and fuel (ch. 53, 40 Stat.L., approved Aug. 10, 1917, and ch. 125, 40 Stat.L., approved Mar. 4, 1919), wherein the President was authorized to determine and fix a guaranteed price, to be paid producers of wheat, and wherein the President was further authorized as follows:

"Whenever the President shall find it essential in order to carry out the guaranties aforesaid, or to protect the United States against undue enhancement of its liabilities thereunder, he is authorized to make reasonable compensation for handling, transportation, insurance, and other charges with respect to wheat and wheat flour of said crops and for storage thereof in elevators, on farms, and elsewhere"; and

Whereas the President by an Executive order (no. 3087), dated May 14, 1919, in pursuance of the power conferred on him by said act, did order as follows:

"I further find it essential and hereby direct that in order to carry out the guaranties made producers of wheat of the crop of 1919, and to protect the United States against undue enhancement of its liabilities thereunder, the United States wheat director utilize the services of the Food Administration Grain Corporation (now the United States Grain Corporation by reason of a change of name authorized by Executive order) as an agency of the United States, and I authorize the Food Administration Grain Corporation * * * to enter into such voluntary agreements to make such arrangements and to do and perform all such acts and things as may be necessary to carry out the purposes of said act"; and

Whereas the United States Grain Corporation, in pursuance of said Executive order, and, for the purpose of carrying out and making effective the guaranteed price, made, and entered into, a certain contract, known as the "grain dealers' agreement", with various independent and farmer grain firms and grain-elevator companies in Montana, North Dakota, South Dakota, Minnesota, Nebraska, Kansas, Iowa, Missouri, Wyoming, and Oklahoma, and wherein it was agreed as follows:

"Fourth. In case the dealer (the elevator firms) shall be unable, after using every effort and all diligence to ship in any week such total of grain as makes the equivalent of at least 20 percent of the amount of wheat in his elevator and owned by him at the beginning of such week, the Grain Corporation shall pay to the dealer to cover insurance and interest for such week seven-twentieths of 1 cent per bushal on the wheat in the elevator owned by him at the beginning of such week"; and

Whereas the President, in an Executive order (no. 3320) dated August 21, 1920, did approve, ratify, and confirm all acts done or authorized by the said United States Grain Corporation in carrying out and making said guaranteed price effective; and

Whereas all said grain dealers (the elevator firms) under the term of said grain dealers' contract, were required by said United States Grain Corporation to, and in accordance therewith each said grain dealer did make prescribed written weekly reports to said United States Grain Corporation; and in due course there was duly and truly entered from said weekly reports upon the books of said United States Grain Corporation by said United States Grain Corporation as money earned by said grain dealers, and each of them, under the terms of said contract, and as justly due and truly owing to each said grain dealers from said United States Grain Corporation, the several sums of money, as reported by the Department of Commerce in its reports filed with the Secretary of the Senate, to which reports reference is hereinafter made; and

Whereas all the records, books of account, and files of the United States Grain Corporation were placed in the custody of the Department of Commerce by and pursuant to an Executive order (no. 4791) of the President, dated the 31st day of December 1927, and were in the custody of the Department of Commerce at the time of the making and filing with the Senate of the reports of the Department of Commerce hereinafter mentioned; and

Whereas on the 16th day of June 1929 the Senate of the United States duly adopted Senate Resolution 98 (71st Cong., 1st sess.), directing the Department of Commerce to furnish the Senate and file with the Secretary of the Senate the names and addresses of each person, firm, or corporation as they appear on the books and records of the United States Grain Corporation, who have, or appear to have, therefrom, a claim against the United States Grain Corporation or the United States, unpaid, in whole or in part, for such interest and insurance under and by virtue of said contract; and the respective amounts entered on said books and records as apparently earned by each said person, firm, and corporation under and by virtue of said contract; and

Whereas in pursuance of said resolution (no. 98) of the Senate, the Department of Commerce, subsequent to the adoption thereof and prior to the 14th day of December 1929, did furnish the Senate and did file with the Senate written reports wherein the Department of Commerce set forth the names and addresses of divers persons, firms, corporations, and grain dealers, and therein, further, did set forth opposite said names and addresses the respective amounts actually entered upon the records and books of the said United States Grain Corporation as accrued under the terms of said grain dealers' contract, to said persons, firms, corporations, and grain dealers; reference to said reports so filed being hereby made for greater particularity; and

Whereas it appears from said reports of said Department of Commerce, so filed with the Senate, that all the amounts and credits due from said United States Grain Corporation under said grain dealers' contract to the persons, firms, and corporations named in said reports still remain unpaid; and

Whereas said persons, firms, corporations, and grain dealers named in said reports of said Department of Commerce are now, and heretofore have been, making claim for payment thereof: Now, therefore, be it

Resolved, etc., That the Comptroller General of the United States, upon the filing with his office of an affidavit by any person, firm, corporation, or grain dealer named in said reports of the said Department of Commerce, so filed with the Secretary of the Senate, or by an officer of said person, firm, corporation, or grain dealer, or the successor or legal representative of such person, firm, corporation, or grain dealer, stating that the person, firm, corporation, or grain dealer making said affidavit is the identical person, firm, corporation, or grain dealer named in said reports of said Department of Commerce or is the successor or legal representative of such person, firm, corporation, or grain dealer, and, as such, is entitled to receive payment of the respective amount stated in said report of said Department of Commerce as filed with the Secretary of the Senate and, therein, set opposite the several names of such person, firm, corporation, or grain dealer, shall, forthwith, certify to the Secretary of the Treasury of the United States for payment to such person, firm, corporation, or grain dealer, together with the reasonable and necessary expense incident to the administration of this resolution in the office of the Comptroller General of the United States, out of any funds of the United States Grain Corporation now in the possession of the United States, or out of any funds in the United States Treasury not otherwise appropriated, the respective amounts stated in said reports of the Department of Commerce, filed with the Secretary of the Senate and therein set apposite the name and address of said person, firm, corporation, or grain dealer making said affidavit or in whose behalf said affidavit is made; and in this connection and upon the filing of said affidavit, it shall be taken, as the fact, that all conditions and acts necessary to authorize payment of said amounts set opposite the names and addresses of each of said persons, firms, corporations, or grain dealers named in said reports of said Department of Commerce, have been duly complied with and performed, by such persons, firms, corporations, or grain dealers; or if it appears hereafter from the books or records of the United States Grain Corporation, or said weekly reports, that any other or additional amounts were earned, or apparently earned, by the persons, firms, corporations, or grain dealers named in said reports of said Department of Commerce, now filed with the Secretary of the Senate, under the terms of said grain dealers' contract, and that said additional amounts remain unpaid; or if it appears from the books or records of the United States Grain Corporation or said weekly reports that any person, firm, corporation, or grain dealer, not named in said reports of said Department of Commerce, now on file with the Secretary of the Senate, has earned or apparently earned, under the terms of said grain dealers' contract, and in the manner hereinbefore set forth, any sum, and that said sum now remains unpaid, the Comptroller General of the United States is hereby authorized and directed to, and he shall, forthwith, upon the filing with his office by any such person, firm, corporation, or grain dealer, or an officer thereof, or the successor or legal representative of such person, of an affidavit stating that the person making said affidavit is the identical person, firm, corporation, or

grain dealer, or an officer thereof, or the successor or legal representative of such person named in the books, records, or weekly reports and as such is entitled to receive payment of said additional amount disclosed by the books or records of the United States Grain Corporation, or said weekly reports, and that said sum is unpaid, certify said additional amounts to the Secretary of the Treasury for payment to said several persons, making said affidavit, or in whose behalf said affidavit is made, and upon the filing of said affidavit last mentioned, it shall also be taken as a fact that all conditions and acts necessary to authorize payment of said additional amounts have been duly complied with, and performed by each person, firm, corporation, or grain dealer making said affidavit, or in whose behalf said affidavit is made: *Provided*, That the amount to be paid by such persons, firms, corporations, or grain dealers to their attorneys, as fees, exclusive of their expenses, shall not exceed 25 percent of the amount so paid to each such person, firm, corporation, or grain dealer hereunder.

SEC. 2. The resolution entitled "Joint resolution authorizing the President to ascertain, adjust, and pay certain claims of grain elevators and grain firms to cover insurance and interest in wheat during the years 1919 and 1920 as per a certain contract authorized by the President", approved February 4, 1929, as amended, is hereby repealed.

The preamble was agreed to.

PUBLIC-SCHOOL BOARD AT WOLF POINT, MONT.

The Senate proceeded to consider the bill (S. 2426) to provide funds for cooperation with the public-school board at Wolf Point, Mont., in the construction or improvement of a public-school building to be available to Indian children of the Fort Peck Indian Reservation, Mont., which had been reported from the Committee on Indian Affairs with an amendment, on page 1, line 3, after the word "be", to strike out "expended from any moneys now available and applicable for construction under provision of the National Industrial Recovery Act, approved June 16, 1933, or that may become hereafter available, the" and insert "appropriated, from any moneys in the Treasury not otherwise appropriated, the", so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any moneys in the Treasury not otherwise appropriated, the sum of $50,000 for the purpose of cooperating with the public-school board of district no. 45, town of Wolf Point, county of Roosevelt, Mont., for construction, extension, and betterment of the public high-school building at Wolf Point, Mont.: *Provided*, That the expenditure of any money so authorized shall be subject to the express conditions that the school maintained by the said district in the said building shall be available to all Indian children of Fort Peck Indian Reservation, Mont., on the same terms, except as to payment of tuition, as other children of said school district, and that accommodations in said enlarged building to the extent of one-half its capacity shall be available for Indian children from the Fort Peck Reservation: *Provided further*, That such expenditures shall be subject to such further conditions as may be prescribed by the Secretary of the Interior.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3484) relating to the sale of cotton held for producers by the 1933 cotton producers' pool was announced as next in order.

Mr. FESS. Mr. President, I do not see the author of the bill in the Chamber at the moment, and, therefore, I think it had better go over.

The VICE PRESIDENT. The bill will be passed over.

APPOINTMENT OF ASSISTANT UNITED STATES ATTORNEYS

The bill (S. 2082) to amend the first sentence of section 8 of the act of May 28, 1896, chapter 252, relative to the appointment of assistant United States attorneys was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the first sentence of section 8 of the act making appropriations for the legislative, executive, and judicial expenses of the Government, approved May 28, 1896 (29 Stat. 181), as amended (U.S.C., title 28, sec. 483), be, and the same is hereby, amended to read as follows:

"That whenever, in the opinion of the district attorney of any district, evidenced by writing, the public interest requires it, one or more assistant district attorneys may be appointed by the Attorney General; but such opinion shall state to the Attorney General the facts as distinguished from conclusions, showing the necessity therefor."

HENRY HARRISON GRIFFITH

The bill (H.R. 3161) for the relief of Henry Harrison Griffith was considered, ordered to a third reading, read the third time, and passed.

ESTATE OF WHITE B. MILLER

The bill (H.R. 3295) for the relief of the estate of White B. Miller was considered, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. I desire to insert in the RECORD a statement following the passage of House bill 3295 in regard to the claim in that bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

MEMORANDUM RE BALANCE DUE ESTATE OF W. B. MILLER FOR SERVICES AS SPECIAL ASSISTANT TO THE ATTORNEY GENERAL OF THE UNITED STATES

The late W. B. Miller was commissioned special assistant to the Attorney General of the United States in March 1923, and from time to time thereafter, his services terminating in March 1929.

In every instance he was engaged to handle only specific litigations which were set out in his commission from the Attorney General. In some instances the commission under which Mr. Miller was empowered to act would set forth the compensation to be paid (see letter from Attorney General John G. Sargent, Mar. 27, 1925, copy attached). In other instances the commission would provide that compensation was to be fixed by the Attorney General and would be agreed upon at the conclusion of the services (see letter from Rush L. Holland, Assistant Attorney General, Feb. 21, 1924, copy attached).

All except strictly office work involved long absences from his office at Chattanooga. His services were rendered both on behalf of the Department of Justice and the Treasury Department. His major services were divided between what might be termed (1) Savannah group of cases, and (2) *Cannon* v. *Bailey, Collector*, cases.

Services in connection with the Savannah group began in March 1923 and terminated in March 1929.

In the course of services in these cases he succeeded in destroying the famous Haar-Bailey-Goldberg bootleg ring. A large number of indictments for conspiracy to violate the National Prohibition Act and filing fraudulent income-tax returns were returned and in every instance a conviction resulted. A number of these cases were prepared and argued on appeal to the United States Court of Appeals—the Government being successful in every instance. The civil tax cases against Haar, in which the Government prevailed, went to the Supreme Court of the United States. Penalties, fines, and taxes in excess of $500,000 were collected; in many instances collections were made after heated litigation over fraudulently conveyed property, etc.

All remaining compensation due in connection with the Savannah group of cases was paid during October 1928, it being agreed at that time that a conference would be held between Mr. Miller and the Attorney General, looking to agreement respecting compensation in the Cannon cases.

In March 1926 Mr. Miller was asked by the Attorney General to undertake the defense of the Cannon cases under circumstances outlined in letter from present Attorney General Mitchell to Col. J. C. Roop, Director Bureau of the Budget, dated December 7, 1929, see copy attached. A commission was issued under date of March 17, 1926, covering these cases, providing that compensation would be fixed by the Attorney General. Mr. Miller declined to accept the commission in this form, whereupon it was modified to provide that he would receive reasonable compensation, per letter from Attorney General Sargent, dated April 24, 1926, copy of which is attached. It was definitely understood and agreed between the Attorney General and Mr. Miller, about which there is no dispute, that Mr. Miller would be reasonably compensated for his services in the Cannon cases, notwithstanding he was already receiving compensation in the Savannah cases. It was pointed out by Mr. Miller that if he assumed charge of the Cannon cases, his entire time would be consumed in Government work and that he would not be free to conduct his private practice as he had done theretofore.

After assuming defense of the Cannon cases, Mr. Miller devoted practically his entire time to Government service, releasing to his partners at Chattanooga all matters of any consequence which he was handling. He also declined, during a period of almost 3 years, during which he was in charge of the Cannon cases, to accept other business which was offered to him for the reason that his time was completely occupied with Government litigation.

Something in excess of $2,000,000 was involved in the Cannon cases. The Government, up to the time of Mr. Miller's engagement, had suffered an adverse decision in the district court of New York. Plaintiff was represented by an eminent array of counsel headed by Judge Hughes' firm. The cases were finally settled resulting in a saving to the Government of in excess of $1,000,000, which was highly satisfactory to the Attorney General and the Treasury Department. Attached is a copy of Mr. Miller's report to the Attorney General respecting the Cannon cases,

dated March 14, 1929, which shows in some detail the extent of services rendered.

At the conclusion of the Cannon cases Mr. Miller submitted a statement for $50,000 covering his entire work in these cases, which was duly approved for payment. Just at this time there was a change in the administration. Shortly thereafter Mr. Miller's health began to fail and he died without having received any payment whatever for these services. Representatives of his estate called at the Department of Justice after his death and were shown the files which disclosed that the new Attorney General, William D. Mitchell, had made a notation, in substance, that notwithstanding the magnitude of the litigation, the character of the services rendered and results obtained, he would only approve payment for $25,000. This for the reason that persons employed by the United States Government should not expect to be paid compensation commensurate with the work done. Representatives of Mr. Miller's estate were very much aggrieved that this action had been taken, but concluded it was best to accept this amount inasmuch as it could be handled immediately through the Director of the Bureau of the Budget.

Representatives of Mr. Miller's estate were very chagrined and disappointed a little later to be advised that the Director of the Bureau of the Budget felt that he was not justified in recommending inclusion of this item in a general appropriation bill, because of a statutory limitation respecting compensation of attorneys engaged by the United States. (See letter of Attorney General, Mar. 29, 1930, attached.) Any idea that this statute should have any bearing on the compensation in question is clearly negatived by the course previously pursued and by the basis of compensation definitely fixed in Attorney General Sargent's letter of April 24, 1926.

The Attorney General's office then suggested that Mr. Miller's executors cause a bill to be introduced in Congress stating that it has the approval of the Department of Justice.

As the matter now stands Mr. Miller's claim for services has been cut in half and is now more than a year and a half overdue, and in the meantime his executors have recently been forced to sacrifice securities in a highly unfavorable market in order to pay inheritance taxes and bequests under his will.

It is indeed unfortunate, after the record which was made by Mr. Miller, probably unexcelled in the history of the Department of Justice, that his family should be forced to go before Congress and ask for compensation which is admittedly due, solely for the reason that the commission in these cases ran concurrently for part of the time with one covering other cases, notwithstanding a positive agreement with the Attorney General of the United States concerning this compensation.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 27, 1925.

MR. WHITE B. MILLER,
Special Assistant to the Attorney General,
Chattanooga, Tenn.

MY DEAR MR. MILLER: Will you please continue under the same terms and conditions as in your contract of the past year to handle at least the so-called "Big Four Savannah" cases, which is, since January 1, 1925, at the rate of $1,000 per month. This specifically is to include trial of the tax cases as follows:

Jacob Stein, R. A. Bailey, C. C. Tuten, Joseph Greenberg, H. V. Evans, E. B. Sauls, J. E. Cercoply, Bert B. Frost, Peter Athas, J. F. Williams, J. H. Thomas, Nathan Greenberg, J. N. Harris, Alex Mendel, C. Graham Baughn, Henry C. Taylor, Frank J. Ciucevish, and Ruby Kolman.

Respectfully,

JOHN G. SARGENT, *Attorney General.*

DEPARTMENT OF JUSTICE,
Washington, D.C., February 21, 1924.

WHITE B. MILLER, Esq.,
Special Assistant to the Attorney General,
Chattanooga, Tenn.

SIR: Referring to the matter of your compensation for services rendered as special assistant to the Attorney General, under your appointment of March 13, 1923, in cases arising out of the violation of the National Prohibition Act and the internal-revenue laws, you are advised that the Attorney General has determined and allowed you $12,000 for the period from March 13 to December 31, 1923, inclusive.

With respect to the several expense accounts submitted by you for expenses incurred during the past year, the total suspensions amounted to $431.40. Of this amount, $59.20 was for personal travel which it has been impossible to allow, leaving a remainder of $372.20, which the Department has, however, fixed, in order to make a round sum, at $375.

Accordingly, there is enclosed herewith voucher in your favor in the amount of $12,375, the sum total of the amounts allowed for compensation and suspensions, for the above-mentioned period, which should be signed by you at the place indicated and returned to the Division of Accounts, this Department, for audit and settlement.

Respectfully,
For the Attorney General:

RUSH L. HOLLAND,
Assistant Attorney General.

DECEMBER 7, 1929.

Col. J. C. ROOP,
Director Bureau of the Budget, Washington, D.C.

DEAR SIR: I wish specially to call your attention to the item of $25,000 additional compensation for Special Assistant to the Attorney General White B. Miller, who conducted on behalf of this Department the important tax litigation involved in the Cannon against Bailey cases. This matter arose during the last administration, but the facts as reported to me by those familiar with them are as follows:

At the time of Mr. Miller's appointment in the Cannon cases, he was already receiving the maximum of $10,000 a year as special assistant to the Attorney General for conducting the Haar cases at Savannah, Ga. Mr. Miller only undertook the conduct of the Cannon litigation upon the urgent request of the Assistant Attorney General in charge of tax cases, and upon her assurance that every effort would be made by departmental officials to secure for him adequate compensation for this extra duty in addition to that which he was at the time receiving in the Haar cases.

It would have been inadvisable for any attorney regularly employed in the Government service to handle these cases, for the reason that Mr. Blair, the then Commissioner of Internal Revenue, was involved as one of the parties. Rather than appoint some other special assistant to handle the cases, Mr. Miller was appointed because of his previous experience in handling tax cases for the Department, and also because of his proven ability and tact in handling cases involving a Federal official without public criticism. In addition, the Cannon cases were particularly difficult ones. They presented a hard question of law and necessitated months of investigation into a complexity of facts and accounting matters. Eminent New York counsel represented the taxpayers, and the cases were hard fought at every step. Mr. Miller's efforts resulted in the Government's retaining $1,081,027.26, which represented one-half of the moneys in controversy. For a detailed statement of the history of the cases, I enclose herewith a copy of the final report, dated March 14, 1929, submitted by Mr. Miller to this Department.

Mr. White B. Miller died the early part of last month. His executors are now interested in securing settlement of his account with the Government. In all the circumstances, I feel that the Government's interests were fully and adequately protected by Mr. Miller, and at less cost, considering the results obtained, than had the Department employed some other attorney to whom a fee of $10,000 per annum undoubtedly would have been paid.

Very truly yours,

WILLIAM D. MITCHELL,
Attorney General.

DEPARTMENT OF JUSTICE,
Washington, D.C., April 24, 1926.

HON. WHITE B. MILLER,
Chattanooga, Tenn.

SIR: Your appointment dated March 17, 1926, as a special assistant to the Attoroney General in the case of Cannon et al., executors, against Bailey, ex-collector, pending in the eastern district of North Carolina, is hereby amended to the extent that the phraseology, "Your compensation will be determined by the Attorney General upon the conclusion of your services", is changed to read, "You will be allowed reasonable compensation at the conclusion of your services."

Respectfully,

JNO. G. SARGENT,
Attorney General.

CHATTANOOGA, TENN., *March 14, 1929.*

The ATTORNEY GENERAL,
Washington, D.C.

Charles A. Cannon et al., executors, etc., against Josiah W. Bailey, ex-collector, No. 1334 at law.
Charles A. Cannon, et al., executors, etc., against Gilliam Grissom, collector, No. 1454 at law.

SIR: Upon my recommendation of December 15, 1928, and after full conferences with the Department, a 50-percent compromise in cases above was approved and effectuated in course. This resulted in the Government retaining $1,081,027.26 of the moneys in controversy and paying over a like amount to the claimants, as evidenced by attached copies of judgments and certificates of probable cause.

Meeting your expressed desire, this summary of our extensive files will supplement my recommendation of December 15, as per final paragraph thereof. While factual details of these cases are unlike in several respects, upon dissection and analysis the fundamental facts and the contract documents in which both have their origin are substantially the same. And they may be treated as a single controversy over income taxes owing by James W. Cannon, deceased, of Concord, N.C., for years 1917–19, inclusive.

In 1916, Mr. Cannon was a large and successful producer of cotton yarns and cloth. He and his immediate family—wife and 10 children—owned and controlled 13 southern cotton mills. He was also a large and prosperous selling agent and commission merchant, with offices in Philadelphia and New York, where he sold the output of the 13 mills—called "Cannon Group Mills"—and some 28 other southern mills. His selling and commission business was conducted under the trade name of Cannon Mills.

About June 1916 he formed a partnership limited to his selling and commission operation, with two business associates—Leslie and Glynn—then in his employ. The contract, dated June 30,

1916, confirmed to Cannon, his assigns or designees, 60 percent of all commissions to be paid by Cannon Group Mills, after which payment the net profits were to be shared in fixed proportions by the three partners.

Contemporaneously, Cannon assigned to Trading & Commission Co., a Maine corporation of $1,200 capital (12 shares of $100 each), created for the purpose, his right to the 60 percent, and same was thenceforward paid to it by the partnership as earned. He, his wife, and 10 children held a share each in the Maine corporation, which distributed to them the moneys received, and they made returns and paid income taxes accordingly. The aggregate amount so received and distributed by the Maine corporation during January 1 to May 1, 1917, was $95,481.98.

The 1916 contract was superseded by one of May 1, 1917, by which the 60-percent payment was terminated, and in lieu the partnership (1) undertook to gratuitously sell the output of three Cannon Group Mills; (2) accorded to Cannon the right to arrange with these three mills for payment of commissions for the services of the firm "as selling agent to him or his assigns * * * without any accountability to said firm for said commissions"; and (3) agreed to distribute the commissions to be paid by the three mills as directed.

Simultaneously, the three excepted mills, Cannon, and members of his family who owned substantial interests in the mills, contracted in writing that the mills would remit monthly to the partnership the customary commissions for the firm's service, same to be distributed by the partnership to Mr. Cannon and members of his family in agreed proportions. Under this arrangement, during May 1 to December 31, 1917, there was remitted and distributed, as agreed, $660,257.77.

The partnership did not include either this sum or the $95,481.98 above in its return for excess-profits taxes. Thereafter, internal-revenue agents assessed the partnership with additional taxes on both items (aggregate $755,734.75). The partnership paid so much of the additional assessment as resulted from the $95,481.98 without protest, but protested the remainder which, with interest, amounted to $423,818.22, and after payment sued the collector in a district court of New York to recover it, with interest. On motion to dismiss the district court (Judge Learned Hand) in *Leslie et al.* v. *Bowers, Collector* (293 F., 82), said:

"It may be noted that there was apparently no attempt in this case to devise a scheme to avoid the excess-profits tax, since the act imposing such a tax was passed October 3, 1917, * * * about 5 months after the date of the contracts above mentioned. But the real question is not the purpose which the parties had in mind, but what they in terms agreed to do."

The 1916 contract was not directly involved, but Judge Hand considered it and viewed the 60-percent agreement as a "consideration" moving to Cannon for making available to the firm "a business which had been his." Then, turning to the 1917 modified contract under which he thought Mr. Cannon "gave up this 60 percent and enabled the partners to share in the business without this charge, if they would eliminate from the firm receipts the commissions on the three mills in question while still performing the services", he proceeded:

"It is by no means certain that, if the commissions on these mills had gone wholly to Mr. Cannon, they should be treated as firm income for the purpose of taxation, since the firm would not share in them. But where, as here, no member of the firm had any interest in them, I cannot see how they can possibly be income. If the arrangement was unfair to stockholders of the three Cannon mills outside of the Cannon family, that would be a matter for them to object to."

Upon the trial, both parties moved for peremptory instructions, which resulted in a directed verdict and judgment for the partnership, affirmed in *Bowers, Collector,* v. *New York Trust Co. et al.* (9 F. (2d) 548 (C.C.A. 2)).

The court of appeals did not overlook the excess-profits tax of March 3, 1917 (as perhaps did District Judge Hand), since it said:

"An assessment (?) of nearly $100,000 excess-profits tax before May 1, 1917, proved that the firm's taxes were going to be high, and it is a fair inference that the changes effected by a new agreement of May 1, 1917, were for the purpose of avoiding these as much as possible."

The court of appeals considered "whether the whole arrangement was not a device to distribute firm profits to Cannon as partner by an elimination of the firm", and I interpret its analysis and reasoning as quite in accord with those of District Judge Hand. It further held that, even assuming payments by the three mills were not in "consideration for the transfer of Cannon's good will", they were not partnership income.

When the partnership's concurrence in the tax assessed against it on the $95,481.98 was urged, the court rejoined—

"* * * at most it shows no more than that the firm has been less astute to protect itself than it might have been. Nobody estops himself into paying taxes by failing in the past to assert his full rights."

The Department was content to abide the ruling that payments under the 1917 contract were nonincome of the partnership and its members, also the clearlike inference as to the 60-percent payments under the 1916 contract, without application for certiorari.

The instant suits were subsequently instituted by the executors and trustees of James W. Cannon, deceased, in the district court at Raleigh, N.C. The first resulted because revenue agents added $312,071.85 of the 1917 controverted payments made the partnership to Cannon's conceded share of the partnership profits, then assessed against him a corresponding tax of $162,818.02 for 1917. An additional assessment of $713,797.82 was made against him in 1918, based on payments by the three excepted mills for that year. Both assessments were paid under protest, and recovery thereof, with interest, sought by separate counts in the first case.

The second action resulted from similar treatment of payments in 1919, during which the parties, apparently at the instance of Leslie and Glynn, permitted a modification of the partnership contract whereby but two mills were excepted, and the partners made tax returns accordingly. Whereas, the revenue agents assessed a tax of $628,108.01 against Cannon on commissions paid by the two excepted mills during 1919, which Cannon paid under protest.

Both complaints related a history of the New York litigation, its defense by Government counsel, its final termination, and the precise stock ownership of Cannon family members in the three originally excepted mills. We felt the decision therein noncontrolling, but its persuasive effect was recognized, particularly seeing the able judges who rendered opinions. The record and briefs in the case revealed:

(a) An attack on the legal form of the executed contracts involved, hence the adverse ruling, if sound, would not be lightly disregarded in considering their real character for taxing purposes (*United States* v. *Isham* (17 Wall. 496)).

(b) An unsuccessful attack on the real character of the contracts and a deliberate decision that if resorted to, "for the purpose of evading taxation", this was "at best immaterial" because, as ruled in the Isham case, when "carried out by the means of legal forms, it is subject to no legal censure" (see also *Gould* v. *Gould* (245 U.S. 151); *Weeks* v. *Sibley* (296 F. (D.C.Tex.) 158); *Fraser* v. *Nants, Collector* (8 F. (2d) (D.C.Ohio) 106)).

(c) Despite that the interested counsel alternately proposed "a picture of the whole transaction" (p. 71, 177 Rec. Ct. App.), there was not a complete picture, and at one stage (p. 18304) a proposed investigation was objected to because not "within the pleadings"—the defense was in substance a general denial.

From the information then available, it was believed defense of instant suits involved possibilities of—

(1) Renewed insistence that the contract documents, interpreted in the light of any additional pertinent facts that might be developed, formally rendered the controverted income that of Cannon, or, at least, left its status in fair doubt.

(2) Regardless of form, upon any additional facts, the contractual arrangement and practices indulged might be but a cover whereby to reduce taxation of income that was really Cannon's.

(3) Treating controverted moneys as consideration moving to Cannon for his goodwill and connections under the 1916 contract, and assess his taxes accordingly.

(4) Waiving interest of Cannon in the controverted moneys, ascertain if he was adequately assessed otherwise for the periods involved (1917–19, inclusive); if not, assess and claim corresponding credits.

(5) Likewise as to assessment for years immediately prior and subsequent to the period involved, if not barred by limitation. S.M. 4170 (Int. Rev. Bull. IV–39–2371) September 28, 1925.

In any view, a knowledge of all pertinent facts during the particular periods, immediately prior and subsequent, was deemed essential. It was believed that all legal credits could be availed of under the general issue *New York Life Insurance Co.* v. *Anderson, Collector* (263 F., 527, 530; 5 C.J., 1405) but, as a precaution, broader defenses were framed, which resulted in plaintiffs' motions for bills of particulars. See mine December 15, 1928.

Since a worth-while investigation involved reexamination of books, papers, and other data pertaining to affairs of J. W. Cannon and the various mills for years 1916–21, and was not a matter of right (there had been previous examinations and reports by revenue agents) it was arranged through plaintiffs' New York counsel and occupied two accountants for several weeks, a condition being that plaintiffs' counsel should have a summary of the findings.

Independently, a history of the Maine corporation and its activities was traced; numerous and extensive bank, brokerage, and trust accounts of Mr. Cannon and his wife in New York institutions were summarized; also his tax returns, protests, briefs, and divers revenue agents' reports covering the years under investigation. The data thus assembled, reports, exhibits, etc., weigh near 50 pounds, and engaged our accountants for months. Practically the same course was indulged by plaintiffs' counsel through two outstanding accounting firms, costing over $70,000, as they informed me.

The result of our full investigations tended to show—

(a) The contract documents were conceived and prepared by plaintiffs' very eminent New York counsel.

(b) The Maine corporation was created and functioned under their supervision solely as a cog in the designed machinery, and only so long as necessary to the program entered on.

(c) During the period involved, Mr. Cannon indulged "wash sales" which uniformly reduced his taxes on a large scale, selling and buying through different offices, sometimes in his own name, again in his wife's, and, by means of more than one trading account, rendered knowledge of the exact facts difficult of procurement.

(d) With like transaction result, Cannon and his wife bought, sold, and traded extensively in stocks inter se.

(e) Cannon probably owed taxes largely in excess of his 1916 assessment—worthless as evidence save for psychological purposes, since without the period involved.

(f) But his aggregate questionable tax reductions during the period involved, plus any addition resulting from the $95,481.98 commissions paid the partnership under the 60-percent arrangement in 1917, was probably less than $100,000.

A careful study of the facts and law induced the conviction that our defenses were reduced to substantially two contentions:

First. A dual assault of the contract documents, for that their conception, form, intent, and effect was to cover the lawful income of J. W. Cannon.

Second. Inadequacy of assessments against Cannon for years 1917–19 only, not exceeding $100,000, independent of the Cannon Mills controversies.

Obviously, the first contention would be materially strengthened by the factual background previously outlined. So, assuming, after survey of the reasonable possibilities, full interchange with departmental representatives, my office associates, the Government accountants, and mindful always of present-day psychology that the law's policy alone may sometimes be actionably infracted (*Bullen* v. *Wisconsin*, 240 U.S. 630–1), I considered the settlement negotiated an excellent one for the Government, altogether aside from the fact that it terminated two prospectively long-drawn-out, expensive, and vigorous litigations, wherein I had been unable to induce a consolidation. Hence my recommendation of December 15 last, for reasons there and herein shown.

It is noteworthy that as numerous conferences with plaintiffs' counsel progressed I seemed to sense a waning of their confidence, more marked after our arguments and briefs over their motions for bills of particulars and the denial thereof, and think the settlement negotiations were both propitiously entered on and consummated.

Perhaps I may consistently here record that District Judge Isaac M. Meekins impressed me as alert, keen, of good poise, and ability, and I found District Attorney Irvin B. Tucker a careful, clear-headed, capable lawyer, obliging and ever ready to assist me.

Throughout I have enjoyed splendid cooperation, most helpful suggestions of Assistant Attorney General Mabel Walker Willebrandt and Special Assistant Sewall Key and have had very timely suggestions from Assistant Attorney General John Marshall.

The files will confirm a necessity for my unusual travel and absence from headquarters (Chattanooga), the volume and character of service rendered by me, aided by my efficient office force, on whom I have drawn most liberally, and that all the extensive correspondence, briefing, filing, etc., have been handled by our office force with facilities furnished by us—all at my expense.

My expense accounts are being made up, will be filed during the month, and disposition of our massive files awaits your direction. For reasons put forward about the time these engagements were entered on, my commission was changed (see correspondence Apr. 16–24, 1926) to read:

"You will be allowed reasonable compensation at the conclusion of your services."

Wherefore, I deferentially propose a conference at your convenience, with the assurance that service under my commission herein has afforded me great pleasure. I esteem it indeed a most honorable distinction for the commission to have been tendered me, and remain, with great respect,

Faithfully yours,

WHITE B. MILLER,
Special Assistant.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., March 29, 1930.

Hon. KENNETH MCKELLAR,
United States Senate.

DEAR SENATOR: I have your letter of March 25, with its enclosures relating to the claim of the estate of White B. Miller against the United States for compensation for legal services rendered by Mr. Miller during his lifetime.

My position in this matter is set forth in my letter to the Director of the Bureau of the Budget dated December 7, 1929, a copy of which letter I am herewith enclosing. The Director felt that, in view of the statutory limitation of $10,000 per annum for compensation of attorneys engaged by the United States, he was not justified in recommending that this item be included in a general appropriation bill.

Should a properly drafted bill be introduced providing for the payment of $25,000 to Mr. Miller's estate, I would favor its enactment.

Yours very truly,

WILLIAM D. MITCHELL,
Attorney General.

CHARGES ON IRRIGATION PROJECTS

The Senate proceeded to consider the bill (S. 3544) to extend further the operation of an act of Congress approved January 26, 1933 (47 Stat. 776), entitled "An act relating to the deferment and adjustment of construction charges for the years 1931 and 1932 on Indian irrigation projects."

Mr. LONG. Mr. President, I wish to make a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. LONG. I understand we started consideration of the calendar prior to the point where this bill appears.

The VICE PRESIDENT. The Chair will state that the agreement was that the calendar should be called from a certain number and then when the calendar had been gone through with that the Senate should recur to the beginning of the calendar.

Mr. LONG. I inquire what happened to Order of Business No. 420, being Senate bill 2018?

The VICE PRESIDENT. That bill went over.

Mr. LONG. Very well. Thank you.

The VICE PRESIDENT. Is there objection to the consideration of Senate bill 3544?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to extend to water users on Indian irrigation projects during the calendar year 1934 like relief to that provided in the acts of January 26, 1933 (47 Stat. 776), and March 3, 1933 (47 Stat. 1427), applicable to the calendar years 1931 and 1933.

BILL INDEFINITELY POSTPONED

The bill (S. 2768) for the relief of Mabel S. Parker was announced as next in order on the calendar.

The VICE PRESIDENT. The Chair is advised that a House bill similar to the Senate bill just called was passed on March 29 and suggests that the Senate bill should be indefinitely postponed.

Mr. ROBINSON of Arkansas. I move that Senate bill 2768 be indefinitely postponed.

The motion was agreed to.

CHARLES E. WILSON

The Senate proceeded to consider the bill (S. 63) for the relief of Charles E. Wilson, which had been reported from the Committee on Military Affairs with an amendment on page 1, line 9, after the article "the", to strike out "22d" and insert "20th", so as to make the bill read:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Charles E. Wilson, who was a member of Battery N, Fifth Regiment United States Artillery, shall hereafter be held and considered to have been honorably discharged from the military service of the United States as a private of that organization on the 20th day of September 1899: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1578) to amend the Code of Laws for the District of Columbia in relation to providing assistance against old-age want was announced as next in order.

Mr. ROBINSON of Arkansas. At the request of the Senator from Oklahoma [Mr. GORE] for the same reason stated by him a few moments ago, I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

ESTATES OF ABSENTEES AND ABSCONDERS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2685) to provide for the conservation and settlement of estates of absentees and absconders in the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia with amendments. The first amendment was in section 3, page 3, line 16, after the word "claim", to insert "of record"; in line 17, after the word "property", to insert "or who are known by the petitioner to claim an interest in said property"; so as to make the section read:

SEC. 3. Upon the return of such warrant, the court may issue a notice reciting the substance of the petition, the warrant and the marshal's return, which shall be addressed to such absentee and to all persons who claim of record an interest in said property or who are known by the petitioner to claim an interest in said property, and to all whom it may concern, citing them to appear at a time and place named and show cause why a receiver of the property named in the marshal's schedule should not be appointed and said property held and disposed of under the provisions of this act.

The amendment was agreed to.

The next amendment was in section 4, page 3, line 24, after the word "date", to insert "unless otherwise ordered by the court", and on page 4, line 1, after the word "published", insert "not less than"; so as to make the section read:

SEC. 4. The return day of said notice shall be not less than 30 nor more than 60 days after its date, unless otherwise ordered by the court. The court shall order said notice to be published not less than once in each of the 3 successive weeks in one or more newspapers within the District of Columbia, and a copy to be posted in a conspicuous place and upon each parcel of land named in the marshal's schedule, and a copy to be mailed to the last-known address of such absentee. The court may order other and further notice to be given within or without the District of Columbia.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOANS TO KLAMATH AND OTHER INDIANS IN OREGON

The bill (S. 3291) providing for a reimbursable loan to the Klamath and Modoc Tribe of Indians and the Yahooskin Band of Snake Indians, State of Oregon, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, from any funds in the Treasury not otherwise appropriated, the sum of $306,800 for the use and benefit of the Klamath and Modoc Tribe of Indians and the Yahooskin Band of Snake Indians of the Klamath Indian Reservation in the State of Oregon, which said sum shall be reimbursable to the United States from future accruals to the tribal funds of said Indians in not less than three annual installments, the first of which shall be due and payable 1 year after the approval of this act and the remaining 2 installments in 2 and 3 years, respectively, from the date of the approval of this act.

SEC. 2. The Secretary of the Interior be, and he is hereby, authorized, under such rules and regulations as he may prescribe, to pay said sum to said Indians by per capita payment, or place the amount to the credit of the individual Indians entitled thereto, to be handled as other individual Indian moneys and disbursed upon proper authority, for the improvement of homes, purchase of livestock, or other industrial, educational, or health purposes: *Provided, however*, That not to exceed 25 percent of the amount due individual Indians hereunder may, in the discretion of the Secretary of the Interior, be used to curtail obligations of such individual Indians to the United States or to the Klamath Indian Tribe incurred through reimbursable loans heretofore made to such Indians.

HEARING OF CLAIMS AGAINST THE UNITED STATES

The bill (S. 3517) authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles, was considered, ordered to be engrossed for a third reading, read the third time, and passed as follows:

Be it enacted, etc., That the Court of Claims is hereby authorized to hear, consider, and adjudicate the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles for services rendered and expenses incurred in connection with the identification, enrollment, removal, allotment, and subsistence of Mississippi Choctaw Indians to enable them to acquire citizenship in the Choctaw Nation of Oklahoma, and to render judgment therein in such amount as may be found to be legally or equitably due each claimant, after deducting such sum or sums the claimant may have collected or received from the Indian or Indians benefited by the said services or expenses: *Provided*, That nothing herein contained shall be construed to create any obligation not heretofore existing in law or equity against the United States in its governmental capacity or as trustee for the individual Indians receiving the benefit of such services and/or expenses: *Provided further*, That the jurisdiction hereby conferred shall be limited to claims for services rendered and expenses incurred on behalf only of such Indian or Indians as were enrolled as citizens of the Choctaw Nation under the provisions of the Choctaw-Chickasaw supplemental agreement approved by the act of July 1, 1902, and ratified by the Choctaws and Chickasaws on September 25, 1902 (32 Stat. 641, 651–652), and the provisions of this act shall not be construed as authorizing the consideration or adjudication of any claim for services rendered and expenses incurred on behalf of any person not so enrolled.

SEC. 2. No claim herein authorized to be submitted to the Court of Claims shall be heard or adjudicated by the court unless a petition duly verified by affidavit of the claimant or by his heirs, executors, or administrators, or by his or their agent or attorney, shall be filed within 1 year from the date of this enactment, failing in which the claim shall be forever barred. The petition shall fully set forth the claim, what persons are owners thereof or interested therein, and when, and upon what consideration, such persons became so interested. The petition shall further set forth that no assignment or transfer of said claim or any part thereof or interest therein has been made, except as set forth in the petition; that the claimant is justly entitled to the amount therein claimed from the United States after allowing all just credits and offsets, and that the petitioner believes the facts as stated in the petition are true. The said petition shall contain an itemized statement of the amount or amounts claimed to be due, together with a full accounting for all sums had and received from the Indian or Indians benefited by the services rendered and expenses incurred.

SEC. 3. All judgments and decrees entered by the Court of Claims under the provisions of this act shall be subject to review by the Supreme Court as provided in section 3 of the act of February 13, 1925 (43 Stat. 936, 939).

SEC. 4. The Attorney General, or his assistants under his direction, shall appear for the defense and protection of the interests of the United States in all actions filed in the Court of Claims under the provisions of this act, with the same power to interpose counterclaims, offsets, defenses for fraud practiced or attempted to be practiced by claimants, and other defenses, in like manner as he is required to defend the United States in other suits in said court.

SEC. 5. That in the hearing of any suit or suits brought in said court under the provisions of this act the Court of Claims is hereby authorized to admit in evidence with such weight as to the court may seem proper all depositions and other competent evidence introduced in evidence and constituting a part of the record in said court in the case entitled "Estate of Charles F. Winton and others against Jack Amos and others", docket no. 29,821.

DAMAGES BY EXTENSION OF M'KINLEY NATIONAL PARK

The Senate proceeded to consider the bill (S. 2238) to provide for the payment of damages to certain residents of Alaska caused by reason of extending the boundaries of Mount McKinley National Park, which had been reported from the Committee on Claims with an amendment, in section 2, page 2, line 20, after the word "and", to strike out "the decision of the said court shall be final", and insert "the Court of Claims is hereby given jurisdiction to hear said appeal to judgment"; so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to ascertain and determine, either from such investigations as he has heretofore caused to be made, or in any other manner he may deem necessary, the amount of property losses and damages, if any, sustained by C. L. Plumb, D. E. Stubbs, and other residents of Alaska, who are citizens of the United States and property owners within the area included within the boundaries of Mount McKinley National Park under and by virtue of the Act of Congress entitled "An act to revise the boundary of the Mount McKinley National Park, in the Territory of Alaska, and for other purposes", approved March 19, 1932 (Public, No. 63, 72d Cong.). Such determination by the Secretary of the Interior shall be made only after the persons claiming to have sustained such property losses and damage shall have filed claims for the same with the Secretary: *Provided, however*, That all such claims shall be filed within 90 days after the date of the enactment of this act.

SEC. 2. The Secretary of the Interior shall, as soon as possible after the expiration of the period for filing such claims, determine the amount of such losses and damage and shall advise each claimant in writing by registered mail of his determination, and any claimant shall have the right, within 6 months after the receipt of such advice regarding his determination, to appeal from the decision and determination of the Secretary of the United States Court of Claims, and the Court of Claims is hereby given jurisdiction to hear said appeal to judgment.

SEC. 3. There is hereby authorized to be appropriated the sum of $75,000, or so much thereof as may be necessary, for the purposes of this act, and the Secretary of the Interior is hereby directed to cause payment to be made of the sums determined by him, or by the United States Court of Claims on appeal from his determination, to be due to the respective claimants. Such payments shall be made upon such vouchers as the Secretary may prescribe.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PROTECTION OF SEA LIONS

Mr. McNARY. Mr. President, I inquire what became of Order of Business 1107, being Senate bill 3525 to repeal certain laws providing for the protection of sea lions in Alaska waters?

The VICE PRESIDENT. The Chair is advised that a House bill on the same subject was passed and that the

Senate bill referred to by the Senator from Oregon was indefinitely postponed.

Mr. McNARY. Mr. President, I was requested by the senior Senator from South Dakota [Mr. NORBECK] to ask that that bill go over in his absence. I do not recall that bill being considered.

The VICE PRESIDENT. The Chair is advised that the Senate passed the House bill, occurring at a later point on the calendar, in lieu of the Senate bill, and that the Senate bill was thereupon indefinitely postponed.

Mr. McNARY. In view of the statement I have made, I ask unanimous consent that the vote by which the House bill was passed be reconsidered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Oregon why he desires to reconsider the vote by which the bill was passed? An amendment was proposed by the Senator from Washington [Mr. DILL] which was agreed to and which I believe meets the purposes of the Senator from Oregon, in all probability.

Mr. McNARY. I do not know about that, but I do know there is a great deal of opposition to the bill. The Senator from South Dakota [Mr. NORBECK] a few years ago made a special trip and a special study of the problem. At his request, and in his absence, I think, in all fairness, the vote ought to be reconsidered.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. WALCOTT subsequently said: Mr. President, I should like to return for just a moment to the consideration of House bill 8639, to repeal certain laws providing for the protection of sea lions in Alaska waters.

Mr. McNARY. Mr. President, when that bill was reached today I objected to its consideration on account of the absence of the Senator from South Dakota. I have conferred with him, and he is satisfied with the bill with the amendment offered by the Senator from Washington [Mr. DILL].

The VICE PRESIDENT. The Senator from Connecticut asks to return to the consideration of House bill 8639, to repeal certain laws providing for the protection of sea lions in Alaska waters. Is there objection?

There being no objection, the Senate proceeded to consider the bill.

The VICE PRESIDENT. The vote by which the bill was passed having been reconsidered earlier today, the question now is on the passage of the bill.

The bill was passed.

Mr. STEIWER. I understood that an amendment was to be offered to the bill.

The VICE PRESIDENT. The amendment has been agreed to, and the bill has passed.

Mr. SEIWER. Then I shall not object.

Mr. ROBINSON of Arkansas. Has the bill been disposed of the second time?

The VICE PRESIDENT. It has.

Mr. ROBINSON of Arkansas. Then I express the hope that it may remain disposed of.

ASSOCIATIONS OF PRODUCERS OF AQUATIC PRODUCTS

The bill (S. 3589) authorizing associations of producers of aquatic products was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That persons engaged in the fishery industry, as fishermen, catching, collecting, or cultivating aquatic products, or as planters of aquatic products on public or private beds, may act together in associations, corporate or otherwise, with or without capital stock, in collectively catching, producing, preparing for market, processing, handling, and marketing in interstate and foreign commerce, such products of said persons so engaged.

The term "aquatic products" includes all commercial products of aquatic life in both fresh and salt water, as carried on in the several States, the District of Columbia, the several Territories of the United States, the insular possessions, or other places under the jurisdiction of the United States.

Such associations may have marketing agencies in common, and such associations and their members may make the necessary contracts and agreements to effect such purposes: *Provided, however*, That such associations are operated for the mutual benefit of the members thereof and conform to one or both of the following requirements:

First. That no member of the association is allowed more than one vote because of the amount of stock or membership capital he may own therein; or

Second. That the association does not pay dividends on stock or membership capital in excess of 8 percent per annum.

and in any case to the following:

Third. That the association shall not deal in the products of nonmembers to an amount greater in value than such as are handled by it for members.

SEC. 2. That if the Secretary of Commerce shall have reason to believe that any such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any aquatic product is unduly enhanced by reason thereof, shall serve upon such association a complaint stating his charge in that respect, to which complaint shall be attached, or contained therein, a notice of hearing, specifying a day and place not less than 30 days after the service thereof, requiring the association to show cause why an order should not be made directing it to cease and desist from monopolization or restraint of trade. An association so complained of may at the time and place so fixed show cause why such order should not be entered. The evidence given on such a hearing shall be taken under such rules and regulations as the Secretary of Commerce may prescribe, reduced to writing, and made a part of the record therein. If upon such hearing the Secretary of Commerce shall be of the opinion that such association monopolizes or restrains trade in interstate or foreign commerce to such an extent that the price of any aquatic product is unduly enhanced thereby, he shall issue and cause to be served upon the association an order reciting the facts found by him, directing such association to cease and desist from monopolization or restraint of trade. On the request of such association or if such association fails or neglects for 30 days to obey such order, the Secretary of Commerce shall file in the district court in the judicial district in which such association has its principal place of business a certified copy of the order and of all the records in the proceedings together with a petition asking that the order be enforced and shall give notice to the Attorney General and to said association of such filing. Such district court shall thereupon have jurisdiction to enter a decree affirming, modifying, or setting aside said order, or enter such other decree as the court may deem equitable, and may make rules as to pleadings and proceedings to be had in considering such order. The place of trial may, for cause or by consent of parties, be changed as in other causes.

The facts found by the Secretary of Commerce and recited or set forth in said order shall be prima facie evidence of such facts, but either party may adduce additional evidence. The Department of Justice shall have charge of the enforcement of such order. After the order is so filed in such district court and while pending for review therein, the court may issue a temporary writ of injunction forbidding such association from violating such order or any part thereof. The court shall, upon conclusion of its hearing, enforce its decree by a permanent injunction or other appropriate remedy. Service of such complaint and of all notices may be made upon such association by service upon any officer, or agent thereof, engaged in carrying on its business, or on any attorney authorized to appear in such proceeding for such association and such service shall be binding upon such association, the officers and members thereof.

WARRANT OFFICERS OF THE COAST GUARD

The bill (H.R. 8644) to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy was considered, ordered to a third reading, read the third time, and passed.

INGRAM-DAY LUMBER CO.

The Senate proceeded to consider the bill (S. 854) for the relief of the Ingram-Day Lumber Co., which had been reported from the Committee on Claims, with amendments, on page 1, line 6, to strike out "$53,691", and insert "$42,789.96", and to add a proviso at the end of the bill so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Ingram-Day Lumber Co., a Wisconsin corporation, the sum of $42,789.96, in full satisfaction of its claim against the United States Shipping Board Emergency Fleet Corporation and against the estate of Sydney C. McLouth, of Marine City, Mich., for damages arising out of the breach of a contract under which the said Sydney C. McLouth agreed to purchase from the said Ingram-Day Lumber Co. certain lumber which was to be used in the manufacture of tugs for the said United States Shipping Board Emergency Fleet Corporation: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, with-

hold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 3266) to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, was announced as next in order.

Mr. FESS. Mr. President, there is a minority report on the bill. It had better go over.

The VICE PRESIDENT. On objection, the bill will be passed over.

JAMES MOFFITT

The bill (H.R. 363) for the relief of James Moffitt was considered, ordered to a third reading, read the third time, and passed.

RESOLUTION PASSED OVER

The resolution (S.Res. 242) authorizing the appointment of a committee to receive evidence and take testimony in impeachment trials was announced as next in order.

Mr. JOHNSON. Over.

The VICE PRESIDENT. The resolution will be passed over.

DOMINICK EDWARD MAGGIO

The bill (S. 429) for the relief of Dominick Edward Maggio was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Dominick Edward Maggio shall be held and considered to have been honorably discharged from the United States Navy on the 24th day of September 1924: *Provided*, That no compensation, retirement pay, back pay, pension, or other benefit shall be held to have accrued prior to the passage of this act.

LEO JAMES M'COY

The bill (S. 430) for the relief of Leo James McCoy was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Leo James McCoy shall be held and considered to have been honorably discharged from the United States Navy on the 10th day of August 1924: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

RAY FUNCANNON

The bill (S. 630) for the relief of Ray Funcannon was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Navy Ray Funcannon shall be held and considered to have been honorably discharged from the United States Navy on the 26th day of May 1926: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

MICHAEL F. CALNAN

The bill (S. 2787) for the relief of Michael F. Calnan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, in the administration of any laws conferring rights, privileges, and benefits upon persons honorably discharged from the United States Marine Corps, Michael F. Calnan shall be held and considered to have been honorably discharged from the United States Marine Corps on the 14th day of August 1902: *Provided*, That no bounty, back pay, pension, or allowance shall be held to have accrued prior to the passage of this act.

SUSQUEHANNA RIVER BRIDGE, YORK FURNACE, PA.

The bill (H.R. 9326) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa., was considered, ordered to a third reading, read the third time, and passed.

SUSQUEHANNA RIVER BRIDGE, MIDDLETOWN, PA.

The bill (H.R. 9401) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa., was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF EXPENDITURES IN SENATORIAL CONTESTS

The resolution (S.Res. 173) creating a special committee to investigate contributions and expenditures in senatorial contests in 1934, was announced as next in order.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. LONG. Mr. President, reserving the right to object, I have no objection to the resolution if the Senator from Missouri [Mr. CLARK] will consent to the elimination, on page 1, of lines 8, 9, 10, and 11, and the words "interest but", on page 2, line 1. With the elimination of those words I should have no objection to the adoption of the resolution.

Mr. JOHNSON. Mr. President, just what are the words the Senator seeks to have eliminated?

Mr. LONG. I would leave the resolution granting the committee the right to investigate campaign expenditures, campaign subscriptions, and anything pertaining to the expenditure of money or subscriptions of money, corrupt or otherwise, but I propose to eliminate the surplusage of words of which nobody has ever known the meaning or which at least no one has ever undertaken to interpret. It would leave the resolution effective, so far as the effective understanding of it goes, enabling the committee to investigate campaign expenditures.

My proposal is, may I say to the Senator from California, to strike out, on page 1, beginning with line 8, as follows:

Not only as to the subscriptions of money and expenditures thereof, but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest, but.

I am proposing to strike out that surplusage which has never meant anything to the Senate, but the abuse of which appears to be very possible, leaving the committee with about all the authority such a committee has ever been possible to claim under such a resolution. I believe the amendment does not destroy the efficacy of the resolution.

The VICE PRESIDENT. Is there objection to the consideration of the resolution under the reservation laid down by the Senator from Louisiana?

Mr. CLARK. Mr. President, I entirely disagree with the Senator from Louisiana that the language which he seeks to strike out is surplusage. The resolution in its present form is exactly in the form which has been adopted by two or three previous Congresses, with the addition in this resolution of a provision making it mandatory for the committee to go into a State in which a primary is to be held, before the primary, if a complaint is filed, supported by affidavit on information and belief, by any candidate for the United States Senate or his responsible manager.

The provision which the Senator from Louisiana seeks to strike out is simply to cover the field of possible violations of the corrupt practices act. It is as much a violation of the corrupt practices act for a candidate for the United States Senate to buy votes by promising office or promising any political favor as it is to buy votes by the expenditure of money. I believe the language which the Senator from Louisiana seeks to strike out should remain in the resolution.

However, realizing the situation in the closing days of the session and believing a very material amount of good may be accomplished by the committee even with the amendment which the Senator from Louisiana desires to make, and rather than have it fail entirely, I am willing to accept the amendment of the Senator from Louisiana.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Louisiana which will be stated.

The CHIEF CLERK. It is proposed, on page 1, line 7, after the words "all facts in relation thereto", to strike out:

Not only as to the subscriptions of money and expenditure thereof but as to the use of any other means or influence, including the promise or use of patronage, and all other facts in relation thereto which would not only be of public interest but;

So as to make the resolution read:

Resolved, That a special committee consisting of five Senators to be appointed by the Vice President is hereby authorized and directed to investigate the campaign expenditures of the various candidates for the United States Senate, in all parties, the names of the persons, firms, or corporations subscribing, the amount contributed, the method of expenditure of said sums, and all facts in relation thereto, which would aid the Senate in enacting any remedial legislation or in deciding any contests which might be instituted involving the right to a seat in the United States Senate.

No Senator shall be appointed upon said committee from a State in which a Senator is to be elected at the general election in November 1934.

The investigation hereby provided for, in all the respects above enumerated, shall apply to candidates and contests before primaries and conventions, and the contests and campaign terminating in the general election in November 1934: *Provided*, That where complaint in writing, supported by affidavit of probable cause upon information and belief by any candidate of any party, or his authorized manager, is filed at least 20 days before the date of the primary or convention, the committee or duly authorized subcommittee shall immediately investigate the charges made in the complaint.

Said committee is hereby authorized to act upon its own initiative and upon such information as in its judgment may be reasonable or reliable. Upon complaint being made before said committee, under oath, by any person, persons, candidate, or political committee, setting forth allegations as to facts which, under this resolution it would be the duty of said committee to investigate, the said committee shall investigate such charges as fully as though it were acting upon its own motion, unless, after a hearing upon said complaint, the committee shall find that the allegations in said complaint are immaterial or untrue.

Said committee is hereby authorized, in the performance of its duties, to sit at such times and places, either in the District of Columbia or elsewhere, as it deems necessary or proper. It is specifically authorized to require the attendance of witnesses by subpena or otherwise; to require the production of books, papers, and documents; to employ counsel, experts, and clerical and other assistants; and to employ stenographers at a cost not exceeding 25 cents per 100 words.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee. The chairman of said committee or any member of any subcommittee may administer oaths to witnesses and sign subpenas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the process of said committee or who appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law.

The expenses of said investigation, not exceeding in the aggregate $25,000, shall be paid from the contingent fund of the Senate on vouchers signed by the chairman of the committee or the chairman of any subcommittee.

All hearings before said committee shall be public, and all orders or decisions of the committee shall be public.

The committee shall make a full report to the Senate on the first day of the first session of the Seventy-fourth Congress.

The amendment was agreed to.

The resolution as amended was agreed to.

CAROLINE M. EAGAN

The Senate proceeded to consider the bill (H.R. 194) to refund to Caroline M. Eagan income tax erroneously and illegally collected, which had been reported from the Committee on Claims with an amendment, on page 1, line 9, after the numerals "1925", to strike out "together with interest thereon at the rate allowed by law from overpayments of internal-revenue taxes", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to refund and pay, out of any money in the Treasury not otherwise appropriated, to Caroline M. Eagan, Eagan Apartment, Board Walk and Florida Avenue, Atlantic City, N.J., the sum of $10,950.19 for income tax erroneously and illegally collected from her for the calendar year 1925: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered in connection with said claim. It shall be unlawful for any agent or agents, attorney or attorneys, to exact, collect, withhold, or receive any sum of the amount appropriated in this act in excess of 10 percent thereof on account of services rendered in connection with said claim, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

BILL PASSED OVER

The bill (H.R. 5736) for the relief of Shelby J. Beene, Mrs. Shelby J. Beene, Leroy T. Waller, and Mrs. Leroy T. Waller, was announced as next in order.

Mr. NEELY. Over.

The VICE PRESIDENT. The bill will be passed over.

MORGAN DECORATING CO.

The Senate proceeded to consider the bill (S. 3516) for the relief of the Morgan Decorating Co., which had been reported from the Committee on Claims with an amendment on page 2, line 7, after the words "the sum of", to strike out "$6,912, together with interest thereon at 6 percent per annum from April 18, 1931", and to insert in lieu thereof "$5,000", so as to make the bill read:

Whereas the United States, acting through the Bureau of Indian Affairs, Department of the Interior, in the fall of 1930, entered into a contract with certain persons doing business under the name of Morgan Decorating Co., residing at Devils Lake, N.Dak., in which the said Morgan Decorating Co. was employed to do certain painting and decorating in connection with the construction of a hospital, school, and nurses' home at the Turtle Mountain Indian Agency, Belcourt, N.Dak., and in such agreement and contract the said Morgan Decorating Co. were requested and directed to hold their entire force in readiness, not only to complete such work at said agency but additional work of like kind in connection with the construction and repair of various buildings in other parts of the country under the jurisdiction of the Bureau of Indian Affairs; and

Whereas the said Morgan Decorating Co. relied upon such agreement and accepted such instructions in good faith and declined other contracts and labor and held themselves in readiness at all times to perform work that might be assigned to them in accordance with such contract for a period of 4½ months; and

Whereas the Bureau of Indian Affairs thereafter, without excuse or justification, failed in all respects to carry out the terms of said contract and finally refused to permit the said Morgan Decorating Co. to perform the work, or any part of it, covered by said contract, although they, the Morgan Decorating Co., stood ready, able, and willing at all times to perform the same, with the result that said Morgan Decorating Co. was left without employment or other work for a period of 4½ months, all through no fault on their part; and

Whereas the said Morgan Decorating Co. sustained a loss by reason of such breach of contract in the sum of $6,912: Therefore

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Morgan Decorating Co. of Devils Lake, N.Dak., the sum of $5,000 in full settlement of all claims against the United States for damages sustained by the said Morgan Decorating Co. by virtue of the breach on the part of the United States of a contract made and entered into between the Bureau of Indian Affairs and said Morgan Decorating Co. in the fall of 1930 for certain painting and decorating in connection with the construction of a hospital, school, and nurses' home at the Turtle Mountain Indian Agency, Belcourt, N.Dak.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 3326) to amend the Agricultural Adjustment Act, and for other purposes, was announced as next in order.

Mr. BACHMAN. Let the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

AGENTS OF DIVISION OF INVESTIGATION

The bill (S. 3075) to permit the appointment of special agents of the Division of Investigation as State officers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Attorney General is authorized to appoint as special agents in the Division of Investigation, Department of Justice, two men from each State from a list of names to be submitted by the Governor of each State. Such special agents shall undergo training in the school for special agents in the Division of Investigation, and upon the successful completion of such training, shall return to their respective States

and may, notwithstanding the provisions of any law of the United States or of any Executive order to the contrary, be commissioned as special State officers and clothed with such authority as may be permissible under the laws of such State.

SEC. 2. Such special agents shall perform the duties assigned to them by the Attorney General in connection with the detection of crimes against the United States, and such assignments or orders of the Attorney General shall take precedence over any assignments or orders of any State officials.

INVESTIGATION OF AGRICULTURAL INCOME, ETC.

Mr. WHEELER. Mr. President, when Senate Joint Resolution 124 was called up previously it was passed over, on the suggestion of the Senator from Michigan [Mr. VANDENBERG], because of the absence at that time of the Senator from Rhode Island [Mr. HEBERT].

I have just conferred with the Senator from Rhode Island with reference to the joint resolution; and he suggests that if the joint resolution shall be amended so as to cut down the authorized appropriation to $150,000 he will have no objection to its consideration. The Department of Agriculture is very anxious to have the joint resolution passed, and the commission merchants are anxious to have it passed. I ask to return to it.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (S.J.Res. 124) authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally, which had been reported from the Committee on Agriculture and Forestry, with amendments.

The first amendment was in section 5, page 6, line 20, after the words "sum of", to strike out "$50,000" and insert "$250,000", so as to read:

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $250,000—

And so forth.

Mr. WHEELER. In lieu of the committee amendment, I move to insert "$150,000."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Montana to the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The next amendment was in section 6, page 7, line 5, after "July 1", strike out "1935" and insert "1936", so as to make the section read:

SEC. 6. The Federal Trade Commission is directed to present an interim report to the Congress on January 1, 1935, describing the progress made and the status of its work hereunder, and a final report with recommendations for legislation not later than July 1, 1936.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, and the preamble was agreed to, as follows:

Authorizing the Federal Trade Commission to make an investigation with respect to agricultural income and the financial and economic condition of agricultural producers generally.

Whereas the decline in agricultural income and the unsatisfactory condition of agriculture and of those engaged therein is a matter of increasing concern to the Congress, and affects the general welfare of the Nation and its citizens; and

Whereas in recent years the agricultural income has decreased while the earnings and profits of concerns processing or dealing in certain lines of farm products have increased or declined only moderately; and

Whereas there has developed an increasingly large proportionate spread between the prices received by the farmer for his products and the prices paid therefor by the consumer; and

Whereas, according to the latest statistics of income published by the Bureau of Internal Revenue, 22 large corporations reported making over 45 percent of the gross sales of all corporations engaged in the processing and manufacture of food products in 1931, and 102 large corporations reported making 60 percent of the gross sales of such corporations; and

Whereas it is charged that monopolistic, oppressive, and unfair methods and practices of various middlemen, processors, manufacturers, packers, and handlers are in whole or in part responsible for the conditions above described, and that wasteful and uneconomic methods have contributed toward bringing about these conditions; and

Whereas it is charged that said various middlemen, processors, manufacturers, packers, handlers, and others have violated the various antitrust laws of the United States, that they have burdened, restricted, and restrained interstate and foreign commerce and adversely affected the volume and price of farm products moving in intrastate and foreign commerce; and

Whereas it is charged that many lines of processing or dealing in farm products are so dominated by a handful of large concerns as to impede the free flow of interstate and foreign commerce to the detriment of both the farmer and the consumer; and

Whereas it is charged that through the payment of high and excessive salaries and other devices said middlemen, processors, manufacturers, packers, and others escape just taxation by the United States, that said salaries tend unduly to diminish the tax revenues of the United States and tend to burden and restrain interstate and foreign commerce in farm products, and to divert and conceal the earnings and profits of the concerns paying said salaries, and that by various devices those receiving said salaries escape their just share of Federal taxation; and

Whereas it is believed that the Congress should consider whether new legislation should be enacted or existing legislation amended on any of the subjects hereinbefore described and in aid thereof should be informed on all of said subjects: Therefore be it

Resolved, etc., That the Federal Trade Commission is hereby authorized and directed to investigate and report, at the next session of Congress—

First. (1) The extent of the decline in agricultural income in recent years, including the amount and percentage of such decline;

(2) The extent of the increases or decreases in recent years in the income of the principal corporations and other manufacturers and/or processors of the principal farm products, as compared with the decline in agricultural income, including the amount and percentage of such changes; and

(3) The proportion of total consumer cost of representative products manufactured or processed from the principal farm products which is represented by the proceeds received by (a) the farmer, (b) the manufacturers and processors, and (c) the distributors of such principal farm products and such representative products manufactured therefrom.

Second. The financial position of the principal corporations engaged in the manufacturing, processing, distribution, and marketing of the representative major products manufactured from such principal farm products, including—

(1) The capitalization and assets of such corporations and the means and sources of the growth of such capitalization and assets;

(2) The investment, costs, profits, and rates of return of such corporations;

(3) The salaries of the officers of such companies; and

(4) The extent to which said corporations avoid income taxes, if at all, and the extent to which officers receiving such salaries paid income taxes thereon.

Third. The extent of concentration of control and of monopoly in the manufacturing, processing, distribution, and marketing of representative major farm products which is maintained or has been obtained by any corporation or other organization, including—

(1) Methods and devices used by such corporations for obtaining and maintaining their control or monopoly of the manufacturing, marketing, processing, and distribution of such commodities, and the proportion of any such major farm commodity handled by each of the large units involved; and

(2) The extent to which fraudulent, dishonest, unfair, and injurious methods are employed in the grading, warehousing, and transportation of such farm products, including combinations, monopolies, price fixing, and manipulation of prices on the commodity exchanges.

Fourth. The extent to which the cooperative agencies have entered into the processing and marketing of representative major farm products and the general effects of such cooperative agencies upon the producer and consumer.

Fifth. The extent to which other countries have adopted or promoted processing and marketing agencies of a public, quasi-public, or cooperative sort for the simplification and cheapening of the processing and marketing of agricultural products, and other administrative agencies which may have been set up for the protection of the farmer-producer and the consumer.

Sixth. Any conclusion and/or recommendations with regard to increasing the income of farm producers or other recommendations with regard to the improvement of the economic position of farmers or consumers growing out of the inquiry.

SEC. 2. The Department of Agriculture, the National Recovery Administration, the Department of Justice, and other agencies of the Government are directed to cooperate with the Commission in such inquiry to the fullest extent possible.

SEC. 3. For the purposes of this resolution the Federal Trade Commission shall have the same right to obtain data and to inspect income-tax returns as the Committee on Ways and Means of the House of Representatives or the Committee on Finance of the Senate, and to submit any relevant or useful information thus obtained to the Congress or to either House thereof.

SEC. 4. For the purpose of carrying out this resolution the Federal Trade Commission, the Attorney General, and the courts of the United States shall have and may exercise all of the powers and jurisdiction severally conferred upon them by the act entitled "An act to create a Federal Trade Commission, to define its powers and duties, and for other purposes", approved September 26, 1914.

SEC. 5. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $150,000, which shall be available for expenditure, as the Federal Trade Commission may direct, for expenses and all necessary disbursements, including salaries, in carrying out this resolution and prosecuting litigation necessary in aid of the powers conferred hereunder.

SEC. 6. The Federal Trade Commission is directed to present an interim report to the Congress on January 1, 1935, describing the progress made and the status of its work hereunder, and a final report with recommendations for legislation not later than July 1, 1936.

RECORDS OF FORMER CREWS OF "ALGONQUIN" AND "ONONDAGA"

The bill (H.R. 5018) to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga* was considered, ordered to a third reading, read the third time, and passed.

AMENDMENTS OF AIR COMMERCE ACT OF 1926

The Senate proceeded to consider the bill (S. 3526) to amend the Air Commerce Act of 1926 and to increase the efficiency of the Aeronautics Branch of the Department of Commerce with respect to the development and regulation of civil aeronautics, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and to insert:

That subdivision (d) of section 2 of the Air Commerce Act of 1926 (U.S.C., supp. VII, title 49, sec. 172 (d) is amended by inserting before the period at the end of the first sentence thereof a comma and the following: "aircraft, aircraft power plants, and accessories."

SEC. 2. Subdivision (e) of such section 2 (U.S.C., supp. VII, title 49, sec. 172 (e)) is amended to read as follows:

"(e) To investigate accidents in civil air navigation in the United States, including the attending facts, conditions, and circumstances, and for that purpose the Secretary, or any officer or employee of the Department of Commerce designated by him in writing for the purpose, is authorized to hold public hearings in such places and at such times as he shall deem practical, and for the purpose of such hearings, administer oaths, examine witnesses, require the preservation of evidence, and issue subpenas for the attendance and testimony of witnesses, or the production of books, papers, documents, exhibits, and other evidence, or the taking of depositions before any designated individual competent to administer oaths for the purposes of this act. Witnesses summoned or whose depositions are taken shall receive the same fees and mileage as witnesses in the courts of the United States. All evidence taken at the hearing shall be recorded and forwarded to the Secretary. At the conclusion of an investigation of or hearing on any such accident, or as soon thereafter as circumstances permit, the Secretary of Commerce shall, if he deems it in the public interest, make public a statement of the probable cause or causes of the accident, except that when the accident has resulted in serious or fatal injury, it shall be the duty of the Secretary to make public such a statement. Neither any such statement nor any report of such investigation or hearing, nor any part thereof, shall be admitted as evidence or used for any purpose in any suit or action growing out of any matter referred to in any such statement, investigation, hearing, or report thereof."

SEC. 3. Subdivision (a) of section 3 of such act (U.S.C., supp. VII, title 49, sec. 173 (a)) is amended by inserting after the second sentence thereof a semicolon and the following: "but the Secretary may, if he deems it advisable, grant limited registration to aircraft owned by aliens under such conditions as he may by regulation prescribe, but aircraft granted such limited registration shall not be permitted to engage in interstate or foreign air commerce."

SEC. 4. Subdivision (b) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (b)) is amended by inserting after the words "United States" in the first sentence thereof the following: "and parachutes used in connection with such aircraft."

SEC. 5. Subdivision (d), as amended, of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (d)) is amended by inserting before the period at the end thereof a comma and the following: "and provide for the examination and rating of all air lines engaged in interstate or foreign air commerce and establish minimum safety standards for the operation thereof."

SEC. 6. Subdivision (f) of such section 3 (U.S.C., supp. VII, title 49, sec. 173 (f)) is amended by inserting after the word "aircraft", in the first sentence thereof, the word "airline" and a comma, and by inserting after such sentence the following sentence: "The Secretary of Commerce shall not deny any application for an airline certificate or revoke or suspend any airline certificate, except for failure of the airline to comply with safety standards applicable to the operation thereof prescribed by the Secretary."

SEC. 7. Subdivision (f) of such section 3 is further amended by adding at the end thereof the following sentence: "Where the decision in such hearing is adverse to the applicant for hearing, such applicant shall pay to the Secretary of Commerce, to be covered into the Treasury as miscellaneous receipts, an amount equal to such portion of the costs of the hearing as the Secretary of Commerce may designate, and in any case the applicant may be required by the Secretary of Commerce to furnish bond, with such surety as he may approve, to cover all such costs before the matter is heard."

SEC. 8. Such act is amended by adding after section 3 (U.S.C., supp. VII, title 49, sec. 173) a new section, as follows:

"SEC. 3a. (1) No official or employee of the Department of Commerce shall, in any suit, action, or proceeding involving any aircraft, be required to testify to any facts ascertained in, or information gained by reason of, his official capacity, or to testify as an expert witness.

"(2) In case of failure to comply with any subpena issued under authority of this act, the Secretary of Commerce, or his authorized representative, may invoke the aid of any United States district court, the Supreme Court of the District of Columbia, or the United States court of any Territory or other place to which this act applies. The court may thereupon order the person to whom the subpena was issued to comply with the requirements of the subpena or to give evidence with respect to the matter in question. Any failure to obey the order may be punished by the court as a contempt thereof.

"(3) No person shall be excused from attending and testifying or from producing books, papers, documents, exhibits, and other evidence before the Secretary of Commerce or his designated representative or in obedience to the subpena of the Secretary of Commerce or his designated representative, or in any cause or proceeding instituted by the Secretary of Commerce or his designated representative, on the ground that the testimony or evidence, documentary or otherwise, required of him, may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, documentary or otherwise, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(4) Any notary public or other officer authorized by law of the United States, or any State, Territory, or possession thereof, or the District of Columbia, to take acknowledgment of deeds, any consular officer of the United States, and any officer or employee of the Department of Commerce designated by the Secretary in writing for the purpose, shall be competent to administer oaths for the purposes of this act. Subpenas for the purposes of this act may be served personally or sent by registered mail."

SEC. 9. Section 5 of such act (U.S.C., supp. VII, title 49, sec. 175) is amended by adding at the end thereof the following new subdivision:

"(g) The persons owning or operating any bridge, causeway, transportation or transmission line, or any structure over navigable waters of the United States shall maintain at their own expense such lights and other signals thereon for the protection of air navigation as the Secretary of Commerce shall prescribe."

SEC. 10. Subdivision (k) of section 9 of such act (U.S.C., supp. VII, title 49, sec. 179 (k)) is amended by inserting before the period at the end thereof the following: "or of parachutes."

SEC. 11. Paragraph (3) of subdivision (a) of section 11 of such act (U.S.C., supp. VII, title 49, sec. 181 (a)) is amended by inserting before the period at the end thereof the following: "or to operate any airline in interstate or foreign air commerce without an airline certificate or in violation of the terms of any such certificate."

SEC. 12. Paragraph (5) of subdivision (a) of such section 11 is amended by inserting before the period at the end thereof the following: "or to operate any aircraft registered as an aircraft of the United States otherwise than in conformity with the regulations of the Secretary of Commerce pertaining thereto."

Mr. STEPHENS. Mr. President, I desire to offer an amendment to the committee amendment. I move to strike out the first paragraph of section 3a, on page 10.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 10, line 7, after "Sec. 3a", it is proposed to strike out the following:

(1) No official or employee of the Department of Commerce shall, in any suit, action, or proceeding involving any aircraft, be required to testify to any facts ascertained in, or information gained by reason of, his official capacity, or to testify as an expert witness.

And to renumber the succeeding paragraphs.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 3407) authorizing the establishment and maintenance of an industrial plant at Reidsville, W.Va., was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 3676) to provide for a census of unemployment, employment, and occupations to be taken as of No-

vember 12, 1934, and for other purposes, was announced as next in order.

SEVERAL SENATORS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

That concludes the calendar.

MISSOURI RIVER BRIDGE, ATCHISON, KANS.

Mr. ROBINSON of Arkansas. Mr. President, sometime ago Senate bill 2334 and House bill 6898 were called, and at the request of the Senator from Ohio [Mr. BULKLEY] I objected to their consideration. Since that time I have been advised that the Senator from Ohio desires to withdraw his objection.

I therefore ask unanimous consent to recur first to Senate bill 2334.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. McGILL. Mr. President, I desire to state that Senate bill 2334 and House bill 6898 are identical; and House bill 6898 has passed the House of Representatives. I therefore ask that that bill be substituted for Senate bill 2334.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Is there objection to the present consideration of House bill 6898?

There being no objection, the Senate proceeded to consider the bill (H.R. 6898) authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans., which was ordered to a third reading, read the third time, and passed.

The VICE PRESIDENT. Without objection, Senate bill 2334 will be indefinitely postponed.

Mr. McGILL. Mr. President, in fairness to the Senator from Ohio [Mr. BULKLEY], who is absent from the Senate on account of illness, I desire to state that he has requested that a statement be made relative to his reasons for objecting to the passage of these bills on previous calendar days.

I am satisfied, and I think my colleague, the senior Senator from Kansas [Mr. CAPPER], is satisfied, that Senator BULKLEY's objections were based on legitimate reasons, in that citizens of the State of Ohio, his constituents, possessed interests affected, they felt, by the provisions of these measures. I am advised that these people have reached an understanding and there is no longer objection to the measure.

Mr. CAPPER. Mr. President, my colleague from Kansas [Mr. McGILL] has correctly stated the situation. An understanding has been reached between all the parties interested by which the rights of citizens of the State of Ohio will be protected. I am in full accord with that understanding.

WALTER L. RASASCO

Mr. ROBINSON of Arkansas obtained the floor.

Mr. FLETCHER. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Florida.

Mr. FLETCHER. I ask unanimous consent to recur to Senate bill 3464, which was objected to by the Senator from Utah [Mr. KING] on the ground of its setting an improper precedent. I have prepared an amendment to the bill, and I ask to have the amendment submitted.

The VICE PRESIDENT. Is there objection to recurring to the bill?

There being no objection, the Senate proceeded to consider the bill (S. 3464) to retire Walter L. Rasasco with the rank of second lieutenant, Air Corps, United States Army.

Mr. FLETCHER. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause and to insert:

That the Veterans' Administration is authorized and directed to pay Walter L. Rasasco, a former flying cadet, Air Corps, United States Army, in the form of compensation, the sum of $75 per month as long as his present rate of disability continues, and to readjust this compensation in accordance with further findings as to said Rasasco's condition under existing compensation laws.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Walter L. Rasasco."

ASSOCIATIONS OF PRODUCERS OF AQUATIC PRODUCTS

Mr. STEPHENS. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Mississippi.

Mr. STEPHENS. I ask unanimous consent to return to Senate bill 3589, authorizing associations of producers of aquatic products. This is a Senate bill which passed a few moments ago. House bill 9233, Order of Business 1436, deals with the same subject. I ask that the House bill be substituted for the Senate bill.

Mr. ROBINSON of Arkansas. What was done with the House bill when it was called on the calendar?

Mr. STEPHENS. I am informed that for some reason it was not reached. An officer of the Senate has called my attention to the House bill, and I ask that it be taken up at this time.

Mr. ROBINSON of Arkansas. Very well.

Mr. McNARY. Mr. President, what happened to the House bill when it was reached earlier in the day?

The VICE PRESIDENT. The Chair is informed that the Senator from Utah [Mr. KING] objected to the consideration of the bill.

Mr. STEPHENS. Later, however, the Senate bill—an identical measure—passed when we went back to the beginning of the calendar.

Mr. McNARY. Where was the Senator from Utah at that time? [Laughter.]

Mr. STEPHENS. I do not know.

The VICE PRESIDENT. The Chair understands the parliamentary situation to be that there is pending on the calendar a House bill exactly like the Senate bill which has already passed the Senate. The query is whether or not the Senate will facilitate putting the measure on the statute books by passing the House bill.

Mr. McNARY. That is true; but if an objection is interposed to one bill, we should not permit the passage of a similar bill. In the absence of the Senator from Utah, therefore, I shall object.

Mr. STEPHENS. I will say to the Senator that the Senate bill has already passed.

Mr. McNARY. I am trying to make my position clear. I am not opposing the bill, but I think every Senator should have an opportunity to be heard.

Mr. STEPHENS. Very well.

The VICE PRESIDENT. Objection is made.

REGULATION OF IMMIGRATION

Mr. COPELAND. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from New York.

Mr. COPELAND. I will state to our leader that three bills from the Immigration Committee have been reported and are on the desk. What is the desire of the Senator regarding them?

Mr. ROBINSON of Arkansas. I should like to have the Senator from New York ask for their consideration at another time.

Mr. COPELAND. Very well.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who announced that on June 12, 1934, the President had approved and signed the following acts:

S. 2041. An act to amend the act of June 15, 1933, amending the National Defense Act of June 3, 1916, as amended;

S. 3211. An act to extend the times for commencing and completing the construction of a bridge across the Chesapeake Bay between Baltimore and Kent Counties, Md.; and

S. 3640. An act granting the consent of Congress to the Tensas Basin Levee Board of the State of Louisiana to construct, maintain, and operate a free highway bridge across Bayou Bartholomew at or near its mouth in Morehouse Parish, La.

CHARGES AGAINST SUPERINTENDENT OF SHILOH NATIONAL PARK, TENN.

Under Senate Resolution 198 (submitted by Mr. McKELLAR), amended, agreed to today, the Vice President appointed as the select committee to investigate charges against the superintendent of the Shiloh National Park, Tenn., Mr. McKELLAR, Mr. BYRNES, and Mr. FRAZIER.

RECEIVERS APPOINTED BY COURTS—MOTION TO RECONSIDER

Mr. GORE. Mr. President, I wish to enter a motion to reconsider the vote by which Order of Business No. 1464, being the bill (H.R. 8544) making receivers appointed by any United States courts and authorized to conduct any business or conducting any business, subject to taxes levied by the State the same as if such business were conducted by private individuals or corporations, was passed.

The VICE PRESIDENT. The motion will be entered.

SECURITIES AND EXCHANGE ACT OF 1934 (S.DOC. NO. 217)

The VICE PRESIDENT laid before the Senate a supplemental estimate of appropriation in the sum of $300,000 for the purpose of carrying into effect the provisions of the Securities Exchange Act of 1934, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

SUPPLEMENTAL ESTIMATE—WATERWAYS TREATY, UNITED STATES AND GREAT BRITAIN (S.DOC. NO. 216)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of State for the fiscal year 1935, amounting to $17,555, for waterways treaty, United States and Great Britain, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

ECONOMIC DATA ON AGRICULTURAL PRODUCTS (S.DOC. NO. 219)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Agriculture, Bureau of Agricultural Economics, fiscal year 1935, amounting to $47,670, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

SURVEY AND CONSTRUCTION OF INTER-AMERICAN HIGHWAY (S.DOC. NO. 218)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a proposed provision of legislation as to availability of funds in connection with the survey and construction of the Inter-American Highway, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

EXECUTIVE SESSION

Mr. ROBINSON of Arkansas. I move that the Senate proceed to the consideration of executive business.

Mr. HATFIELD. Mr. President, will the Senator yield?

Mr. ROBINSON of Arkansas. I yield to the Senator from West Virginia.

Mr. HATFIELD. I thank the Senator. I thought it was the understanding that we were to return to the unfinished business at 3 o'clock.

Mr. ROBINSON of Arkansas. No; it is my desire to proceed with the Tugwell nomination, and it is also my desire to dispose of the unfinished business as speedily as possible.

Mr. HEBERT. Mr. President——

Mr. ROBINSON of Arkansas. I yield to the Senator from Rhode Island.

Mr. HEBERT. House bill 9404, Order of Business 1469, was passed over at my request because of an amendment which I desired to offer to it at the suggestion——

Mr. ROBINSON of Arkansas. I shall have to object to further consideration of the calendar at this time. If the Senator wishes to renew the request later, I shall be glad to cooperate with him; but I think we have devoted all the time that we can to the calendar today.

Mr. HEBERT. Mr. President, I have no desire to delay the proceeding which the Senator has in mind.

Mr. ROBINSON of Arkansas. I object to further consideration of bills on the calendar.

SEVERAL SENATORS. Regular order!

The VICE PRESIDENT. The regular order is the motion of the Senator from Arkansas that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations and a treaty, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. STEPHENS, from the Committee on the Judiciary, reported favorably the nomination of Harlan W. Rippey, of New York, to be United States district judge, western district of New York, to succeed Simon L. Adler, deceased.

Mr. KING, from the Committee on the Judiciary, reported favorably the nomination of George Murray Hulbert, of New York, to be United States district judge, southern district of New York, to succeed Frank J. Coleman, deceased.

He also, from the same committee, reported favorably the following nominations:

James L. Coke, of Hawaii, to be chief justice of the supreme court, Territory of Hawaii, to succeed Antonio M. Perry, term expired;

James J. Banks, of Hawaii, to be an associate justice of the supreme court, Territory of Hawaii (a reappointment, his term having expired);

Harold E. Stafford, of Hawaii, to be circuit judge, first circuit, Territory of Hawaii, to succeed Charles S. Davis, term expired;

James Wesley Thompson, of Hawaii, to be circuit judge, third circuit, Territory of Hawaii (a reappointment, his term having expired);

Delbert E. Metzger, of Hawaii, to be circuit judge, fourth circuit, Territory of Hawaii, to succeed Homer L. Ross, term expired;

Miss Carrick H. Buck, of Hawaii, to be circuit judge, fifth circuit, Territory of Hawaii, to succeed William C. Achi, Jr., term expired;

Seba C. Huber, of Hawaii, to be United States district judge, District of Hawaii, to succeed William B. Lymer, term expired; and

Otto F. Heine, of Hawaii, to be United States marshal, District of Hawaii, to succeed Oscar Pinhanui Cox, term expired.

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nominations of sundry officers in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nomination of Smith W. Purdum, of Maryland, to be Fourth Assistant Postmaster General, and also the nominations of sundry postmasters.

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably the nomination of Clinton E. MacEachran, of Massachusetts, to be a Foreign Service officer of class 4, a consul, and a secretary in the Diplomatic Service.

The VICE PRESIDENT. The reports will be placed on the calendar.

PROTOCOL TO GENERAL CONVENTION OF INTER-AMERICAN CONCILIATION

Mr. PITTMAN, from the Committee on Foreign Relations, reported favorably without reservation the following protocol (with an accompanying resolution), which was ordered to be made public, and the resolution and protocol are as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive N, Seventy-third Congress, second session, an additional protocol to the General Convention of Inter-American Conciliation which was signed at Washington on January 5, 1929. The additional protocol was signed at Montevideo, Uruguay, December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the Seventh International Conference of American States held at that capital.

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to the additional protocol, I transmit herewith certified copies of the English and Spanish texts of an additional protocol to the General Convention of Inter-American Conciliation which was signed at Washington on January 5, 1929.

The additional protocol was signed at Montevideo, Uruguay, December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the Seventh International Conference of American States held at that capital.

As pointed out by the Secretary of State in his accompanying report, to which the attention of the Senate is invited, the additional protocol would give a permanent character to the commissions of investigation and conciliation to which Article 3 of the General Convention of Inter-American Conciliation refers.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

(Accompaniments: Additional protocol to the General Convention of Inter-American Conciliation; Report of the Secretary of State.)

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to their transmission to the Senate to receive the advice and consent of that body to the ratification of the protocol, if his judgment approve thereof, certified copies of the English and Spanish texts of an additional protocol to the General Convention of Inter-American Conciliation which was signed at Washington on January 5, 1929. The additional protocol was signed at Montevideo, Uruguay, on December 26, 1933, by plenipotentiaries of the United States of America, Uruguay, Ecuador, and Chile to the Seventh International Conference of American States.

By this additional protocol a permanent character would be given to the commissions of investigation and conciliation to which article 2 of the General Convention of Inter-American Conciliation refers.

Article 2 of the General Convention of Inter-American Conciliation of January 5, 1929, is as follows:

The Commission of Inquiry to be established pursuant to the provisions of article IV of the treaty signed in Santiago de Chile on May 3, 1923, shall likewise have the character of Commission of Conciliation.

Article IV of the Treaty to Avoid or Prevent Conflicts between American States, signed at Santiago, Chile, on May 3, 1923, which is the convention mentioned in article 2 of the General Convention of Inter-American Conciliation of January 5, 1929, relates to the composition, manner of appointment, and organization of the commission of inquiry provided for in that treaty. Under that treaty the commission of inquiry would in each case be of a temporary character and have jurisdiction only in respect to the particular controversy submitted to it by the parties to the dispute. As before stated, the additional protocol now submitted would give a permanent character to the commissions of investigation and conciliation by each country naming, by means of a bilateral agreement, "which shall be recorded in a simple exchange of notes with each one of the other signatories" of the treaty of May 3, 1923, those members of the various commissions provided for in article IV of that treaty.

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, May 19, 1934.

(Accompaniment: Additional protocol to the General Convention of Inter-American Conciliation.)

The high contracting parties of the General Convention of Inter-American Conciliation of the 5th of January 1929, convinced of the undeniable advantage of giving a permanent character to the Commissions of Investigation and Conciliation to which article 2 of said convention refers, agree to add to the aforementioned convention the following and additional protocol.

ARTICLE 1

Each country signatory to the treaty signed in Santiago, Chile, the 3d of May 1923 shall name, as soon as possible, by means of a bilateral agreement which shall be recorded in a simple exchange of notes with each one of the other signatories of the aforementioned treaty, those members of the various commissions provided for in article 4 of said treaty. The commissions so named shall have a permanent character and shall be called "Commissions of Investigation and Conciliation."

ARTICLE 2

Any of the contracting parties may replace the members which have been designated, whether they be nationals or foreigners; but, at the same time, the substitute shall be named. In case the substitution is not made, the replacement shall not be effective.

ARTICLE 3

The commissions organized in fulfillment of article 3 of the aforementioned treaty of Santiago, Chile, shall be called "Permanent Diplomatic Commissions of Investigation and Conciliation."

ARTICLE 4

To secure the immediate organization of the commissions mentioned in the first article hereof, the high contracting parties engage themselves to notify the Pan American Union at the time of the deposit of the ratification of the present additional protocol in the Ministry of Foreign Relations of the Republic of Chile, the names of the two members whose designation they are empowered to make by article 4 of the convention of Santiago, Chile, and said members, so named, shall constitute the members of the commissions which are to be organized with bilateral character in accordance with this protocol.

ARTICLE 5

It shall be left to the governing board of the Pan American Union to initiate measures for bringing about the nomination of the fifth member of each Commission of Investigation and Conciliation in accordance with the stipulation established in article 4 of the Convention of Santiago, Chile.

ARTICLE 6

In view of the character which this protocol has as an addition to the Convention of Conciliation of Washington, of January 5, 1929, the provision of article 16 of said convention shall be applied thereto.

In witness whereof, the plenipotentiaries hereinafter indicated, have set their hands and their seals to this additional protocol in English, and Spanish, in the city of Montevideo, Republic of Uruguay, this 26th day of the month of December in the year 1933.

United States of America:
ALEXANDER W. WEDDELL
J. BUTLER WRIGHT
Uruguay:
A. MAÑÉ
JOSÉ PEDRO VARELA
MATEO MARQUES CASTRO

DARDO REGULES
SOFIA ALVAREZ VIGNOLI DE DEMICHELI
TEÓFILO PIÑEYRO CHAIN
LUIS A. DE HERRERA
MARTIN R. ECHEGOYEN
JOSÉ G. ANTUÑA
J. C. BLANCO
PEDRO MANINI RIOS
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
JOSÉ SERRATO

Ecuador:
A. AGUIRRE APARICIO
ARTURO SCARONE

Chile:
J. RAMÓN GUTIÉRREZ
F. FIGUEROA
B. COHEN

CONVENTION OF RIGHTS AND DUTIES OF STATES ADOPTED BY THE SEVENTH INTERNATIONAL CONFERENCE OF AMERICAN STATES

Mr. PITTMAN also, from the Committee on Foreign Relations, reported favorably with reservation the following convention (with an accompanying resolution), which was ordered to be made public; and the resolution and convention are as follows:

Resolved (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to the ratification of Executive P, Seventy-third Congress, second session, the Convention on Rights and Duties of States adopted by the Seventh International Conference of American States at Montevideo, Uruguay, and signed on December 26, 1933, by plenipotentiaries of the United States of America and other countries represented in the said conference, but with the express reservation presented to the plenary session of the conference on December 22, 1933, which reservation reads as follows:

"The delegation of the United States, in voting 'yes' on the final vote on this committee recommendation and proposal, makes the same reservation to the 11 articles of the project or proposal that the United States delegation made to the first 10 articles during the final vote in the full Commission, which reservation is in words as follows:

"'The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action, especially since March 4. I have no disposition, therefore, to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

"'In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903 [on May 31, 1934, the Senate advised and consented to the ratification of Executive Q (73d Cong., 2d sess.), which abrogates the treaty of May 22, 1903, between the United States and Cuba containing the so-called "Platt amendment"]. I feel safe in undertaking to say that under our support of the general principle of nonintervention, as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime, in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.'"

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to the convention, I transmit herewith certified copies of the English and Spanish texts of the Convention on Rights and Duties of States adopted by the Seventh International Conference of American States at Montevideo, Uruguay, and signed on December 26, 1933, by plenipotentiaries of the United States of America and other countries represented in the said conference.

The attention of the Senate is invited to a statement made by the plenipotentiaries of the United States as a reservation at the time of the signing of the convention and recited in full in the accompanying report of the Secretary of State.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *May 22, 1934.*

(Accompaniments: Convention on Rights and Duties of States; Report of the Secretary of State.)

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to their transmission to the Senate to receive the advice and consent of that body to ratification of the convention, if his judgment approve thereof, certified copies of the English and Spanish texts of the Convention on Rights and Duties of States adopted by the Seventh International Conference of American States and signed on December 26, 1933, by plenipotentiaries of the United States of America and of other countries represented in the said conference, at Montevideo, Uruguay.

At the time of signature the following statement was made on the part of the United States:

The delegation of the United States of America, in signing the Convention on the Rights and Duties of States, does so with the express reservation presented to the plenary session of the Conference on December 22, 1933, which reservation reads as follows:

"The delegation of the United States, in voting 'yes' on the final vote on this committee recommendation and proposal, makes the same reservation to the 11 articles of the project or proposal that the United States delegation made to the first 10 articles during the final vote in the full Commission, which reservation is in words as follows:

"'The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

"'In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903. I feel safe in undertaking to say that under our support of the general principle of nonintervention as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.'"

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, May 19, 1934.

(Accompaniment: Convention on Rights and Duties of States.)

The governments represented in the Seventh International Conference of American States, wishing to conclude

a Convention on Rights and Duties of States, have appointed the following plenipotentiaries:

Honduras:
- MIGUEL PAZ BARAONA
- AUGUSTO C. COELLO
- LUIS BOGRÁN

United States of America:
- CORDELL HULL
- ALEXANDER W. WEDDELL
- J. REUBEN CLARK
- J. BUTLER WRIGHT
- SPRUILLE BRADEN
- Miss SOPHONISBA P. BRECKINRIDGE

El Salvador:
- HÉCTOR DAVID CASTRO
- ARTURO RAMÓN AVILA
- J. CIPRIANO CASTRO

Dominican Republic:
- TULIO M. CESTERO

Haiti:
- JUSTIN BARAU
- FRANCIS SALGADO
- ANTOINE PIERRE-PAUL
- EDMOND MANGONÉS

Argentina:
- CARLOS SAAVEDRA LAMAS
- JUAN F. CAFFERATA
- RAMÓN S. CASTILLO
- CARLOS BREBBIA
- ISIDORO RUIZ MORENO
- LUIS A. PODESTÁ COSTA
- RAÚL PREBISCH
- DANIEL ANTOKOLETZ

Venezuela:
- CÉSAR ZUMETA
- LUIS CHURION
- JOSÉ RAFAEL MONTILLA

Uruguay:
- ALBERTO MAÑÉ
- JUAN JOSÉ AMÉZAGA
- JOSÉ G. ANTUÑA
- JUAN CARLOS BLANCO
- Señora SOFÍA A. V. DE DEMICHELI
- MARTÍN R. ECHEGOYEN
- LUIS ALBERTO DE HERRERA
- PEDRO MANINI RÍOS
- MATEO MARQUES CASTRO
- RODOLFO MEZZERA
- OCTAVIO MORATÓ
- LUIS MORQUIO
- TEÓFILO PIÑEYRO CHAIN
- DARDO REGULES
- JOSÉ SERRATO
- JOSÉ PEDRO VARELA

Paraguay:
- JUSTO PASTOR BENÍTEZ
- GERÓNIMO RIART
- HORACIO A. FERNÁNDEZ
- Señorita MARÍA F. GONZÁLEZ

Mexico:
- JOSÉ MANUEL PUIG CASAURANC
- ALFONSO REYES
- BASILIO VADILLO
- GENARO V. VASQUEZ
- ROMEO ORTEGA
- MANUEL J. SIERRA
- EDUARDO SUÁREZ

Panama:
- J. D. AROSEMENA
- EDUARDO E. HOLGUÍN
- OSCAR R. MULLER
- MAGÍN PONS

Bolivia:
- CASTO ROJAS
- DAVID ALVÉSTEGUI
- ARTURO PINTO ESCALIER

Guatemala:
- ALFREDO SKINNER KLEE
- JOSÉ GONZÁLEZ CAMPO
- CARLOS SALAZAR
- MANUEL ARROYO

Brazil:
- AFRANIO DE MELLO FRANCO
- LUCILLO A. DA CUNHA BUENO
- FRANCISCO LUIS DA SILVA CAMPOS
- GILBERTO AMADO
- CARLOS CHAGAS
- SAMUEL RIBEIRO

Ecuador:
- AUGUSTO AGUIRRE APARICIO
- HUMBERTO ALBORNOZ
- ANTONIO PARRA
- CARLOS PUIG VILASSAR
- ARTURO SCARONE

Nicaragua:
- LEONARDO ARGÜELLO
- MANUEL CORDERO REYES
- CARLOS CUADRA PASOS

Colombia:
- ALFONSO LÓPEZ
- RAIMUNDO RÌVAS
- JOSÉ CAMACHO CARREÑO

Chile:
- MIGUEL CRUCHAGA TOCORNAL
- OCITAVIO SEÑORET SILVA
- GUSTAVO RIVERA
- JOSÉ RAMÓN GUTIÉRREZ
- FÉLIX NIETO DEL RÍO
- FRANCISCO FIGUEROA SÁNCHEZ
- BENJAMÍN COHEN

Peru:
- ALFREDO SOLF Y MURO
- FELIPE BARREDA LAOS
- LUIS FERNÁN CISNEROS

Cuba:
- ANGEL ALBERTO GIRAUDY
- HERMINIO PORTELL VILÁ
- ALFREDO NOGUEIRA

Who, after having exhibited their full powers, which were found to be in good and due order, have agreed upon the following:

ARTICLE 1

The state as a person of international law should possess the following qualifications: (a) A permanent population: (b) a defined territory, (c) government, and (d) capacity to enter into relations with the other states.

ARTICLE 2

The federal state shall constitute a sole person in the eyes of international law.

ARTICLE 3

The political existence of the state is independent of recognition by the other states. Even before recognition the state has the right to defend its integrity and independence, to provide for its conservation and prosperity, and consequently to organize itself as it sees fit, to legislate upon its interests, administer its services, and to definite the jurisdiction and competence of its courts.

The exercise of these rights has no other limitation than the exercise of the rights of other states according to international law.

ARTICLE 4

States are juridically equal, enjoy the same rights, and have equal capacity in their exercise. The rights of each one do not depend upon the power which it possesses to assure its exercise, but upon the simple fact of its existence as a person under international law.

ARTICLE 5

The fundamental rights of states are not susceptible of being affected in any manner whatsoever.

ARTICLE 6

The recognition of a state merely signifies that the state which recognizes it accepts the personality of the other with

all the rights and duties determined by international law. Recognition is unconditional and irrevocable.

ARTICLE 7

The recognition of a state may be express or tacit. The latter results from any act which implies the intention of recognizing the new state.

ARTICLE 8

No state has the right to intervene in the internal or external affairs of another.

ARTICLE 9

The jurisdiction of states within the limits of national territory applies to all the inhabitants.

Nationals and foreigners are under the same protection of the law and the national authorities and the foreigners may not claim rights other or more extensive than those of the nationals.

ARTICLE 10

The primary interest of states is the conservation of peace. Differences of any nature which arise between them should be settled by recognized pacific methods.

ARTICLE 11

The contracting states definitely establish as the rule of their conduct the precise obligation not to recognize territorial acquisitions or special advantages which have been obtained by force whether this consists in the employment of arms, in threatening diplomatic representations, or in any other effective coercive measure. The territory of a state is inviolable and may not be the object of military occupation nor of other measures of force imposed by another state directly or indirectly or for any motive whatever even temporarily.

ARTICLE 12

The present convention shall not affect obligations previously entered into by the high contracting parties by virtue of international agreements.

ARTICLE 13

The present convention shall be ratified by the high contracting parties in conformity with their respective constitutional procedures. The Minister of Foreign Affairs of the Republic of Uruguay shall transmit authentic certified copies to the governments for the aforementioned purpose of ratification. The instrument of ratification shall be deposited in the archives of the Pan American Union in Washington, which shall notify the signatory governments of said deposit. Such notification shall be considered as an exchange of ratifications.

ARTICLE 14

The present convention will enter into force between the high contracting parties in the order in which they deposit their respective ratifications.

ARTICLE 15

The present convention shall remain in force indefinitely but may be denounced by means of 1 year's notice given to the Pan American Union, which shall transmit it to the other signatory governments. After the expiration of this period the convention shall cease in its effects as regards the party which denounces but shall remain in effect for the remaining high contracting parties.

ARTICLE 16

The present convention shall be open for the adherence and accession of the states which are not signatories. The corresponding instruments shall be deposited in the archives of the Pan American Union which shall communicate them to the other high contracting parties.

In witness whereof, the following plenipotentiaries have signed this convention in Spanish, English, Portuguese and French and hereunto affix their respective seals in the city of Montevideo, Republic of Uruguay, this 26th day of December 1933.

RESERVATIONS

The delegation of the United States of America, in signing the Convention on the Rights and Duties of States, does so with the express reservation presented to the plenary session of the Conference on December 22, 1933, which reservation reads as follows:

The delegation of the United States, in voting "yes" on the final vote on this committee recommendation and proposal, makes the same reservation to the 11 articles of the project or proposal that the United States delegation made to the first 10 articles during the final vote in the full Commission, which reservation is in words as follows:

The policy and attitude of the United States Government toward every important phase of international relationships in this hemisphere could scarcely be made more clear and definite than they have been made by both word and action especially since March 4. I have no disposition therefore to indulge in any repetition or rehearsal of these acts and utterances and shall not do so. Every observing person must by this time thoroughly understand that under the Roosevelt administration the United States Government is as much opposed as any other government to interference with the freedom, the sovereignty, or other internal affairs or processes of the governments of other nations.

In addition to numerous acts and utterances in connection with the carrying out of these doctrines and policies, President Roosevelt, during recent weeks, gave out a public statement expressing his disposition to open negotiations with the Cuban Government for the purpose of dealing with the treaty which has existed since 1903. I feel safe in undertaking to say that under our support of the general principle of nonintervention as has been suggested, no government need fear any intervention on the part of the United States under the Roosevelt administration. I think it unfortunate that during the brief period of this conference there is apparently not time within which to prepare interpretations and definitions of these fundamental terms that are embraced in the report. Such definitions and interpretations would enable every government to proceed in a uniform way without any difference of opinion or of interpretations. I hope that at the earliest possible date such very important work will be done. In the meantime in case of differences of interpretations and also until they (the proposed doctrines and principles) can be worked out and codified for the common use of every government, I desire to say that the United States Government in all of its international associations and relationships and conduct will follow scrupulously the doctrines and policies which it has pursued since March 4 which are embodied in the different addresses of President Roosevelt since that time and in the recent peace address of myself on the 15th day of December before this conference and in the law of nations as generally recognized and accepted.

The delegates of Brazil and Peru recorded the following private vote with regard to article 11: "That they accept the doctrine in principle but that they do not consider it codifiable because there are some countries which have not yet signed the Anti-War Pact of Rio de Janeiro of which this doctrine is a part and therefore it does not yet constitute positive international law suitable for codification."

Honduras:
- M. PAZ BARAONA
- AUGUSTO C. COELLO
- LUIS BOGRÁN

United States of America:
- ALEXANDER W. WEDDELL
- J. BUTLER WRIGHT

El Salvador:
- HÉCTOR DAVID CASTRO
- ARTURO R. AVILA

Dominican Republic:
- TULIO M. CESTERO

Haiti:
- J. BARAU
- F. SALGADO
- EDMOND MANGONÉS
- A. PRRE. PAUL

Argentina:
- CARLOS SAAVEDRA LAMAS
- JUAN F. CAFFERATA
- RAMÓN S. CASTILLO
- I. RUIZ MORENO
- L. A. PODESTÁ COSTA
- D. ANTOKOLETZ

Venezuela:
- LUIS CHURION
- J. R. MONTILLA

Uruguay:
- A. MAÑÉ
- JOSÉ PEDRO VARELA
- MATEO MARQUES CASTRO
- DARDO REGULES
- SOFÍA ALVAREZ VIGNOLI DE DEMICHELI

TEÓFILO PIÑEYRO CHAIN
LUIS A. DE HERRERA
MARTÍN R. ECHEGOYEN
JOSÉ G. ANTUÑA
J. C. BLANCO
PEDRO MANINI RÍOS
RODOLFO MEZZERA
OCTAVIO MORATÓ
LUIS MORQUIO
JOSÉ SERRATO

Paraguay:
JUSTO PASTOR BENITEZ
MARÍA F. GONZÁLEZ

Mexico:
B. VADILLO
M. J. SIERRA
EDUARDO SUÁREZ

Panama:
J. D. AROSEMENA
MAGIN PONS
EDUARDO E. HOLGUIN

Guatemala:
M. ARROYO

Brazil:
LUCILLO A. DA CUNHA BUENO
GILBERTO AMADO

Ecuador:
A. AGUIRRE APARICIO
H. ALBORNOZ
ANTONIO PARRA V.
C. PUIG V.
ARTURO SCARONE

Nicaragua:
LEONARDO ARGÜELLO
M. CORDERO REYES
CARLOS CUADRA PASOS

Colombia:
ALFONSO LÓPEZ
RAIMUNDO RIVAS

Chile:
MIGUEL CRUCHAGA
J. RAMÓN GUTIÉRREZ
F. FIGUEROA
F. NIETO DEL RÍO
B. COHEN

Peru (con la reserva establecida):
ALFREDO SOLF Y MURO

Cuba:
ALBERTO GIRAUDY
HERMINIO PORTELL VILÁ
ING. A. E. NOGUEIRA

SUPPLEMENTARY EXTRADITION TREATY WITH AUSTRIA

Mr. PITTMAN also, from the Committee on Foreign Relations, reported favorably without reservation the following treaty (with an accompanying resolution), which was ordered to be made public; and the resolution and treaty are as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive R, Seventy-third Congress, second session, a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, adding crimes against the bankruptcy laws to the extraditable crimes and offenses listed in the extradition treaty of January 31, 1930, between the two countries.

To the Senate of the United States:

To the end that I may receive the advice and consent of the Senate to ratification I transmit herewith a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, adding crimes against the bankruptcy laws to the extraditable crimes and offenses listed in the extradition treaty of January 31, 1930, between the two countries.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 9, 1934.*

(Accompaniment: Supplementary extradition treaty; report of the Secretary of State.)

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a supplementary extradition treaty between the United States of America and Austria signed at Vienna on May 19, 1934, by which crimes against the bankruptcy laws are added to the list of crimes contained in the extradition treaty of January 31, 1930, between the two countries, on account of which extradition may be granted.

Respectfully submitted.

CORDELL HULL.

DEPARTMENT OF STATE,
Washington, June 8, 1934.

(Accompaniment: Supplementary extradition treaty.)

The United States of America and Austria, desiring to enlarge the list of crimes on account of which extradition may be granted under the convention concluded between the United States and Austria on January 31, 1930, with a view to the better administration of justice and prevention of crime within their respective territories and jurisdictions, have resolved to conclude a supplementary convention for this purpose and have appointed the following plenipotentiaries:

The President of the United States of America: Mr. Alfred W. Kliefoth, his chargé d'affaires ad interim to Austria, and

The Federal President of Austria: Dr. E. Dollfuss, Federal Chancellor.

Who, after having communicated to each other their respective full powers, found to be in good and due form, have agreed upon and concluded the following articles:

ARTICLE I

The following crimes are added to the list of crimes numbered 1 to 22 in article II of the said convention of January 31, 1930, on account of which extradition may be granted, that is to say:

23. Crimes against the bankruptcy laws.

ARTICLE II

The present convention shall be considered as an integral part of the said extradition convention of January 31, 1930, and article II of the last-mentioned convention shall be read as if the list of crimes therein contained had originally comprised the additional crimes numbered 23 in the first article of the present convention.

The present convention shall be ratified by the high contracting parties in accordance with their respective constitutional methods, and shall take effect on the date of the exchange of ratifications which shall take place at Vienna as soon as possible.

In witness whereof the above-mentioned plenipotentiaries have signed the present convention in both the English and German languages, and have hereunto affixed their seals.

Done, in duplicate, at Vienna, this 19th day of May 1934.

United States of America:
ALFRED W. KLIEFOTH.

Austria
E. DOLLFUSS.

THE CALENDAR

The VICE PRESIDENT. Without objection, the treaties on the calendar will be passed over.

POSTMASTERS

Mr. ROBINSON of Arkansas. Mr. President, I request that the consideration of the nominations of postmasters on the calendar be first considered.

The VICE PRESIDENT. Is there objection?

There being no objection, the Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. Mr. President, I ask that the nominations of postmasters be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations are confirmed en bloc.

UNDER SECRETARY OF AGRICULTURE—REXFORD G. TUGWELL

The Chief Clerk read the nomination of Rexford Guy Tugwell, of New York, to be Under Secretary of Agriculture.

The PRESIDING OFFICER (Mr. GEORGE in the chair). The question is, Will the Senate advise and consent to the nomination?

Mr. SMITH. Mr. President, of course, it is pretty generally known that I did object and do now object to the confirmation of this nominee. Subsequent to my last statement on the floor of the Senate in regard to this matter, there has been an investigation by the Committee on Agriculture and Forestry of this candidate and a vote on reporting his name by the committee.

After hearing the testimony of the nominee before the committee, I was more convinced of his unfitness for the position to which he has been named than I was before, if that were possible.

Mr. President, I have taken the position that the office of Secretary of Agriculture should be occupied by an individual who understands the problems of agriculture. I did not have time, when I spoke a few days ago, to go into the reasons why I have considered that, of all positions in the Government of an administrative and executive character, this one position requires peculiar fitness.

I know, and even a casual visitor in the gallery can tell, that when a question involving agriculture comes before the Senate, a question of the treatment by the Federal Government of those devoted to agriculture, it seems to be a matter of no consequence to this body. When, under the previous administration, we had before us the question of thawing out certain frozen assets, a bill was introduced to establish what is now known as the "Reconstruction Finance Corporation", and the appropriation of $2,000,000,000 was asked for and granted, in order to substitute ready cash for frozen assets which the railroads, insurance companies, and certain banks had, which it was necessary to thaw out if there was not to be a crash in those institutions.

From 1920 until that good hour agriculture had been suffering, not from a lack of production, not from a lack of thrift and enterprise on the part of those engaged in it, but from a crash, a collapse of our banking and financial institutions, a failure to liquidate and distribute the wealth which those who work in the field and on the farm were producing.

There was no question of maladministration or inefficiency on the part of the agriculturists. They were producing that which not only fed and clothed this Nation but also which contributed to the welfare of all the nations of the earth.

Two billion dollars were readily handed out to take care of these institutions of business, whose roots and foundations must rest ultimately upon agriculture.

Knowing the distressed situation of the farmers, which was of the same nature throughout the country among those who produce the great staple agricultural products, I asked for $200,000,000 out of that large appropriation, just 10 percent, to enable those who were voiceless here to carry on. The banks were closed, credit was gone, confidence was destroyed.

My effort to have that amount allocated to agriculture met the most strenuous opposition, and finally the appropriation was chiseled to a point where it was totally inadequate. I got not one word of encouragement from the so-called "Agricultural Department", the Department which ought to have known intimately, sympathetically, and vitally the distress and terrible condition which confronted the producers of this country. I knew that there was this lack of sympathy.

Mr. President, let us see just where the education of most of the Members of this body is at fault. The men selected to administer the agricultural interests of this country are largely selected because of their business training. No distinction is made between natural production and artificial production, a study of the function of blow-pipe, test tube, and retort in an attempt to adjust nature in the field through the processes which can be combined in the machine.

I was called upon to enter into a conference where those who were to administer our credits in agriculture were devising means by which they were going to finance the farmer. They said, in the first place, that he must be educated to meet his obligations as business meets its obligations, that he must be educated to go along the line which had already been established for commerce and industry; and that was done, and is now being tried on the farmer.

I was asked my opinion. I said, "Do you mean to say that you are going to force the farmer to subscribe to the rules and regulations which govern commerce, banking, and industry, and to meet his obligations as they meet theirs?" They said, "Yes." I said, "If you are going to do that, you had better have an interview with God."

The obvious difference between agriculture and industry is that everything produced in manufacture is produced under man-made law, regulated by man, controlled by him; his field is the factory, and all the seasons are his to work in. He moves a lever and that accelerates production. He pulls the lever again, and production stops. At the end of every 12 months he has a commercial asset to meet the obligations incurred in the production of that 12 months. He can produce to the yard, to the inch, to the pound, both in quantity and quality, at his sweet will.

If we are going to put agriculture on the same basis as industry, natural law will have to be changed so that when the farmer wants rain he gets it, when he wants fair weather he gets it. And, above all things, the times of his crops will have to be changed so that every week some of them will mature, in order that he may have assets in the form of subsequent maturities with which to carry on.

But nature's factory, in which the farmer works, is so uncertain, so fluctuating, that the man who plants knows not the quantity or the quality of the crop he will make. And, worst of all, he works for 12 long months before the process of producing the crops and disposing of them is completed, and then within 60 or 90 days there must come into existence a crop which will represent an amount equal to his needs for the next 12 months. In other words, he assumes obligations for 12 months, and within 60 or 90 days he must get a crop matured sufficient in value to meet all the obligations representing the next 12 months' supply.

Since the farmer is forced to put a world supply on the market within 60 to 90 days, the consequence is that the purchaser of these crops, which must be converted into funds to carry the farmer for the next 12 months, buys them with everything taken out of them. Not only does he exact a discount, because the crop must be carried over and distributed in the subsequent 12 months, but he deducts the freight, he deducts every element of cost before the price to the farmer is made.

The farmer is not a good risk, because no one can tell what his crop will be, nor what the quality of it will be. Let us just stop and think for a minute—with what certainty the wheat growers and corn growers in the West in the early spring of this year went out into their factory, God's factory, nature's factory, to produce that which was to sustain them and, perhaps, sustain the Nation, and what occurred? The most devastating drought this country has ever seen.

Such a condition is not thinkable in terms of industry. Industries are not subject to the fluctuations and the caprices of nature and of the seasons. Yet when this august body comes to act on the selection of a man who is to advise the Congress, who is to consider and attempt to solve the difficult and intricate problems of the farms which stretch from the Gulf, with its tropical climate, to the Arctic zone, what does it do? Farming is the most practical of all occupations. If a man with only an academic training goes into my section of the country, or into the wheat section of the country, and tries to make a living as a farmer he will starve to death. Such a man might sit before a committee of the Senate and with his training,





aided and abetted, of course, by certain members of the committee, he could evade the direct questions which were asked, and charm the press of the country with his suavity, but throw him out in a cotton field and he would starve to death. I am here today, as serious as I ever was in my life, pleading for those who have been voiceless here from time immemorial.

When we come to the selection of a man to discharge the functions of the Secretary of Agriculture, one who should be equipped by experience—and experience alone can educate him and equip him for that arduous and responsible task—whom do we select? If we were establishing a banking system, we would select as the head thereof a trained banker. If we were establishing a department of medicine, we would select as the head thereof a man who understood anatomy and the nervous system of the human being and who would be well acquainted with the eccentricities of individuals. If we were going to establish a manufacturing department, we would select as the head thereof one thoroughly versed in the relations of manufacturing and who was acquainted with the economics of America. But, Mr. President, when we go to select a Secretary of Agriculture, or that English equivalent, taking virtually the same name—an Under Secretary—anyone will do for the farmers of this country. An economist! I challenge any man here or in the academic cloisters of this country to show me a man who can reduce the eccentricities of nature and her changing seasons to the exactness of a science and write a book on the economics and the regimentation of the individual farmers of America.

Now that such a thing is going to be done, the first thing those in authority must do, as I advised the Committee on Agriculture, is to get God to give them the right and power to regiment the weather, and then they will not have to come to Congress for the enactments of any laws. Nature will be doing what they want done of her own accord.

Several writers on this subject in which I am so intensely interested have said that the plea of the Senator from South Carolina for a man who has personal knowledge of the struggle with seasons, insects, and weeds was silly and demagogic. Oh, yes, some writers would say, "Why do you want a man who knows anything about agriculture to be Secretary of Agriculture? Why should such a man be chosen?" Even the cartoonist the other day in picturing Dr. Tugwell and me had me holding the picture of the cartoonist's conception of a farmer, a poor old devil with last year's hat, or maybe a 5-year old pick-up panama, on his head, a scraggly goatee on his chin, the seat of his pants patched, and I was supposed to be saying, "Now, Doc, if you looked like this I'd be for you." [Laughter.] That shows the cartoonist's conception of the dignity of a farmer.

Mr. GORE. It is a crime to make sport of their misery in that way.

Mr. SMITH. It is a crime to make sport of the misery of the farmers. Every day people go into restaurants and fill themselves with what was wrung from the earth at the expense of every hope, at the expense of every vision of independent manhood. I have seen one sight I wish every Member of this body could see. I have seen a full-blooded American mother in the field, with her baby in a soap box under a shade tree, her beauty being destroyed by the hand-to-hand conflict she was compelled to wage with the seasons, but, thank God, dreaming dreams for the little one in that soap box as bright as those that pass through the brain and heart of a queen. Yet she is despised—oh, yes, and the father is despised, and we can take a Columbia University economist who could not tell the committee what he did believe and put him at the head of the Department which has to deal with this tragedy of American life.

The Senator from Oklahoma [Mr. GORE] in an aside pays him the compliment of saying that he would not know a cotton stalk from a jimson weed. I doubt if he would know either one if they were shown to him.

Mr. President, why should I come before this body and complain against an individual as individual? I know nothing about Mr. Tugwell personally. He seemed to be a very handsome gentleman. [Laughter.] He was splendidly attired and manicured, and according to Mr. Berryman, by the eternal gods, he had no place associating with any farmer. No; he was not equipped for that part; nor was he playing an Adonis role.

Now, when I come into this body and plead for those who walk the stony road, which 6,000,000 American yeomen walk every year, and who cannot solve their problem because they are denied the opportunity to sit in the councils of the legislators, they are sneered at and derided if any one of them dares to make the suggestion that some of their number should be permitted to oversee, to administer and execute the laws pertaining to agriculture.

Mr. President, I want it distinctly understood that I am the last man to discredit academic training. Against my will up to a certain stage, my wife's father and mother held my nose to the grindstone until they did at last get me to the point where I appreciated, I hope, the benefits of and necessity for academic education. I have, perhaps, had a little better opportunity along that line than most men. I am not boasting of it; it is a responsibility; and I ask to be excused for making this digression when I say that I read where some of the newspaper brethren in reporting some of the questions I put to Rev. Dr. Tugwell—I mean Dr. Tugwell—[laughter]——

The PRESIDING OFFICER. Let there be order in the galleries.

Mr. SMITH. In writing their stories they said that Senator SMITH asked, "Where was you born?" [Laughter in the galleries.]

The PRESIDING OFFICER. The Senator from South Carolina will suspend until there is order in the galleries.

Mr. SMITH. O Mr. President, let them have a little fun; God knows they are having very little of it.

The PRESIDING OFFICER. The Chair will state that the occupants of the galleries are here by the sufferance of the Senate and, under the rules of the Senate, demonstrations of any kind are not permitted.

Mr. SMITH. Mr. President, I say I am the last man to discredit or to fail to appreciate the splendid equipment that an academic education gives a man. If the professors are true to their high calling, they drill the mind of the pupil so that he may speak and think truthfully and logically. Greek and Latin and other foreign languages are not studied for the purpose of speaking those languages, especially Latin and Greek, but for the purpose of training the mind to concentrate and so to correlate the signs and symbols for each word that the sentences may be constructed which reveal the thoughts of the ancient writers. These studies are carried on to train the mind, but the best training that can be given in the best academic institutions of America cannot do more than aid the individual who goes into the field to face the changing exigencies of nature's processes.

The diploma in that branch is obtained by bitter experience, and no man can solve the problem of agriculture in America but the man who has trodden the wine press of experience in the field. With all due respect to the Deity, if the Bible story be true, God tried His prophets, His priests and His kings, but He could not save mankind until He went into a stable and took upon Himself the human form. He could pluck a man from a thousand hills, born to the purple and called to the great regency under Samuel; but it was all a failure; He recognized that the only salvation of mankind was in the great Omnipotent One knowing what flesh was heir to from the lowly place of the poverty-stricken individual. So that Baby who was born in that stable, and later walked the lonely roads of Galilee and had no where to lay His head, when He was lifted up then He saved mankind, for He was speaking the voice and doctrine of one who had passed through the stony, horrible road of experience, like the poor deserted poverty-stricken thousands of Palestine, and subsequently the world knew. Shall we improve on Him and come here and say with a sneer, "Oh well, why let not this thing go? Who in the devil is the farmer anyway?

Anything is good enough for him; he is the Chinaman of American organized life." Bow down and respect the railroads, respect the banks, respect the manufacturers, but when it comes to the question of agriculture—oh, what is the use? I am reminded of the incident on this very floor when I was pleading for $200,000,000, and as will be remembered, a Senator rose and asked me what collateral the farmers had to put up to secure the $200,000,000. I told him his stomach was full of their collateral right then.

Mr. President, the poor, deserted farmers of this country have already been so treated that they have an inferiority complex. They do not know how to organize and rise up and demand their just share of the wealth they produce. And who shall represent them? It is taken as a joke to stand here and say that a man should have practical experience to be properly equipped to administer the interests of agriculture in this country. I believe Dr. Tugwell did say that he had worked a year or two in an apple orchard or, rather, that he had once raised a prize calf. His parents raised a prize boy; there is no doubt about that. I think it was at the urgent request of certain brethren on the committee that he was asked if he had not raised a prize calf.

I did not want to be facetious, God knows, though I could indulge myself in a few remarks of that kind, for those who were asking the questions appealed to me so greatly by their experience along certain lines. However, I say it is an insult to the agricultural interests of this country to have the policies under which they are to live, no matter how good those policies may be, administered by the hands of men who know nothing about their problems.

Mr. President, as a matter of course, being a Senator from South Carolina, of which I am inordinately proud, and being a disciple of one whom I consider the greatest statesman and the greatest logician this country ever produced, John C. Calhoun, of South Carolina, with his love for democracy and all that word implies, with his reverence for the sacred sovereignty of the State, with its delegated powers freely given the Federal Government and those that are reserved to the State jealously guarded for the State, I should be an unworthy son of the proud little storm center of America, little South Carolina, and I should be ashamed to go out and stand at the shrine of her greatest statesman if I should subscribe to the doctrine that is now being subtly promulgated and circulated amongst our people.

I am not going to take the time to enter into a discussion of the utterances of this gentleman. I might spend some time dwelling upon that theme. I understand some member of the committee said, "Well, he is Assistant Secretary now; what is the difference? Why not make him Under Secretary?" About the only difference I see at the present writing is $2,500 a year. I think the functions of the two offices are the same, but the pay is just $2,500 more, and that is not to be sneezed at. I know that $2,500 right now is an inducement.

I listened to the man. Of course, he will have to do what he has committed himself to do. He said, "Why not believe what I say?" I want to state here and now before the God who made me, I should be delighted to do any favor in the world for Dr. Rexford Guy Tugwell that did not involve a sense of my duty, first, to the men who make their living in the field, and, secondly, to the oath I took that I would uphold the Constitution of the United States against all enemies, foreign and domestic, without any mental reservation whatsoever. God help me, I am going to uphold both!

I am not trying to proselyte a single Senator. Nothing would delight me more than, if what is stated is true, that this man is desired by the President and will go along with the President; but my sense of duty will not allow me anywhere at any place or at any time to compromise with it in order to meet the favor of any man God ever made. I was sent here to do my duty as I see it. I take it that every other man feels the same way. It may be demagogic and silly to plead for those whom I have for 25 years specifically represented. It may be silly and probably is silly in the minds of a vast majority of those who can be heard and who are in the light of the public eye. Those in the darkened places are not heard. The others can say anything, and it goes.

My colleagues may vote as they please and as they will, actuated by whatever motive may move them, but I believe the agricultural interests of the country ought to call a halt now and see that they are recognized as other occupations are recognized.

I have no quarrel whatever with Dr. Tugwell. I admire his academic attainments and should be glad to see them availed of in the place where they rightfully belong, within the walls of a college or in some publishing house; let him make use of them; but I do object and will object to his being elevated to represent those whom I represent, when, in my opinion, he has no understanding of the A B C's of their problems.

Mr. President, why should it be thought that any Senator would want to persecute anyone? I have no desire whatever to persecute and have not attempted to persecute Dr. Tugwell. When the hearing was in progress I asked questions looking toward an understanding of his experience. He seemed to satisfy the committee that he was thoroughly equipped. He gave his history. Then when another member of the committee began to question him as to his orthodoxy on the principles and practices growing out of our Constitution, I was amazed to hear the answers he gave in the light of the statements read.

Mr. President, I shall not go into that phase of the matter. I think I have given those of my colleagues who have done me the honor to listen to me a full understanding of the reason why I will not cast my vote to promote a man who in the first instance I believe is not qualified—and I certainly believe he is not qualified—from the standpoint of what agriculture needs. No; he is not qualified.

As to the other phases of the matter, as to what he has said and the things he has written, I shall content myself with the position I have taken. I hope the agricultural interests of America will catch the spirit of my protest and so organize that spirit that there shall be a recognition of their interests in their own right.

I state here and now on the floor of the United States Senate that education, refinement, and culture have not passed from the farm home. There are in this country and in every State in this Union men who have devoted their lives to agriculture, who are better qualified to sit here than am I—and I have my opinion about others, but I have not expressed it—and better qualified to administer the affairs of agriculture and to deal with the problems which affect it than any man in that department. The dangers which menace the farmers will not be solved on the one hand or allayed on the other hand until a full and honest appreciation of the problems which confront agriculture are met in the light of agricultural experience.

Mr. President, I am not attempting to delay the matter. I have opposed the appointment from the beginning, and I oppose it now.

Mr. COSTIGAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Colorado?

Mr. SMITH. I yield.

Mr. COSTIGAN. For the information of one Member of the Senate, will the earnest Senator from South Carolina be good enough to State how much of a "dirt" farmer he demands the Secretary of Agriculture or the Under Secretary of Agriculture shall be? Will he also specify some Secretary or Secretaries of Agriculture who have met his approval in times past?

Mr. SMITH. Mr. President, answering the first question, I unhesitatingly say, a man who has devoted his life to agriculture. As to the next, I do not want to attempt to answer the question, because I cannot. He "ain't been." We have not had "sich." I will state that according to the slight knowledge I have of Secretary Wilson, he came nearer my idea of a Secretary of Agriculture than any other we have had. We have an abundance of qualified men in this country.

It is said, "Oh, the President sends down this man's name; why not take him, and put the responsibility on the President?" Because it is on us. By and with the advice and consent of the Senate he is supposed to select. We are supposed to investigate; and that is what I have tried to do.

Mr. President, I know the influences that are at work. I have not been here a quarter of a century for nothing. I know oh, yes, the plausible things that can be said, and the witty things that can be said, about this matter. Anything can be said or done, and we shall not be called to account for it by that helpless and hopeless mass.

Mr. President, I am going to content myself for the time being with what I have said. I do resent the fact that in spite of the serious manner in which some of us were delving into this problem, certain Members of this body say it was a farce. Oh, yes; of course, anything that pertains to agriculture, if one is serious, is a farce. "Mr. Hayseed"—yes; do not consider him. "A circus"—yes; but, thank God! most of the animals that I saw in the circus did not originate on the farm.

Mr. President, to me this issue is the most serious one that has confronted the American Congress in the past 100 years. The repercussion of the issues that are involved will come back in years to come, if not in months to come. We must meet this issue. I do not know but that I could cover my desk with letters and telegrams from the field and from farm organizations, pleading that they be represented in this body.

The issue is with the Senate. I have stated my case from the standpoint of the farmer.

Mr. BAILEY. Mr. President, this matter comes before the Senate under obligations imposed by the Constitution. The second paragraph of section 2 of article II reads as follows—

He—

That is, the President—

shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law.

The Constitution requires, in order to validate an appointment by the President to a responsible position, the advice and the consent of the Senate of the United States.

I am not going into a discussion as to why, in the great covenant of our national existence, this provision should have been inserted; but it was inserted, and it has remained there and wtihout question from the foundation of the Republic to the present hour. We are to advise the President, and I think our advice should be welcomed and not resented; and I do not mean to say that it ever has been resented. Our consent should be sought from our hearts and minds with utter openness and freedom. No question should be raised as to the good faith of a Member of the United States Senate. No question should be raised when an investigation is held, because if we are to give our advice we must give it intelligently; and in order that we may be intelligent we must investigate.

I made these opening remarks in view of a disposition, manifested rather broadly in the land, to deride men and even to pour contempt upon Senators who honestly undertake by way of an inquiry to ascertain the mind, the purpose, the principles, the attitude, the thoughts of a man presented for a position at the first moment of its creation in our national history, to ascertain his mind with a view to determining his fitness and advising the appointing power, the President, and consenting on the part of each of ourselves under the solemn obligation imposed by the Constitution which I have described in a phrase, and not without some intent, as the covenant of the national life—the covenant between the people and the powers they created, in which they determined the place of the States in the national economy, and determined the powers vested in the Congress, and set the limits upon the powers of the Chief Executive.

Long before this office was created, and long before Dr. Tugwell's name was mentioned here by way of promotion to this office, I became curious as to his views. I sent to the Congressional Library a blanket order for all his publications, all his works.

While I do not profess that I have read them with the utmost thoroughness, I will say that I did examine them with honest care and with an open mind. I read his graduation thesis, a document which proved at once that he was a man of unusual capacity, a young man of whom every one of us would have said, upon reading the thesis, written in 1922, when he received his doctor's degree, that he was manifestly a man of promise.

I even went back further, by accident, in the press, and read a poem, some blank verse, by Dr. Tugwell, beginning, "I will rebuild America", a poem written when he was 17 years of age—not an unworthy aspiration, and the poem not one to be taken lightly, but rather an utterance to command admiration.

I read his Political Economy, written in conjunction with another, and I do not hesitate to tell my fellow Senators that I found nothing wrong with his political economy. It is a book written by a man with an open mind. In the final paragraph in this work on political economy he disavows all dogma, declares for the open mind, and asks only that the student shall form his own opinions.

It is a book written after the manner of the modern political economist and what we call the ad hoc doctrine, nothing static, nothing of rules, nothing of standards, so far removed from standards that he undertakes to avoid names and designations and shibboleths in order that what he has to say may be free of prejudices.

I would not, even if I differed with him in his teachings in the book, raise any question as to any utterance in it, and if I had anything to say about his work, I would commend the work.

There were other works, but I pass them by. There was one on Russia, but the book on Russia imputes nothing to the mind of the author, justifies no suspicion whatever that he absorbs the views of the Russian leaders.

So, altogether, upon the examination of the works of Dr. Tugwell, I was in the mind to say that I could see nothing wrong with his views, but that, rather, he had produced an admirable series of contributions to our modern thought.

Shortly after I finished those investigations, a circular was handed to me purporting to carry certain paragraphs from an address made by Dr. Tugwell in this city in the year 1931. Those paragraphs were such as to excite a great deal of interest, and, I may say, not a little alarm. But I reflected that the circular was anonymous, and I knew that no man could be rightly interpreted by taking paragraphs here and there from a speech and out of their context. I resolved that I would find the address and read it in full, and I did find the address, and I did read it in full. I have narrated this in order to lead up to the circumstances of the inquiry before the Committee on Agriculture and Forestry.

Having been rather alarmed, and, I might say, really distressed, to find that the paragraphs in the circular were verbatim copies of utterances in the address, I welcomed the investigation, not that I wished to convict Dr. Tugwell of anything, but that I deeply desired to ascertain his honest views, and was perfectly willing to give him every opportunity that one man could give to another to renounce, to explain, to interpret, or to elaborate upon those views.

Mr. President, it rather astonished me, when I began the inquiry for my own part—and I may say that the other Senators pursued a method not unlike my own—to find something of partisan feeling there, something of the nature of plaintiff and defendant, some fear, I believe, that I was playing the part of a persecutor, that I was trying to convict Dr. Tugwell of something. Even he himself, in response to an inquiry, said, "You are trying to make me say that I believe in the Russian system." I at once assured him that

nothing was further from my mind. I had read his work on Russia, I had read all his other works, and it did not occur to me that he could possibly be convicted of being attached in any way to what we call the Russian conception of things.

As I pursued the inquiry, I pursued it following certain answers which Dr. Tugwell had made to questions propounded by the junior Senator from Virginia [Mr. BYRD]. They astonished me, in the light of the impression his address had made upon my mind, and I shall detain the Senate long enough to read from the record here some of the questions and some of the answers:

Senator BYRD. What was the purpose of making the speech—

That is, the 1931 speech—

if you did not desire to contribute something to the political thought of that day, if you were not trying to work out a solution for the problems that had existed in the country?

Dr. TUGWELL. Because I was asked in the first place to make a speech on this topic by the American Economic Society; and I was glad to make it, because I thought at the time planning was being talked about in a very loose way by many people who did not understand the implications of what they were saying; and as a young man I made my contribution to the subject by trying to point out as best I could some of the difficulties.

That was Dr. Tugwell's interpretation of his 1931 speech, that he uttered that speech to point out some of the difficulties of planning, himself not being in favor of planning, and of course the fair inference was that all he was doing was to explain to whomsoever might be interested what was implied in economic planning. I may say here for the RECORD that the title of the address was "Economic Planning and Laissez Faire."

I believe I will relieve myself at this point to the extent of saying, since I see the senior Senator from Nebraska [Mr. NORRIS] smiling once more, that if I have to use this expression "laissez faire" very often, he must remember that it was Dr. Tugwell who brought it forward, and not I. I read further:

Senator BYRD. I am not concerned about the remarks of my distinguished friend on the right.

Dr. Tugwell, I will frame my question so as to suit the Senator from Nebraska, I hope. It is this: In my judgment no man can read your speech that you made to this economic society—

The 1931 speech—

without believing that you believe in the things that you then said; and I ask you now, Do you believe in the policies of government as you outlined them and enunciated them in that address?

Dr. TUGWELL. I would like to make perfectly clear to Senator BYRD, if I can, that I did not enunciate any principles of government in that speech in which I believed.

He said nothing he believed respecting the principles of government.

I was trying to analyze the situation as I saw it.

Senator BYRD. Do you believe in national planning?

Mr. TUGWELL. No, sir.

That was flat and unqualified.

Senator BYRD. Do you believe in planned economy?

Mr. TUGWELL. It depends on your definition of it, sir.

Senator BYRD. Let us take your definition that you made in your speech.

And he did make a very elaborate and complete definition.

Mr. TUGWELL. I believe in the planning which the President is talking about with reference to water flow and soil erosion. Yes.

Yes. And I take it the Senate gets the force of that answer. His national planning at this point of the inquiry at any rate is confined to water flow and soil erosion.

I digress to say that that made a very unfavorable impression upon my mind. I could conceive of circumstances in a law court in the trial of a case in which some humble citizen might have been forgiven for an evasion of that sort, but I could not conceive of it here.

Senator BYRD. Do you believe in the kind of planned economy outlined in your speech?

Mr. TUGWELL. No, sir. And the whole speech was trying to show that it would not work.

Senator BYRD. I hope every Member of the Senate will read your speech.

Mr. TUGWELL. I hope so; yes.

Senator BYRD. As to whether or not you favor those things, then?

Mr. TUGWELL. And I might say that I have come back to that same problem in other places; and I would not want to ask you to read anything else that I have written, but I have referred to the same subject in other places. And I believe that I have made perfectly clear just what I believe.

He said before the committee, and I wish to recall the evidence here:

Senator BYRD. Do you believe in national planning?

Mr. TUGWELL. No, sir.

Senator BYRD. Do you believe in a planned economy?

Mr. TUGWELL. I believe in the planning which the President is talking about with reference to water flow and soil erosion.

That is the record. I will read one further word:

Senator BYRD. In other words, your contention now is that you did not intend anyone to think at that time that you favored the things that you spoke of in the speech?

Mr. TUGWELL. I never did favor them.

Now I turn to the next page.

Senator BYRD. Do you favor any system of planned economy or national planning by the Government of the United States?

Mr. TUGWELL. If you are referring to the speech of 1931 and the definition of "planning" which I gave there, I do not.

Senator BYRD. Do you repudiate that speech?

Mr. TUGWELL. No, sir; I do not repudiate that speech.

With that background I will turn to the further examination conducted by myself, and I will read to begin with extracts from this speech of 1931 which was in question at the time. I will say, Mr. President and Senators, that I had been of the impression, after very careful reading of this address, that Dr. Tugwell had advocated a planned economy, as laid out in that speech, and that the speech was, all the way through it, an argument for the planned economy which he described in that speech.

What is the evidence there? What tended to convince my mind? Why, the first paragraph in the speech says that a planned economy is necessary to the preservation of business. That we have reached the point where laissez faire will no longer operate, that conflict in business is ruinous, and unless there shall be a change business itself will be destroyed.

That seemed to me, Mr. President, as argumentative in its character. It did not occur to me that that was an academic statement of what other people were thinking. There is nothing in the text that has reference to public opinion or others' thought.

Then he goes on to say, and this must be recognized in justice to Dr. Tugwell, that there are a great many people talking about a planned national economy who do not realize in any way its implications, and whenever they do realize them they will resent them and resist them. And from that point he moved right into this statement of all the implications of a planned economy, and he takes up in the first instance the relation of the planned economy to the business and the industrial structure, and his argument is that the preservation of the business structure demands a planned national economy. He even speaks of business dying a long and lingering death, and goes on to say—

But it must be regarded as inevitable.

He describes his planning here as—

Planning is a process of predicting and making it come true.

Not merely a matter of advisory groups. And at that point he takes up the proposals in America for advisory boards, and he argues that advisory boards will be utterly ineffective. That we must have force, there must be nothing voluntary about it, that the jurisdiction must be equal to the jurisdiction of the United States, and even suggests that the area must be greater than the area of the country; that it is as broad as the area of the industry itself.

Well, I am aware as I talk of Dr. Tugwell's view, of what he was saying as he stated it in the examination, and I am determined to be fair to him. I was not trying to convict him of anything the other day, and I am not going to try to convict him of anything today.

He was saying all the time that all he was doing was to lay out what planning predicated, but his introductory para-

graph laid down the dire necessity for planning, and his concluding paragraph went so far as to say—

But we are at the point where discussion of this possible mastering of future history—

That is a great word. We are going to take hold of the history that is to be, and become foreordainers and predestinators and assume the role of the Divine Being according to the Calvinistic theory.

But we are at the point where discussion of this possible mastering of future history is beginning to assume practical aspects. There is undoubtedly some need for haste if change is to come peacefully. It is my view that the prespective discussion ought to be carried out with a clear view of its philosophical implications and of its institutional requirements. If we accept the principle of planning we must accept its implied destruction of the structure of laissez faire industry.

And he himself in this address and in his work describes all the structure of these 140 years of national life as the structure of laissez faire philosophy. Even at one point he says in his statement here of implications, that we will have to undo the work of 100 years. And now he says this, further, by way of indicating the necessity for haste, that is, the haste to take up the planning, and if there is any planning, he says, it must be absolute:

How rapidly the pressures rise to explosive proportions depends both upon the visibility of a better future and upon the hardships of the present.

There is no denying that the contemporary situation in the United States has explosive possibilities. The future is becoming visible in Russia; the present is bitterly in contrast; politicians, theorists, and vested interests seem to conspire ideally for the provocation to violence of a long-patient people. No one can pretend to know how the release of this pressure is likely to come. Perhaps our statesmen will give way or be more or less gently removed from duty; perhaps our constitutions and statutes will be revised; perhaps our vested interests will submit to control without too violent resistance. It is difficult to believe that any of these will happen; it seems just as incredible that we may have a revolution. Yet the new kind of economic machinery we have in prospect cannot function in our present economy.

That is the national planning, as I read it—and I invite the Senate and the world to bear witness that no other sort of planning is referred to in this document.

Yet the new kind of economic machinery we have in prospect cannot function in our present economy. The contemporary situation is one in which all the choices are hard; and yet one of them has to be made.

He began and he ended with the solemn asseveration that he would not choose the way of laissez faire. There were two theories. He rejected one and he denies now that he accepted the other. Frankly, that gave me trouble. I am slow to judge my fellow men, as I would have my fellow men be slow to judge me. I would be very careful before I fell into a harsh judgment of any human being, if for no other reason, because I know my own weaknesses. I shall reach no judgment. If I can find a judgment here that reconciles itself with candor and honesty and frankness, if any Senator can find a conclusion here that will reconcile itself with confidence in Dr. Tugwell, I would welcome it as I would welcome nothing else. Being incapable myself, I refuse to reach a conclusion, in view of his disavowal, in view of what I conceive to be his evasion, which I conceive to be at least irreconcilable with any theory of courage and any theory of candor.

But, of course, Mr. President, that is not all. I have not the time nor has the Senate the time. The next portion of this 1931 speech is devoted to a discussion of profits and to an argument that profits are not necessary to the stimulation or the propulsion of industry and of enterprise. He even speaks of the malign effect of profits. In connection with his argument he makes a statement about business which has given me the profoundest alarm. I am going to read to the Senate, and then I am going to tell the Senate what Dr. Tugwell said by way of explaining away that statement:

For many years I was puzzled to know why so much opposition to any extension of Government functions existed. It was only gradually and with patient inquiry that I satisfied myself. The reason was that business kept any government corrupt that touched it anywhere.

Do we get the point there that business keeps any government corrupt that touches it anywhere?

This seemed to be a part of the business system, no more considered wrong by business men than ordinary buying and selling.

He refers to this corruption of government.

And wise observers who had seen it going on always and everywhere had concluded that it was of the nature of government to be corrupt and inefficient and that no really important matters, such as economic functions, ought ever to be trusted to it. A longer time still was required to reach the conclusion that all these wise men were wrong about causes. And because they were wrong about this their whole thinking was askew. The trouble lay in the nature of business—

Get the point—not in the character of business men, but in the nature of business; that is, that the seeds of corruption were resident in the very nature of business.

and so long as business was left unchanged as to motive and method it would continue to corrupt every Government it touched. But it could not be reasoned that, because business had paralyzed governmental organs, governments were inherently bad and ought never to be trusted. Revise business; arrange things so that man's capacity to corrupt the public services is seriously limited or removed, and then, only then, we shall have a chance to see whether the public interest, as over against private interests, could command effective and honest service. From what I know of human nature I believe that the world awaits a great outpouring of energy as soon as we shall have removed the dead hand of competitive enterprise.

I dwell there. Was that his opinion? Was that gathered from public opinion? Was that an interpretation by a reporter? Was that what he said it was—no expression of opinion whatever from himself? Why, it begins:

From what I know—

And that is what Dr. Tugwell knows—

of human nature I believe that the world awaits a great outpouring of energy as soon as we shall have removed the dead hand of competitive enterprise that stifles public impulses and finds use only for the less effective and less beneficial impulses of men. When industry is government and government is industry the dual conflict deepest in our modern institutions will be abated.

"When government is industry and industry is government", I do not think Russia will have anything on us. If they have more or less than that, then I have been badly misinformed by Dr. Tugwell's work on Russia. That is his argument; and he is saying that he is arguing nothing, and he is saying nothing, and expressing no opinions; and he said that solemnly to a Senate committee.

Now what? Here is his next sentence:

This is one of the basic reasons why the prospect of a planned economy is so congenial to every other hope and belief I have.

Yet he said at the outset that he was not in favor of a planned economy.

Well, of course that gives me great difficulty, Senators. That troubles me in my soul. The fact that he said it was bad enough; the fact that he could think that was bad enough; but the fact that, saying it, he denied that he said it, or that he meant it, carries with it something of that destruction of a man's faith in his fellow man which all decent men abhor, and from which I shrink to such a degree that I still withhold my judgment.

What did he say in response to that? He said, "I meant big business." Well, if he meant big business, why did he say "in the very nature of business"? The nature of business is in the little one as well as the big one. Most of the big ones were once little ones, and most of the big ones will yet live to be little ones. That is the rule.

That, however, is not all Dr. Tugwell said about business. He spoke again here——

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. BAILEY. Certainly.

Mr. WAGNER. Since the Senator is on the subject of the Russian system, does he intimate that Dr. Tugwell favors that kind of a system?

Mr. BAILEY. No; I said at the outset that he did not, but I simply mentioned just now that when, as he seems to wish, government is industry and industry is government,

Russia will have nothing on us. I may be wrong about that; and if the Senator can clear me, I shall be very happy.

Mr. WAGNER. I happen to have here an extract from Dr. Tugwell's latest book—Our Economic Society and Its Problems.

Mr. BAILEY. I have that, and I am going to come to that.

Mr. WAGNER. It contains a condemnation of the Russian system and a vindication of a democratic mode of government.

Mr. BAILEY. Yes. Begging the Senator's pardon, what I am addressing myself to now is not so much Dr. Tugwell's views; it is his testimony, and how we can reconcile his testimony with the theory of good faith by him. I think that is on the threshold.

I believe I will say this: I am willing for him to have any view he wishes. I would not suppress the view of the best or the worst or the humblest human being on earth for my right arm. All my life I have defended the right of men to express their views and have their opinions.

Mr. WAGNER. Mr. President, will the Senator yield for another question?

Mr. BAILEY. Certainly.

Mr. WAGNER. I do not want to interrupt the thought of the Senator, but a moment ago he referred to the laissez faire doctrine. I do not know whether or not the Senator was attempting to defend that doctrine; but I was going to suggest that we ourselves have attempted, by legislation, to eliminate some of the evils resulting from laissez faire, such as the sweatshop, child labor, and low wages. It seems to me that Dr. Tugwell is in accord with us so far as those efforts are concerned.

Mr. BAILEY. Again, Mr. President, the junior Senator from New York misapprehends me. I am not defending anything. I am simply undertaking to lay before the Senate the truth about Dr. Tugwell. I am not even insisting that I am capable of doing him full justice; but, as heaven is my witness, I intend to be just to him; and if I should in any degree be unjust, I should welcome a demonstration of the fact, and of course I should confess any wrong I have ever done him. I have naught against him; and I think it is of the utmost essence of things here that a human being talking about another human being in this Chamber of privilege should be utterly just.

Mr. WAGNER. What I attempted to bring out was this: Instead of attempting to criticize Dr. Tugwell for suggesting that there were evils that ought to be corrected in the laissez faire doctrine, we should recognize that he has merely stated a principle that is embodied in legislation enacted as recently as a year ago, to eliminate the destructive tendencies of laissez faire.

Mr. BAILEY. Mr. President, I see that the Senator thinks that I am attacking economic planning. I am not. I am showing that Dr. Tugwell disavowed that he is for it; and yet reading what he said in its behalf, I think that is quite different; and that is just the point I was driving at. Candor, intellectual honesty, is of more importance in filling a position of a national character than any view. That is my point.

Mr. LEWIS. Mr. President, will the able Senator yield to me for a query?

Mr. BAILEY. I yield.

Mr. LEWIS. Having the highest esteem for the ability of the able Senator, and conscious of his general philosophy of life; and understanding his views as I hear him express them, I ask the able Senator whether he will inform me, if it does not extend him too far, in what manner or in what way could any of these views, in one way or the other, enter into the question of the qualifications of Dr. Tugwell in the matter of being Under Secretary of Agriculture?

Mr. BAILEY. Mr. President, I was arguing that Dr. Tugwell had, in his response to the interrogatories of the junior Senator from Virginia, disavowed responsibility for this article, and had said that it expressed none of his opinions, none of his views, and I was reading from the article to submit to the Senate whether or not that was a truthful statement. I am glad the Senator has enabled me to make that clear. I will say to the Senator that I am utterly indifferent to the man's views at this point of the argument, and I fear that that is one of the difficulties here.

The Senator from Illinois is not the first to present that matter. The difficulty has been to get people to see the distinction that is drawn here. The question whether the man stood for the address or not is a matter of indifference to me. The question whether it expressed his views or not is a matter of indifference to me. Did it express his views, and then did he come before a Senate committee and say it did not? That is of the essence of things with me. I take it I have made that plain now.

Mr. President, if I may pause long enough to say it, I think I should have had a different impression if Dr. Tugwell had said to me what I would have been happy to say for him, in the examination, "Yes; they were my views, but I have other views. You can judge me by my record down here. I have a new book here in which I have expressed more recent views, a book published in 1934. I have an article in this paper called 'Today', published by Mr. Vincent Astor, under date of April 28, and you may compare the views I expressed in 1931 with the views in this book. I had those views, but the policies of the Roosevelt administration have modified my views."

I think that is the fact, if Senators wish to know the truth. I think that is what has happened to the man, and I will show that before I take my seat. If he had been candid with me, or if he had had the courage to go to the stake for his views, I would have been willing to go with him. Do I make that clear? I would have defended him with my life for expressing his views in behalf of national planning.

I am not attacking him for his views. Indeed, I am not attacking. I am arraying the evidence, and I leave the judgment to the Senate. I have said to everyone here over and over again how reluctant I am, how slow I am, to be convinced by the evidence, which seems to overpower me.

Mr. President, I have taken a great deal of time, but I have not said all that might be said. I was on the question of business, and I was saying, in behalf of Dr. Tugwell, that he did not mean to get rid of profits—he stated that—but he meant to get rid of speculative profits. That was his defense. That is not what he said, and I am willing to give him credit for that. However, in the light of his remarks about business, listen to this:

> There is no private business, if we mean by that, one of no consequence to anyone but its proprietors—

And, of course, all business is of consequence to others than the proprietors—

> And so none exempt from compulsion to serve a planned public interest.

Did he mean big business, or did he mean all business? I insist that the language is not susceptible of two interpretations.

> There is no private business.

He did not mean there is no private big business, but that there is no private business. That is his point. Yet he tells us in the committee that he is talking about speculative big business. When we asked him what he meant by "profits", he said:

> I meant speculative profits.

But he did not say speculative profits. Do not let me misrepresent him. He referred to speculation, but he said "profits", and he denounced competitive enterprise as the "dead hand", and what is competitive enterprise but profitable business?

Mr. President, I could not quite reconcile myself with his disavowals, and I cannot yet, and I ask the Senate if this can explain away his statement in these words:

> When industry is government and government is industry, the dual conflict deepest in our modern institutions will be abated.

This is one of the basic reasons why the prospect of a planned economy is so congenial to every other hope and belief I have.

Mr. BANKHEAD. Mr. President, I will ask the Senator whether Dr. Tugwell did not say, after that, that he referred to the N.R.A. program?

Mr. BAILEY. I am coming to that, and I am glad the Senator has testified for me in advance.

Remember, Senators, in speaking here of a planned economy, he referred to 1931, and he was coming to the conclusion of an article in which he had discussed absolute planned economy and said that no compromise planned economy was worthy of the name or would work.

At this precise juncture I read some questions by myself and answers by Dr. Tugwell.

Senator BAILEY. Now, Doctor, finally, you state this in your address, after having stated:

"When industry is government and government is industry, the dual conflict in our modern institutions will be abated."

That is your opinion?

Mr. TUGWELL. Yes.

Mr. BAILEY (reading):

"This is one of the basic reasons why the prospect of planned economy is so congenial to every other hope and belief I have."

Mr. TUGWELL. Yes.

Senator BAILEY. So, whereas you started in the beginning by saying that you were not in favor of a planned economy, you now admit in this address that the prospect of making industry government and government industry is one of the basic reasons why the prospect of "a planned economy is so congenial to every hope and belief I have."

So now a planned economy is congenial to your belief?

Note, here is his answer:

Mr. TUGWELL. The Senator is reading now from a footnote, I think—

Which I was—

and in the footnote I tried to explain what I meant, and I have tried to explain that passage before, that what I meant when I spoke then was the kind of thing which is now in existence in N.R.A. and A.A.A.

Remember, there was no N.R.A. and there was no A.A.A. in 1931, and remember, he had said in his 1931 address here that a planned economy, in order to be worthy of the name and to be effectual, should not be advisory; that it should have power and should not have power only in a limited way but should have power over every industry in the land. Yet he comes here and says that what he was talking about were the N.R.A. and the A.A.A. That is a strange reconciliation with his exposition of the character of a planned economy.

I forbear to say what impression that made upon my mind, but I am going to show the Senate that, whereas there he speaks of A.A.A. as a planned economy and N.R.A. as a planned economy, in the book I hold in my hand, Our Economic Society and Its Problems by Rexford Guy Tugwell and Howard C. Hill, he says that the N.R.A. is not a planned economy at all.

Mr. KEAN. Mr. President, will the Senator yield?

Mr. BAILEY. I yield.

Mr. KEAN. What is the date of that book?

Mr. BAILEY. 1934. It is just out. I quote from page 540:

The National Industrial Recovery Act provides mechanisms for social control, but the fruitful exercise of control depends upon the ideals of the people in whose hands it lies. We have not a plan, but rather opportunities to plan.

Yet in his answer to me he describes the N.R.A. and the A.A.A. as the plans which he had in mind.

Mr. BANKHEAD. Not a completed plan.

Mr. BAILEY. That is the kind about which he says:

These are not plans, but mere opportunities for plans.

A man cannot talk two ways to me without some effort at reconciliation.

How we utilize these opportunities depends upon the extent to which we discard laissez faire and embark upon policies of social control.

He means to go farther than A.A.A. and N.R.A., and there is his promise of it.

Remember, he was contending just now in the testimony in answer to my question that N.R.A. and A.A.A. were the limits of his planning. They were all he had in mind. He says in his book dated 1934—

That they are not plans, they are mere opportunities. It is a great mistake to regard recent legislation as in itself economic planning.

I hope the Senate gets the full force of that. I do not want to reiterate it, I do not want to elaborate it.

For if it is so regarded and then this legislation fails, many people would consider the planning idea a mistake, without raising the pertinent preliminary question as to whether planning had been tried.

I just remarked that a moment ago I read his statement that the planning he had in mind and was content with was the A.A.A. and the N.R.A. And here is his book in which he says that they are not plans; that it would be a great mistake to consider them plans; that they may fail; and if they fail, people would consider the planning idea a mistake without raising the pertinent preliminary question as to whether planning had been tried; and that the opportunities presented by this legislation depend upon the extent to which we discard laissez faire and embark upon the policies of social control.

And over here again in the same book, at page 541, he says:

Our task is to mold our social and economic environment so as to reap the largest possible rewards.

* * * * * * *

To put national plans into effect, we set up social controls.

I have other quotations, but I will be content with one here in his summary:

Complete economic planning is possible only when there is public ownership and control of the means of production.

Why did he not tell us that the other day? Why did he not answer us that way before the committee? Why did he tell us that all he had in his mind was the A.A.A. and the N.R.A.? I will not undertake to say; I will invite his friends and defenders to reconcile his testimony with the facts, and all of it from a record made by himself; and if they reconcile it consistently, with courage and candor and intelligence, I will go as far to the front in his behalf as any man here.

Now, Mr. President, I will draw to a conclusion. I have here a speech by Mr. Tugwell entitled "The Place of Government in a National Land Program"; address by Rexford G. Tugwell, Assistant Secretary of Agriculture, before the Farm Economic Association, at Philadelphia, Pa., Friday morning, December 29, 1933, at 10 o'clock.

The Federal Government will, I believe, perform two functions with respect to our land in the future. It will directly hold and administer, as public forests, parks, game preserves, grazing ranges, recreation centers, and the like, all areas which cannot at the time be effectively operated under private ownership. And it will control the private use of the areas held by individuals to whatever extent it is found necessary for maintaining continuous productivity.

If I understand that language, he means that the Government shall take over the farms of America as in fee-simple title with an absolute control. And that is supported further in his address:

Not only is it necessary for us to conserve our natural resources for the welfare of posterity; it is also necessary to regulate the use of land resources for the welfare of the living generations. We have depended too long on the hope that private ownership and control would operate somehow for the benefit of society as a whole.

Now put him in that office yonder; exalt him after he has made this speech and declaration, and you notify the farmers of America that at least there is one man in the American Government in high position who repudiates private ownership, who demands the regulation of the use of land resources for the welfare of the living generation.

I imagine the terror—but I will not indulge. My time is too short.

I quote again from Dr. Tugwell in his Philadelphia address:

The area of land in production would be sufficiently limited so that it could be operated at its utmost efficiency without flooding markets and destroying exchangeability. Such a system would envisage a commercial agriculture made up of the most efficient farmers operating the best of our lands; with the remaining lands

being used in other ways, and the remaining farmers devoting their time to other occupations.

Whoever heard before in America a responsible public servant saying, first, that the Government shall control the land of the farmer, and second, that the Government shall decide which farmers are efficient and which are inefficient, and, third, that the inefficient farmer shall not be permitted to farm?

Mr. President, that is the record. There are the facts. There are his words. And America—do not make any mistake about that—America will know it. The farmers of North Carolina will know it. The farmers of South Carolina will know it. The farmers of Nebraska will know it. The farmers of California will know it. The farmers of Maine will know it. The farmers of Louisiana will know it. And when they know it there will be no reason to fear. We need not get ourselves into any great passion about this sort of thing. Everything that Edmund Burke said in his speech on conciliation with America 150 years ago, everything he said by way of repudiating force in this land, everything he said about the heritage that we had brought with us from the land of our fathers, is as true today as it was the day he uttered it.

I have no fear. And least of all do I have fear from a leader who, called in question as to his views, conducts himself on the stand as did Dr. Tugwell.

If there is to be a revolution in America, it will come from revolutionaries who do not fear to stand for their utterances. Leadership is not made of that sort of stuff. We have nothing to fear.

Mr. President, I was over yonder at Gettysburg about 10 days ago and I saw the field of that great and crucial struggle between the North and the South, the Confederates and the Federal Unionists. I stood under the shadow of the image of Robert E. Lee. I stood hard by that monument of the North Carolina boys who laid down their lives in the great charge under Pickett on the open field. I stood by the spot where Lincoln rededicated himself and all his people to a government of the people, by the people, and for the people, that it shall not perish from the earth.

I wondered for a moment what it was all about. I seemed to hear voices from 10,000 graves. Why, Mr. President, that battle was fought for liberty, human liberty. The Confederates plunged across that field not to enslave Negroes but to maintain the freedom of the States which constitute the Union. The Federal soldiers who withstood the charge and won the day and drenched the field with their blood were fighting for union and liberty. There is the field of America's struggle. To that great shrine in hours like these we can go and have assurance that all the Tugwells in the world could not strike liberty from this land.

Mr. President, I have no fear. Come what may, liberty is secure in America; liberty is in the blood of America.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Rexford Guy Tugwell to be Under Secretary of Agriculture?

Mr. McNARY. Mr. President, I note the absence of the leader on the Democratic side. I hope we may get at this time some agreement to recess until tomorrow. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Clark	Glass	McCarran
Ashurst	Connally	Goldsborough	McGill
Austin	Coolidge	Gore	McKellar
Bachman	Copeland	Hale	McNary
Bailey	Costigan	Harrison	Metcalf
Bankhead	Couzens	Hastings	Murphy
Barbour	Cutting	Hatch	Neely
Barkley	Davis	Hatfield	Norbeck
Black	Dickinson	Hayden	Norris
Bone	Dieterich	Hebert	Nye
Borah	Dill	Johnson	O'Mahoney
Brown	Duffy	Kean	Overton
Bulow	Erickson	King	Patterson
Byrd	Fess	La Follette	Pittman
Byrnes	Fletcher	Lewis	Robinson, Ark.
Capper	Frazier	Logan	Robinson, Ind.
Caraway	George	Lonergan	Russell
Carey	Gibson	Long	Schall
Sheppard	Stephens	Townsend	Walcott
Shipstead	Thomas, Okla.	Tydings	Walsh
Smith	Thomas, Utah	Vandenberg	Wheeler
Steiwer	Thompson	Wagner	White

Mr. LEWIS. Mr. President, I pray the Senate to indulge me while I announce the absence of the Senator from California [Mr. McADOO], occasioned by illness; the absence of the Senator from Idaho [Mr. POPE], in attendance on the funeral of the late Representative COFFIN, of Idaho; the absence of the Senator from Florida [Mr. TRAMMELL], the Senator from Maryland [Mr. TYDINGS], and the Senator from Indiana [Mr. VAN NUYS], who are detained on official business.

I also beg to inform the Senate that I am this moment in receipt of a telegram from the Senator from North Carolina [Mr. REYNOLDS], who has been called away on official business, stating that he is on his way to the Senate, and will be here in time to vote upon the pending nomination.

The PRESIDING OFFICER. Eighty-eight Senators having answered to their names, a quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I ask the attention of Senators. I should like either to proceed with the discussion of this nomination or to arrange for a limitation on debate and for a time to vote upon it tomorrow.

I have been informed that certain Senators desire to speak with reference to the nomination. They do not rise for that purpose. I do not know any reason why the Senate should not vote at this time.

Mr. McNARY. The only reason I know is that the debate is not exhausted.

Mr. ROBINSON of Arkansas. Very well; if any Senator wishes to speak, he is at liberty to do so.

Mr. McNARY. I think it would be the part of a generous conduct of the majority leader if he would now move a recess until 11 o'clock in the morning. If that action shall be taken, I feel certain that we can get through with this nomination tomorrow, as well as the railroad bill, which is the unfinished business.

Mr. ROBINSON of Arkansas. I am about to submit a request for unanimous consent.

Mr. BLACK. Mr. President, will the Senator yield before that is done?

Mr. ROBINSON of Arkansas. Yes.

Mr. BLACK. Before the Senator from Arkansas came into the Chamber no Senator had risen to speak, and there was no indication that anyone desired to speak. I am just telling the Senator that for his information. If Senators do not desire to speak, it seems to me we should vote.

Mr. McNARY. I can assume that responsibility. The able majority leader, the Senator from Arkansas, was absent. There was a momentary lull, and I suggested the absence of a quorum, so that those who desired to speak might be here; so probably I prevented any Senator from attempting to get the attention of the Presiding Officer.

Mr. ROBINSON of Arkansas. Mr. President, I am about to submit a request for unanimous consent, and if it shall be agreed to I will not insist upon going on this evening. If it cannot be agreed to, I shall insist on proceeding with the debate.

I ask unanimous consent that when the Senate concludes its labors tonight it take a recess until 11 o'clock tomorrow morning, and that after the hour of 1 o'clock tomorrow afternoon no Senator shall speak more than once or longer than 15 minutes on the pending question or any issue in relation thereto.

The PRESIDING OFFICER. Is there objection?

Mr. McNARY. Mr. President, I am not satisfied with that proposal. I am not sure, however, that I am in a position to make a counterproposal which will be acceptable to the Members on this side.

Mr. ROBINSON of Arkansas. Mr. President, I think the suggestion made by me is a very reasonable one, in view of the fact that there is a full representation in the Senate now, and no Senator is ready to speak.

Mr. McNARY. I exculpated the other Members of the Senate. I prevented any other Member from taking the floor.

Mr. ROBINSON of Arkansas. I have already indicated that any Senator who desires to do so may take the floor at this time.

Mr. McNARY. The Senator from Arkansas has made a proposal. Let us consider that.

Mr. ROBINSON of Arkansas. Very well.

Mr. McNARY. I submit a counterproposal, without knowing whether or not it will be satisfactory to Senators on this side—that we meet at 11 o'clock tomorrow morning and that a limitation of debate take place at 3 o'clock, no Senator speaking more than once or longer than 30 minutes.

Mr. ROBINSON of Arkansas. That will consume the entire day.

Mr. McNARY. I think not.

Mr. ROBINSON of Arkansas. I cannot consent to that. I think it would be better to proceed now. In view of the objection of the Senator from Oregon, I ask that the Senate proceed with the discussion.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Rexford G. Tugwell to be Under Secretary of Agriculture?

Mr. ROBINSON of Arkansas. I call for the yeas and nays.

Mr. McNARY. Mr. President, I desire to submit another proposal to the Senator from Arkansas, who always wants to be reasonable.

Mr. ROBINSON of Arkansas. The Senator from Arkansas not only wants to be, but is, reasonable. I think the request of the Senator from Oregon does not come within that classification.

Mr. McNARY. That is a debatable question.

I submit a proposition that the Senate meet at 11 o'clock tomorrow morning, and that general debate ensue until 3 o'clock, and that after 3 o'clock debate be limited to 15 minutes on the part of each Senator.

Mr. ROBINSON of Arkansas. Mr. President, I will modify my request, as follows, to conform to the suggestion of the Senator from Oregon.

I ask unanimous consent that when the Senate concludes its labors today, it take a recess until 11 o'clock tomorrow; that after the hour of 3 o'clock tomorrow no Senator shall speak more than once or longer than 15 minutes on the nomination, or on any issue pertaining thereto.

The PRESIDING OFFICER. Is there objection?

Mr. BANKHEAD. Mr. President, may I suggest that we come to some agreement as to a reasonable division of time between the two sides of the Chamber?

Mr. McNARY. Mr. President, I should be glad to enter into such an agreement, that the time be divided between those who favor and those who oppose Mr. Tugwell's nomination.

Mr. BANKHEAD. To be under the control of the two leaders, the majority leader and the minority leader.

Mr. NORRIS. Mr. President, let me suggest that so far in the debate all the time has been taken up by those who were opposed. It would hardly be fair now to divide the time evenly between the two sides.

Mr. ROBINSON of Arkansas. I suggest to the Senator from Alabama that, inasmuch as the Senator from Oregon did not make that requirement, it is poor strategy on the part of those who favor the confirmation of this nomination to make the suggestion. I am satisfied that we will get our share of the time without any such arrangement, and we have not taken up any time so far.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement submitted by the Senator from Arkansas? The Chair hears none, and it is so ordered.

MEMBERSHIP OF UNITED STATES IN INTERNATIONAL LABOR ORGANIZATION

As in legislative session,

Mr. ROBINSON of Arkansas. Mr. President, unless there is some Senator who desires to proceed now, I desire to report a joint resolution from the Committee on Foreign Relations and ask consent for its present consideration.

From the Committee on Foreign Relations I report back favorably without amendment the joint resolution (S.J.Res. 131) providing for membership of the United States in the International Labor Organization.

The PRESIDING OFFICER. The joint resolution will be read.

The joint resolution was read, as follows:

Whereas progress toward the solution of the problems of international competition in industry can be made through international action concerning the welfare of wage earners; and

Whereas the failure of a nation to establish humane conditions of labor is an obstacle in the way of other nations which desire to maintain and improve the conditions in their own countries; and

Whereas the United States early recognized the desirability of international cooperation in matters pertaining to labor and took part in 1900 in establishing, and for many years thereafter supported, the International Association for Labor Legislation; and

Whereas the International Labor Organization has advanced the welfare of labor throughout the world through studies, recommendations, conferences, and conventions concerning conditions of labor; and

Whereas other nations have joined the International Labor Organization without being members of the League of Nations; and

Whereas special provision has been made in the constitution of the International Labor Organization by which membership of the United States would not impose or be deemed to impose any obligation or agreement upon the United States to accept the proposals of that body as involving anything more than recommendations for its consideration: Therefore be it

Resolved, etc., That the President is hereby authorized to accept membership for the Government of the United States of America in the International Labor Organization, which, through its general conference of representatives of its members and through its International Labor Office, collects information concerning labor throughout the world and prepares international conventions for the consideration of member governments, with a view to improving conditions of labor.

SEC. 2. That in accepting such membership the President shall assume on behalf of the United States no obligation under the Covenant of the League of Nations.

Mr. ROBINSON of Arkansas. Mr. President, it is the desire of the representatives of labor with whom I have consulted, as well as of the Department of Labor, that this joint resolution be enacted.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

FIRST DEFICIENCY AND EMERGENCY APPROPRIATIONS

Mr. ADAMS. Mr. President, I ask unanimous consent to submit a report from the Committee on Appropriations.

Mr. LA FOLLETTE. Mr. President, I object to the report being received out of order.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBINSON of Arkansas subsequently said: Mr. President, I understand that the Senator from Wisconsin desires to make a statement.

Mr. LA FOLLETTE. Mr. President, the reason for my objection to receiving the report from the Committee on Appropriations out of order was that as yet I have been unable to get an opinion from the parliamentarian as to whether certain amendments which I desire to offer to the deficiency bill will be considered to be out of order because they would be construed to be general legislation. I therefore ask unanimous consent that, notwithstanding paragraph 1 of rule XVI, I shall have the right to offer certain portions of a public works bill now pending before the Committee on Education and Labor as amendments to the bill.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request submitted by the Senator from Wisconsin?

The Chair hears none, and it is so ordered.

Without objection, the report submitted by the Senator from Colorado will be received and go to the calendar.

Mr. ADAMS, from the Committee on Appropriations, to which was referred the bill (H.R. 9830) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1934, and prior fiscal years, to provide supplemental general and emergency appropriations for the fiscal years ending June 30, 1934, and June 30, 1935, and for other purposes, reported it with amendments and submitted a report (No. 1418) thereon.

PROCEEDINGS ON ACCEPTANCE OF STATUES OF GEORGE WASHINGTON AND ROBERT E. LEE

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution 45, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed with illustrations, in such form and style as may be directed by the Joint Committee on Printing, 7,000 copies of the proceedings in Congress, together with the proceedings held in the Rotunda of the Capitol and such other matter as may be relevant thereto, upon the acceptance of the statues of George Washington and Robert E. Lee, presented by the State of Virginia, of which 1,000 shall be for the use of the Senate and 2,300 for the use of the House of Representatives, and the remaining 3,700 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Virginia.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

Mr. HAYDEN. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

PROCEEDINGS ON UNVEILING OF STATUE OF WILLIAM JENNINGS BRYAN

The PRESIDING OFFICER laid before the Senate House Concurrent Resolution No. 43, which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed with illustrations, in such form and style as may be directed by the Joint Committee on Printing, 5,000 copies of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan, in Washington, D.C., May 3, 1934, together with such other matter as may be relevant thereto, of which 1,000 copies shall be for the use of the Senate, 3,100 copies for the use of the House of Representatives, and 900 copies shall be for the use and distribution of the Senators and Representatives in Congress from the State of Nebraska.

The Joint Committee on Printing is hereby authorized to have the copy prepared for the Public Printer and shall procure suitable illustrations to be published with these proceedings.

Mr. HAYDEN. Mr. President, I ask unanimous consent for the present consideration of the concurrent resolution.

There being no objection, the concurrent resolution was considered and agreed to.

PRINTING OF HEARINGS BEFORE COMMITTEE ON COMMERCE

Mr. HAYDEN. Mr. President, I report back favorably from the Committee on Printing the resolution (S.Res. 268) providing for the printing of additional copies of hearings held by the Committee on Commerce on Senate Resolution 74, a resolution authorizing an investigation of the matter of so-called "rackets" with a view to their suppression.

I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That in accordance with paragraph 3 of section 2 of the Printing Act, approved March 1, 1907, the Committee on Commerce of the Senate be, and is hereby, empowered to have printed for its use 1,000 copies of part 4 of the hearings held before a subcommittee of said committee during the second session of the Seventy-third Congress, on the resolution (S.Res. 74) entitled "Resolution authorizing an investigation of the matter of so-called 'rackets' with a view to their suppression."

MISSOURI RIVER BRIDGE NEAR FLORENCE, NEBR.

The PRESIDING OFFICER (Mr. GEORGE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 3230) creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr., which was to strike out all after the enacting clause and insert:

That in order to promote interstate commerce, improve the postal service, and provide for military and other purposes, Charles J. Andersen, John A. Kuhn, and Henry Rief, all as trustees, or their successors in office, are hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Missouri River, at a point suitable to the interests of navigation, at or near Florence, Douglas County, Nebr., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to the conditions and limitations contained in this act; said trustees shall own and hold said bridge in trust for Douglas County, Nebr., and Pottawattamie County, Iowa; said trustees being known as and functioning as the "Florence Bridge Board of Trustees" and serving without compensation. Said board of trustees is hereby granted the right to assign, transfer, and mortgage all of the rights, powers, and privileges conferred by this act.

SEC. 2. There is hereby conferred upon said board of trustees such rights and powers to enter upon lands and to acquire, condemn, occupy, possess, and use real estate and other property needed for the location, construction, maintenance, and operation of such bridge and its approaches as are possessed by railroad corporations for railroad purposes or by bridge corporations for bridge purposes in the State in which such real estate or other property is situated, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in the condemnation or expropriation of property for public purposes in such State.

SEC. 3. The said board of trustees is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of toll so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in the act of March 23, 1906.

SEC. 4. In fixing the rates of toll to be charged for the use of such bridge the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of such bridge and its approaches, including reasonable interest and financing cost, as soon as possible, under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the cost of the bridge and its approaches; the expenditures for maintaining, repairing, and operating the same; and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. THOMPSON. I move that the Senate concur in the amendment of the House.

The motion was agreed to.

ACCOMPLISHMENTS OF THE ADMINISTRATION—ADDRESS BY SENATOR VAN NUYS

Mr. BYRD. Mr. President, the Senator from Indiana [Mr. VAN NUYS] delivered a very able address before the Democratic State Convention in Indiana on the 12th instant. I ask unanimous consent to have it inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I thoroughly appreciate the opportunity of presiding over this great convention. The stress and rivalry, optimism, and confidence so palpably apparent here today is indicative of a wholesome and encouraging condition in our political party. That I may add to that confidence and optimism by a brief summary of the efforts and accomplishments of the administration in power is my sincere desire.

It is no exaggeration to say that no administration ever went into power faced by such desperate necessity for action as that which confronted the present administration on March 4, 1933. Seemingly helpless and hopeless, the American people turned to this new administration to save them from economic, industrial, and political chaos.

The forgotten man was not merely one individual but comprised an overwhelming percent of all classes and conditions of our citizenship. Hundreds of thousands of industrial workers were walking the streets of our cities and towns in search of a job, our farmers were bankrupt under the burden of debt and inadequate prices for their commodities, small home owners were faced with foreclosure and eviction, the thrift and savings of the great masses of our people were being swept away in Nation-wide bank failures.

Never before in the history of the American people, not even in the reconstruction period following the Civil War, were our people so demoralized and discouraged. It was a herculean task which confronted the Democratic administration on March 4, 1933. Not only was it necessary to formulate speedy and effective relief measures but ultimate success rested more deeply upon the restoration of confidence in the people themselves to combat successfully the inroads of the panic and the depression.

Franklin D. Roosevelt, from the moment he assumed office, began to assert every quality necessary for a great leader of a great people. He proved himself fearless, aggressive, resourceful, and, above all else, possessed of a wholesome optimism which he communicated to the people and dissipated their doubts and fears by a renewed and redoubled courage. One of the greatest accomplishments in our history has been the restoration of the morale of the American people in such short time under the leadership of President Roosevelt.

Responsibilities comparable to those which confronted the Chief Executive faced the Seventy-third Congress. If the plans and purposes of the administration were to function, if America and American institutions were to be salvaged from complete collapse, the Congress must act speedily and sympathetically in providing the necessary means and money for the most far-reaching relief program ever undertaken by this or any other government.

I have no sympathy with those who have been continually carping about what they call the "subserviency" of this Seventy-third Congress. My observations, and they have been close and intimate, justify the statement that Congress has not been subservient, but it has been unusually patriotic. There have been exceptions, of course, but the overwhelming majority of Members on both the Democratic and Republican sides of the two Chambers spurned the traditional pettifogging and partisan tactics of the past and got down to the serious business of bringing instant and imperative relief to the American people. In large measure, the Seventy-third Congress assumed responsibilities and is deserving of praise and plaudits equal to those so universally and justly accorded to the Executive department of the Government.

May I take the opportunity right here to say a word in praise of the loyal and worthy work of the Indiana delegation in the lower House of Congress during the special and regular sessions. From constant personal contact with the members of that delegation, I know that day after day and night after night the Indiana delegation worked unceasingly in the committee rooms and on the floor of the House in whipping legislation into shape and assuring its speedy passage. No group of legislators were ever more loyal to their constituents or more deserving of praise from their fellow Indianians than my colleagues in the lower House of Congress.

I shall herein summarize some of the recovery measures authorized by the present Congress. Let those who have attempted to block recovery by long-drawn-out speeches, filled with glittering generalities for home consumption, specifically point out which, if any, of such measures they do not sanction.

The first problem which confronted the administration was the reestablishment of our banking institutions. As indicative of the fact that he proposed to meet his responsibilities courageously, on the very first day of the new administration the President declared a bank holiday for every bank in America—perhaps the most momentous decision ever called for in our later history. One week later the President spoke to the people of the Nation over the radio in one of the most reassuring addresses in his career in which he very simply but convincingly outlined his program. He said: "It was the Government's job to straighten out the bad banking situation and do it as quickly as possible, and the job is being performed."

The new Congress realized the exigencies of the situation, and upon being called into special session promptly confirmed the President's proclamation and granted him the power to extend the moratorium and gradually lift the same, while the Government was taking steps to check the flow of gold abroad and develop a program of finanical rehabilitation.

In this field of banking, the past year has witnessed a marked restoration of public confidence. A substantial volume of hoarded gold coin has been returned to the Treasury and Federal Reserve banks. In addition, monetary gold, the country's basic reserve for currency and credit, was reported in April of this year at $7,700,000,000, compared with $4,200,000,000 on March 6, 1933. Although the largest single factor is the weight of the gold dollar, these figures also reflect a substantial return flow of gold from foreign countries.

The basic reserve balance of the Federal Reserve member banks rose from $1,800,000,000 on March 8, 1933, to $3,700,000,000 in April of this year, more than $1,600,000,000 in excess of the statutory requirements. At the same time member banks' borrowings from the Federal Reserve dropped from $1,400,000,000 to only $4,000,000.

This position of the banks is partly a result of the return of currency from hoarding and its redeposit in the banks of the Federal Reserve System, largely the result of the substantial flow of gold from abroad. But it also reflects the pursuit of a policy favorable to low money rates and to the promotion of increased use of credit. The level of interest rates has dropped rapidly and continuously, until bankers' acceptances now command only three-sixteenths of 1 percent, the lowest level in the history of the market.

Demand deposits of member banks in leading cities have risen from $9,300,000,000 on March 8, 1933, to $12,200,000,000 at the last report, a gain of approximately $3,000,000,000. At the same time these banks, although showing little changes in loan and miscellaneous security holdings, have added some $1,800,000,000 to their investments in Government securities.

The banks of the country are today in an easy position and are able, without strain, to support an amount of credit even in excess of that of 1929.

Pending the reestablishment of more normal credit and in aid of same, numerous governmental agencies have advanced huge sums from the public funds to private institutions.

Since the end of February 1933, the Reconstruction Finance Corporation financed loans and subscriptions to the net amount of approximately $1,600,000,000 to banks and trust companies, mortgage-loan companies, Federal land banks, railroads, home-loan banks, the Commodity Credit Corporation, the Land Bank Commissioner, the Federal Farm Mortgage Corporation, and others.

In addition to such advancements through the R.F.C., the Federal Government has directly and indirectly made available equally substantial funds through such agencies as the Public Works Administration, the Federal Deposit Insurance Corporation, and the Federal land bank. The machinery is now being set up whereby direct loans may be made to industry. This has been one of the crying needs of the hour and will, in my opinion, speed up our industrial recovery to a greater extent than any other Federal activity and with very little, if any, ultimate loss to the Government.

Although having expended billions of dollars in order to stimulate reemployment and thus start recovery, the Federal credit is still the finest in the world. While the Treasury Department has found it necessary during the period from March 1933 to the present time to borrow substantial amounts of funds in order to finance this program yet it has refunded approximately $3,200,000,000 of Liberty bonds.

On March 3, 1933, only two of the eight issues of Treasury bonds outstanding were selling above par, and all of the eight note issues were selling at a discount. At the present time, in the face of the vast expenditures for relief, in the face of guaranteeing farm credit and home-loan bonds, in the face of the expenditures of the P.W.A. and the C.C.C. and the C.W.A. and other governmental activities intended and directed for the purpose of restoring employment and reviving industry, all Government bonds are selling at par and some are selling at a premium of more than 10 points.

The credit of the United States is firmly established.

As of personal interest to the citizens of Indiana, let me point out that since the banking moratorium the United States Government, through the R.F.C., has loaned to 83 banks in receivership in Indiana and 6 banks being liquidated by conservators a total sum of $13,247,589.77. Of this amount to the 83 banks in receivership, the greater majority of which are State banks, there was allocated $8,939,149.85, and the 6 banks being liquidated by conservators were granted $4,308,439.92. All of this, more than $13,000,000 is being distributed through these banks to the depositors and through them directly into the channels of trade and industry.

The second offensive on our economic front was waged in behalf of the farmers of America. The agricultural situation of the Nation presented a peculiar paradox. Through the industry and ability of our farmers, we were growing bumper crops, yet because of the economic condition of the world and Nation the farmer was obtaining less for his crops than their production cost him. Obviously, such a situation was bankrupting the farmers of the Nation.

When the World War took 40,000 European acres out of production, the farmers of America speeded up their production accordingly in order to feed the world. The war ended and Europe resumed production, but America took no heed. In 1932, 14 years after the armistice, farmers of the United States raised 10 percent more than they had in 1918. Surpluses in our agricultural products continued to accumulate in such proportion that no one could sell profitably in a market in which the supply so exceeded the demand. The administration inaugurated a two-fold program. It undertook first to adjust farm indebtedness by refinancing farm mortgages and by devaluing the dollars which the farmer owed. It next undertook to raise the price of farm commodities by the reduction of crop surpluses. It is further expected that through oncoming tariff adjustments agricultural surpluses may find a new and remunerative market.

May I first call your attention to the benefits which have accrued to Indiana farmers through the efforts of the Government to reduce crop surpluses?

While I am speaking here the Department of Agriculture is preparing payments to the farmers of Indiana on their corn-hog reduction contracts in the total sum of approximately $9,000,000. The 24,069 Indiana farmers who subscribed to the Government's wheat-control program have received to date the sum of $1,340,538. Within a few weeks checks will go forth for an additional $520,000, which will make for a total of $2,000,000 in wheat-adjustment payments for Indiana.

Eighty thousand farmers of Indiana signed the corn-hog contract, which represents better than 70 percent of the producers of the State. A total of $20,500,000 will be paid to Indiana farmers who signed these contracts, the amount of corn payments totaling $8,000,000 and the amount of hog payments $12,500,000.

Indiana farmers have been aided materially through loans on warehouse corn made by the Commodity Credit Corporation, at the gross rate of 45 cents per bushel. The estimated corn loans to be made in Indiana are being placed by the Department at $1,000,000.

From statistics furnished by the Agricultural Adjustment Administration, Indiana agriculture will benefit from this Department alone during the present year to the extent of $25,500,000.

Much criticism has been directed toward the operations of the Agricultural Adjustment Administration. This criticism is easily explained. Since 1921 the opposition party promised every day, every month, and every year that it would do something to aid the farmer. Yet not until a Democratic President and a Democratic Congress assumed the responsibilities of government was a comprehensive and aggressive program initiated looking toward substantial and permanent relief to agriculture.

The corn-hog production adjustment plan is typical of many other activities of the A.A.A. All such activities are directed toward one end; that is, to bring supply into better balance with

actual demand. The decline in United States exports since 1919 is equivalent to nearly 13,000,000 market-weight hogs. This may be accounted for in part by heavier hog production abroad and higher foreign tariffs. Excess in pork and lard in the United States must therefore find an outlet in the home market. It is this surplus which in part has driven hog prices to the impossible low levels of recent years.

The same situation exists as to corn. We have a corn-production problem because we continue to raise enough corn to feed the excess of hogs. When we cut down the production of hogs it is imperative that we correspondingly reduce corn acreage. Otherwise the corn surplus will continue to depress corn prices. Hence the combined corn-hog production adjustment plan. It is not claimed that this or any other controlled-production plan is a universal answer to the problem of restoring adequate returns to the farmer, but, in conjunction with other recovery measures, it will aid in promoting a lasting and self-sustaining recovery. American agriculture now is awakening through the stimulus of Federal aid. Business throughout the Nation is benefiting from this stimulus.

May I now call your attention to the accomplishments of the Government in the way of refinancing farm indebtedness? From June 1, 1933, until May 1 of this year, the Farm Credit Administration loaned a total of more than $30,500,000 to farmers in Indiana. Of this, approximately $29,500,000 consisted of long-term farm-mortgage loans, the largest part of which was used by the borrowers to refinance their indebtedness. With the assistance of the Farm Credit Administration, 10 production credit associations, having an aggregate authorized capital of $1,220,000, were organized during the past year by Indiana farmers. These associations now are providing production loans by means of discount and loans obtained from the Federal Intermediate Credit Bank of Louisville.

Throughout the United States a total of approximately $791,000,000 of farm-mortgage loans will have been closed during the first year of the Farm Credit Administration, ending May 27 of this year. Of this, about $704,000,000 was used by the borrowers to refinance their debts. During the year approximately 660 production credit associations were established throughout the entire country. These associations now are providing about $600,000 of production credit each day for farmers, at an annual interest rate of only 5 percent.

Thus has the Federal Government lifted the burden of farm-mortgage indebtedness from the shoulders of agriculture and placed in the hands of the farmer sufficient money to rehabilitate himself. Indiana farmers, through the Agricultural Adjustment Administration and the Farm Credit Corporation, have received $54,000,000 in loans and benefits during the past year.

The next problem which confronted the administration was the lightening of the load of mortgage indebtedness upon the small home owner. Since 1930 mortgages on more and more homes were being foreclosed by banks and loan companies. Frozen assets resulting from this type of collateral were causing banks to close their doors and building-and-loan associations to restrict credit.

During less than 1 year of operation of the Home Owners' Loan Corporation $728,651,191 in bonds and cash have been advanced on 246,355 homes located in every section of the country. Loans are being concluded at the rate of $8,000,000 a day. Upon the average, approximately 14,000 loans are being completed each week, calling for the sum of $50,000,000.

Of this $728,651,191 advanced, more than $44,000,000 has been turned over to State, county, and city officials in payment of back taxes on homes which the Home Owners' Loan Corporation has refinanced. Also approximately $9,000,000 has been advanced by the Corporation to pay for repairs on homes, and approximately $12,000,000 has been paid for fire insurance on the properties, legal, appraisal, and other incidental expenses.

I point, with pardonable pride, to the record made by the Home Owners' Loan Corporation in the State of Indiana. As of May the 18th, the Home Owners' Loan Corporation closed 13,810 loans in the State of Indiana amounting to $31,158,132. Our Indiana office ranks third in the number of loans closed and first from the point of efficiency and the low cost of overhead in making loans.

In addition to the efforts of the Government to save the small home owner from foreclosure and eviction, there now is under way a program to provide rehabilitation of homes which are in need of repair. This also will bring millions of dollars into the channels of trade, through the purchasing of equipment and material and the hiring of labor.

One of the greatest offensive drives of the Government toward reemployment was directed through the vehicle of the Public Works Administration.

Because of the $1.50 Indiana tax law, it was difficult to obtain as large amount of allotments as was desired.

However, may I call your attention to the fact that the allotments for Federal projects exclusively, in the State of Indiana, from the inception of the Public Works Administration until March 15 of this year, totaled $13,125,000. This included $10,037,463, which was Indiana's share of the $400,000,000 allotted by Congress for highway construction.

Of the $200,000,000 allotted for work-creating loans to railroad companies, the best estimates obtainable indicate that $11,518,000 of this fund benefits the State of Indiana directly. Sixty-seven Indiana projects, which ranged all the way from the construction of electric-light plants to sanitary sewage-disposal plants, were granted a total of $18,425,000 in allotments by the Public Works Administration. Thus Indiana has received from Public Works Administration allotments a total of more than $43,000,000, with requests totaling many millions more on file for review at the present time by the P.W.A., and all indications are that a large number of these will be approved.

At the present time there is occurring in Indiana, at Decatur, a most interesting economic experiment. The Division of Subsistence Homesteads has approved the undertaking of one of its projects in the State, to be located at Decatur. This was selected from a great number of plans drawn up in various locations in the State and represents one of the demonstrations of the subsistence-homestead plan as applied to a small industrial town.

The fundamental purposes of the subsistence-homestead program is to demonstrate a means of securing the redistribution of the overbalance of population in industrial centers and the decentralization of industry. At the edge of Decatur city limits 48 small homesteads, of approximately 1 acre each, are being located and made available to workers of industries of that city. Decatur is an example of a decentralized industrial town to which the subsistence homestead is most easily adapted. Of these subsistence homesteads, the workers, many of whom will work seasonally or part time, will raise a considerable amount of food supplies for their own use.

An allocation of $125,000 has been made for the development of the Decatur project. Similar projects for Indiana are under consideration, but as yet no definite decision has been reached as to what additional work may be undertaken in this State.

Families selected will be able to purchase these homesteads for between $2,000 and $3,000 by making monthly payments over a period of 20 years.

We are all deeply interested in this phase of rehabilitating the small-home owner and the industrial worker and are extremely hopeful of obtaining other subsistence-homestead projects in the State of Indiana.

The administration also recognized the necessity for providing employment for the rising generation of America. Approximately one-half million young men between the ages of 18 and 20 were graduating from high school and approximately 200,000 were leaving college after 4 years of education, but with no opportunity for useful employment offered them. With 10,000,000 people walking the streets it can be readily understood why industry could not absorb this generation.

The President sent to Congress a new humanitarian law which was entitled "An act for the relief of unemployment through the performance of useful public works, and other purposes."

The Republican opposition, in the winter of their discontent, immediately began making fun of the plan which called for the employment of at least a half million young Americans in reforestation work. The opposition could not realize that by providing clean, wholesome surroundings and work for these young men, the growing American generation was being saved from becoming drifters, pool-room hangers-on, idlers, and perhaps criminals.

Criticism died out, however, when it was found that the young men were coming home from the civilian conservation camps stalwart, ruddy cheeked, well fed, healthy, and with an eager desire to work. Not only did the C.C.C. camps provide an economic remedy but they also had a psychological effect upon the Nation through enabling the younger generation to obtain gainful employment.

Approximately 300,000 American men were enrolled in the Civilian Conservation Corps; this group was made up of young men, war veterans, and locally enrolled workmen. So successful has the Civilian Conservation Corps been that it has been authorized for another year, and 90 percent have reenlisted.

Indiana's quota of 7,269 men remains the same for 1934. Approximately 2,400 of this quota will work in camps outside the State. The work program carried on in Indiana will include such projects as the improvement of forest areas, consisting of the planting of new and the weeding out of older trees and soil-erosion control work. Due to the emergency conservation work program, which was initiated in April 1933, the total expenditures for the emergency conservation work in Indiana was $4,300,606.

Through the employment of these 7,269 men in Indiana last year approximately 30,000 people were taken off the emergency relief rolls of the State. It is estimated that the C.C.C. men from Indiana sent home during the past year $1,382,624 in allotments to their dependents. Each enrolled man allots from $20 to $25 of his $30 monthly pay to his dependents.

Twenty-four camps will be located in Indiana this year, and with an approximate expenditure of $5,000,000 which goes directly into the arteries of commerce, is a direct stimulus to industry.

However, this only coped with one phase of the problem. It was necessary to create employment on socially and economically desirable projects for at least 4,000,000 unemployed men and women in order to stimulate the progress and recovery of industry. In October of 1933, when the figures for the fall relief rolls were found to be above 3,000,000 families, or over 13,000,000 persons, it became evident that some unusual method would be necessary to meet the unemployment crisis of the coming winter.

The largest part of relief expenditures was being made to employable persons. It was observed that if these funds could be supplemented and all employable persons on relief given regular jobs at regular wages their status and their morale would be greatly improved. More than that, the vast increase of purchasing power would be generated throughout the whole country and a stimulus given to all the other recovery programs. The number of persons on local relief on November 15, 1933, able and willing

to work was estimated at 2,000,000. The other 2,000,000 for whom the program provided jobs were to be drawn from the ranks of self-sustaining unemployed.

The Civil Works program was announced to the press by the President on Wednesday, November 8, 1933. The following day the Federal Emergency Administration of Public Works, by action of the special Board, released $400,000,000 for the financing of the plan, and the President issued the Executive orders which created the Civil Works Administration. Civil Works Administrations were set up in each State. The whole program was decentralized in all respects so that maximum speed of operation has been possible in getting men to work.

Civil Works projects form part of the comprehensive program of public works provided for in the National Industrial Recovery Administration. On November 20 all persons on the local work relief rolls in the various States were transferred to the pay rolls of the Civil Works Administration.

Local work relief throughout the United States was almost entirely abolished. Those work-relief projects which fell within the comprehensive program of public works were taken over as Civil Works projects. Workers on projects which did not qualify were immediately transferred to qualified projects. On the first pay day 1,108,692 workers received Civil Works Administration checks. On January 18, 4,040,000 workers were employed. There has been paid out to date $826,225,162 on such pay rolls.

You are familiar with the type of work that was being done all over the country, because Indiana presented an excellent cross-section of this work. Let me call your attention to some statistics relating to the Civil Works program in Indiana.

Advances to date for this program in Indiana total $23,381,000, and the peak employment was placed at 105,275 individuals.

You are familiar with the extensive and valuable services rendered to the State through this employment vehicle and also the invigorating effect upon business generally.

If you will permit me to recapitulate, loans totaling $28,979,172.77 were granted to Indiana banks and industry through the Reconstruction Finance Corporation.

Agriculture, through the Agricultural Adjustment Administration, is being aided to the extent of $22,500,000.

The Farm Credit Administration, which was established to refinance farm mortgages and to provide other credit facilities to farmers at lower interest rates and on better terms, loaned to Indiana farmers the sum of $30,500,000.

The Home Owners' Loan Corporation, which was set up to help refinance and extend urban credit, has aided Indiana home owners in the sum of $31,158,132.

The Public Works Administration, which was organized to expand purchasing power by undertaking activities which called for great outlays for materials and wages, allotted to Indiana $43,068,000.

The subsistence homestead project at Decatur was allotted a loan of $125,000.

The Civilian Conservation Corps has brought into the channels of trade $4,300,606 and the C.W.A. has afforded relief to the unemployed of the State, through funds totaling approximately $23,381,000, and thus has provided direct relief to the merchants to whom the unemployed were greatly indebted.

The National Recovery Act has functioned to raised pay rolls through the elimination of sweatshop wage conditions, has balanced increased efficiency with shorter hours so as to decrease unemployment, coordinated business activity, and created a stable flow of purchasing power.

Credit for the restoration of public confidence and the spirit and will to win must also be given to the N.R.A. There is little doubt that the shock troops of our fight for economic recovery was the N.R.A. It was natural that in such a hastily constructed and intensive program, failures and mistakes would inevitably occur. Such mistakes are, and will continue to be, rectified as rapidly as possible.

The Recovery Act on the whole has yielded favorable results, although the road to be traveled is yet a long one.

The banking system has been rehabilitated and has won the confidence of the depositors through the Federal Deposit Insurance. The operation of this insurance fund which is being administered by the Federal Deposit Insurance Corporation, guarantees deposits of participating banks as high as $2,500. It is legislation for the little fellow whose life savings are involved. At the beginning of May of this year, 13,983 National and State banks held membership in the insurance fund. In these institutions there are approximately 56,000,000 of insured accounts. Insured deposits aggregate nearly $16,000,000,000 and the total depcsits of the participating banks aggregate more than $38,-000,000,000.

All of these recovery measures are interrelated. Their goal is the same—to bring about a general business revival on an enduring basis.

I have not touched upon many measures which are supplementary to the program above set out and which are of a permanent nature. To the Securities Act and the Banking Act of 1933, the new stock exchange bill was added at the current session. The purpose of all three enactments is intended to make the banking machinery of the country more amenable to the demands of all the people. They are part of the administration's purpose to give to the country the best financial system it has ever had, a system devoted to public service and free from racketeering and exploitation.

The Federal Reserve Bulletin for this month will show that production of manufacturers which have been increasing continuously since last November, will have further advanced and the Board's combined index of industrial production is practically 85 percent of the 1923–25 average. During the first 2 weeks of May steel operations increased, but have declined somewhat because of the industrial difficulties. Volume of employment and wage payments continued to increase in April and May and employment in factories according to a new index of the Bureau of Labor Statistics is larger than any time since the end of 1930.

There was a substantial seasonal increase in the number of workmen employed in private construction as well as those engaged in projects financed by the Public Works Administration. Employment on railroads, in metal mining and quarrying, and various services and activities also increased.

While there was a substantial decline of public-works projects, contracts of privately financed construction showed a slight increase in April. Sales in department stores continued larger than a year ago and the general level of wholesale commodity prices, as measured by the Bureau of Labor Statistics Index has shown little change during the past 3 months. Prices of grains, cotton, silk, and silver, which declined sharply in April, rose during the first 3 weeks of May.

Another measure by which it is proposed to stimulate industry and increase the market for agricultural products occupied the time of the Senate for the last 2 or 3 weeks. I refer to the tariff amendment. In support of the new tariff enactment, the President said in his message to Congress: "Other governments are to an ever increasing extent winning their share of international trade by negotiated, reciprocal trade agreements. If American agricultural and industrial interests are to retain their deserved place in this trade, the American Government must be in a position to bargain for that place with other governments, by rapid and decisive negotiation based upon a carefully considered program, and to grant with discernment corresponding opportunities in the American market for foreign products supplementary to our own. If the American Government is not in a position to make fair offers for fair opportunities, its trade will be superseded."

The Secretary of Agriculture testified before the House Committee on Ways and Means as follows: "We have been making a preliminary study of the wage earners, of the gainfully employed, including those in both agriculture and industry, and have found, in a rough way, that millions of our gainfully employed wage earners and agricultural workers are in industries and branches of agriculture which are on the export market, and which would decidedly be beneficially affected by this bill."

It has been repeatedly asserted that our exports only amount to 9 or 10 percent of our total production. This is probably true on the average. Yet the funds derived from our export trade constitute the surplus money of the Nation. The value of domestic exports in 1929 amounted to $5,145,789,189. In 1932 it amounted to $1,572,374,092, or a decrease of 69.4 percent. The value of domestic exports from Indiana in 1929 amounted to $73,740,468. In 1932 the amount fell to $17,244,177, or a decrease of 76.6 percent. Only five other States in the Union showed a larger decrease than Indiana during that period of time.

Doesn't it behoove every phase of the agricultural and industrial life of our State to be interested in the restoration of a more normal export trade? And that is exactly the purpose, and the sole purpose, of the amendment. It is limited in its operation to the period of 3 years. Like many other enactments of the present session of Congress, it is intended to meet an emergency. World-wide depression, supplemented by a destructive retaliatory tariff war among the nations, which was provoked in large part by the unconscionable Smoot-Hawley Tariff Act of our own country, has practically destroyed world commerce. It was in the hope that our country, in cooperation with countries similarly situated, may be instrumental in reviving the currents of world trade and commerce and thus hasten the day of ultimate economic recovery that this amendment was adopted.

While the Federal Government has thus been exerting every energy at its command to reestablish the economic, agricultural, and industrial life of the Nation, I am not unmindful of the fact that the State administration and our city, county, and township governments have labored quite as earnestly and effectively to bring about above objectives. The Federal Government in most instances provided the general plan and the funds for rehabilitation but delegated to the States and their political subdivisions the control of the machinery through which such plans were to be executed and such funds disbursed. During the past year, to my personal knowledge, hundreds of demands have been made at Washington upon the State, county, and township governments in Indiana and in every instance whole-hearted cooperation has been accorded. In the absence of such sympathetic cooperation, the program of the Federal administration would have failed to function.

I hope that I have not fallen into the common error of exaggerating the accomplishments of this administration simply because it happens to be of my political faith. Since the inception of political parties in this country, unfortunately the party in power has been prone to overstate its accomplishments and arrogate to itself all credit for the combined and patriotic efforts of the people. Upon the other hand, the opposing party seems to have felt that it was its bounden duty to minimize the accomplishments of the party in power. I do not claim that the instant administration has been perfect.

I am not asserting that it has not made mistakes. Some of the efforts toward recovery have not functioned to the extent expected of them. Others are openly recognized as experimental, and in the event they prove ineffective they will be abandoned for other

and different lines of attack. This open-minded attitude of the administration is one of its most appealing features. It stands out in bold relief against the inertia and inactivity of the previous administration, which adhered to the policy that conditions would ultimately correct themselves and refused to adopt any decisive or effective relief program.

Facing a distracting situation which had driven the Republican Party into repudiation with bankrupt leadership and wrecked political philosophy, the Democratic Party came into power under promise of speedy and effective action. We believe that promise has been substantially kept.

Even the most casual comparison of general conditions today with those of 1 year ago must convince any fair-minded citizen that our party has kept the faith. Where we might be today in the absence of these stupendous efforts of the last 16 months, I am loath to say.

In closing, may we all join in praise and appreciation of the good citizenship of Indiana—irrespective of party affiliations—for its continued and patriotic support of the Government during these trying times. With such continued cooperation upon the part of the people, this depression can and will be whipped and the prosperity and happiness of the American people permanently restored.

WILLIAM AND MARY COLLEGE COMMENCEMENT—ADDRESS BY THE SECRETARY OF STATE

Mr. CONNALLY. Mr. President, I ask unanimous consent to have printed in the RECORD an address by Hon. Cordell Hull, Secretary of State, at the commencement exercises of William and Mary College, June 11, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

It is a rare privilege to be present and participate in these exercises. I cannot sufficiently express my deep and lasting appreciation of the honor accorded me by those in charge of the affairs of this college, which, among American institutions of higher learning, is second in age to Harvard and first in historical distinction. An honorary degree from no other educational institution could be more highly prized than that I am today receiving, and of which, as I have heard, the first recipient was Thomas Jefferson.

Let me extend to the graduates of this year my warm congratulations upon the achievement which places them in the company of a long line of those who in every generation have added to the renown of William and Mary.

Of course, a diploma does not mean that education is completed. It rather means that education has just begun. It is evidence of the best possible equipment having been acquired to enable the individual to progress in his education and grapple more and more effectively with the problems of life. Thus the career of one as a student should not end with graduation. He should continue to be constantly a student. There is never a moment when the field of new knowledge does not beckon him, a field from which he cannot shrink without sacrificing opportunity and neglecting the duty he owes society.

George Washington, who became the chancellor of this college in 1788, was not a student in any school after he was 16 years old. In a letter written to his mother by Lord Fairfax it was said "his education might have been better", but the prediction was made that he "would go to school all his life and profit thereby." And so, throughout his life, he was in fact a diligent student, fitting himself for the successful performance of his work as the outstanding citizen, soldier, and statesman. But, let it be remembered, that he was anxious others should be afforded the specific educational advantages which he had been denied. As shown by some of his messages to Congress, and a provision in his will, he dreamed of a great national university. Furthermore, Washington and Lee University at Lexington traces its origin in no small measure to a generous donation he made to the academy from which it sprang. An interesting volume recently published describing his deep interest in education is rightly entitled "George Washington, Patron of Learning."

Unprofitable as dead fruit is learning not put to use. The true business of a conscientious student, whether young or old, is to employ the knowledge he obtains not simply for his own advancement but for the benefit of others. His noblest task is to employ it for the common good. This is the divine injunction: "Let him who would be the greatest among you be the servant of all." In preparing themselves to meet the most urgent need for leadership within generations, the youth of America could have no finer motto than "intelligence, integrity, and industry."

In associating yourselves with this college for the purpose of securing an educational beginning, you were fortunate in being linked to a background of unrivaled historic interest. We are in Virginia, and listen to some of the tributes paid Virginia of the early days. Mr. Gladstone, the English statesman, said that "Virginia produced more contemporary great men than any other piece of real etsate on earth, Greece and Rome not excepted." An authoritative New England historian has said: "Except in the golden age of Athens, I do not think any country of equal size has produced in an equally brief time as much ability as was produced by the Virginia planters during the period of the American Revolution", and another, a New England statesman, has said of Virginia: "The American youth who would learn the principles of liberty protected by law; who would learn how to frame constitutions and statutes; who would seek models of the character of the patriot, of the statesman, of the gentleman, of the soldier, may seek instruction from this State—may study her history as in a great university." This last utterance must impress you with the fact that students at William and Mary are, in a sense, attending two universities at the same time.

Among my predecessors in the office I now have the honor of holding, four were students here. Jefferson, the first Secretary of State, was a student when, in 1765, the resolutions condemning the stamp tax were passed, and standing in the lobby of the House of Burgesses he heard the debate and made a record of what transpired. He witnessed a bitter contest. He heard the eloquent speech of Patrick Henry, the author of the resolutions, who, to use Jefferson's words, "spoke as Homer wrote." He heard the powerful argument of the lawyer, George Johnston, in support of the resolutions.

Edmund Randolph, the second Secretary, was a student here. His qualities are indicated in the letter from President Washington to him, appointing him Attorney General in the first administration. "Impressed", he wrote Randolph, "with the due administration of justice as the firmest pillar of good government, I have considered the first arrangement of the duties of the Judicial Department as essential to the happiness of our country and the stability of its political system, hence the selection of the fittest characters to expound the laws and dispense justice has been an invariable object of my anxious concern." John Marshall and James Monroe, who became Secretaries of State, were likewise students here, and, while still in their teens, went from the college to suffer the hardships and perils of the War of the Revolution, in which they valiantly served. Marshall was in the thick of the early action at Great Bridge, near Norfolk, and fought in the Battle of Brandywine and other bloody contests, and Monroe was severely wounded while at the very front of the American attack at Trenton.

Within half a century after Washington filled the office of chancellor at William and Mary there were 16 Secretaries of State, of whom, besides the 4 just named, 2 others were from Virginia: James Madison, to whom this environment was very familiar, and Henry Clay, who was a native of the nearby county of Hanover.

Let me say without the remotest thought of comparing myself to the remarkable men I have named, but rather with a keen sense of humility, that I am carrying on the work of the office which six famous Virginians have held with the hope that I may find some inspiration in their example, and catch something of the spirit of devotion they brought to the service of our country.

No one can forget the historic preeminence of this portion of Virginia. Not far from here is Jamestown, where, earlier than anywhere else in the world, there was a legislative pronouncement against taxation without representation; and here we are in Williamsburg, the Virginia capital for a hundred years. It was the scene of political events which have affected not only the destiny of our own country, but it is not too much to say the course of modern civilization. It was the scene of the activities of mighty patriots who were unexcelled in any age "in the genius for framing constitutions and the great statutes, which, like constitutions, lie at the foundation of all government", who unshackled men from tyranny and gave them civil and religious liberty.

We can say of them, as cannot be said of some now, that their chief aim was not to acquire wealth or enjoy luxurious leisure, but to improve the condition of all by serving all. They were not ambitious materialists looking downward, but always looking forward, and unselfishly striving to better the conditions of their fellow man. The confidence of the public in Washington's extreme unselfishness sustained his leadership. And we may believe that similar confidence in his utter unselfishness enables his latest successor in the office of President, Mr. Roosevelt, to exercise effective leadership in this troubled time. In the catalog of memorable transactions that took place at Williamsburg was the adoption in 1776 of the first constitution ever written providing a complete system of government. It was a representative government under the control of and suited to the purpose of a democracy. Coupled with that constitution was an elaborate statement of fundamental principles called a "Declaration of Rights" which has become known everywhere as the "Virginia Bill of Rights." The contemplation was that whatever modifications might be found necessary in adjusting the new system to changing conditions, these principles, guaranteeing collective and individual civil and religious liberty, were to remain beyond violation or surrender. There were, of course, those who regarded what was done then as a dangerous experiment and likely to fail.

Several of the men who led the way in that Virginia adventure served as members of the Philadelphia Convention of 1787 and assisted in framing the Federal Constitution, for among the Virginia delegates were George Mason, Edmund Randolph, James Madison, George Wythe, and John Blair, who had figured in the Virginia convention of 1776, and with them was Washington, but for whose influence there would probably have been no agreement reached at Philadelphia, and no ratification by the States of the system there adopted. Again there was a representative democratic system established, and very soon amendments were added declaring fundamental principles. And again it is certain that not a few, and some of them undoubtedly able and patriotic, believed the Constitution, which was the result of numerous compromises, would prove inadequate, and the Government about to be launched have a very brief existence.

The statesmen who labored with such conspicuous wisdom and almost miraculous success at Philadelphia could not help knowing as they turned away from the monarchical form of govern-

ment to which they had been accustomed, the difficulties that would be encountered in maintaining a republican form of government, which, as Herbert Spencer said much later, "requires the highest type of human nature." They could only trust that the solemn admonition of the Virginia Bill of Rights would be observed:

"That no free government or the blessings of liberty can be preserved but by a firm adherence to justice, moderation, industry, and virtue, and by frequent recurrence to fundamental principles." They put their faith in a democracy possessing those qualities, with the necessary implication that it must be a democracy trained by education and otherwise for doing its part and insuring the new fabric of government from being destroyed or impaired. Having that faith, if they were still living, they would be compelled to confess their disappointment that frequently the people are so indifferent to their true interests as to permit the power inherent in a democracy to be exercised by minorities eager and anxious to promote their own selfish interests, and reckless of the means by which they accomplish their ends. They would perceive that while we have with us the forgotten man, who is now receiving more consideration than for a long time, there is also the man who forgets—the man who is delinquent in performing his duties as a citizen, and thereby opens the door to overzealous and often venal self-seekers. They would warn not that the successful maintenance of popular government is imperiled by the dishonesty of the people, for the people are ordinarily honest, but is imperiled by the inexcusable ignorance and sloth of large numbers who ignore their political capacity and obligation to prevent many of the evils that now threaten.

In the time to which I have been referring, educational facilities were extremely limited. Many of your political progenitors were convinced that this created a situation of serious unsafety, and none of them entertained this conviction more thoroughly than Jefferson, and you know his splendid record as an advocate of universal popular education. Were he here now and pointed to the fact that in this country there are 1,460 universities and colleges, with an attendance of 1,154,000 students, that are annually conferring degrees upon 170,000 students, while there are 24,000 high schools, with an attendance of 5,140,000 students, annually graduating 690,000 students, to say nothing of the almost innumerable elementary schools, he would view that condition as perhaps beyond the realization of his most sanguine expectations, but he would probably confess his amazement that there is not a more steady and practical display of the knowledge of the structure and processes of the Government, and the absence of an intense and effective desire to guard against distortion or defeat of the aims and purposes for which government is designed.

Those who enjoy educational opportunities formerly not within the reach of any except a fortunate few, but now within the reach of all, and commonly furnished in whole or in part at public expense, should feel a peculiar sense of personal responsibility for the protection of our governmental institutions. Should they be careless in guarding the heritage handed down to them, which was born of the agony and bloody sweat of the past, they will, to use a line from Othello, be "Like the base Indian, who threw a pearl away, richer than all his tribe." They will themselves suffer from any failure of which they are guilty, and since they are in large measure the trustees of posterity, they will force suffering on those who are to come after them.

May I not suggest that, since a republic, as a noted writer has remarked, must constantly renew its youth, it is for you and others throughout the land who have received such training as has been your good fortune, to give to those who at any moment are charged with the responsibility of conducting government, the benefit of your best thought and cooperation, for the old have much to learn from the young?

I have said that the feeling was not unanimous as to the possible endurance of the system of government set up for Virginia in 1776, and for the United States in 1787–88. The chief actors, however, were warranted in believing that they had improved on any other system of which there was a record.

The fate of the Constitution framed in Philadelphia could not, of course, be predetermined on the basis of conditions then existing. The communities comprising the new Union were but a small segment of the vast region that awaited development, and it could not be anticipated that vaster regions would be added. The population of the 13 States stretching along the Atlantic was sparse and mainly engaged in agriculture. There were no cities, no large towns, little domestic or foreign commerce, and little wealth. It was impossible to forecast what the course of evolution would be, and what problems would arise, as a consequence. Had the framers attempted such a forecast and written an elaborate instrument, meant to take care of possible future happenings and therefore not sufficiently flexible, it may be assumed that the experiment would have met failure. The instrument was wisely limited to what were conceived to be essentials. The member of the Philadelphia Convention who prepared the final draft, when asked how he thought the Constitution would work, replied, "That depends on how it is construed."

Almost at once inescapable developments called for construction, and this produced controversies at every step of the Republic's existence, and further controversies cannot be avoided. Fortunately there was provided a tribunal which has been able, except in a single case, to quiet such controversies and prevent serious strife, and may be relied upon to dispose of all similar controversies that come along hereafter.

It is clear that the attitude of the early statesmen was rigid only with respect to fundamental principles—principles expressed in the Declaration of Independence and the Virginia Bill of Rights, which, in the main, have been incorporated in the Federal Constitution and in all the State constitutions. Aside from that, they constantly approved policies that could not be thought of at the outset, but were required by new and changing conditions. What is called Jeffersonianism does not import static opinion and stubborn blindness to exigencies which occur. When I hear discussions of Jeffersonian democracy, I think of Mr. Jefferson as being in France during the Philadelphia Convention and as most concerned, according to his correspondence, with a declaration of fundamental principles being embodied in the Constitution, and that was soon done. I think of him as determined that those principles should never be obliterated. But I cannot think that were he now on the scene, he would contend that industrialism should be subordinated to agriculture, or agriculture to industrialism, and I am certain he would be in the vanguard of those who are convinced that the Government should exert its power to prevent the principles he cherished from being stricken down by selfish and predatory individuals and groups.

Jefferson often took a conspicuously liberal and practical, and not at all narrow, view of our organic law, as for instance when without authority from Congress he purchased the Louisiana Territory. Why would not Mr. Jefferson, if he were President today, resolutely deal with realities, as in the instance of the Louisiana Purchase, by vigorously pursuing a program of emergency relief basically like that now in operation? When did Jefferson ever question the right or the duty of the Federal Government to invoke any and every emergency remedy designed to cure extreme emergency conditions?

It is not possible to catalog all of the governmental problems that deserve your attention and your assistance as citizens.

This is no time to detail the various domestic policies, some of them confessedly experimental, that have no other purpose than to recover the prosperity and happiness that have suddenly faded away. Should there be inclination to criticize some of their features, it seems to me that the thoughtful student should bear in mind that the program is sponsored by two of the great departments, the legislative and executive, and that it has not been disapproved by the judicial department. And he should recognize that, broadly speaking, it represents championship of human liberty, human rights, and humanity itself. Any of you are, of course, free to find fault, but do not make the mistake of so magnifying supposed defects as to lose sight of the great general design. That would be the old case of failing to see the forest for the trees.

There are problems of vital importance to this and all other nations and to civilization itself which demand closer consideration by each citizen. The founders of our institutions, knowing the horrors of almost constant war in the Old World, were resolved, to the extent that might be possible, to save the New World from the most terrible scourge to which mankind is subjected. Washington led the Revolution in order that men should be free, but he led in the effort to weld into a more perfect union the States that then existed and those to be created, in order to insure harmony instead of discord, and thus eliminate the causes of war. It is easy to imagine what would be the almost certain condition in this portion of the western world had that effort not been successful. It is also easy to imagine how far less peaceful this hemisphere would be, if, under the leadership of Monroe, who was one of Washington's soldiers and one of his successors in the Presidency, there had been no agreement, which is to remain effective for all time, to close the Great Lakes, the boundary between the United States and Canada, to warlike activities, and no emphatic proclamation through Monroe looking to our necessary self-defense.

At this moment, while on this side of the ocean there is a relatively peaceful condition, and neighborly and friendly ties among the nations are stronger and more genuine than ever before, we are obliged to feel deep concern that across the water, notwithstanding the terrible havoc and wreckage wrought by the war that began 20 years ago, and notwithstanding that the inventions of science will make future wars more terrible, there is so much reason for the gravest apprehension. Regardless of the fact that preparation for war but too often makes war inevitable, and the fact that preparation places a grievous burden on the people, armaments are being momentarily increased, and in practice the theory seems to be abandoned that nations, like individuals, should live not as potential enemies but as neighbors and friends. Our Government has a duty to perform and it is performing it. Supported by an overwhelming public sentiment, the Government, within the limitations necessary to be observed, is striving to the utmost to make its full contribution to the maintenance of peace and civilization. Without any question of its earnestness and fidelity, it is pursuing every method within its province to discourage and minimize armed conflict.

I wish to refer briefly to another problem belonging to the class I have just indicated, having both foreign and domestic aspects. In recent years a dangerous conception has become too prevalent, a strange economic conception that a nation can live to itself and virtually dispense with customary international relations. It is significant that none of the statesmen who made history in the period before and during the Revolution, and during a long later period were connected with the Federal Government, had any thought that this country could or should lead a

self-contained existence. All of the evidence is directly to the contrary. They were devoted to their own land, but even though communication was slow with other lands, they completely realized that it was not possible for this country to develop without commercial, social, and cultural relations with Europe. They of course barred the possibility of political relationship. It is for the purpose of returning to the older conception which they held that it has just been decided by Congress that the Executive shall have authority to negotiate trade agreements with other nations, it being expected that by this method there can be effected a substantial expansion of international commercial dealings, and markets opened that in recent years have been to a large extent fenced about by insurmountable barriers.

I can have no argument with any who may be actuated by mere partisanship in opposing that policy. But I would invite such opponents as are not thus controlled to tell me, if they are now fearful of the possibilities of the limited and temporary regimentation of business, what relief they expect to find in any other direction; and should they be unable to give a specific reply I would suggest to them that their opposition might prove disastrous, should the continuance of such international relations as now impede commerce force further regimentation.

I shall not detain you by prolonging observations which might but could not on an occasion of this character properly be elaborated; but I must not close without a reference to the spirit which should animate every citizen as we pass through an ordeal of extreme and unprecedented difficulty. A feeling of fear or despair would be dangerous and perhaps fatal. Those of the earlier days to whom I have alluded tolerated no such feeling, but in the bitterest hours displayed the utmost faith, courage, and patience, and had they not been supremely hopeful they could not have been either courageous, faithful, or patient.

To emphasize this, let me quote the striking language of James Bryce—the final words of his great work on Modern Democracies: "Hope often disappointed but always renewed is the anchor by which the ship which carries democracy, and its fortunes will have to ride out the latest storm, as it has ridden out many storms * * * democracy will never perish until after hope has expired."

Not dismayed by the enormous difficulties now being encountered, or by the overturn of some of the democracies that were in existence when war swept the world, it is for us to face the future with unabated hope that our democratic system as created by the fathers shall lose none of its strength and vigor in this time or in the years to come.

HOWARD COLLEGE (ALABAMA) COMMENCEMENT EXERCISES—ADDRESS BY HUGH G. GRANT

Mr. BLACK. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by Hon. Hugh G. Grant at the commencement exercises of Howard College, Birmingham, Ala., on Tuesday, May 29, 1934.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

President Neal, members of the faculty and board of trustees, members of the 1934 graduating class of Howard College, ladies, and gentlemen, it is a genuine pleasure for me to return to Howard College. It is gratifying to see in the audience many familiar faces, friends of my youth, and here on this platform three instructors, Dean Burns, Professor Eagles, and Professor Hendrix, to whom I shall ever be indebted. I am happy to greet here officially for the first time that splendid Christian leader, President Neal. I have had the pleasure of seeing something of Dr. Neal in Washington on those occasions when he visited the Capitol in the interest of Howard College and education. I have been greatly impressed with his earnestness and sincerity of purpose and with his charming personality. I am confident that under his leadership, supported by this splendid faculty and loyal board of trustees, Howard College will continue to exercise its fine influence in the cause of Christian education in Alabama and in the South.

I am amazed at the growth of the student body. While I do not subscribe to the theory that bigness and numbers are essential to the progress of an institution, certainly the remarkable numerical development in the student body of Howard College is indicative of the fact that despite the increased appropriations for State-controlled institutions during the last decades and the popularization of so-called "public education", college training under a denominational program is still an important factor in our educational set-up, and bids fair to remain so. Those sturdy pioneers in education who established Howard College at Marion in 1842 built on strong foundations. Their successors have kept the structure intact, often in the face of the greatest financial difficulties. We owe to them a debt of gratitude. It is our obligation to carry on where they left off. Let me urge you of the graduating class to keep faith with them.

Since Dr. Neal wrote me that I could choose my own topic, you may hold him to account if you do not like the subject of this address. I am going to talk to you about politics. There was a time, and it has not been so long, when the announcement of such a subject by a commencement speaker would have created consternation.

"Politics" was a term of opprobrium, politicians were outside the academic pale. Even Thomas Jefferson declared that women, to avoid depravation of morals, should refrain from mixing promiscuously in the political meetings of men. John Stuart Mill paid his respects to the politicians of the early nineteenth century when he said, "Men do not need political rights in order that they should be governed, but in order that they may not be misgoverned." Shakespeare puts these words into the mouth of Hamlet as he looked at one of the skulls unearthed by the gravedigger, "It might be the pate of a politician which this ass overreached."

But times have changed. When conservative State superintendents of education and scholarly university presidents travel from the four corners of this continent to confer with politicians in Washington concerning Federal aid for education; when ministers of the gospel and devout laymen write their political representatives in Congress pleading for Federal funds for the rehabilitation of financially bankrupt churches, even the most caustic critics of politics and politicians will admit that there is a new order of things. What would Jefferson say could he behold women mingling with their male colleagues in the Halls of Congress? Never before in the history of this Nation or any other has so much attention been given to politics and politicians.

Never was such homage paid to the men and women who hold public office. It is estimated that the 531 Senators and Congressmen since the inauguration of President Roosevelt on March 4 of last year have received more than 50,000,000 letters from citizens of the United States. The volume of mail has been so enormous that the present Congress has been termed the "mail-order Congress." Under an avalanche of letters the White House offices have overflowed across the street into the State, War, and Navy Building.

This manifestation of interest in politics and government is a phenomenon without precedent in our national life. Heretofore the business of politics was left largely to the office seekers, the officeholders, and to the intelligentsia who indulged in a sort of intellectual pastime of analyzing the conflicting theories of Hamilton and Jefferson and the Federal Constitution. We have in our public libraries a vast literature on political and governmental subjects, the most of it national, practically none of it State or local; but I imagine it would injure our national pride if we knew how few of our 40,000,000 voting citizens have read any portion of this literature. It cannot be denied that the rank and file of our citizenship is innocent of any serious study of politics. Mild doses of elementary civics administered in high schools, often by charming young women instructors who perhaps have never even voted, has constituted almost the sole formal instruction in government for the majority of the educated people of this country.

In order to sell their wares, and in conformity with traditional style, historians have sprinkled the pages of the school texts with dramatic tales of wars and rumors of wars, largely to the exclusion of the more prosaic and less dramatic stories of tax battles, tariff fights, and county-courthouse manipulations. Consequently, there is a vast misunderstanding about government and its functions. For instance, the system of checks and balances, which places certain power exclusively in the hands of the legislature and other power in the hands of the Executive, is little understood by the American people. This fact is borne out in the thousands of letters received in Washington by Senators and Congressmen who are called upon to perform services which are outside their jurisdiction and which rest solely with the executive and administrative agencies of the Government.

I have no indictment to make. I cast no aspersion. Our lack of knowledge of politics and government is a natural inheritance from the past. Government in the beginning of this Nation was a very simple thing. The Mayflower Compact, drawn up by the Pilgrim Fathers on the eve of their landing at Plymouth, was not, as many have supposed, a great charter of democracy. It was simply a gentlemen's agreement binding the signers to abide by the expressed common will in order to avoid possible danger of anarchy.

The early settlers, fleeing from an oppressive government, determined to have just enough government to conserve life, liberty, and property. Setting up homes in a wilderness filled with hostile savages left little time for politics. The forms of government were, therefore, crude and largely for defense.

The colonial governments were superimposed by the Crown in England. The political strings were pulled, not in the Colonies but in the political puppet shows in London.

The little politics indulged in in those early days and for some time after the Revolution was monopolized by the small educated class. Contrary to popular opinion of today, there was no real democracy. Government was in the hands of the few; politics was a sort of science indulged in by a minority of intellectuals. It is a historical fact revealed in recent years that from two-thirds to three-fourths of the electorate failed to vote one way or the other on the adoption of the Federal Constitution. A minority party by virtue of the wealth, talent, and solidarity of its membership carried through the ratification of the Constitution in the face of powerful but latent opposition representing very probably the majority of the country.

Strange as it may seem, Thomas Jefferson, the first great friend of the masses in America, who sought to popularize government through the writing of some 40,000 letters in longhand, perhaps unconsciously made a larger contribution to the apathetic interest in politics than any other leader of his time by reason of his philosophy of "the least government the better." Jefferson's laisses faire theory was not calculated to bestir his fellow Democrats to learn the ins and outs of politics. On the contrary, they were admonished to tolerate as little government as possible. This spirit was carried on through the succeeding decades. The pioneers who conquered the great West were their own governors. The strong arm was the law.

If an artist should paint a great canvas depicting the progress of America he would, if he were intellectually honest, of necessity place blots here and there. There would be ugly scars marring the otherwise beautiful landscape. The wanton waste of our virgin forests; the building of great monopolies and enormous fortunes at the expense of society; the grinding of labor in the great sweatshops of the Nation—to mention only a few. Is it strange that these things should occur under our laissez faire system of government? I think not. The American democracy was not on guard. The masses, unfortunately, were not much concerned about their Government, and the result was that greedy interests too often were in full control. Theodore Roosevelt and Woodrow Wilson sensed the fact that the American public was at heart opposed to these abuses if only it could be aroused. That was the problem.

But March 4, 1933, the date of the inauguration of Franklin Delano Roosevelt, marked the end of laissez faire and the beginning of a new epoch in the United States. America had come of age. Aroused as never before in the history of this country as a result of a blighting depression which left 30,000,000 persons in want in the midst of plenty, the American electorate in November 1932 issued a solemn mandate to its leadership to effect vital changes in the existing American economic and social system. There was no revolution. Our political institutions and machinery remained the same. But there was evolution in method. America had revolted against the ancient domination of government by selfish interests.

Never to be forgotten was that inauguration day of March 4. The new administration was coming into power at the most critical moment of a great financial crisis. The banks of the country were closing, the medium of exchange was paralyzed, and 120,000,000 people were in panic.

And then at noonday out in front of the great Capitol dome there appeared the new leader—smiling, with an air of confidence and with words of encouragement, which, through the marvelous radio, reached into millions of American homes. The effect was electrical. A Nation in the midst of chaos took heart again. You are familiar with the measures proposed to meet the emergency. Within 2 weeks after the inauguration a majority of the banks had been reopened, hoarded gold had passed back into the central banking system, and the frantic effort to convert credit into cash had subsided. The mood of the Nation had changed.

And then there was sounded what many believe to be the death knell to the old order in America. The new-deal program was under way. Followed the establishment of the Agricultural Adjustment Act, to increase farm purchasing power; the Securities Act, establishing Federal supervision over sale of investment securities; the Farm Mortgage Act; the Home Owners' Loan Act; the Tennessee Valley Authority, to rehabilitate a great section of the South; and the Banking Act. Within the short space of 3 months, legislation which profoundly altered the status of banking and agriculture in America had been enacted by the votes of Representatives of the two great parties.

The Nation had gone off the gold standard. The National Industrial Recovery Act, the germ of which was the 30-hour week bill sponsored by the senior Senator from Alabama, Mr. BLACK, and passed by the Senate, followed in June. Incorporated in this bill was the huge Federal appropriation for public works throughout the Nation. The Civil Works' program was inaugurated to take up some of the slack in unemployment.

The keynote of many of these measures was outright reform. Each proposal sought to correct a disparity, to safeguard a public interest, or to lighten an individual burden. Each measure also involved the wide extension of Federal control and supervision over the affairs of the American people. Each measure constituted encroachments upon the domain of State and local governments. Rights hitherto jealously guarded by these political units were surrendered voluntarily and with enthusiasm to the Federal Government. The eyes of the American people were turned toward Washington. After 140 years the political philosophy expounded by Jefferson, "the least government the better", was supplanted by the theory that the national welfare is dependent upon the exercise of more control by the central government.

National planning such as is contemplated in the Roosevelt program calls for the widest possible governmental powers, touching the lives of 120,000,000 people of this Nation, and a Congress, registering the will of the people, has accordingly delegated to the Chief Executive authority even greater than that granted to President Wilson in 1917 to wage war. President Roosevelt only a few days ago gave a definition of this new philosophy of government in a message regarding the cotton-production legislation sponsored by Alabama's junior Senator, Mr. BANKHEAD. The President declared that "since the cotton States had found it impossible to act independently or in unison to prevent the recurring accumulation of cotton surpluses with resulting depression of prices, they had asked for the use of Federal power", and the President added, "A Democratic Government has consented."

The President, as someone has said, by courageously leading, has shaken the electorate out of traditional habits of thought. Laissez faire is dead. The people are aroused by the new conception of government which contemplates the welfare of all the people rather than the favored few. They are following intelligent leadership. The President's phrase "A democratic government has consented", to which I referred a moment ago, is the keynote of the new order. A democracy consenting implies an electorate thinking; otherwise there is dictatorship, the substitution of authoritarian for the libertarian state. The former is abhorrent to our American ideals and traditions. In order to avoid dictatorship and at the same time accomplish those objectives which appear to be essential to America grown up, the active cooperation of the American public is absolutely necessary. Leadership is only half of it. John Stuart Mill, 80 years ago, in his famous essay on Representative Government, said: "Political machinery will not act itself. As it is first made, so it has to be worked by men, and even by ordinary men. It needs not their acquiescence but their active participation." That, in my judgment, is the philosophy of the new deal.

And that, my young friends of the graduating class of Howard College, brings me to the main thought I should like to leave with you as you prepare to take your places on the morrow in the ranks of America's citizenship—a citizenship which is confronted with both national and international problems of the gravest and most complex character. At home thousands of our cities and counties are bankrupt, many of our schools and colleges are closed or in chaos as result of short financial rations. Our industrial system upon which we must, in the last analysis, depend for employment of our people is still in the doldrums although marked progress has been made during recent months; there is still much poverty in a land of plenty. Abroad there are dark clouds on the horizon. The peace of the world is again threatened. As the Honorable Cordell Hull, of our sister State, Tennessee, Secretary of State, declared recently in an address in Washington: "Nations everywhere are steadily narrowing their vision, their policies, and their programs. Each is undertaking more and more to visualize only itself, to live by itself, and to arm, conceivably to defend itself against any and all aggressors. The entire political, economic, social, and moral affairs of most parts of the world are unquestionably in a more or less chaotic condition."

Here is a challenge to the youth of this Nation and of the world. What can you as an individual do about it? Whether in the ranks as a private or out there in the front of the parade, as some of you will be, you have a solemn duty to perform for your Government, local, State, and national. You are obligated to participate actively in politics, if you please.

And how shall you do this? May I make some suggestions? By seeking political office? No; not necessarily. That is only one phase of the question. By voting? Yes; and I should like to add and emphasize, by voting intelligently. Join a political party and participate in its primary. Study the character and the qualifications of the men and women who offer themselves for public office. Determine their sincerity and honesty of purpose. Find out about their alliances. Are they mere office seekers, desirous of getting on the pay roll, or are they interested in the welfare of the society which they propose to represent? Learn something of their political philosophy.

After the election regard those chosen by the will of the majority as real representatives of the people and not "yes men." Don't be afraid of a new idea. Changing economic and social conditions require new political methods. Keep an open mind on political questions. Allow the men and women who represent you the same privilege. Give to them the benefit of your judgment if you believe you have an intelligent opinion upon a public question, but don't attempt to coerce. Remember that these public servants were placed in office presumably because of their intelligence and special qualifications, and that they act not only for you but also for your fellow citizens and their several groups with their varying interests which are often in conflict. Your representative has a mind. Let him exercise it. He is no representative if he fails to do so. His judgment should be better than yours if he is intelligent, honest, and sincere, for he occupies a strategic position where, if given the opportunity, he can study all phases of the particular problem. Help provide this opportunity for him.

In my judgment one of the greatest menaces to our representative system of government is the growing tendency of legislators, State and national, to dissipate their energies in matters wholly unrelated to legislation, and in the interest of the few rather than the many. The constituency is partially responsible for this situation. The demands upon legislators are often so overwhelming that little time is left for intelligent legislation. The system is contributory to the powerful influence exerted by lobbies representing selfish minority interests.

You young men and young women of the graduating class have completed a 4-year course of training in which high ideals of conduct on the part of the individual in his relationship with other individuals and with society as a whole have been emphasized. That is one of the fine things about those institutions where the Christian atmosphere prevails as it does at Howard College. If these ideals are discarded by you, society becomes the loser.

Never before in all history has there been greater need of the practice of high ideals in local, State, national, and international life than today. Never before have individual citizens and nations been so mutually dependent the one upon the other. The old frontier is gone. Rugged individualism can no longer chart its course alone. There must be companionship. Complete isolation for the individual and for the nation is a thing of the past. The highly complex problems of modern civilization must be solved by the intelligent cooperation of the individual members of society and of nations, based upon principles of amity, honesty, and common sense.

The practical application of high ideals by individuals in their relationship to their government and by nations in their dealings with foreign nations is needed. These ideals must be linked with the political machinery through which governments function.

And in conclusion allow me to repeat the declaration of John Stuart Mill: "Political machinery needs not the acquiescence but the active participation of men" (and, may I add, women). The Nation and the world today are dependent as never before upon political machinery. Let each one of us solemnly resolve to make a contribution toward having this political machinery operate honestly, effectively, and in the interest of humanity.

RECESS

Mr. ROBINSON of Arkansas. I move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 5 minutes p.m.) the Senate, in pursuance of the order previously entered and in executive session, took a recess until tomorrow, Thursday, June 14, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate June 13 (legislative day of June 6), 1934

UNITED STATES ATTORNEY

Edwin G. Moon, of Iowa, to be United States attorney, southern district of Iowa, to succeed Robert W. Colflesh, resigned.

UNITED STATES MARSHAL

Charles H. Cox, of Georgia, to be United States marshal, northern district of Georgia, to succeed Louis H. Crawford, whose term will expire June 24, 1934.

MEMBER OF THE UNITED STATES TARIFF COMMISSION

Oscar B. Ryder, of Virginia, to be a member of the United States Tariff Commission for the term expiring June 16, 1939, vice Ira M. Ornburn, term expired.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 13 (legislative day of June 6), 1934

POSTMASTERS

CALIFORNIA

Anthony J. Foster, Hayward.
Robert B. Montgomery, Sequoia National Park.

INDIANA

Russell Armstrong, Hazleton.
Adolph Hannie, Monroe.
Dean I. Lauver, New Carlisle.
Simon C. Hilsmier, Ossian.
John D. Stoner, Valparaiso.

KANSAS

Jesse T. Poland, Barnes.
John J. Menard, Clyde.
Harry F. Geistfeld, Washington.

MAINE

Willis H. Allen, Columbia Falls.
Lillian C. Erickson, Stockholm.
George H. Foster, Unity.

MINNESOTA

Thomas Hughes, Bemidji.
Joseph C. McGowan, Benson.
Paul F. Preice, Calumet.
Antoinette D. Hall, Campbell.
Howard H. Gunz, Center City.
John M. Augustin, Comfrey.
William J. Conner, Dunnell.
Aloysius I. Donahue, Elk River.
John Kasper, Faribault.
Edward C. Feely, Farmington.
Gladys M. Freeman, Franklin.
James M. Brennan, Hinckley.
Flora P. Lowry, Hollandale.
Elmer L. Berg, Kennedy.
Carl S. Nygren, Lake City.
George A. Boyd, Le Roy.
Joseph Smuk, Jr., Marble.
James H. Pelham, Menahga.
Joseph W. Kreuzer, New Richland.
Nicholas D. Schons, Nicollet.
Oliver W. Alvin, North Branch.
Rosyne M. Gosch, Randall.
August M. Utecht, Richmond.
George Glotzbach, Sleepy Eye.
Hjalmer A. Johnson, Soudan.
Arnold R. Krogh, Spring Grove.
Andrew T. Sanvik, Starbuck.
Paul J. Arndt, Stillwater.
Carl H. Ruhberg, Storden.
Elizabeth C. Bahr, Waconia.
Margaret J. McGarry, Walker.
Ernest F. Schroeder, Wells.
Einar C. Wellin, Willmar.

MISSOURI

George J. Goeltz, Bismarck.
Charles M. Murray, Cameron.
Sam B. Shackleford, Ewing.
Alfred M. Pondrom, Florissant.
Birdie W. Brown, Forest City.
Fannie McClintock, Gower.
Lamonte R. Saxbury, Queen City.
Lonnie A. B. Leslie, Russellville.
Vernon V. Goslee, Skidmore.

NEW HAMPSHIRE

Charles S. Stone, Andover.
Irving H. Brown, Campton.
David V. Cahalane, Charlestown.
John E. Bean, Contoocook.

NORTH CAROLINA

Paul R. Younts, Charlotte.
Clarence H. Rosebro, Cleveland.
Robert T. Teague, Newland.
William H. Shannon, Spencer.
Louella Swindell, Swanquarter.

OKLAHOMA

Lee Kennedy, Broken Bow.
Etta E. McMillan, Freedom.
George G. Smith, Garber.
Lawson Race, Hunter.
Lauren I. Harris, Keyes.
Sylvia M. Grace, Laverne.
Anice Sullins, Redrock.
Maud L. Vaughan, Supply.
Fanny A. Rhoades, Wakita.

VERMONT

Frank J. Donahue, Middlebury.
John J. Cain, Orwell.

VIRGINIA

Rufus G. Roberts, Culpeper.
Reginald B. Turner, East Falls Church.
Lewis M. Coyner, Fairfax.
J. Will Stockley, Keller.
Marcellus B. Garnett, Mathews.
David E. Bumpass, Jr., Mineral.
Margaret E. Downing, Painter.
Pauline H. Duncan, Riverton.
George T. Collins, Rosslyn.
Fannie B. B. Sale, Tappahannock.
Lawrence Hottle, Toms Brook.

VIRGIN ISLANDS

Alvaro de Lugo, St. Thomas.

WASHINGTON

W. Kenneth Kingman, Chelan.
Albert Buerstatte, Jr., College Place.
Ralph V. Browder, Oakesdale.
Walter C. Ketterman, Opportunity.
James F. Tostevin, Retsil.
Louie H. Saur, Selah.
Arthur H. Gerl, Wilbur.

WEST VIRGINIA

Irvin J. Richardson, Bartley.
Mrs. Maurice R. Walker, Bramwell.
John C. Blanton, Freeman.
Mayme E. Marquette, Harpers Ferry.
John M. Snarr, Romney.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 13, 1934

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Who shall ascend into the hill of the Lord? And who shall stand in His holy place? He that hath clean hands, and a pure heart.

Our Father, may we all rejoice in Thy wisdom. Thou hast said, "My words shall not pass away." O God, may we heed them. They have come down through the ages, through the world's tears, through the world's laughter, through the world's conquests; and let the earth now say, "His words cannot pass away." The sky, the land, the mountain, and the sea shall pass away, but not, but not the word of the Lord. O my heart, O your hearts, let us love His words, so that we will have something to keep forever. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7982. An act to establish a national military park at the battlefield of Monocacy, Md.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 6462. An act to stop injury to the public grazing lands by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes; and

H.R. 9410. An act providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 852. An act to amend section 24 of the Trading with the Enemy Act, as amended;

S. 3645. An act to conserve and develop Indian lands and resources; to establish a credit system for Indians; to provide for higher education for Indians; to extend toward Indians the right to form business and other organizations; and for other purposes;

S. 3675. An act to amend section 5 of the act of March 2, 1919, generally known as the "War Minerals Relief Statutes";

S. 3723. An act to amend the Mineral Lands Leasing Act of 1920 with reference to oil- or gas-prospecting permits and leases; and

S.Con.Res. 20. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Foreign Relations of the Senate on the resolution (S.Res. 278), "St. Lawrence Waterway", Seventy-second Congress, second session.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills of the House of the following titles:

On June 8, 1934:

H.R. 7168. An act for making compensation to the estate of Nellie Lamson.

On June 11, 1934:

H.R. 3985. An act for the relief of Charles T. Moll;

H.R. 5334. An act to amend the third clause of section 14 of the act of March 3, 1879 (20 Stat. 359; U.S.C., title 39, sec. 226);

H.R. 5522. An act to amend the Standard Baskets Act of August 31, 1916, to provide for a 1-pound Climax basket for mushrooms;

H.R. 9180. An act relating to the incorporation of Columbus University of Washington, D.C., organized under and by virtue of a certificate of incorporation pursuant to the incorporation laws of the District of Columbia as provided in subchapter 1 of chapter 18 of the Code of Laws of the District of Columbia; and

H.R. 9280. An act relating to deposits in the United States of public moneys of the government of the Philippine Islands.

On June 12, 1934:

H.R. 5312. An act to provide for the conveyance of the abandoned lighthouse reservation and buildings, including detached tower, situate within the city limits of Erie, Pa., to the city for public-park purposes;

H.R. 7082. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in and in the vicinity of the city of Lodi, and near the station of Acampo, and in the city of Tracy, all in the county of San Joaquin, State of California, and in or in the vicinity of Galt and Polk, in the county of Sacramento, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat.L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat.L. 356);

H.R. 7098. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way in and in the vicinity of the town of Gridley, all in the county of Butte, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 25, 1866 (14 Stat.L. 239);

H.R. 7317. An act to provide for the final construction, on behalf of the United States, of postal treaties or conventions to which the United States is a party;

H.R. 8687. An act to amend the Tariff Act of 1930;

H.R. 9064. An act granting the consent of Congress to the State of Indiana to construct, maintain, and operate a free highway bridge across the Grand Calumet River near Clark Street, in Gary, Ind.;

H.R. 9141. An act granting the consent of Congress to the State of Alabama, its agent or agencies, and to Colbert County and to Lauderdale County in the State of Alabama, and to the city of Sheffield, Colbert County, Ala., and to the city of Florence, Lauderdale County, Ala., or to any two of them, or to either of them, to construct, maintain, and operate a bridge and approaches thereto across the Tennessee River at a point between the city of Sheffield, Ala., and the city of Florence, Ala., suitable to the interests of navigation;

H.R. 9313. An act to extend the times for commencing and completing the construction of a bridge across the Savannah River at or near Burtons Ferry, near Sylvania, Ga.;

H.R. 9320. An act to further extend the times for commencement and completing the construction of a bridge across the Missouri River at or near Garrison, N.Dak.;

H.R. 9434. An act granting the consent of Congress for the construction of a dike or dam across the head of Camas Slough (Washougal Slough) to Lady Island on the Columbia River in the State of Washington;

H.R. 9567. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; and

H.R. 9585. An act authorizing the city of Sault Ste. Marie, Mich., its successors and assigns, to construct, maintain,

and operate a bridge across the St. Marys River at or near Sault Ste. Marie, Mich.

ORDER OF BUSINESS

Mr. BYRNS. Mr. Speaker, may I say preliminary to a unanimous-consent request I am going to submit that I think there is a fair chance for Congress to adjourn Saturday. [Applause.] Understand, I said a fair chance.

Mr. SNELL. I notice that is all the gentleman said.

Mr. BYRNS. I do not say we positively will. But it is certain we will not be able to adjourn Saturday unless we get through with this housing bill as early as possible this afternoon so as to take up some other matters. I hope, therefore, that the committee will speed this bill up as quickly as possible; of course, with due regard to the rights and privileges of the Members.

Now, if we do adjourn Saturday, or if we adjourn, as I verily believe, within a week from now, then it is perfectly apparent that we can pass House bills over here and it will be a mere waste of time unless the matter is so emergent as to appeal to the Senate to take up such House bills and pass them. The Senate today, I am informed, is considering the calendar, and there are 39 or 40 House bills which will be considered today and either passed or rejected. Now, I want to submit this unanimous-consent request, which is similar to one I submitted last Saturday.

Mr. Speaker, I ask unanimous consent that it shall be in order tomorrow to consider in the House as in Committee of the Whole unobjected to Senate bills on the Private Calendar and Senate bills on the Speaker's table, where similar House bills have been favorably reported and are now on the Private Calendar, the call to commence with no. 629 on the Private Calendar.

Mr. CHRISTIANSON. Mr. Speaker, reserving the right to object, what about Senate bills on the Speaker's desk that are not on the Private Calendar where identical bills have been favorably reported by the committee?

Mr. BYRNS. My request includes those Senate bills where a similar House bill has been reported and is now on the Private Calendar.

Mr. MOTT. Mr. Speaker, reserving the right to object, may I ask the majority leader if there will be another opportunity to consider the Consent Calendar?

Mr. BYRNS. It will be considered if possible, but I may say to the gentleman from Oregon that in view of the possible early adjournment of Congress that we ought to dispose of these Senate bills which have a chance to become law.

Mr. MOTT. I think so, too.

Mr. BYRNS. Then, after that, if we have time, we can take up the Consent Calendar or anything else the House wishes to take up.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. SNELL. Mr. Speaker, may I ask the majority leader a question before he takes his seat? Is the majority leader in a position at the present time, or does the gentleman care to tell us, what pieces of legislation are essential to be considered before we can adjourn?

Mr. BYRNS. We are going to pass this housing bill, I think, this afternoon. I understand that it is very essential to pass some bill of this kind before adjournment.

Of course, the deficiency appropriation bill is pending in the Senate committee. I have been informed that possibly it will be reported to the Senate today.

The gentleman from Georgia reminds me that there is an amendment to the Railway Act, but I was speaking of bills to which the gentleman referred.

Mr. SNELL. Those are the pieces of legislation which are actually essential to be passed before adjournment?

Mr. BYRNS. Yes. There may be certain legislation relating to controversies between employers and employees that may be considered, and probably will be. That bill, however, has not been introduced, and I do not know just what form it will take.

Mr. SNELL. But it is not absolutely essential to pass several of the bills for which rules have been reported?

Mr. BYRNS. That is true of some of them. I do not know about all of them. And, then, I may say to the gentleman that if the oil bill is reported out of the Committee on Interstate and Foreign Commerce it is expected that it will be taken up in the House.

Mr. SNELL. That is one bill which I, individually, think should be passed.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BANKHEAD. Of course, I understand exactly the statement made by the gentleman.

In the event, of course, there should be some preliminary delay, it is the expectation of the majority leader to give an opportunity to take up and consider bills in the order of their importance?

Mr. BYRNS. Yes. My earnest desire for the passage of this House bill this afternoon is to allow it to go to the Senate, permitting the Senate to pass the bill, and then throw it into conference and getting it out of conference at the earliest possible moment.

CONGRESS MUST TAKE MAILING PERMIT FROM DISREPUTABLE LITTLE PUBLICATIONS RACKETEERING THE PUBLIC

Mr. BLANTON. Will the gentleman from Tennesse yield to me to make a statement?

Mr. BYRNS. I yield to the gentleman from Texas.

Mr. BLANTON. Mr. Speaker, when a publication secures from this Government a second-class permit to distribute its columns through the United States mails, it obtains a grant most valuable, and it should not abuse it.

There is a dirty, little, disreputable sheet calling itself "The Censor", giving its address at suite 1273, Arcade Building, St. Louis, Mo., but because of its absolute irresponsibility it has not the intestinal fortitude to advise the public the name of its editor, or the name of its publisher, or the name of any individual connected with it, and it does not dare to give the name of the author of any article that appears in it. All it discloses is that it is published by the Censor Co.

On its front cover it has the audacity to tell the few people who ever see it: "Where and what to buy—Censor's advertisements will tell you", and in its issue of June 7, 1934, it was able to carry only 14 advertisements, besides 10 little beauty-shop cards. Its principal advertisement is that of Anheuser-Busch playing up Budweiser. It is surprising that any respectable business concern would ever pay out one cent to advertise in such an ignorant, irresponsible, disreputable little excuse for a magazine as the Censor. Having no standing whatever, an ad appearing in its columns reflects discredit upon the advertiser. And just as other advertisers quit it, the remaining 14 will not throw away their money much longer.

There are 491 press correspondents have seats in the press gallery of the Senate and House of Representatives. Instead of having one of these men with opportunity to know the facts send it reliable information about Senators and Congressmen, this muck-raking little sheet, the Censor, got some ignorant little hound to send it a lot of bunk anonymously under the name of Du Bignon, which, in said issue of June 7, 1934, accused President Franklin D. Roosevelt and Secretary of State Cordell Hull of being "inconsistent demagogues" and referred to our Democratic leaders in the Senate as "the bombastic JOE ROBINSON, of Arkansas, and the feather-brained PAT HARRISON, of Mississippi."

No one in Washington ever heard of Du Bignon. It is cowardly for anyone to write such attacks anonymously. It is cowardly for any sheet to publish such irresponsible, ignorant, lying, anonymous attacks.

Of course, we will not have time to do it in this session, but next year the Congress ought to take steps to annul the second-class mailing privilege of such irresponsible, disreputable, little so-called "publications" as the Censor.

SHALL WE CONTROL "HOT OIL", OR SHALL WE ALLOW OUR INDEPENDENTS TO BE RUINED AND FORCED OUT OF BUSINESS BY THE DUTCH SHELL AND ANDREW W. MELLON'S GULF MONOPOLIES?—THAT IS THE QUESTION

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and for permission to incorporate some exhibits in connection with several matters I desire to discuss.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BLANTON. Mr. Speaker, I am grateful to my colleagues for granting me this privilege. I want to present to the Congress the urgent necessity for passing before we adjourn the oil control bill, which has been inexcusably delayed and shunted around for so long a time.

The West Texas Chamber of Commerce is the largest and most active institution of its kind in any of the 48 States. It is second in size only to the United States Chamber of Commerce. Since its organization its headquarters has been located in my district, at Stamford, Jones County, Tex. Jones County is the banner cotton county of Texas, and no finer people live anywhere in the world. There are 7,000 members and 189 towns and cities affiliated with the West Texas Chamber of Commerce. One of its able presidents was Hon. Houston Harte, of San Angelo, Tex. It has had many worthy presidents who were selected from the leading, outstanding, substantial business men of western Texas, who have reflected honor upon it and the State and Nation.

HON. ROBERT W. HAYNIE

Among its many able and distinguished presidents, I mention Judge Robert W. Haynie, one of the leading lawyers of my home city of Abilene, who at great personal sacrifice devoted much time to upbuilding the interests of west Texas. Linked with its history is the faithful, loyal, devoted service which, as its manager, Hon. Homer D. Wade rendered to it for several years. Its present manager is Hon. D. A. Bandeen, who is constantly alert to serve all of the people of west Texas to the very best advantage possible.

The West Texas Chamber of Commerce is whole-heartedly behind this oil control bill. It has been doing everything within its power to protect and save the independent oil operators in Texas. It has sent one of its former worthy presidents, Mr. W. B. Hamilton, of Wichita Falls, to Washington in an effort to get this measure favorably reported. All that is needed to pass it is to get the committee to report it so that the House can vote on it, for it will pass whenever Members of the House are given an opportunity to vote for it. The President of the United States has asked that this bill be passed. The Secretary of the Interior, Hon. Harold L. Ickes, has insistently urged its passage. The argument made by Hon. W. B. Hamilton, as representative of the West Texas Chamber of Commerce, at the hearing before the committee here, is unanswerable. And on behalf of the West Texas Chamber of Commerce, which in part I have the honor to represent here in Congress, I now incorporate as a part of my extension his said able argument, to wit:

STATEMENT OF W. B. HAMILTON, OF WICHITA FALLS, TEX., BEFORE THE INTERSTATE AND FOREIGN COMMERCE COMMITTEE OF THE HOUSE OF REPRESENTATIVES, IN BEHALF OF THE ADMINISTRATION OIL CONTROL BILL

Mr. Chairman and gentlemen of the committee, my name is W. B. Hamilton. I live in Wichita Falls, Tex. I have been an independent oil producer for the past 19 years. For 10 years I was president of a large independent oil company engaged in producing, transporting, refining, and marketing crude oil and refined products.

There is no part of the operation of oil production from the geological work to the marketing of the finished product that I have not personally performed. At the present time I am producing oil in the east Texas field, in the Conroe field in south Texas, and in the fields of north Texas and west Texas.

I am here representing the West Texas Chamber of Commerce, a commercial organization second in size only to the United States Chamber of Commerce. We have 7,000 members, 189 towns and cities affiliated with the regional organization. The program of work is divided between four main committees. For the past 7 years, except the 1 year when I served as president of that organization, I have been chairman of the oil and gas committee. Serving on the committee are producers, refiners, marketers, and persons interested in the oil business only as consumers of petroleum products. This committee makes a very careful study of the problems confronting the oil industry, and of proposed legislation affecting the conservation of oil and the cost of petroleum products to the consumer.

My training in petroleum engineering and in law while in college and my experience in the oil business has made me a strong advocate of the conservation of the oil and gas resources of the Nation. I saw the great oil field at Burkburnett, Tex., wasted, where three-fourths of the oil was left in the ground, never to be recovered. We producers either did not know the value of conserving the gas energy in the sand or else we were so determined to beat the other man to capture the largest quantity of oil out of the common pool that we followed very wasteful methods of producing oil in that very rich field. I saw the great Powell field in the east central Texas turned to water, with but a small portion of the recoverable oil taken from the sands. I saw the great Seminole field in Oklahoma wasted in the race between operators to get the most oil out of a common pool. It was not the operators in those fields alone who lost, it was not the States of Oklahoma and Texas alone who lost, it was the Nation that lost by the waste of this irreplaceable natural resource. Today there is great waste of this natural resource in almost every flush-oil field in the Nation.

Gentlemen, this is not a State matter you have before you. It is a national problem. If the other States are going to furnish a market, they have a right to say to the oil-producing States, "This irreplaceable natural resource, which is a necessity to the commerce and to the convenience and happiness of our people, must be conserved." The Federal Government has a definite duty to the people of this Nation to see that the oil resources of this Nation are conserved, that the oil is produced in that orderly manner necessary to the maximum recovery of the oil in the sand, to the end that the source of supply is protected and that the cost of refined petroleum products to the consuming public is kept at a reasonable level.

It will be my purpose to show you the need of a Federal law to assist the States in the conservation of the natural resources of oil and gas and to show you that this proposed law will bring about the conservation of these resources and that, in addition, it will protect the consuming public from the higher cost of petroleum products.

For many years it was the common practice of oil producers upon the discovery of a new pool of oil, to flow the wells to capacity, and to take the cream off of the oil pool. There was a mad race between the producers to get their wells completed and very wasteful methods were used by each producer in his effort to get a larger quantity of oil out of the common reservoir than his neighbor procured. Great quantities of natural gas were blown into the air. Salt water encroached from the bottom of the sand and from the edges of the pool. When the wells ceased to flow or the quantity of oil which they would yield did not justify such methods as air lift and swabbing, the wells were placed on the pump in an endeavor to produce whatever amount of oil could be recovered in that fashion. The operators would then seek out a new pool and take the cream of the supply therefrom in a similar manner, and so on and on. If an enlightened public opinion had not called a halt there would have been a very serious shortage of crude oil today. Many very valuable pools would have been wasted and fully two-thirds of recoverable oil would never have been produced. The plan of most of the opponents of this bill is to get a small lease in a given pool, drill a great number of wells thereon close together, flow their wells to capacity, take out a large quantity of flush oil, place it in commerce at whatever price it can bring and then go on to the next pool and repeat their rapacious practices.

We are consuming almost 1,000,000,000 barrels of oil per year. The present known reserves of crude oil in the United States is approximately 10,000,000,000 barrels, that is, if conservation methods of recovery of this oil are strictly followed. About four and a half billion barrels in flush fields and five and a half billion barrels in pumping fields. These known resources would not last for 10 years if the oil was produced in a wasteful manner. We must discover a billion barrels of potential oil per year to meet the consumptive demand. With the increased geological information and the development of the science of geophysics and its application to the discovery of oil deposits, this demand will be met. Shall these new pools which surely will be discovered be conserved or wasted?

Every consumer of gasoline and other petroleum products is deeply concerned in the conservation of this natural resource. Every wheel in industry, our entire transportation system, the carrying on of the commerce of the Nation, the economic life and the social life of the people of this Nation are dependent upon the certainty of supply of crude oil and the ability to secure refined petroleum products at a reasonable price level.

The opponents of this bill take the position that the way to make certain the supply of petroleum products at a low price level is by wasting this natural resource. In answer to questions of the chairman and members of this committee most of them said they were opposed to any kind of regulation of the production of oil by either State or Federal Government. "Give us free competition in the production of oil without any control", said the witness from New York. The man from California said the same, and the witnesses from Texas opposed to this bill have advocated the same policy for many years. One man from Louisiana said he believed physical waste should be prevented. He made the remarkable statement that this proration program always built up great potential supplies of crude which weighted down the price of oil.

You cannot prevent physical waste except by holding production down to consumptive demand. I agree with him the control of production to consumptive demand builds up a great potential reserve supply of crude oil. Gentlemen, I would add this fact, that where there is no proration the oil reserves are wantonly wasted underground, and a tremendous economic waste of a great natural resource is sure to follow.

In the fall of 1926 two highly productive pools of oil were discovered in west Texas. One was the Yates Pool in Pecos County, the other was the Hendricks Pool in Winkler County. The average well in the Yates Pool had a potential production of about 30,000 barrels per day. The average well in the Winkler Pool was about the same. I went before the Texas Railroad Commission, which was charged with the responsibility of conserving the natural resources of oil and gas, and asked that these two pools be put under proration; that is, pro rata division between the operators in the same common pool or reservoir of oil of the total amount to be taken from the pool each day. Our application was fought by many of the men who are opposed to this present bill, also by a major oil company which was buying the oil at a greatly reduced price from one of the men who opposed the order. Most of this oil was going directly into interstate commerce, all of it affected interstate commerce. The commission had not then, nor has it now, any power to keep oil out of commerce. This was the first application for a proration order in Texas.

The order was issued.

In the Yates pool the operators, both major and independents, because of enlightened self-interest, obeyed the conservation order, but in the Winkler County field there were two operators who refused to do so. We pleaded with them. We pointed out to them that if they continued to flow to its capacity the well which they had on a 10-acre tract in the heart of the field they would bring water into the field; they would enrich themselves but would destroy a great oil field in west Texas. They told us to go to. They said it was their oil and would produce it as they pleased. We called to their attention that other operators would be forced to open their wells and produce them to capacity. They replied they would get all the oil out before the other operators got their wells drilled.

Wells were rushed to completion surrounding this 10-acre tract. When they were completed they too were flowed to capacity. The offsets to the latter were opened up, and on and on throughout the pool. Soon all the wells were making water. Billions of feet of natural gas which should have been kept in the producing strata for the purpose of flowing oil and for the purpose of preventing the encroachment of salt water were blown into the air. The field was ruined because two operators refused to be good neighbors.

In the Winkler pool the wells are producing 15 barrels of water to 1 barrel of oil, while in the Yates pool there is practically no water being produced in the field. In the Winkler field the cost of lifting this fluid to the surface by artificial means is almost prohibitive, while in the Yates pool the wells are still flowing and upon actual gages show as much potential production as they did 8 years ago. They will be flowing for the next 15 years if every operator in the field abides by proration set up in that field. These two pools should have produced a like quantity of oil per acre. It is now conceded that due to the conservation methods being used in the Yates pool the ultimate recovery of oil from this field will be three times as much as will be recovered from the Winkler County field.

The experience in these two fields in West Texas should be sufficient proof to any honest man of the necessity of strong conservation laws, both State and National, to conserve the natural resource of crude petroleum.

In the great east Texas field havoc would be wrought very quickly if the law-abiding operators followed the same practice as the "hot-oil" thieves in that field are following. It would go to water like Powell field did. At least a billion barrels of oil would be left in the sand in that field which would never be recovered.

We went before the Texas Legislature in January 1927 and asked for the passage of a conservation law giving the railroad commission power to curb production in order to prevent economic waste as well as physical waste. The bill, as finally passed after a very long struggle, permitted the commission to make conservation rules to prevent physical waste, but they were definitely restrained by law from considering economic waste in issuing proration orders. Many of the same persons who opposed this bill before the Texas Legislature at that time and who opposed the bill at every regular or called session thereafter are here trying to defeat this bill. They now say we have a good law, but they told the Texas Legislature it was a bad law. Their cry then was the same as it is here that the law will destroy the independents and benefit the majors. These persons represent a very small minority of the independent oil producers of Texas. They represented but a small portion of the independent producers at that time. It took us a long time to get the true facts before the Legislature of Texas, but when we finally did in January of this year the legislature passed house bill 99, giving the railroad commission the right to issue orders prorating Texas oil production to consumer demand. This bill was passed by the House, 125 votes to 15, and in the Senate by 24 votes to 1. The essential elements of this law are the same as we tried to get passed by the legislature in regular and called sessions for a period of 7 years.

During this period of inadequate conservation laws and invalid proration orders promulgated thereunder, a "hot-oil" racket has become so firmly established in Texas that the Texas Railroad Commission, even though it tried its best, could not dislodge these "hot-oil" thieves without the aid of the Federal Government.

If the members of the Texas Railroad Commission were thoroughly interested in conserving the oil resources of Texas, they would follow the example of the Governor of Texas and wire President Roosevelt that they believe this bill should be passed by Congress at once.

The conservation of natural resources is not a new function for the Federal Government. It is now engaged in reforestation work in a number of States. The frightful waste of our forest reserves is well known. There are men living today who saw the great virgin forest around the Great Lakes utterly wasted. Compare that waste with the conservation of timber now practiced in the great national forests which were set apart on the public domain by Gifford Pinchot, Secretary of the Interior under President Theodore Roosevelt. From these forests there have been cut millions of feet of lumber each year, yet there is more timber standing in these national forests today than at the time they were set apart. It is the difference between conservation and waste.

The effect of producing a natural resource in quantities above the consumptive demand is shown in the case of the production of lumber. Each producer in Wisconsin tried to get his lumber on the market before his neighbor did. Lumber sold on an average of $3 per thousand feet. No one made any money out of the production of lumber from that great forest except a favored few. The consuming public had cheap lumber for a while, but now in the same communities people who saw their virgin timber manufactured into lumber and sold for $3 per thousand feet are now paying $70 to $90 per thousand feet for an inferior lumber.

To a degree lumber is replaceable. But oil is a one crop. It is irreplaceable. Also one producer of lumber could cut his timber or leave it standing where it would grow and become more valuable. But not so with oil production. One operator in an oil field can cause the complete destruction of a pool.

If this bill is enacted into law this destructive waste of this great natural resource can be stopped, and without this Federal law it cannot be stopped.

More and more producers of oil have learned that enlightened self-interest demands that they conserve this natural resource. They have learned that they can secure three times as much oil from a given sand by conserving the gas and control the encroachment of bottom-hole water. They have learned that these conservation methods not only enable the operator to get more oil out of the common reservoir but also at a less cost per barrel. But in each field there is a vicious few, some enriched on hot oil, some selfish by nature, some so rich they neither fear nor care what the other man does, those who want to get rich quick at the expense of their neighbors, and those persons engaged in selling stock in producing and royalty companies, all entrenched in gold and political influence which brings on a situation which caused the President of the United States to ask Congress to pass the proposed bill at this session.

Where a State has no board set up to conserve the oil and gas resources under this bill, the Federal Government can go into the pools of that State and say to the operator, "You produce your oil according to a rule for conservation or your oil cannot go into the channels of commerce. It will be embargoed on the lease where it is produced."

Where a State has a board or commission set up charged with the responsibility of conserving this natural resource so vital to the business and to the happiness of the whole people of the Nation, how would this bill bring about the conservation of oil in that State?

Under the bill the Federal Government sets a quota in commerce for each State, its part of the national consumptive demand. This quota is distributed by the State board between the various pools of the State and between the various operators in a given pool. If each operator produces only the oil prorated to him, the sum total of the amount produced by all the operators in the State will equal the total quota to enter commerce allocated to the State. If the total oil going into commerce exceeds this quota, then the Federal Government can go into the State and stop the "hot oil" on the lease where it is produced before it enters commerce. But in the commerce in petroleum it is impossible to separate intrastate commerce from interstate commerce. It is so intermingled, and the one so burdens the other that they cannot be separated. This was held in the recent circuit court decision in New Orleans in the Amazon case.

If the State regulatory body does not get the allowable for the entire State as high as that announced by the Federal Government as the consumptive demand for oil produced in that State, how will this bill bring on the conservation of the natural resource of oil? That situation will hardly happen. You can depend on public sentiment to force the State governing body to set the allowable as high as the quota in commerce set for the States will permit.

Also, you can count on the producer of crude in a given pool to report both to Federal agencies and State agencies when an operator is producing beyond his pro rata share of the outlet of the pool, if he believes something is going to be done about it. It is very difficult for a State conservation agency to divorce itself from political influence, particularly where the members of the conservation commission are elected by popular vote. The tendency is to build up the necessary political machine to reelect themselves to office. At every proration hearing affecting any pool of oil they must give due consideration to the weight of the political influence of those for or against the proposed order. The influence of the group which is not interested in conservation methods in the production of oil and the group which is producing

hot oil have had great weight with the commission. In Texas the industry has lost confidence in the railroad commission. That confidence can be regained only if the commission either voluntarily or involuntarily makes more effective the enforcement of its orders. There could be no more effective method to assist the elective conservation commission in a State to rid itself of the influence of the groups that try to break down proration and bring about uncertainty in proration orders and their enforcement than the assistance that this bill will give those bodies in bringing about the conservation of the oil resources of the State through the controls of quotas in commerce.

The "hot-oil" producer who would destroy the natural resource, steal his neighbor's oil from under his neighbor's lease while his neighbor was obeying the law and orders of the conservation commission, would have his oil embargoed on his lease where it was produced. It could not enter commerce. He could not get a quota in commerce for his production beyond his prorata part. The oil and gas resources of a given pool can be conserved only when every operator is forced to take from his well only his prorata part. Unequal withdrawals bring about untold underground waste, and the flooding of the market with this stolen oil places a tremendous burden upon commerce. Uncertainty in the law and in the regulations means prosperity for those who wish to break the law and steal his neighbor's oil. Without this law, wanton waste will continue in all the producing States.

The only remedy the State has to prevent "hot oil" from being produced is the assessment of a penalty. In the State courts conviction is about as uncertain whether the accused is a bank robber or a producer of "hot oil." The State conservation body cannot prevent hot oil from entering commerce. As previously stated, it is physically impossible to separate intrastate from interstate commerce in petroleum and its products. This law would give the additional governmental supervision necessary to force each operator in the field to observe conservation methods of production. The Federal agency would have the most powerful of all weapons; that is, the right to stop the "hot oil" from entering commerce.

If this bill is enacted into law the consuming public will be protected against an unreasonable cost for refined petroleum products.

1. The source of supply will be conserved. The flush fields can be produced in an orderly way so that the maximum number of barrels will be recovered and at the minimum cost per barrel. This will cut down the cost to the consuming public because the source of supply is assured and the cost of producing the raw product is held to a minimum. The saving of the 300,000 stripper wells, the real backbone of the source of supply, will tend to cut the cost of gasoline to the consuming public because if they are abandoned new pools must be discovered to provide the oil which these wells would produce. One of the greatest costs of gasoline to the consumer is caused by waste underground.

2. The tremendous cost of storing oil above ground will be saved. Loss by fire, loss by evaporation, loss by deterioration of the raw product, the tax cost, insurance cost, the large interest charge on the investment in the oil, and the steel storage is a tremendous charge upon the consuming public.

3. The seasons of plenty and seasons of famine, with the attendant cost to the consuming public will be done away with.

4. This law will prevent monopoly in the oil business. The law-abiding independent oil producer and refiner is being ground to death between the hot-oil thief and the major companies. The large, well-financed majors can withstand the flood of oil when it enters commerce in quantities more than the market will consume. The major company can store the flood of cheap crude and refine it when the price goes up. They have the facilities and the money. I believe there are some major companies who are secretly fighting this bill in order that a chaotic condition can be brought about so they can fill millions of barrels of empty storage with 25-cent crude oil.

The law-abiding independent and law-abiding refiner will be destroyed if this bill is not enacted into law. When they are destroyed you will have monopoly and the consuming public will pay the bill. A tragic economic catastrophe is sure to follow. Schools will be closed in the oil country, prosperous communities will be impoverished, tens of thousands of men will be thrown out of employment, wages will be cut, hundreds of banks will either close their doors or the R.F.C. will be forced to take them over. No wonder the Texas Bankers' Association unanimously voted a resolution asking that this bill be passed at this session of Congress. The East Texas Chamber of Commerce has petitioned Congress to pass it; the West Texas Chamber of Commerce, on the 14th of this month in convention in San Angelo, Tex., after hearing the bill denounced by Colonel Thompson, of the Texas Railroad Commission, unanimously voted a resolution requesting Congress to pass this bill at this session; the business and commercial organizations of Texas ask it; the independent oil men of the Nation ask it, except a little handful who oppose it. Among those so-called "little independents" are some of the richest oil men in Texas. The coal men of the Nation will be ruined unless the production of crude oil is held to consumptive demand and "hot-oil" production is stopped.

Should the whole Nation suffer in order that a few very rich men may become wealthier and so that a few promoters who sell stock in producing and royalty companies may get rich quick?

Gentlemen of the committee, you will see such an abandonment of stripper wells in every oil-producing State, such a wanton waste of an irreplaceable natural resource, such chaos in marketing in every State in the Union, that you will be called back in session, and you will force every law-abiding independent to come here on his knees and ask you to do the thing he would hate most to see done—a law providing for the complete regimentation of the oil industry. The consuming public through the marketers will be here doing the same thing. So will the majors themselves. Gentlemen, save us from such a day.

If this bill is not passed, the only way this catastrophe can be escaped is for the law-abiding producers to sit by and see their oil stolen from them, to sit by and see their properties flooded by water, to sit by and see the gas energy wasted into the air, to sit by and see this needed natural resource wantonly wasted. The ordinary economic laws that govern the manufacturing of such products as shoes, clothing, goods made from steel, and so on, are not applicable to the refining of oil, because of the difference in the nature of the raw product, and the ease with which it can be turned into a usable product. The shifting of markets from the legitimate law-abiding independent refiner to the "hot-oil" refiner with a flood of cheap gasoline made from stolen oil is so rapid it is utterly destructive of legitimate business.

The law-abiding independent refiner will be forced to become a "hot-oil" refiner or shut his plant down and let it go to rust.

Gentlemen, surely you will not exact that penalty of us in order that a very few oil men may get rich quick and come up here and defeat legislation, and go to Austin and the various other State capitals and defeat laws and valid proration orders, and permit the natural resources of crude oil in this Nation to be destroyed upon the altar of greed.

Finally, gentlemen, in the light of the disturbed international relations, the default or the repudiation of debts due the United States, the control of the foreign supply of oil by these nations, the possible need of a large supply of fuel oil and gasoline by our Navy, will you adopt a national policy with regard to the conservation of this irreplaceable natural resource which leaves the matter of determining the type of conservation, if any, of this resource entirely to the State producing the oil? Will you support the President of the United States, who has asked for this legislation. It is only he who knows the international situation.

W. B. HAMILTON,
Wichita Falls, Tex.

(Representing the West Texas Chamber of Commerce, main office, Stamford, Tex.)

ORDER OF BUSINESS

Mr. O'MALLEY. Has the gentleman from Tennessee any idea as to whether the pension bill will come up?

Mr. BYRNS. I have an idea that the bill may come up, and I hope it will.

Mr. PETTENGILL. Mr. Speaker, the committee has reported the railway pension bill by an almost unanimous vote this morning, having adjusted their differences in committee, and I hope that bill may come up also.

Mr. BYRNS. I understand the Senate has that bill under consideration now and will dispose of the matter today. I do not know what the situation may be later.

Mr. PEYSER. Mr. Speaker, I demand the regular order.

THE UNEMPLOYMENT CENSUS

Mr. PETTENGILL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the unemployment census bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. PETTENGILL. Mr. Speaker, no one knows accurately the total amount of unemployment or where it is located. Conditions have changed radically since 1930. It is therefore said with a good deal of conviction that an unemployment census will probably save its cost several times over in the more intelligent use of funds for the solution of this problem.

But the census is to begin on November 12, 6 days after the election. It is said that that is an ideal time to take the census, especially in the agricultural sections of the country. Let us grant that. Still, that date lays the whole thing open to the charge, whether just or unjust, that it is designed to influence the election.

That charge ought to be avoided at all hazards. Caesar's wife should avoid not only evil but the appearance of evil. So should the United States Government.

The census, if it is to be taken, ought to be farther removed from the election, either ahead or behind.

The prime asset of government is the confidence of its citizens. In the last analysis it is its only asset. I will not vote to impair it.

COMMITTEE ON ACCOUNTS

Mr. WARREN. Mr. Speaker, I ask unanimous consent that for the remainder of the session the Committee on Accounts may be permitted to sit during the sessions of the House.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

PAUL JELNA

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 3032) for the relief of Paul Jelna.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3032) for the relief of Paul Jelna, state that the effect of the Senate amendment was to deny the beneficiary of the bill the right to make a claim for pension. The elimination of the amendment gives this right to the beneficiary.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

WILLIAM G. BURRESS, DECEASED

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 2439) for the relief of William G. Burress, deceased.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2439) for the relief of William G. Burress, deceased, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2439) for the relief of William G. Burress, deceased, state that the effect of the Senate amendment was to deny the beneficiary of the bill the right to make a claim for pension. The elimination of the amendment gives this right to the beneficiary.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

JOHN P. LEONARD

Mr. HILL of Alabama. Mr. Speaker, I call up the conference report on the bill (H.R. 541) for the relief of John P. Leonard.

The Clerk read the conference report.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 541) for the relief of John P. Leonard having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

MORRIS SHEPPARD,
M. M. LOGAN,
ROBERT D. CAREY,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 541) for the relief of John P. Leonard state that the effect of the Senate amendment was to deny the beneficiary of the bill the right to make a claim for pension. The elimination of the amendment gives this right to the beneficiary.

LISTER HILL,
E. W. GOSS,
Managers on the part of the House.

Mr. HILL of Alabama. Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

AMERICAN LEGION CONVENTION

Mr. HILL of Alabama. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9123) to authorize the Secretary of War to lend War Department equipment for use at the Sixteenth National Convention of the American Legion at Miami, Fla., during the month of October 1934, with Senate amendments, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Page 1, line 7, after "cots", insert "and."
Page 1, lines 7 and 8, strike out "and mattresses or bed sacks."

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Senate amendments were agreed to.

A motion to reconsider was laid on the table.

INCREASED COST OF GOVERNMENT CONTRACTS

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 9002, an act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes, with a Senate amendment, and concur in the Senate amendment.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause down to and including line 22, on page 2, and insert:

"That the Comptroller General of the United States be, and he is hereby, authorized and directed to adjust and settle on a fair and equitable basis claims of persons who entered into a contract or contracts with the United States prior to August 10, 1933, including subcontractors and materialmen performing work or furnishing material or necessary fuel direct to the contractor under such contracts, for additional costs incurred by reason of compliance on and after August 10, 1933, with a code or codes of fair competition approved by the President under section 3 of the act approved June 16, 1933, known as the "National Industrial Recovery Act", or by reason of compliance with an agreement with the President executed under section 4 (a) of said act in the performance after August 10, 1933, of the contract or any part thereof. In the event that such contract was performed wholly or in part by a surety on the bond of the contractor, the claim may be presented by and settlement made with such surety, but such surety shall have no greater rights than would have accrued to the contractor had such contractor completed the contract. Any contractor, subcontractor, or completing surety desiring an adjustment and settlement with respect to any such contract under this act for increased costs incurred after August 10, 1933, by reason of compliance with the codes or reemployment agreements shall file with the department or administrative establishment concerned a verified claim itemizing such additional costs, and any subcontractor on any such contract may file his claim directly with the head of the department or independent establishment concerned or through the contractor. After the claim has been examined by the head of the department or independent establishment concerned, or such person or persons as he shall designate, the claim shall be transmitted to the Comptroller General of the United States, accompanied with an administrative finding of fact and recommendation with respect to the claim."

Page 2, line 23, strike out "3" and insert "2."

Page 2, line 23, strike out "award" and insert "allowance."

Page 3, line 5, strike out "4" and insert "3."

Page 3, line 5, strike out "award" and insert "allowance."

Page 3, lines 8 and 9, strike out "The agency or agencies to be created or designated thereunder" and insert "The head of the department or establishment concerned, subject to the approval of the Comptroller General."

Page 3, strike out lines 12 to 17, inclusive, and insert:

"SEC. 4. No claim hereunder shall be considered or allowed unless presented within 6 months from the date of approval of this act or, at the option of the claimant, within 6 months after the completion of the contract, except in the discretion of the Comptroller General for good cause shown by the claimant."

Page 3, line 18, strike out "6" and insert "5."

Page 3, strike out lines 21 to 25, inclusive, and insert:

"SEC. 6. In all proceedings under this act witnesses may be compelled to attend, appear, and testify and produce books, papers, and letters or other documents; and the claim that any such testimony or evidence may tend to incriminate the person giving the same shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person in the trial of any criminal proceeding. Nothing in this act shall in any way relieve or excuse any officer of the United States or any claimant from prosecution under any statute of the United States for any fraud or criminal conduct."

Page 4, strike out lines 1, 2, and 3.

Mr. SNELL. Mr. Speaker, will the gentleman from Texas yield for a question?

Mr. SUMNERS of Texas. Yes.

Mr. SNELL. I have been told that practically the only change is that the Senate amendment places the responsibility for these settlements with the Comptroller General instead of a commission.

Mr. SUMNERS of Texas. It is my understanding that is the only material change. I did not examine this bill with the Committee on the Judiciary of the House yesterday, but it was examined by the committee, and they agreed that really the Senate amendment improved the bill.

Mr. SNELL. I should think so.

Mr. DOWELL. And it was a unanimous report of the committee?

Mr. SUMNERS of Texas. It was a unanimous report, I am advised.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendment was agreed to.

A motion to reconsider was laid on the table.

THE ECONOMIC OUTLOOK

Mr. COLE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a radio address delivered by my colleague the gentleman from Maryland [Mr. GOLDSBOROUGH].

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. COLE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following radio address of Hon. T. ALAN GOLDSBOROUGH, of Maryland:

I have said I was going to talk about the economic outlook. For the purposes of these remarks, what I mean by the economic outlook is just how the middle and poorer classes of our people are going to fare in the immediate future.

It has often been said that the American laborer is better off than his brother elsewhere in the world, whether in Europe, Asia, or any part of the Americas outside of the United States. This statement is true and is even given as an excuse for our letting conditions alone and not attempting to improve them.

Neither labor nor agriculture has ever received its fair proportion of any country's production, and this statement is as true of the United States as it is true of every country in the world, although, because of the greater enlightenment of the American people, labor is in a better position than it is elsewhere.

It has been conservatively estimated that the actual and potential production of the American people is sufficient to justify a distribution annually of the good things of this world to every family in the country to the equivalent of what could be purchased with $20,000. In other words, it has been shown that the American people are able to produce enough for every family in the country, irrespective of station, to have an income equivalent to around $20,000 a year if the wealth were equally distributed. Of course, the wealth cannot be equally distributed, because higher ability justifies higher earning power; but even giving full weight to this consideration, there is no reason why there should be any poor people in this country.

The truth of the matter is that ever since about 1820, when the harvester was invented, the genius of the American people has been devoted to the problem of production and the problem of distribution has been overlooked.

It is an interesting fact that the philosophy of Francis Bacon, described as a philosophy of inductive reasoning and experimentation, began to make its impression upon the people of this country during the first quarter of the nineteenth century, from which time until now we have largely lost sight of the deductive reasoning process necessary to an understanding of just principles of distribution.

The first thing necessary is a realization among our industrialists that the only way they can keep their factories on a full-time and profitable basis is to see to it that buying power is furnished to the masses of the people, in general, to agriculture and the laboring classes, that good prices for basic agricultural products, such as wheat, corn, cattle, hogs, milk, butter, etc., are sustained, and that wage scales are built up to a point where the masses of the people will be able to buy.

The present administration is making a mighty effort along these lines and is also endeavoring to cooperate to make unnecessary child labor and to guarantee security for the aged and insurance for the unemployed. It is, of course, perfectly obvious that the only sound principle for the distribution of the Nation's wealth is the principle of justice and not the principle of charity and when we learn what justice is in the light of distribution and carry out its principles, charity will be unnecessary. Justice is more august than charity, but until we have a better understanding of how to get the country's enormous production to the masses of the people, we should provide them with insurance when they are unemployed and with pensions when they are old. No one in a country as rich as this should ever be subjected to the humiliation of public charity; society's recognition of human dignity should absolutely prevent this.

On the subject of old-age pensions I have been consistently working since 1930. I prophesied then that the recently enacted laws of New York and California providing for old-age pensions would be successful in their operation and that the result of the operation of these laws would cause like legislation to be passed in the various States and by the National Congress. At the end of March 1934 there were 50,640 old-age pensions being paid in the State of New York, and 16,068 old-age pensions being paid in the State of California. There is still a chance of our securing old-age pension legislation in the American Congress before its adjournment, and I have no real doubt that it will certainly be secured in the next Congress.

I have recently been in consultation with some very influential people in my own State of Maryland, and there is going to be a concentrated effort made in the next Maryland Legislature to pass compulsory old-age pension legislation. Of course, every effort to change conditions favoring the under dog is combated everywhere by entrenched wealth and power. This is a situation we cannot change and one which causes delay in the passage of humanitarian legislation. The necessity of a change in our monetary system is a matter about which the American Congress is becoming increasingly conscious.

About one-tenth of our currency is real money and about nine-tenths of our currency is check money, which is the result of loans extended by banks and which are redeposited and checked on so that about 0.9 of our money is simply a by product of private banking operations; and when banks are engaged in the process of collecting loans made by them, our currency is contracted. To illustrate: In normal times the deposits in all banks of the country are about $55,000,000,000. The deposits

now amount to something less than $35,000,000,000. Expressed in another way, the credit currency of the country has been reduced about $20,000,000,000 below normal. Under conditions such as these it is impossible to transact the business of the country.

Society, which is represented by the Government, should furnish itself with a dependable medium of exchange that actual money can be placed in circulation during a period when the banks are not performing their normal functions, which money can be taken out of circulation when the banks resume their usual loaning operations.

Daniel Defoe, whom we all remember as being author of Robinson Crusoe, was also in his day an authority on monetary matters. Writing in 1701, Defoe said: "Trade always bears a proportion to money and credit; and consequently, they who by any methods diminish the stock of cash or credit equally injure our trade. The calling in our coin visibly put a stop to trade, because the stream which drives the mill * * * was ceas'd. * * * Whoever wounds the public currency of proper credit is robbing the nation of so much stock * * * and trade must decline accordingly." At that time the same general situation of property in the midst of plenty appears to have existed. Writing in 1729, Defoe says: "The poor * * * wanted bread; the wool lay on hand, sunk in price, and wanted a market; the manufacturers wanted orders, and when they made goods knew not where to sell them; all was melancholy and dismal on that side. Nothing but the East India trade could be said to thrive; * * *."

In speaking of present conditions in England, the Earl of Tankerville in an address delivered at the Grand Hotel, Stockholm, on Tuesday, May 8, 1934, said: "The community cannot buy all that it has produced for the simple reason that the necessary money has not been put into its hands. And so there arises an unsalable surplus, which the Nation has produced, but which, for the reason I have just given you, its individual members cannot buy."

In a resolution adopted by the Association of British Chambers of Commerce on April 19, 1934, the statement is made: "This association views with grave concern a defect of fundamental importance in the monetary system whereby the purchasing power of the community is rendered increasingly insufficient to buy the whole product of industry, the effect being reflected in the present disastrous world situation, and accordingly requests the executive council to take the necessary steps to set up a special committee composed of representatives of the association, and of other important commercial and industrial organizations, to consider how this defect can be remedied, and to report."

In a bill now pending before the Committee on Banking and Currency of the House of Representatives a monetary authority is set up to represent society as a whole and upon which is placed the responsibility of furnishing society with a dependable medium of exchange and of reflating the price level and stabilizing it.

Hearings were held on this bill before the committee beginning on January 30, 1934, and ending on March 8. More than 500 pages of printed matter covered these hearings. The demand for them has been very great and over 5,000 copies have so far been distributed to colleges, universities, chambers of commerce, public libraries, and financial institutions throughout the world, and the Government Printing Office informs me that in the last few days it has received an order for 1,500 copies from an economic organization in New York. It may, of course, take some time to work the matter out; but when I visualize the enormous advance in monetary thinking in the 14 years, I have been in Congress, it seems almost like a miracle. In 1922 the first hearings since the beginning of time on any measure looking to the stabilization of money in the interest of all the people were held before the Banking and Currency Committee of the House of Representatives. These historic hearings were held on December 18, 19, 20, and 21, 1922. Over 60,000 copies have, upon request, been sent all over the world and began an inquiry which will never stop until the people are furnished with a dependable medium of exchange, and until a period of social distress such as we have been through in the last 4 years can never be repeated.

Within the short span of my public life I have seen very many instances of vast changes in predominant public sentiment. Every thinking person believes in conservatism in matters of legislation. If there is one thing on earth about which you cannot let your enthusiasm control you, it is in matters of legislation. You must be guided by sympathetic reasoning—and the thing that interferes with progress is not real conservatism, but the static mental processes of those who feel that they are economically safe themselves and refuse to give consideration to the difficulties besetting the great masses of humanity.

This kind of conservatism is what I will call "pure conservatism", and pure conservatism is always wrong. Civilization is never fixed, no Joshua has power to stay the course of the human mind. Change is the necessity of human history, progress the duty of the human race. Pure conservatism has no place in the annals of mankind. It concedes the past but denies the future. It worships the actual but anathematizes the possible. Its creed is the present because it is the present. It has neither sympathy with the past nor prophecy for the future. Content where it finds itself, pure conservatism sits down by the wayside while the march of civilization passes by and presses on to the promised land of the future, guided on her dark way by faith in the destiny of man as by a pillar of fire.

ALCOHOLIC BEVERAGE CONTROL ACT

Mr. PALMISANO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H.R. 8525, an act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of classes A and B in residential districts, with Senate amendments, and agree to the Senate amendments.

The Clerk read the Senate amendments, as follows:

Lines 6 and 7, strike out "A, B" and insert "B."

Amend the title so as to read: "An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts."

Mr. RANKIN. Mr. Speaker, reserving the right to object, I want to ask the gentleman from Maryland if we may reasonably expect that the schools of this city will be protected from having beer and liquor saloons placed in front of them or near them?

I do not talk about this prohibition question much here, but we were definitely promised before you passed any wet bills that the school children of this city were going to be protected. I know of my own knowledge that there has been a beer saloon right in front of the Peabody School, a primary school on Maryland Avenue, for the last year or so, and I want to ask the gentleman from Maryland if it is going to be the policy to stick these saloons in front of the school children of this city, and if so, I want to be heard on the proposition. If these things continue, the moral forces will rise up and drive the liquor traffic out of the District of Columbia.

Mr. PALMISANO. Mr. Speaker, this bill has passed the House. It is only to permit off-sale license in the residential zones. These men whom the bill is to benefit, before the liquor bill passed, had a beer license. The Senate amended it so that it will not apply to liquor and it is only to sell beer in a residential zone and I think it is more or less off-sale.

Mr. RANKIN. Mr. Speaker, the people of the District of Columbia are not properly protected. Not only have their children been abused by this practice of placing saloons in front of their schools, but they have also been abused by permitting to be shown here, and I suppose all over the country, vulgar, filthy picture shows that have degenerated into night schools of immorality. The religious people of this country, the fathers and mothers of the Nation, beginning with the District of Columbia, are starting a revolt. They are not going to permit the alien, corrupt element that now has control of the picture-show industry in this country to destroy our civilization by debauching their children in this way. You might as well understand this now! The Christian fathers and mothers have started a revolt, and I for one am going to join them. If you want to go to these immoral shows, place them in a segregated section of the city, and put this sign over the door: "Indecent Picture Show; Children Not Allowed." But you are not going to continue to debauch the morals of the children by putting on the stage shows that would justify sending even their makers to the penitentiary if they had a just trial, nor are you going to continue to stick these beer and liquor saloons in front of the public schools of the District of Columbia, if I can prevent it. I do not pose as any saint, but for the last few months I have taken my child and walked out of the dirty picture shows in the District of Columbia, and I have seen other parents do the same thing.

It took 2,000 years to build this civilization, based upon the finest moral precepts. It did not come about by accident. It cost the toil and suffering and sacrifices of millions of noble men and women. Its very foundation was laid upon the dead bodies of early martyrs. Every stone in its superstructure represents the life of some great man or woman, dedicated to the cause—cemented by the blood and tears of the fathers and mothers who have given their lives that their children might have a better world in which to live.

And now to have this glorious temple undermined and destroyed by these vermin; poisoning, polluting, and cor-

rupting the lives of little children is more than the fathers and mothers of this country will stand.

Go to some of these picture shows that could be used to serve a great educational purpose, and what do you see? Invariably you see a show so vile and corrupt that if a newspaper published an accurate description of it the editor would go to prison for sending obscene matter through the mail. They attempt to make a hero of the loathesome libertine that debauches some college girl or wrecks his neighbor's home, or to make a heroine of some woman of ill fame.

Behind all this is a poorly concealed plan to tear down and destroy the moral fabric of our civilization. But they have reckoned without their host. The moral forces of America are becoming aroused, and are saying in the immortal words of a certain French general, "They shall not pass!"

It is time for Congress to wake up and help to protect the children of this country, including the children of the District of Columbia. [Applause.]

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was agreed to.

DEDICATION OF THE POST OFFICE DEPARTMENT BUILDING, JUNE 11, 1934

Mr. JOHNSON of West Virginia. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of West Virginia. Mr. Speaker and Members of the House, it was my privilege on last Monday to attend the dedicatory services held at the new post office here in Washington. There were a great many addresses made there. I was extremely impressed by the masterful oration delivered by our distinguished Speaker. It is full of information, showing the development of our Postal Service. I was so impressed that I felt that his address should be printed in the public RECORD, and I therefore now ask unanimous consent to print that address in the CONGRESSIONAL RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of West Virginia. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address by Hon. HENRY T. RAINEY, Speaker of the House, June 11, 1934:

One hundred and thirty-seven years after the voyage of Columbus the first official act dealing with the American Postal Service was taken by the General Court of Massachusetts. A modest tavern in Boston was named as the official repository for the mail brought across the seas.

Thirty-nine years later the Governor of New York established a monthly mail service between New York and Boston. Ten years later in Pennsylvania William Penn established a weekly post.

By 1691 the population of the English Colonies in America had grown to 200,000. The necessity for a postal system began to become apparent, and ambitious subjects of the King of England began to see money-making possibilities in transmitting through the Colonies intelligence, and the King of England granted a monopoly for 21 years to Thomas Neale, one of his favorites. The service was inaugurated with dignity and with proper attention to the importance of the matter and the King issued letters patent to Neale, which gave to him the monopoly of postal communication in the American Colonies and he was authorized to charge for the service all the money he could induce the planters to give.

The revenue possibilities became apparent, and 15 years later, before the expiration of the monopoly awarded to Neale, the King of England took over the service. For over a third of a century the balance sheets sent to London showed continual deficits and the King abandoned the attempt to distribute mail in the Colonies, and Benjamin Franklin was made postmaster at Philadelphia. Later on, under Franklin's direction, the postal service quickly increased. In 1753 the total revenues amounted only to $1,200, but 15 years later, under Franklin's direction, there were surplus revenues amounting to over $12,000, but under the regulations established by the King the entire profits of the service were sent to England. The American Colonies bitterly resented the attempt of the King of England to make a profit out of postal communications, and it is evident that the unfriendly feeling of the Colonies for the British crown commenced with the determination of the King of England to make a profit out of the American Colonists for distributing mail. As a measure of retaliation letters were carried by post riders and it was not long until the profits of the royal mail service were completely destroyed. Franklin insisted always that postal rates were not a tax and should not be a tax, but he contended rather that they were fees for service rendered.

It was not long until local committees of correspondence and observation were organized and they employed their own dispatch riders. Paul Revere was one of them. After the Battle of Lexington, dispatch riders were sent to all the Colonies with news of this event, and when the mail messenger reached Williamsburg, Va., carrying the news of the Battle of Lexington, the Gazette, published in Williamsburg, issued a special edition with the caption, "The Sword Is Now Drawn and God Knows When It Will Be Sheathed." The Sons of Liberty were organized and took charge of the Postal System. Ship captains were ordered to deposit their letters at special coffee houses instead of at the post offices, and whenever it was necessary they took the letters by force, and the first letters sent through the post office at New York were those containing threats against leading Tories.

From that time until this, Postal Service in the United States rapidly developed with the rapidly increasing population. Washington advocated the distribution free of information relating to "the laws and proceedings of the Government", and the distribution of franked mail has continued through the years with but one slight interruption, following the suggestions of Washington.

Our Government, in its origin, commenced by affirming the equal rights of men, and our school system and our mail service developed side by side. Commenting upon free schools and cheap distribution of intelligence through the mail service, Lincoln said in the beginning, "We proposed to give all a chance and we expected the weak to grow stronger, the ignorant wiser, and all better and happier together", and so our Postal Service became an instrument for social welfare. It carries messages of sympathy and love; it holds together a scattered family; it enlarges the common life of all; it disseminates news rapidly. It has become the instrument without which trade and industry could not exist. It has helped to bind together the people of the 48 States in mutual friendship and understanding. It has promoted peace and good will throughout the Nation and throughout the world.

Today we dedicate this magnificent structure—the most important and the most beautiful building devoted to postal purposes in all the world—and it is peculiarly appropriate that this building, the center of the greatest mail service in the world, should have been constructed here in the very heart of the Nation's Capital.

The Post Office Department is the largest single employer of labor in the world. There are over 240,000 permanent employees in the service. The service has at last become self-sustaining. Deficits are disappearing. There are 15,000 post offices in the United States, all controlled from this building. There are in operation now 40,000 rural routes, giving postal service to 26,000,000 individuals, and today the daily arrival of the rural carrier at lonely farms keeps the family in touch with the world and its happenings. Every day carriers in the rural service travel over 1,300,000 miles. There are in existence over 12,500 star routes, and star-route carriers travel every day over 240,000 miles. There are in operation nearly 4,000 railway post-office trains, covering every day 193,000 miles of surface. Four hundred and thirty-five companies carry the mail every day over 206,000 miles of railroads. Every year we transmit to foreign countries by land and by sea over 300,000,000 letters and other articles, exclusive of mail carried in the parcel post.

In the beginning of the fiscal year 1933 there were 27,000 miles of air-mail routes over which during that year nearly 7,000,000 pounds of mail were carried on flights aggregating 36,000,000 miles. The air mails of the United States are delivered at airports in Colombia, Venezuela, and the Canal Zone on the second day from the time of the dispatch, and at Argentine airports on the seventh day. International air routes provide direct mail and passenger service to the countries of Central and South America and the Caribbean, starting from Miami, Fla., and from Brownsville, Tex., covering 18,500 miles of territory and comprising one of the world's largest systems of airways.

The Postal Savings System of the Post Office Department holds in trust today for over 2,300,000 depositors over $1,000,000,000 in postal savings.

All this Service centers here and will be controlled from this building. It is appropriate indeed that this structure, dedicated today, should be ample in its accommodations, beautiful and impressive in its architecture, and the money expended in its construction is money well expended.

Our Postal Service has now become almost self-sustaining. In 1933 our expenditures in support of this splendid Service were over $700,000,000 and our revenues from the Service almost balanced our expenditures. The dream of Benjamin Franklin and the Sons of Liberty has been more than realized. Sixty-one years ago our postal revenues amounted to only $23,000,000.

Automobiles and improved roads are making possible an increase in the average length of rural routes and this is making possible economies in the Service. Routes are rapidly now being consolidated and in the course of the next few years we can expect substantial savings in this Service.

We are continually building in our smaller towns, when the receipts authorize it, more and more monumental post-office buildings, and it is not too much to expect that in the course of a few years every first-class post office, and perhaps every second-

class post office, will be properly housed in a public building provided for that purpose by the Government of the United States.

It is evident now that private control by contracts of the distribution of mail over rural routes and star routes will never be inaugurated. It is a public service and ought to be administered always by employees wearing the official uniforms prescribed for that purpose, and all of them sworn to protect and defend the Constitution of the United States. This Service develops patriotism and tends to increase respect for the Government.

Today these ceremonies are carried by radio to homes throughout all the land and 9,000,000 people are listening in. Tomorrow the newspapers will bring to practically every family in the United States the information that this great structure has been dedicated now to the greatest mail service in all the world.

VETO OF THE INDEPENDENT OFFICES APPROPRIATION BILL

Mrs. JENCKES of Indiana. Mr. Speaker, I ask unanimous consent to extend any remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mrs. JENCKES of Indiana. Mr. Speaker, in order to clear up the misunderstanding concerning my vote on the independent offices bill, I desire to make this statement to the House of Representatives:

The Honorable James A. Farley, chairman of the National Democratic Committee, requested me to go to Bangor, Maine, to deliver the keynote speech at the Maine Democratic State Convention. While I was away, the independent offices bill was returned to the House for its consideration. My office immediately wired me at Bangor, requesting information as to how I desired to vote. I immediately telegraphed back to record my vote against the veto. My office reported this to the Democratic whip, and the Democratic whip's office advised that I was paired with Representative EUGENE CROWE, of Indiana, to vote against the veto; however, the message which the Democratic whip's office transmitted to the pair clerk was not carried out.

I quote the following letter from the clerk of the Democratic whip's office, which explains my position. I wish this to be placed in the RECORD, in order that my intentions to vote against the veto might be clearly understood:

APRIL 18, 1934.

Hon. VIRGINIA E. JENCKES, M.C.,
House of Representatives, Washington, D.C.

MY DEAR MRS. JENCKES: I wish to advise you concerning your vote on the independent offices bill on March 27, 1934.

Your office telephoned me and advised that you had telegraphed instructions to your office to pair you with a Member of the House of Representatives voting to override the President's veto. Immediately upon receipt of this telephonic message from your office I telephoned the floor to pair you with Representative EUGENE B. CROWE, who was voting on the independent offices bill to override the President's veto.

I notified your office that you would be paired. I did not know until the day following that the page who had received my message had not delivered the message to Representative CROWE and, therefore, your vote was not recorded.

I am writing you this letter as an indication of your intentions to vote to override the President's veto on the independent offices bill. You may refer to me any or all inquiries or you may use this letter as you see fit.

Sincerely yours,

JOHN M. HOGAN,
Clerk, Democratic Whip of the House of Representatives.

STATEMENT

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to make a statement. On page 10240, roll call 164, I am recorded as paired. If present, I would have voted "no."

On page 10242, roll call 165, I am recorded as paired. If present, I would have voted "no."

On page 10243, roll call 166, I am recorded as paired. If present, I would have voted "no."

INVESTIGATION UNDER HOUSE RESOLUTION 409

Mr. COCHRAN of Missouri. Mr. Speaker, I call up House Resolution 426 from the Committee on Accounts.

The Clerk read the resolution, as follows:

House Resolution 426

Resolved, That the expenses of the committee conducting the investigation authorized by House Resolution 409, not to exceed $7,500, including expenditures for the employment of experts, and clerical, stenographic, and other assistants, shall be paid out of the contingent fund of the House on vouchers authorized by such committee signed by the chairman thereof or by the chairman of the subcommittee thereof conducting the investigation, and approved by the Committee on Accounts.

With the following committee amendment:

After the period in line 9 insert a new section:

"SEC. 2. That the official committee reporters shall be used at all hearings held in the District of Columbia."

Mr. SNELL. Will the gentleman state what investigation that is?

Mr. COCHRAN of Missouri. By the Veterans' Committee of alleged mishandling of money by guardians of incompetent veterans.

Mr. SNELL. That is one of the 57 varieties of investigations.

Mr. COCHRAN of Missouri. If the gentleman had been present when the conditions were outlined to the Committee on Accounts, he would have no objection to this resolution. Regardless of how many investigations have been authorized, here is one that must be undertaken because of the nature of the charges that have been made. There is no other course the House could take. For instance, a preliminary investigation discloses there is about $200,000,000 belonging to 80,000 incompetent veterans in the hands of guardians; that these guardians have invested this money in worthless bonds and other securities and otherwise mishandled the funds in their care. The Veterans' Bureau records alone disclose that $11,000,000 have been illegally invested, we were informed. These men are helpless, they cannot take care of themselves, and there is sufficient evidence already not only to warrant this investigation but to probably send someone to jail. Probate judges are also involved.

Mr. RICH. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. RICH. I think the amendment placed in the resolution is very fine employing the regular stenographers. Thereby you can save a great deal of money to the Government. I congratulate the gentleman.

Mr. COCHRAN of Missouri. Oh, that amendment has been added to every resolution that has been brought to the House during this Congress by the Committee on Accounts. It is our duty to protect the helpless veteran, many of whom are violently insane and in padded cells. Anyone who has violated the trust placed in them by defrauding these men, either directly or indirectly, belongs in the penitentiary. This committee is going to certain cities, and I predict that the facts will really arouse the public when true conditions are brought to light. Why, we were even informed that one guardian bought an automobile, with funds entrusted to him, for the purpose of taking his ward riding when the veteran was found to be so violent that he could not be moved from a padded cell.

We are also informed that foreign bonds, worthless, were bought by guardians from trust companies, by whom they were employed. How can we refuse to investigate such shocking conditions? Regardless of cost, the committee should go to the bottom of these charges.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. SNELL. Is there not some legislation on the books at the present time that provides how these guardians shall be appointed?

Mr. COCHRAN of Missouri. There is. There is a limitation, as I understand it, of five cases to any one individual, but there is no limitation on the number that a trust company may represent.

Mr. SNELL. Several years ago we had this whole subject up here. What was the result of that investigation?

Mr. COCHRAN of Missouri. Mr. BLANTON and Mr. RANKIN secured the removal of one of the District Commissioners. That investigation applied only to the District of Columbia, while this applies to the entire country. Legislation followed, but it is found now that even trust companies have not properly handled the money of their wards.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. RANKIN. The gentleman from New York [Mr. SNELL] knows that I conducted that investigation. That was in 1926. We found conditions that have been described on the floor of the House which we thought ought not to

exist, and we passed the present law that limits the number of guardianships an individual may have to five, but the Veterans' Administration and the administration then in power thought at that time that the limitation ought not to apply to trust companies. It has developed recently that some of these trust companies have invested this money in securities that have turned out to be worthless. This matter was called to my attention by a resolution that was introduced by the gentleman from Indiana [Mr. GRISWOLD]. That resolution went to the Committee on Rules. I got hold of General Hines, and, together with the Rules Committee, we had him to conduct the preliminary investigation. We found a condition, at least in Marion, Ind., that ought to be investigated, and we have gone as far here with the investigation as we think we can go. This is to send a subcommittee to these places where we find this trouble. So far as I am individually concerned, none of this money is going to be wasted; it is going to be used in the most economical manner, with a view to correcting a situation that we think ought to be straightened out without delay. We do not intend that these disabled veterans, these insane veterans, shall be mistreated if there is any possible way to stop it.

Mr. SNELL. Of course, everyone wants to protect them; but I do not believe that you can pass any law that will provide that none of the funds shall be invested in securities that are not worth their face value. No one has been smart enough to do that yet.

Mr. RANKIN. What we are after is to find out what is wrong, to find out what legislation can be passed to take care of the situation as best it can be taken care of. To be frank with the gentleman, I think that we can cure practically all this condition by legislation of the proper kind, but we must find out the facts. We want to know what we are doing. We do not want to injure anybody unnecessarily, but we want to get to the bottom of the thing and arrange for legislation that will cure it.

Mr. PERKINS. Mr. Speaker, will the gentleman yield?

Mr. COCHRAN of Missouri. Yes.

Mr. PERKINS. We have found not only cases where bad investments have been made but we have found many cases where the guardians, knowing the securities they held were worthless, or practically worthless, transferred them into these estates for the purpose of getting the money out of the estate. It was not merely a case of making a bad investment. It is having in their own portfolios worthless securities, knowing the character of them, and transferring them to the estate of the ward.

Mr. SNELL. If you know all about that, why investigate it further? Why not get together and pass the legislation?

Mr. PERKINS. If we knew all about it, we could pass laws to correct it, but we now have enough information to know that a complete investigation is necessary.

Mr. SNELL. Whether it is wide-spread or not, you ought to be able to suggest legislation and correct it without traveling all over the United States.

Mr. RANKIN. The subcommittee is not going to travel all over the United States. But we are going far enough to see that these helpless veterans are properly protected.

Mr. COCHRAN of Missouri. Mr. Speaker, I move the previous question on the resolution and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to, and the resolution as amended was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

THE GREAT CENTRAL VALLEY WATER SHORTAGE IN CALIFORNIA

Mr. STUBBS. Mr. Speaker, I ask unanimous consent to address the House out of order.

The SPEAKER. Is there objection?

There was no objection.

Mr. STUBBS. Mr. Speaker, I do this to draw the attention of the Congress to the Central Valley water project of the State of California, and ask their sympathetic consideration in the efforts we are making in California to gain from the P.W.A. some assistance, in order to save thousands of stricken families in my district whose lands are going back to the desert for lack of water.

The two counties most affected by this shortage of rainfall and lack of irrigation facilities are Kern and Tulare, as shown by the report of studies recently completed by the committee on water flow. In this report it was brought out that the lowering of the water table in this area will result in conditions so serious that steps must be taken in the near future if this now beautiful section of our country is to be held for the use of mankind, and not allowed to slip back into the wastes of the desert.

Last year the voters of California went to the polls and voted to ask the Federal Government as a State to come to their relief in the purchase of revenue bonds. The State Legislature of California put its stamp of approval on this project, and all other State interests are cooperating with their representatives in trying to make this tremendous project a reality.

May I call your attention to the fact that President Roosevelt in his message to Congress last Friday, June 8, shows that he is aware of the serious water shortage existing in the Western and Midwestern States at the present time, and is anxious to find some means of saving, for these many thousands of people in my State, and all the others affected, their farms and homes.

Gentlemen, I do not know first-hand the conditions existing in these other States, but I do know that whole cities and towns will be laid waste in the territory I represent if relief is not secured soon. And I refuse to see that happen. I have been unable to secure an allotment of money for the entire amount necessary for the completion of this project from the P.W.A., because of the tremendous amount needed, but I am asking and begging that I be granted at least the small amount needed to begin operations to redirect the flow of the mighty waters of the Sacramento River from the sea and down into this rich and fertile territory known as the "Great Central Valley of California."

I promise you that if I find the doors closed to me by these relief organizations I shall come to the Congress of the United States at the earliest opportunity to present a bill for the relief of the stricken people in the district I represent.

I thank you.

NATIONAL HOUSING, EMPLOYMENT, AND INSURANCE

Mr. STEAGALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 9620) to improve Nation-wide housing standards, provide employment, and stimulate industry; to improve conditions with respect to home-mortgage financing, to prevent speculative excesses in new-mortgage investment, and to eliminate the necessity for costly second-mortgage financing, by creating a system of mutual mortgage insurance and by making provision for the organization of additional institutions to handle home financing; to promote thrift and protect savings; to amend the Federal Home Loan Bank Act; to amend the Federal Reserve Act; and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H.R. 9620, the National Housing Act, with Mr. GLOVER in the chair.

The Clerk read the title of the bill.

Mr. PRALL. Mr. Chairman, there is an amendment pending. Just prior to the rising of the Committee on yesterday I sent to the desk an amendment. I find it is not necessary to adopt that amendment, and I therefore ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York [Mr. PRALL]?

There was no objection.

Mr. ELTSE of California. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ELTSE of California: On pages 47 and 48, strike out all of section 105.

Mr. ELTSE of California. Mr. Chairman, I spoke on the matter of striking out section 105 of this bill on yesterday. What I have to say will be partially by way of repetition of what I said then.

I call attention to the fact that under section 105 provision is made to afford insurance on amortized mortgages. The elimination of this section would not prevent those who are particularly interested in the clearance of slums, or low-cost housing projects, over which we had a battle yesterday on the amendment to insert the words "low-cost housing projects", from securing the relief or remedies in which they are interested. It does not affect the provisions of existing law to go forward with slum clearances and low-cost housing projects, but I call attention to the fact that the inclusion of this section in the bill is driving directly at the heart of building-and-loan associations throughout the United States, and, if passed with this provision in it, I prophesy that within a very few years, or a very few months, perhaps, the doors of many of the building and loan associations throughout the United States will be closed. I will give you my reasons for that. Under section 105 it is provided that these amortized mortgages may be made for new construction to the extent of 80 percent of the appraised value of the property. As the laws of the various States of the Union now stand, building and loan associations cannot make loans to the extent of 80 percent of the appraised value of the property. That is particularly true of the State of California and several other States. I realize that this 80 percent is the outside limit. I am satisfied—and any reasonable-minded man will come to the same conclusion—that other corporations will be organized to avail themselves of the opportunity of coming in under this act and making loans to the extent of 80 percent of the appraised value of the property. By so doing building-and-loan associations will be precluded from making loans on new construction. So much for that.

On the 60-percent clause of section 105, on existing homes, it so happens that many of the building and loan associations throughout the United States are now harassed and are having a difficult time in going forward. I will not say most of them are, but many of them are. The reason for that condition which confronts them is this: When they made their loans they made them on a 50-percent basis, or the amount allowed within the law. A 50-percent loan then made now constitutes about an 80- or 100-percent loan. So if this bill passes, these new corporations will be set up and they will come into the realty-investment field, or existing corporations which are now eligible under this section will come into the field of the existing building and loan associations and take away all of the cream of the deeds of trust and mortgage investments which the building-and-loan associations have, and withdraw all of those liquid assets from the existing building and loan associations. That will mean that the doors of many of the building and loan associations will be closed.

There is much agitation here for the substitution of title II of the bill as originally proposed. If that goes through, you can well rest assured that every building and loan association in the United States is going to be closed, and we will be doing a national mortgage business, loaning Federal funds, where private corporations and private individuals should have the field left to themselves.

Mr. PRALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if we were to adopt the amendment offered by the gentleman from California [Mr. ELTSE] it would take the very heart out of this bill. Section 105 is the most important section of the bill, and the very idea of this whole program is to bring out of hiding, as it were, private funds not available at this time. We propose to insure mortgages in order to induce private lenders, who have long since left the market, to come back into the market. There are something like $21,000,000,000 of mortgages on homes in this country. Savings-and-loan associations carry about six or seven billions of that amount. It will not put the building-and-loan associations out of business. It will release new funds which are now frozen and not available to take care of the demand to renew mortgage loans coming due during the next 3 years. Something must be done to meet this situation or real-estate values throughout the country will crash because of wholesale foreclosures. To adopt the gentleman's amendment would make all of this impossible of fulfillment and take the very heart out of the whole proposition.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. PRALL. I yield to the gentleman.

Mr. MARTIN of Oregon. As a matter of fact, have not every one of these bills—the President's bill, Mr. MCDUFFIE's bill, and the Steagall bill—included that insurance feature?

Mr. PRALL. Yes, sir.

Mr. MARTIN of Oregon. Every bill that has been proposed included it?

Mr. PRALL. Yes, sir.

Mr. MARTIN of Oregon. To increase the flow of money?

Mr. PRALL. Yes. It will coax back into the mortgage-investment market investors who have during the depression left it because of the depreciation in real-estate values.

Mr. MARTIN of Oregon. And get that money back into the market?

Mr. PRALL. Yes; it will aid savings-and-loan associations, savings banks, and other investors to meet this acute situation now confronting us.

The CHAIRMAN. The time of the gentleman from New York [Mr. PRALL] has expired.

Mr. DUNN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman and members of the Committee, I do not believe that the gentleman who offered the amendment really means that the building-and-loan associations of America will be put out of business if this bill, in its present form, is enacted into law.

Mr. ELTSE of California. Mr. Chairman, having referred to me, will the gentleman yield?

Mr. DUNN. I shall be pleased to yield to the gentleman when I finish my statement.

Mr. Chairman, if every building-and-loan association in the United States were to be put out of business by having the bill, which is now under consideration, so worded that it will insure the eradication of the slum districts of the country, then let every building-and-loan association in the United States go out of existence.

The Federal Government is spending millions of dollars for the purpose of wiping out crime. One of the best ways to wipe out crime is to eradicate the slum districts. The way to eradicate the slum districts is to eradicate the sweatshops; and the way to eradicate sweatshops is to give men and women who are able to work a job at a living wage.

I maintain that if we were to spend $25,000,000,000 for the purpose of wiping out the slum districts it would be an infinitesimal sum compared to the benefits which would be derived from it. Let us support this meritorious bill.

Mr. ELTSE of California. Mr. Chairman, will the gentleman from Pennsylvania yield to the gentleman from California?

Mr. DUNN. I yield.

Mr. ELTSE of California. I may say to the gentleman from Pennsylvania that when I rise to speak on the floor of the House I do so out of conviction, and have something to say. I do not take the floor of the House to express myself on things about which I have no belief.

Mr. DUNN. I believe the gentleman from California is sincere in his statements concerning the bill, but what I said pertaining to the slum districts I believe to be the truth. [Applause.]

The CHAIRMAN. The question is on the amendment of the gentleman from California.

The amendment was rejected.

Mr. HOLLISTER. Mr. Chairman. I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HOLLISTER: Page 47, line 19, after the word "homes" insert "and no mortgage shall be insured on a low-cost housing project in an amount in excess of $5,000,000"; and in line 20, after the word "homes", insert "and low-cost housing projects"; and in line 24, after the word "homes", insert "and low-cost housing projects."

Mr. HOLLISTER. Mr. Chairman, when the committee yesterday amended the bill by making low-cost housing projects subject to mortgage insurance, although I voted against it because I wished to support the bill as reported, I am frank to say I had considerable sympathy with the amendment. I have the greatest sympathy in the world with low-cost housing projects and with slum clearance. The only reason that I had some hesitation about seeing that provision included in this bill was because there was apparently no limitation on the amount of insurance which might go into this kind of project.

I want to point out to the members of the committee that the bill contains certain limitations on the amount of insurance which the insurance corporation can write. The limitation is now $1,000,000,000 on existing homes and is now $1,000,000,000 on new homes. If no further change is made, this $1,000,000,000 limitation will attach to home insurance, but there will be no limitation whatsoever on insurance on low-cost housing projects.

It was the feeling of the committee that Federal insurance of mortgages was a highly experimental idea, something with which we should go rather slowly, and none of us wanted to bring in the bill the way it was originally introduced, which permitted insurance without limitation on new construction, because it might be $5,000,000,000, it might be $10,000,000,000, or it might be $15,000,000,000. We preferred to place a $1,000,000,000 limitation on the credit liability of the Federal Treasury on existing construction and $1,000,000,000 on new construction.

If we place no limitation on the insuring of low-cost housing projects, we are going to be faced with a situation where we may find low-cost housing insurance entirely eating up the insurance on small homes. I am sure no Member wants to see that happen.

By my amendment I place the insurance limitation at $5,000,000 on a low-cost housing project, because it seems to me that $5,000,000 is an adequate sum with which each one of these units may be carried on. In some large cities there might be several of these units, even 5, or perhaps 10.

I read in the morning papers a statement to the effect that the Public Works Administration had turned down two low-cost housing projects for Greater New York, one of $44,000,000, the other of $46,000,000. Undoubtedly these projects are greatly needed in the city of New York, but certainly we do not want to take $100,000,000 of a $1,000,000,000 limitation and put it into one city only. As I said yesterday, and as has been repeated over and over again, the chief idea of this bill is to get people to work, to stimulate the building industry. We do not want to do all the stimulating in one place; it should be general throughout the country.

The whole theory of Federal mortgage insurance is that of providing a reservoir of capital to be used wherever it is most needed and thus stimulate the general construction industry around the country.

It seems to me that if we make a $5,000,000 limitation on the insurance of low-cost housing projects, we have been fair to those who wish to include slum clearance and yet have avoided the danger of having this Federal insurance all directed toward one part of the country. It seems to me that this limitation should be included in the bill.

Mr. O'CONNOR. Will the gentleman yield?

Mr. HOLLISTER. I yield to the gentleman from New York.

Mr. O'CONNOR. As I understand it, as the language now appears at the bottom of page 47, there is no limitation on the amount that could be insured as to low-cost housing?

Mr. HOLLISTER. That is correct. My amendment inserts that feature.

Mr. O'CONNOR. I understood the gentleman to say that these low-cost housing projects would interfere with homes.

Mr. HOLLISTER. I beg the gentleman's pardon. He misunderstood me.

Mr. O'CONNOR. That being so, as the language now stands, no low-cost housing project would interfere with the billion that may be applied to homes?

Mr. HOLLISTER. Yes; but the gentleman does not realize that if we put in no limitation as to the low-cost housing projects we may find the Federal Treasury insuring a billion on homes and two or three billions on low-cost housing projects. What the committee wanted to do was to put a limit on both of them.

Mr. O'CONNOR. I do not think the committee had any such intention when the committee struck out the low-cost housing projects and included only homes in the bill.

Mr. HOLLISTER. And now I am perfecting it so the limitation will be there.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. HOLLISTER].

The question was taken; and on a division (demanded by Mr. HOLLISTER) there were—ayes 68, noes 42.

So the amendment was agreed to.

Mr. SABATH. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. SABATH: On page 47, line 6, strike out the word "homes" and insert in lieu thereof the word "buildings."

Mr. SABATH. Mr. Chairman, I am of the opinion that if the committee had given some thought to existing conditions they would have inserted or used the word "buildings" in lieu of the word "homes." Section 105 provides that upon terms and rules to be determined by it, the Corporation is authorized to insure amortized mortgages and like liens on owner-occupied homes. I desire that changed to read "on owner-occupied buildings."

As the situation stands now under the present law, we have hundreds of thousands of owners who own a building, the front of which is utilized or occupied by a store while the second and third floor is occupied by the owner or tenant. Such owner is precluded from obtaining a loan upon the property, although it is his home. It has been held that that is a commercial building and not a home and as such the owner could not secure relief.

I feel that these people should not be discriminated against. It was not the intention of the House to preclude the small-property owner who by chance had a little store 20 by 40 in the front part and lived in the rear of the building or above the store. As I say, it was not intended that that individual should be precluded from the relief which Congress intended he should have.

Mr. REILLY. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Wisconsin.

Mr. REILLY. Does not the gentleman think we better put some limitation in there as to the value of the building? It might be $20,000 or $40,000.

Mr. SABATH. The limitation is already in there. In my desire to help these owners who are being discriminated against and prevented from receiving relief, I am satisfied at this time with the provision. I advocated originally an amendment which would have increased the limitation to $40,000. But for the present, and as I say, in my great desire to help hundreds of thousands of men and women who own these small buildings, and assist them in their relief to the same extent as others are being benefited, I have offered only this amendment at the present time.

Mr. DUNN. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Pennsylvania.

Mr. DUNN. Is it not a fact that insurance companies consider a building with two or three families as a private home?

Mr. SABATH. The insurance companies do, but the Reconstruction Finance Corporation has ruled against that interpretation and they will not make a loan.

Mr. McFARLANE. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from Texas.

Mr. McFARLANE. I have a letter from Mr. Peiker, of the Federal Home Loan Board, this morning, sustaining the contention of the gentleman in this regard. I think the amendment ought to be adopted.

Mr. PRALL. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. PRALL. What gives the gentleman the idea that a building occupied by the owner and containing a store could not be construed as his home and be eligible under this bill?

Mr. SABATH. It is not so construed by the Reconstruction Finance Corporation, and they have refused to make loans on such premises.

Mr. PRALL. That has nothing to do with the matter.

Mr. SABATH. The Board has refused to make loans on buildings of that character.

Mr. O'CONNOR. Will the gentleman yield?

Mr. SABATH. I yield to the gentleman from New York.

Mr. O'CONNOR. I sympathize partly with what the gentleman has in mind, if the building is occupied principally as a home, but this bill has nothing to do with making loans to home owners. What the gentleman has in mind undoubtedly is the interpretation by the Home Owners' Loan Corporation. All this bill does is to insure mortgages on such premises.

Mr. SABATH. I am trying to see to it that under this bill they may also insure a mortgage on a building which is partially used as a home and partially for commercial purposes.

Mr. O'CONNOR. It ought to be used principally as a home, and what the gentleman should direct his interest to is amending the Home Owners' Loan Act.

Mr. SABATH. I have introduced a bill covering that matter, but I have not been able thus far to secure its consideration. I do not want to see continued in this bill the opportunity for discrimination that has resulted from the rulings of the Reconstruction Finance Corporation as well as the Home Owners' Loan Corporation.

I think this amendment should be agreed to by the Committee, and I may assure the Members that it will be helpful and beneficial to the people whom they desire to help.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. O'MALLEY. Do not most of these small buildings in which a family lives have little stores in competition with the chain stores?

Mr. SABATH. That is what they are occupied for.

[Here the gavel fell.]

Mr. SABATH. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. PATMAN. If the gentleman will change his amendment so that it will read "used principally as a home", or put in a limitation of that kind, I think it would be all right, but suppose one lived in the corner of a $1,000,000 building, the gentleman does not think he should be permitted to get a loan on the building as a home?

Mr. SABATH. No; and there is a limitation of $20,000 here in any event.

Mr. PATMAN. Does that limitation of $20,000 apply under the gentleman's amendment? If it does, I am for the amendment.

Mr. SABATH. Yes; and it would then read "on owner-occupied buildings." The building must be occupied by him, and there is a limitation of $20,000.

Mr. O'CONNOR. If the gentleman will permit, a man may have a factory or a blacksmith shop or an ice house and live upstairs and surely the gentleman has not such a situation as that in mind.

Mr. SABATH. I have in mind a situation where the man lives in the building, and he might have a delicatessen in the front part and live in the back, or he may be a shoemaker or a tailor or a baker and have a little store downstairs while he lives in the rear of the building or above the store. Such a man has been ruled against by the Home Owners' Loan Corporation and he cannot now obtain a loan. If this amendment is not adopted, he will be foreclosed from having his mortgage guaranteed the same as other people similarly situated.

Mr. PRALL. Mr. Chairman, will the gentleman yield?

Mr. SABATH. Yes.

Mr. PRALL. If the gentleman will read title II, on page 54, he will find that in the renovizing program, business properties are included, and there is no reason to believe that insurance will not be carried on a building occupied by the owner just because it has a store in it, because that is his home, even though the other part of the building may cover some kind of shop.

Mr. SABATH. Then how can it hurt to put in the provision I have suggested? I am not asking anything that is unreasonable, and I think if the gentleman from New York would give this real consideration he would approve the amendment.

Mr. STEAGALL. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. STEAGALL. If I heard the reading of the amendment correctly, the gentleman adds "owner-occupied buildings" to the language.

Mr. SABATH. That is correct.

Mr. STEAGALL. I want to ask the gentleman if, under that language, any store or office building or any type of building which was used and occupied by the owner would be covered by the amendment. Under the gentleman's language he does not restrict it to such uses as would constitute it a home in any sense. It might be a storehouse, or the occupant might use it purely for the sale of merchandise and still it would be an owner-occupied building under the law.

Mr. SABATH. No such construction could be placed upon it, because it must be occupied by him as his home.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield there?

Mr. SABATH. I yield.

[Here the gavel fell.]

Mr. O'CONNOR. Mr. Chairman, I ask that the gentleman from Illinois may have 2 additional minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. O'CONNOR. Mr. Henry L. Doherty has a 60-story business building on Wall Street and lives on the top floor.

Mr. SABATH. I am amazed that my friend and well-informed colleague does not realize that there is a limitation here of $20,000.

Mr. O'CONNOR. I realize that.

Mr. SABATH. So this could not apply to him.

Mr. O'CONNOR. But a man might have a little office building and live on the top floor.

Mr. SABATH. No; this only applies to homes that, in part, are used by the owner for a little shop or as a place of business, and cannot exceed $20,000.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SABATH. I yield.

Mr. DONDERO. I am wondering if the gentleman is not mistaken about his interpretation of the language in the home owners' loan bill. Any building occupied as a home, up to four families, and a business is now included and the owner can get a loan from the Home Owners' Loan Corporation today.

Mr. SABATH. No; he cannot. I have had that matter up many times in the city of Chicago, and they have refused to make any loan to such owners.

Mr. DONDERO. Where there is a business in connection with such a building?

Mr. SABATH. Yes.

Mr. BOILEAU. May I suggest to the gentleman that it would meet his idea if the bill under consideration at the present time were amended by simply adding the words

"apartment buildings." Does not the gentleman think that would take care of the situation he has in mind?

Mr. SABATH. I may say to the gentleman that I am not here interested in apartment buildings. I am interested in the owner who has a building wherein he has his place of business and that he also occupies as his residence, such as we find outside of the main business sections. I have not in mind only the city of Chicago, New York, and other large cities, but we find thousands upon thousands of such buildings in the smaller cities in every section of the United States.

Mr. O'MALLEY. How are such places taxed in local taxation? Are they taxed as commercial places?

Mr. SABATH. As a rule they are.

Mr. Chairman, this is a meritorious amendment and should be enacted, and, knowing the desire of the Members to do the right thing for deserving people, I know they will vote in favor of the amendment to give relief to the most industrious and frugal people in the United States.

[Here the gavel fell.]

Mr. McFARLANE. Mr. Chairman, this is a very important amendment ,and I believe that if the Membership of the House understands it you will adopt it. The Home Owners' Loan Corporation Board here in Washington have held that such a building where the party resides upstairs and uses a part of the building for some business he is carrying on at the same place, that that building is not eligible for a loan because of the property being classed as "business property" rather than as a "home" under the definition under the original Home Owners' Loan Act.

I received a letter this morning from Mr. Peiker, deputy general manager of the Home Owners' Loan Corporation, who has charge of this matter here in Washington, saying that they have held that where a person uses a substantial part of the building for business purposes, even though he lives upstairs and uses a part of the building for a picture show or a grocery store or a delicatessen, that party is not eligible for a loan. I think it was the intention in the Home Owners' Loan Act to make such a place eligible for a loan. There are hundreds of thousands of little buildings eligible for a loan if you adopt this amendment. They are being foreclosed now and the owners being turned out in the street because some such business is being conducted in the building.

Mr. O'MALLEY. I know an instance where an owner uses two rooms in his house to make cigars, and they have classed it as a cigar factory. He lives there, but when he applied for a loan it was turned down because they held it was a cigar factory.

Mr. CONNERY. Will the gentleman yield?

Mr. McFARLANE. I yield.

Mr. CONNERY. The way the language reads now, if a man had a home of his own and built a little variety store below occupying one room he could not get a loan.

Mr. McFARLANE. That is right.

Mr. DONDERO. Will the gentleman yield?

Mr. McFARLANE. Yes.

Mr. DONDERO. Might we not amend the amendment of the gentleman from Illinois and clarify it by adding the words "occupied or partly occupied as a home or dwelling"?

Mr. McFARLANE. I think that would be agreeable, and would clarify the amendment.

Mr. PATMAN. Will the gentleman yield?

Mr. McFARLANE. I yield to the gentleman from Texas.

Mr. PATMAN. If the Government is willing to insure a loan up to $20,000 for the purposes mentioned, what difference does it make if he does have a business in that building?

Mr. McFARLANE. I cannot see that it makes any difference, and I hope the committee will adopt the amendment, because there are thousands that will lose the benefit of this act if this amendment is not adopted.

Mr. CONNERY. Is there a limitation in the provision?

Mr. McFARLANE. Yes, sir. A limitation of $20,000. However, I favor raising this limitation to at least $30,000, so that others may receive the benefit of this act. The letter of Mr. Harry C. Peiker, above referred to, reads as follows:

HOME OWNERS' LOAN CORPORATION,
Washington, June 12, 1934.

Re W. J. Wilke application, Graham, Tex.

Hon. W. D. MACFARLANE,
Member of Congress,
House Office Building, Washington, D.C.

MY DEAR CONGRESSMAN MACFARLANE: I have your letter of June 9, enclosing letter from the above party.

This loan was disapproved by our State office on account of its ineligibility under the Home Owners' Loan Act. The act itself did not contemplate loans on business properties, but was passed for the relief of distressed home owners who were in imminent danger of losing their homes. Our Board, however, has ruled that where a small part of the property was being used for business purposes, the loan could be considered. The test of eligibility under such conditions is whether or not the business is incidental to the residence, in which case, it would be eligible; or whether the residence is incidental to the business or a substantial part of the property used for business purposes, in which case it would be ineligible. Our loans, of course, are all passed on and handled by our State organizations working under the rules and regulations promulgated by the Board here in Washington. Our State office has decided that under these rules this loan would not be eligible and from the facts we have in connection with it, we believe their decision to be correct.

As per your request, we are returning you Mr. Wilke's letter.

Very truly yours,

HARRY C. PEIKER,
Deputy General Manager.

Mr. DONDERO. Mr. Chairman, I offer an amendment to the amendment. After the word "building", insert "occupied partly or in whole for residential purposes by the owner."

The Clerk read as follows:

Amendment by Mr. DONDERO to the amendment offered by Mr. SABATH: After the word "buildings", insert the words "occupied wholly or in part as a dwelling by the owner."

The CHAIRMAN. Is that offered as a substitute for the amendment?

Mr. DONDERO. No; that is offered as an amendment to the amendment offered by the gentleman from Illinois.

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Page 47, line 6, strike out the word "homes" and insert in lieu thereof the word "buildings."

Amendment to the amendment offered by Mr. DONDERO: After the word "buildings" insert the words "occupied wholly or in part as a dwelling by the owner."

Mr. SABATH. Mr. Chairman, I accept the amendment to the amendment.

Mr. PRALL. Mr. Chairman, I rise in opposition to the amendment and call the attention of the House to the fact that under the amendment to the amendment which has just been offered any building could be partly occupied, be it a factory, hotel, or any other type of building. It could be partly occupied by the owner living in it and would then be entitled to the benefits of this act.

Mr. BOILEAU. Mr. Chairman, will the gentleman yield?

Mr. PRALL. Yes; I yield to the gentleman.

Mr. BOILEAU. Some time ago when we were considering the bill to make loans to private industry, I called the attention of the gentleman to the fact that apartment buildings were about the only type of buildings not provided for in one of these various loaning bills. Would the gentleman state whether or not, in his opinion, the amendment to this bill offered yesterday and agreed to with reference to low-cost housing would include small apartment buildings?

Mr. PRALL. I would say to the gentleman that a small apartment or a large apartment building providing cheap rents would be so considered. I do not oppose an amendment to this bill which would provide insurance on a mortgage for any person who has a small home or a small building, a part of which may be occupied as a store or for small business, but under the gentleman's amendment to the amendment a person could set aside any part of a building,

regardless of its size or character, and call it his home and be entitled to relief.

Mr. DONDERO. Oh, I think the gentleman overlooks the fact that in line 14 the limitation is fixed that it could not exceed in appraised value more than $20,000.

Mr. PRALL. The gentleman is correct.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. PRALL. Yes; I yield to the gentleman.

Mr. ELLENBOGEN. May I ask the gentleman whether he will change the last word of his amendment to the amendment to read "home" and not dwelling, so that it would have to be occupied in whole or in part as the owner's home?

Mr. DONDERO. That was the intention.

Mr. ELLENBOGEN. It does not say so. I think it should read so as to be occupied in part as the owner's home and not dwelling.

Mr. O'MALLEY. Yes. A man might move a cot into a building and then try to get a loan on his building.

Mr. PRALL. I think the $20,000 limitation would prevent that.

Mr. SABATH. Does the gentleman from New York accept the amendment?

Mr. PRALL. Yes; the gentleman's amendment is acceptable to me.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Michigan.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Illinois, as amended.

The amendment as amended was agreed to.

Mr. ELLENBOGEN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. ELLENBOGEN: Page 47, line 25, after the words "limited to", strike out "a similar amount" and insert in lieu thereof the following: "an aggregate principal obligation on all such mortgages of not to exceed 10 times the aggregate par value of the corporation's outstanding capital stock."

Mr. ELLENBOGEN. Mr. Chairman, as section 105 now reads it provides that the Home Credit Insurance Corporation may insure existing mortgages up to five times the outstanding capital stock, which means five times $200,000,000, or $1,000,000,000, and may insure mortgages on newly constructed homes also to the extent of $1,000,000,000, so that under the section as it now is the insurance on existing homes is limited to $1,000,000,000 and the insurance on new homes is also limited to $1,000,000,000.

The purpose of the bill is to give employment, particularly to the three and a half million unemployed building-trades people, and how can we give employment to them if you limit the amount to be expended on insured mortgages for new construction to $1,000,000,000, particularly when under the amendment that was offered today and which was accepted, the $1,000,000,000 includes low-cost housing projects, so that the amount available for new construction, as the section now reads, is even smaller than it was when the committee brought the bill into the House. If we mean what we say, if this is to be a housing bill, we should extend the amount available for new construction to at least $2,000,000,000.

On behalf of the unemployed workers of the building industry, I ask you to vote for this amendment.

Mr. KENNEY. I rise in opposition to the amendment, Mr. Chairman.

This housing bill is primarily intended, as the gentleman has just said, to promote employment, particularly in the building trades. I come from a county which is probably as much affected as any other county in this country. Bergen County in New Jersey presents the second largest labor problem in the State and the twenty-second largest problem in the United States. Many men skilled in the building trades are now working for the F.E.R.A. for food plus 10 cents an hour. They are bricklayers, carpenters, plumbers, masons, men who have done so much to build up my section of the country. A man, whether he works for the Government or for another, should be paid cash for his work. No man should be required to accept food instead. The practice must be ended. Let us pay him in money until we revive employment. And now I am wondering whether insuring existing mortgages under section 105 is going to aid in creating new building construction and therefore employment. If we permit insurance of present outstanding mortgages up to 60 percent of the appraised value of properties worth $20,000, are we promoting new building operations intended to afford employment for our people, which is so much needed at the present time? As a matter of fact, I do not see how this insurance provision is going to be very helpful for any employment purposes whatever.

In New Jersey we have a great many building-and-loan associations. They have done probably more to build up that State than any other institution. They are not in a position where they require insurance. There are 1,553 building-and-loan associations in that State. The membership of these associations amounts to as many as 985,470—almost a million shareholders. There are, according to figures, more of these associations in New Jersey than in any other State of the Union except one. In Bergen County, where I reside, we have more building-and-loan associations than any other county in New Jersey save only one.

If this insurance provision were omitted, I believe it would have the tendency to leave unmolested capital funds which might be attracted to mortgages on new buildings and homes. There probably then would not result the competition with building-and-loan investments that the provision for insuring existing mortgages may bring about to the detriment of new construction and, therefore, the reemployment of skilled mechanics and those versed in the building trades.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. ELLENBOGEN. It is a fact, is it not, that the original bill as it came into the House had a limitation of $1,000,000,000 on existing mortgages and no limitation on new construction, and that the limitation of $1,000,000,000 on new construction was put in by the committee?

Mr. KENNEY. The gentleman is correct. The primary purpose, of course, is to promote employment in the building trades. That is the most worthy of the purposes of the bill. If this provision for insurance is kept in the bill, it will increase the cost of construction. The cost of the insurance will be borne by the property owner who undertakes to build a new home. It will add to that. It has been the cost of financing homes that has been the greatest burden upon the people in my locality, because in other years they were required to pay very heavy financing charges. The cost of home building should not be increased; rather, it should be kept at a minimum as an aid to unemployment. I am, therefore, wondering if it would not be prudent for the committee to offer an amendment to strike out and eliminate altogether this section of the bill.

Mr. BOLAND. Will the gentleman yield?

Mr. KENNEY. I yield.

Mr. BOLAND. What I want to try to get straight is how does this clause have anything to do with putting skilled labor to work. In what way does it help the building trades?

Mr. KENNEY. It will add to the cost of new building, because the owner will have to pay for that insurance, which I claim is unnecessary. The building-and-loan companies and other lending institutions are in a position to protect themselves on all these loans. Then again, if we insure existing mortgages, the people who otherwise might invest in building-and-loan shares and thus aid new construction, would be invited to traffic in outstanding existing mortgages, with the result that the money available would be lost for the purposes of new building construction.

Mr. BOLAND. In other words, it would act more to retard putting men to work than to assist?

Mr. KENNEY. It seems so.

[Here the gavel fell.]

Mr. HOLLISTER. Mr. Chairman, I rise in opposition to the amendment.

I simply wish to point out to the Members that there is a limitation on the credit of the United States. Whether two billion, three billion, four billion, five billion, or whatever billion it may be, will seriously impair this credit, none of us is able to say. This is not a bill having but one feature. This bill does not solely contain the mortgage feature. This is not a double-barreled or a triple-barreled but rather it is a quadruple-barreled bill. We provide for pumping out as much as five times $200,000,000 for small loans, renovating loans, of $2,000 each. We provide an additional billion for the Home Owners' Loan Corporation; an additional half billion to buy preferred stock in building-and-loan associations, which they shall in turn put into new construction. We provide for the insurance of building-and-loan association deposits. We provide for mortgage insurance. All of those features are for the purpose of making money available to go into new construction. We felt, in the committee, that there should be a definite and distinct limitation on the mortgage feature, because everyone will admit that the Federal insurance of mortgages is a highly experimental procedure. Is it not better to stay within a reasonable limit until we have a chance to see which one of these features or perhaps which two or three of them will do the work, rather than taking the lid off too far?

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ELLENBOGEN. It is a fact, is it not, that in normal times the construction industry spends about $11,000,000,000, and at the present time about $3,000,000,000? If you limit new construction to $1,000,000,000, how can you have a great deal of employment?

Mr. HOLLISTER. The gentleman misunderstands the bill completely.

Mr. ELLENBOGEN. I do not misunderstand the bill.

Mr. HOLLISTER. I have tried to point out to the gentleman that this is but one feature of the bill; that we are not limiting the bill to $1,000,000,000. There are other provisions in the bill which will pump money out into the building industry.

Mr. ELLENBOGEN. I understand that fully, but if the gentleman is speaking about repairs, in normal times the repairs amount to only about $5 out of——

Mr. HOLLISTER. I yield for a question only. I am trying to point out to the gentleman that he has stated we are limiting new construction to $1,000,000,000.

Mr. ELLENBOGEN. In this part of the bill?

Mr. HOLLISTER. The gentleman will please not interrupt me. We have four or five features in this bill.

Mr. ELLENBOGEN. I understand that.

Mr. HOLLISTER. In each one of these features we provide for new money to go into construction. While it is up to the members of this committee, what I am trying to point out is that if we were to allow any one of these features involving Government credit to go too far we would face a dangerous situation. So we should put a reasonable limit on any such feature. It is, of course, for the members of this committee to decide what a reasonable limit is; but the members of the Banking and Currency Committee felt that with the other features we have put in the bill the Government is doing a great deal to help building. It is my belief that we had better retain this limit until we have some actuarial figures; some figures based upon experience to see how the plan works out.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. HOLLISTER. I yield.

Mr. ELLENBOGEN. Does not the gentleman believe that a limitation on new construction of $2,000,000,000 is rather low and not unreasonable?

Mr. HOLLISTER. The gentleman still fails to understand what I have said. I am not limiting new construction.

Mr. ELLENBOGEN. I am talking about this feature of the bill. I know there are several others.

Mr. HOLLISTER. I think that $1,000,000,000 is adequate, or I would not be standing here on my feet saying so.

Mr. ELLENBOGEN. I do not agree with the gentleman.

Mr. CONNERY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in sympathy with the general purpose sought to be accomplished by the gentleman from Pennsylvania [Mr. ELLENBOGEN], but if the gentleman's amendment is not adopted, I propose to offer an amendment in line 23 on page 47, striking out the language "and insurance of mortgages on homes constructed after the passage of this act shall be limited to a similar amount."

This not only accomplishes the purpose the gentleman from Pennsylvania has in mind, but it brings the bill in line with the original Fletcher bill which carried no limitation on future building. I hope the gentleman's amendment will be defeated, so I may take off all limitation and bring this in line with the Fletcher bill.

Mr. ELLENBOGEN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. ELLENBOGEN. The gentleman from Massachusetts believes that even a limitation of $2,000,000,000 is too great a limitation, that there should be no limitation on new construction at all. I believe the gentleman is mistaken. I believe we should have some limitation, and I hope the committee will support this limitation of $2,000,000,000.

Mr. CONNERY. The reason I want to strike out the limitation is because the Fletcher bill did not put any limitation on new construction. That will be well taken care of if we follow the lines of the Fletcher bill.

Mr. ELLENBOGEN. A limitation will be placed on it before the bill finally becomes law.

Mr. CONNERY. Even so, I prefer to have no limitation in it now. I want to see the bill passed as it was originally introduced—the Fletcher bill, the bill the President has intimated that he favors.

Mr. HANCOCK of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. HANCOCK of North Carolina. Will the gentleman give us the benefit of such knowledge as he may have as to what would be the extent of the insurance under this bill if this provision is stricken out?

Mr. CONNERY. I do not know the exact amount. I am favoring the Fletcher bill, which the President and labor say they want; and I am for anything that will bring this legislation in line with the Fletcher bill.

Mr. HANCOCK of North Carolina. Does the gentleman understand that if we strike out this limitation it might involve the Government in an ultimate liability of $10,000,000,000?

Mr. CONNERY. I am not worrying about what it will involve the Government in on that score. I know when the gentleman from Alabama [Mr. STEAGALL] with the House conferees and the conferees of the Senate get together the Government will be well taken care of and will not be involved in any trouble along the lines that the gentleman may fear.

Mr. HANCOCK of North Carolina. We certainly hope the Government will be well taken care of.

Mr. CONNERY. It will be well taken care of by the conferees.

Mr. MARTIN of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. MARTIN of Colorado. The language of the Fletcher bill and the Steagall bill as originally introduced in the House are not the same.

Mr. CONNERY. It is my understanding the language of the original bills was the same.

Mr. MARTIN of Colorado. The original bill before the Committee on Banking and Currency and the Fletcher bill are just the same, and constitute the bill the President wants.

Mr. CONNERY. Yes.

Mr. CAVICCHIA. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CAVICCHIA. Does not the gentleman think that inasmuch as Congress will again be in session less than 7 months from now that $1,000,000,000, which is a very large sum of money, is enough with which to work during the balance of the year, and that then if more is needed they can come back and ask for more? This was the situation with respect to the R.F.C., the Home Owners' Loan Corporation, and the Federal land bank.

Mr. CONNERY. That may sound plausible, but I prefer to leave it in the hands of the President on this bill.

Mr. CAVICCHIA. Let us find out how far $1,000,000,000 will go toward getting men to work.

Mr. CONNERY. The President says he wants the Fletcher bill, and I am for what the President wants in this bill.

Mr. DUNN. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. I yield.

Mr. DUNN. Will not the gentleman agree that 4 percent of the people of the United States owning 96 percent of the wealth of the United States is a limitation?

Mr. CONNERY. Yes. We have had that limitation thoroughly explained before the Committee on Labor, as the gentleman from Pennsylvania, a member of our committee, well knows.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was rejected.

Mr. CONNERY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONNERY: Page 47, line 23, after the word "stock", strike out the remaining language of lines 23 and 24 down to and including the word "amount."

Mr. CONNERY. Mr. Chairman, this is simply what I explained a moment ago. I desire to bring this bill back to the Fletcher bill, which is in line with what the President and labor want.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. HANCOCK of North Carolina) there were—ayes 27, noes 47.

Mr. CONNERY. Mr. Chairman, I ask for tellers.

Tellers were refused.

The amendment was rejected.

The Clerk read as follows:

SEC. 106. In order to make available to the Corporation adequate resources for the making of loans and advances under the provisions of section 104 of this act, and for the purposes of section 105 of this act, the Corporation is authorized and empowered, with the approval of the Secretary of the Treasury, to issue and have outstanding its notes, debentures, bonds, or other obligations; such obligations to have such maturities, bear such rates of interest, and contain such other terms and conditions as the Secretary of the Treasury shall approve. Such obligations shall be fully and unconditionally guaranteed, both as to principal and interest, by the United States, and shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, or by any political subdivision of either. The Secretary of the Treasury is authorized to purchase such obligations and for that purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder.

Mr. CELLER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CELLER: On page 46, line 14, after the word "States", strike out the words "and shall be exempt, both as to principal and interest, by the", and strike out lines 15, 16, 17, and strike out, on line 18, the words "of either."

Mr. CELLER. Mr. Chairman, I offer this amendment in a pro forma way and I shall withdraw it at the conclusion of my remarks. It deletes from the housing bill all tax-exemptions on the bonds and securities issuable thereunder.

I offer this amendment to sound a warning that we have been issuing tax-exempt securities to such an extent that the Nation is facing the manifest danger of setting up a highly special and privileged class that will be wholly exempt from taxation. This bill adds to the great amount of tax-exempt securities already existing, which I believe is approaching some $40,000,000,000. This bill involves no more and no less than an authorization of tax-exempt bonds to the extent of $3,800,000,000.

The Home Credit Insurance Corporation provisions contemplate bonds up to $2,200,000,000. The home-loan bonds are increased from $2,000,000,000 to $3,500,000,000. The Federal Savings and Loan Insurance Corporation section authorizes $100,000,000 of bonds. To the already vast amount of tax-exempt bonds you now add three billion, eight hundred million more. Where and when will you place the limit?

We have for consideration in the Judiciary Committee a constitutional amendment which I offered to preclude in the future the issuance of tax-exempt securities, either by the Federal Government or by the 48 States. This amendment has the whole-hearted approval of the Secretary of the Treasury, Mr. Morgenthau, and the administration. Similar bills have had the approval of previous administrations, including Secretary of the Treasury Mills and Secretary of the Treasury Mellon. Yet we seem not to be able to get to first base with any abolition of the privilege of tax exemption. We are the only country that permits such exemption.

I warn the House that it is incumbent upon us to cease the issuance of this type of security. We lose upward of probably $350,000,000 of revenue every year, and, as I said before, we are allowing a privileged class to go unwhipped, as it were, of taxes. It must stop. It is an evil—a palpable evil. If not scotched it will destroy our Government. It creates discrimination among taxpayers. It creates much discontent and social unrest.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. WEIDEMAN. I wonder if the gentleman is aware of a petition by the gentleman from Texas which prevents the issuance of more tax-exempt bonds, now on the Speaker's desk? If the gentleman would sign the petition, it would be the shortest way.

Mr. CELLER. The question of signing petitions and voting on measures in the regular way are two entirely different things.

May I call the attention of the House to the fact that one of the main causes of the French Revolution was the setting up of privileged tax-exempt classes. First, it was stated that the members of the clergy in France should be exempt from taxation. Then the nobles received exemption, and then the lawyers in France received exemption, and so on, until only a very small portion of the population of France paid any taxes whatsoever. The result you well know.

I do not presume that there will be anything like a French Revolution in this country, but certainly it is quite undemocratic to invade the principle that our taxes shall be placed upon those who have the greatest or the greater ability to pay. The ability-to-pay principle is utterly destroyed. If we keep on issuing these tax-exempt securities without let or hindrance, we will destroy this basis of public revenue and create a social evil of first magnitude. It very improperly and unjustly casts the greater part of the tax burden upon earned incomes and gives more or less immunity to unearned incomes.

It has been said that if we take away this exemption the Government would not get as much for its bonds. It probably would not get the premium which it receives from these tax-exempt bonds, but I think that advantage is far outweighed by the loss of revenue, and this applies not only to the Federal Government but to the bonds issued by the State governments and their instrumentalities like the cities, drainage districts, irrigation districts, the port authorities, counties, and school districts. These exemptions divert capital from productive enterprise, industry, and agriculture. There is where money is mostly needed—in industry and farming.

I urge all of you to give some thought to this matter, and I warn you that I will do all in my humble power to preclude the further issuance of this type of bond.

Mr. RICH. Will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Pennsylvania.

Mr. RICH. Would it be the intent and purpose of the gentleman to see to it that the Government recalled all tax-exempt securities as soon as possible? I think if the gentleman included that feature it would be a very fine thing.

Mr. CELLER. We have the right without an amendment to the Constitution to tax these bonds under this bill and to withdraw all exemptions from all Federal bonds. It is not necessary to have an amendment as far as Federal bonds and Federal securities are concerned, but we do need the amendment as far as the bonds and securities of the States and their instrumentalities are concerned, as well as securities issued by the cities and the municipalities. We must have a constitutional amendment to prevent the States from taxing our Federal bonds and securities. The only fair way to do it is by an amendment to the Constitution, and I am sure that the Judiciary Committee of the House in the next session will act consistently with that attitude.

[Here the gavel fell.]

Mr. CELLER. Mr. Chairman, I ask unanimous consent to withdraw the pro forma amendment.

I do this because it would be highly unfair to start at this point and take exemption from the bonds authorized by this housing bill. We would destroy the efficacy and the benefits of the housing bill. You could not sell the bonds without these exemptions in competition with the billions of bonds with exemptions now outstanding. We must treat all the bonds alike—of all issues—State and Federal. This can only be done by a constitutional amendment.

Of course, the voluntary withdrawal of the tax exemptions, I repeat, from securities issued by and under the authority of the Federal Government requires no constitutional amendment. But to do this as to Federal securities alone would involve an unjust discrimination against the National Government and give a great advantage to the State and local governments.

It seems clear since the decision of *Evans* v. *Gore* (253 U.S. 245), that the sixteenth amendment does not permit the Federal Government to tax income derived from State or municipal securities. That is why I state that the only effective means of restricting the further issue of tax-exempt securities by State or municipal governments would be by a constitutional amendment. I am informed that such an amendment would doubtless meet with much opposition on the part of some of the States who fear that they could not successfully float State issues for public improvements in the States without tax exemptions.

We must get the amendment passed despite this objection. It is important also to determine whether the constitutional amendment prohibiting exemptions should be limited to future issues of State and Federal bonds or should apply also to outstanding issues which now enjoy tax exemption. Personally, I am of the opinion that there should be no tax exemption of any sort whether the bonds are now issued or are to be issued in the future.

We have certainly made a hodge-podge of the exemptions. Some of our Federal bonds are exempt from all taxes, normal taxes, surtaxes. Some of them are exempt from normal taxes only. Others are only exempt from surtaxes. The whole wretched business must be wiped out. It is a pandering to the appetites of the more wealthy. It relieves the risk of the burdens placed on those who are more able to pay the tax.

I hope therefore that my warning will not fall on deaf ears and that those of us who are in the next House will take warning and do all in our power to right this wrong, to prevent the further issuance of tax-exempt securities.

It is interesting to note that such constitutional amendment passed the House in 1932. It was the Green bill. The vote was 223 yeas, 101 nays, 101 not voting. I assure you that my amendment will pass the next House, if I am privileged to be in there, by greater numbers.

My resolution providing for such constitutional amendment is as follows:

House Joint Resolution 240

Joint resolution proposing an amendment to the Constitution of the United States

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"SECTION 1. The United States shall have power to lay and collect taxes on income derived from securities issued after the ratification of this article by or under the authority of any State, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of the United States or any other State.

"SEC. 2. Each State shall have power to lay and collect taxes on income derived by its residents from securities issued after the ratification of this article by or under the authority of the United States, but without discrimination against income derived from such securities and in favor of income derived from securities issued after the ratification of this article by or under the authority of such State."

In this connection, permit me to repeat the words of my esteemed friend, Senator ASHURST, Chairman of the Senate Judiciary Committee, on this important matter:

Many lawyers, respectable in ability, are of opinion, in view of the sixteenth amendment, that no further constitutional amendment is necessary in order to lay and to collect taxes on incomes and interest derived from securities issued by the United States or by any State.

I must admit that the majority opinion of the bar is that a constitutional amendment is required.

Moreover we may not ignore the following recent decisions of the Supreme Court of the United States, holding that the sixteenth amendment did not extend the taxing power to any new class of subjects, but merely removed all occasion, which otherwise might exist, for an apportionment among the States, of taxes laid on income, whether it be derived from one source or another. (*Brushaber* v. *Union Pacific R.R. Co.*, 240 U.S. 1; *Peck & Co.* v. *Lowe*, 247 U.S. 165, 172; *Eisner* v. *Macomber*, 252 U.S. 189; *Evans* v. *Gore*, 253 U.S. 245, 259; *Metcalf and Eddy* v. *Mitchell, Admx.*, 269 U.S. 514, 521.)

Therefore, in view of these decisions, expensive and protracted litigation may be avoided by this amendment, which if submitted by the Congress would probably be ratified by the States before the question could directly and finally be decided by the courts.

Mr. President, it is interesting to observe that the first exemption of income of State and municipal bonds from such taxation was announced by the Supreme Court of the United States in its famous decision, declaring all Federal income taxes unconstitutional (*Pollock* v. *Farmers' Loan & Trust Co.*, 157 U.S. 429, et seq.).

Should my proposed amendment be submitted and ratified, the case of Pollock against Farmers' Loan & Trust Co. will have the unique distinction of bringing two amendments to the Constitution, or rather two amendments were required to overcome the effects of that decision.

My proposed amendment strikes at an evil in our system of taxation which is already great, and if unchecked, will grow—indeed has grown—to such magnitude as to threaten the existence of our institutions. We must assume that the Constitution of the United States, as it now stands, not only permits the issuance of tax-exempt securities by both the Federal and the State Governments but prevents the Federal Government on the one hand from levying an income tax on securities issued by the several States, and the States on the other hand, from levying an income tax on the securities issued by the Federal Government.

Students of our form of government recognize, of course, that the question is complicated owing to the very nature of our constitutional system of dual governments, Federal and State.

The existence of conditions that enable any municipality or political subdivision to issue tax-free securities directly permits a certain class of property owners to partake of the comforts and benefits of government without bearing any share of the expense burden of government.

All private property should pay its just proportion of the expense of maintaining the Government.

The issuance of tax-exempt securities permits:

(1) A large portion of property to escape taxation, thereby causing great loss of revenue;

(2) It violates the sound tax principle of "ability to pay" and it unfairly discriminates among taxpayers;

(3) It discourages investment in new enterprises;

(4) It encourages extravagances of governmental agencies;

(5) It grants private subsidies and special privileges obnoxious to our system;

(6) By withdrawing money from private enterprises it increases the rate of interest required for all enterprises not carried on by the Government and thereby adds to the cost of living;

(7) It creates, and quite naturally, social unrest.

It will be observed that the form of my amendment forbids discrimination against securities issued by the States, or under their authority, in favor of national securities, and that the States, on the other hand, are forbidden to discriminate against the securities issued by the Federal Government.

Vigor and vision are the supreme need of the hour, and unless we act with promptness on this subject the National Government and some of the States will bog down and sink into the grasp of the all-smothering, all-destroying quicksands of insolvency.

Mr. BOILEAU. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BOILEAU. Mr. Chairman, the gentleman has asked that he be permitted to withdraw an amendment which he has offered. I have on the Clerk's desk an identical amendment, with the exception of a change of a word or two. I have no objection to the gentleman withdrawing his amendment if I may be privileged to offer practically the same amendment. May I ask whether or not I shall be privileged to offer the amendment?

The CHAIRMAN. The gentleman will have the opportunity to offer his amendment at the proper time.

Is there any objection to the request of the gentleman from New York?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 48, line 14, after the words "United States", strike out the remainder of the sentence down to the period in line 18.

Mr. BOILEAU. Mr. Chairman, this amendment strikes out the language beginning on page 48, line 14, after the words "United States", down to and including the word "either" in line 18.

This takes out the provision which makes these securities tax exempt. We have been talking about tax-exempt securities during the Seventy-second and Seventy-third Congresses. Gentlemen get up on the floor of the House and condemn the practice, but so far as I recall there has not been a direct issue on this question.

I am satisfied that a vast majority of the Membership of this House is opposed to a continuation of this policy, and I do not propose to withdraw this amendment. I hope the Membership of the House will signify in no uncertain manner their disapproval of the continuance of this policy. There is no better time in the world to stop this practice than right now. I hope the Membership of the House will support this amendment and will make it quite clear that from here on and hereafter the House will not approve any further issuances of tax-exempt securities.

Mr. WEIDEMAN. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Michigan.

Mr. WEIDEMAN. I simply want to ask the gentleman if he has signed the petition that was on the Speaker's desk to bring out the bill of the gentleman from Texas [Mr. PATMAN] to prevent the further issuance of tax-exempt securities.

Mr. BOILEAU. I assure the gentleman I have signed that petition, and I also wish to assure the gentleman that I signed the petition filed by the gentleman from Indiana, Mr. Hogg, in the Seventy-second Congress, which was on the Speaker's desk, providing for a constitutional amendment to this effect. I shall not only talk about it but I shall sign any such petition if it will be helpful in enacting this legislation.

Mr. WEIDEMAN. I had assumed the gentleman from Wisconsin had done that because the gentleman is one Member of the House who votes the way he talks, and I compliment him for it.

Mr. BOILEAU. I thank the gentleman for his statement.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Pennsylvania.

Mr. RICH. I hope the gentleman will press his amendment because it is a good thing to put the Membership of the House on record when they talk one way and are afraid to vote the same way.

Mr. BOILEAU. I thank the gentleman for his contribution and I may assure him that I shall do all I possibly can to bring about the adoption of this amendment.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. CELLER. Does not the gentleman think it would be rather unfair to remove the tax-exempt feature from these bonds when all the other bills involving the same principle have provided tax-exempt bonds?

Mr. BOILEAU. No. We have got to stop sometime. We have put this exemption in the home-owners' bonds and that takes care of the home owners and their bonds. We have also included a tax-exempt provision so far as the farm-loan bonds are concerned, and I can see no reason why in this bill we should continue the tax-exempt feature, because this section of the bill is primarily to help banks, and so forth, to make these loans, and I do not see how the withdrawal of the tax-exempt feature will in any way prejudice the home owner or any of the other people we are trying to help.

Mr. CHRISTIANSON. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. CHRISTIANSON. I would add to what the gentleman from Wisconsin has said, that we are placing no reasonable limitation upon the interest that may be charged by these building-and-loan associations and other financial institutions and, therefore, they certainly should not object if we impose a tax upon these securities.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Texas.

Mr. McFARLANE. I have offered a bill on this very proposition to stop this tax-exempt bond racket, and I hope the gentleman will insist on his amendment and let us get a record vote, even if it is necessary to have a motion to recommit.

Mr. BOILEAU. I am going to insist upon it so far as I am able to do so.

Mr. ELLENBOGEN. Will the gentleman yield?

Mr. BOILEAU. I yield to the gentleman from Pennsylvania.

Mr. ELLENBOGEN. I want to endorse what the gentleman from Pennsylvania [Mr. RICH] has said. The time has come when we ought to stop this tax exemption of bonds, and we ought to stop it now.

Mr. BOILEAU. Mr. Chairman, there seems to be an overwhelming sentiment in favor of the amendment, and I hope the vote will also be in favor of it. [Applause.]

Mr. TERRELL of Texas. Mr. Chairman, I had an amendment to offer as a substitute and I protested the withdrawal of the other amendment, so that my substitute was not in order.

I now offer a substitute amendment in lieu of the amendment offered by the gentleman from Wisconsin. It is exactly the same thing except it is two or three lines broader, and we can get a direct vote on the entire question.

The Clerk read as follows:

Amendment offered by Mr. TERRELL of Texas, as a substitute for the amendment offered by Mr. BOILEAU: On page 48, beginning in line 12, after the word "approve", strike out down to and including the word "either", in line 18.

Mr. TERRELL of Texas. Mr. Chairman, I may say that this amendment strikes out the guaranty provision, and also the provision that exempts the securities from all taxation.

I want to say in regard to the bill and this amendment that I want a direct vote on this proposition to see whether the House is in favor of continuing this tax-exempt racket that has been going on too long.

Now, Mr. Chairman, I have listened patiently to these appeals for funds for the housing projects—to clean up the slums in the cities—by the gentlemen of New York, Mr. O'CONNOR and Mr. SIROVICH, and the gentleman of Indiana,

Mr. GREENWOOD, telling us about the difference between the palace of the rich and the hovel of the poor, and that the bill equalizes the two extremes, and I want to ask these gentlemen when and where they can find anything in the Constitution of the United States to authorize the Government to go into the business of building houses and cleaning up slums in the cities? I dare any one of them to state one single clause in the Constitution that authorizes that thing.

Mr. SIROVICH. The general-welfare clause.

Mr. TERRELL of Texas. The general-welfare clause is a play upon words. I want to say that you have branched out in appropriating money for everything in the world that you can think of, and yet there is a limitation—there will come a time when the Government will be in default and sell her bonds at a discount.

You cannot find any word or clause in the Constitution where Congress is authorized to expend a dollar to clean up the slums in the cities or build houses.

There was a time when men built their own homes. Abraham Lincoln built his own home. He was born in a log house. I was born in a log house, and helped to build many log houses.

Mr. SIROVICH. Suppose the Supreme Court of the United States declared it constitutional, would the gentleman vote for it? We must abide by the decision of the Supreme Court, but the Court has never held any such law as this constitutional.

Mr. TERRELL of Texas. I want to say to the gentleman from New York that the State of New York is the richest State in the Nation and the city of New York is the richest city in the world. What is to hinder that State or the city of New York issuing bonds to clean up the slums in its own cities, instead of trying to get their hands in the Treasury of the United States to do it?

The CHAIRMAN. The time of the gentleman from Texas has expired.

(Mr. TERRELL of Texas asked and received permission to extend his remarks by inserting in the RECORD the following letter to the President:)

MAY 21, 1934.

His Excellency FRANKLIN D. ROOSEVELT,
White House, Washington, D.C.

DEAR MR. PRESIDENT: As the time is drawing near for adjournment of Congress and as I never have an opportunity to talk with you on any questions submitted to Congress, I desire to make a few suggestions concerning pending legislation.

There are a few paramount problems to be solved before complete recovery is possible. The first is the monetary question—the establishment of a currency system that is sound and with sufficient volume and flexibility to meet all requirements of agriculture, industry, and commerce under all conditions.

You made a good start in reducing the gold content of the dollar, and this slightly raised commodity prices and revealed no signs of uncontrolled inflation. You should now reduce the gold content to 50 percent of the original amount of gold in the dollar in order to increase the number of dollars. This will raise commodity prices a little more, but not to the 1926 price level. This action should be followed by an act of Congress nationalizing silver and making it a part of our metallic base.

I would limit this to 25 or 30 percent of the metallic base, and this, with our gold reserve, would give a fairly broad metallic base for the issuance of currency to meet the demands of trade. The price level should be raised to the 1926 price level as soon as possible, and this may be done without danger of uncontrolled inflation. We cannot trust the private banks to regulate the volume and value of money, as they have had their opportunity and failed. The issuance of money and regulating its value is a Government function.

Commodity prices will depend as much, or more, upon the volume of money in circulation and the velocity of business turnover, as upon supply and demand, both of which factors must be considered in controlling inflation and proper price levels. Commodity prices cannot be raised to the 1926 price level and existing debts cannot be paid without cheaper money, because it takes twice as much products to pay the debts as it did when they were created. There are enough food products and clothing in the country to prevent suffering and to supply all the needs if we could establish a proper exchange of labor and raw products (through the medium of money) for the things we need.

The next big problem is decentralization of government and the limitation of the taxing power and governmental expenses. The Government cannot continue to issue bonds and tax the people beyond their ability to pay without danger of deepening the depression, which would cause more suffering, and probably bankruptcy and repudiation of debts. Men hesitate to put their money into business enterprises when there is a safe avenue of escape from business hazards by putting it in Government bonds at 3- or 4-percent interest without worry or danger of loss.

It seems to me that the Government is greatly overmanned and is endeavoring to give too much advice and financial aid to individuals and corporations that could take care of themselves through the aid of the States and the citizens if they were not permitted to raid the Federal Treasury. All problems now seem to be considered from a national viewpoint, like governmental problems of monarchies, instead of the standpoint of a union of free States, as contemplated by the Constitution. Governmental expenses can be greatly reduced under a proper reorganization of the governmental structure, eliminating useless governmental agencies.

The last Democratic platform declares: "We advocate an immediate and drastic reduction of governmental expenditures by abolishing useless commissions and offices, consolidating departments and bureaus, and eliminating extravagance to accomplish a saving of not less than 25 percent in the cost of the Federal Government." This demand of the platform has not been met and the only intelligent way to do this is to have a committee of Congress appointed to investigate and examine the work of these departments, commissions, and bureaus, and report their findings to the next Congress, recommending which ones can be abolished or consolidated without destroying a necessary service to the people. Much of the work of these agencies can be done by the States in keeping with the purpose and intent of the Constitution.

I have introduced such a resolution, but it cannot be passed without your support. It ought to be passed in order to secure data for congressional action.

For the best interest of the country, all controversial questions should be dropped and Congress should adjourn immediately and give business a chance to solve its own problems without fear of destructive legislation. Only such imperative problems as a safe financial structure for raising commodity prices and assisting business recovery, and for reducing the heavy tax burdens and the personnel and expenditures of our overmanned and topheavy Government should be considered now.

It is not possible for the Government to build all the houses needed; manage all the business of the country; pay all the debts; settle all the strikes when men receiving $8 or $10 a day are striking for higher wages, with millions of men out of employment. Nor is it possible to give employment to all unemployed people or catch all the criminals. A good stiff reward offered by each State would catch more criminals than a thousand hired men with armored cars and machine guns furnished by the taxpayers. No government can finance all these activities and remain solvent.

Respectfully,

GEO. B. TERRELL.

TAX-EXEMPT SECURITIES CREATE A PRIVILEGED CLASS WHO DO NOT HELP BEAR THE BURDENS OF TAXATION AND GOVERNMENT

Mr. BUSBY. Mr. Chairman, there is no question in my mind that tax-exempt securities, if indulged in to a great extent as in the case in the country at the present time, will create an entirely privileged class of people who hold these securities and guaranties of the Government, and will look only to the interest that must be paid by the taxpayers of the country.

Undoubtedly those securities are piling up in this country at this time. The declared purpose of the bill in the title does not disclose the contents of the legislation. You will remember when we passed many farm bills in other days the title declared them to be workable, but the work out was another thing entirely.

GOVERNMENT CREDIT WILL BE EXHAUSTED ONE OF THESE DAYS

I asked Mr. Harriman, president of the United States Chamber of Commerce, when he was before our committee:

Do you have an idea as to the amount of credit the Government may use before its credit may be exhausted or impaired in carrying out the recovery program? (Committee hearings, p. 140.)

As important a man as the president of the United States Chamber of Commerce answered that he had made no estimate, no calculation as to how far we could use the credit of this Government in carrying out this program. He did say in substance, if not in words, that he was back of the type of activity on the part of this Government which would sponsor the issuance of bonds in order to put them into the hands of the investors, to finance this recovery program.

HEAVY BOND SALES WILL PREVENT COMMERCIAL RECOVERY

That is detrimental, because every bond sale is a deflation. It has to be paid for with money or its equivalent, and that takes that usable thing away from business, and we have only the proceeds of those bonds with which to try to recover the deflated condition created by their sale.

Mr. Chairman, this bill will not work, and you will never see it work satisfactorily. I will vote for it for the little good it may do. It is just like the Home Owners' Loan

Corporation, with about $18,000,000,000 of demands and a possibility of $2,000,000,000 of funds to loan. The loan money is exhausted now, and they are ready to come and ask us for another billion and a half with which to carry on the loan business, and I favor providing the money for them.

CREATING DEBTS WILL NEVER GET US OUT OF THIS CONDITION

When the administration and the Congress realize that creating debts will only give us a worse condition and a worse status when the debts and interest come due, then we will begin to work to proper ends. What we will have to have is a reliable media of exchange, so that business may carry on without having to come to the Federal Treasury. Selling bonds will never do it. Bonds do not circulate. Bonds freeze liquid bank assets and retire them from the possibility of being used by business. We must have profits in business, so that private business can pay people wages so they can again become consumers of food products and goods. We must have employment, because there is profit in business, and without those things—profits in private business and wages—this kind of temporary legislation that pledges more and more and more the credit of this country for present spending needs to back up fantastical schemes will never succeed. Pay day will certainly come some day. We cannot always borrow.

Mr. CONNERY. Mr. Chairman, ordinarily, I would be in thorough sympathy with the amendment offered by my friend the gentleman from Wisconsin [Mr. BOILEAU], but in this proposition just referred to by the distinguished gentleman from Mississippi [Mr. BUSBY] the Home Owners' Loan Corporation had great difficulty in getting the banks to take over those bonds because the principal was not guaranteed.

Mr. BOILEAU. Oh, my amendment does not take away the guaranty of principal. I believe in guaranteeing the principal, but I seek to do away with the tax-exempt feature.

Mr. CONNERY. I know; but we cannot make this a successful bill and it cannot be put over right to protect the small-home owner and insure these mortgages unless the bond issues can be put out with the tax-exempt feature. I am in favor of taxing tax-exempt securities, but I will not pick out the small-home owner and penalize him because of the people who are hiding behind tax-exempt securities now and who will not be affected by the amendment. The argument that "now is the time to stop it" I do not agree with. If the gentleman had a bill here which would do away with all tax-exempt securities, I would be only too happy to favor it, but I do not believe in penalizing this housing bill merely to get something started toward doing away with tax-exempt securities.

Mr. BLANCHARD. Mr. Chairman, will the gentleman yield?

Mr. CONNERY. Yes.

Mr. BLANCHARD. The only effect of the removal of the tax-exempt feature would be to sell the bonds at a discount.

Mr. CONNERY. Yes.

Mr. BLANCHARD. The bonds still would sell.

Mr. CONNERY. Yes.

Mr. BLANCHARD. But we might have to sell them at a discount, because of the removal of the tax-exempt feature.

Mr. CONNERY. Yes; but other bonds which would not be penalized like this would get the ready market and you would be discriminating against these housing bonds when they wanted the money to put the provisions of this bill into effect, and you would not be able to get it.

Mr. CELLER. We would have a perfect right at the next session to tax these very bonds which are now tax exempt, because the power to create is the power to destroy. We create the tax-exempt feature and we can take it away. There is nothing in that about the violation of a contract. We have a perfect right at any time to take all of the tax-exempt securities issued by the Federal Government and tax them, and I should be pleased to put decisions into the RECORD to show that. We can remove those exemptions, but for the sake of passing the bill you would make it impossible to have a successful operation of it.

Mr. CONNERY. It is estimated that there are some $36,000,000,000 worth of tax-exempt securities; and if you would tax them 1 percent, you would get $360,000,000. I would be glad to favor the passage of legislation to tax tax-exempt securities, but I do not believe in picking out this one bill to try it on, as that would discriminate against the small-home owners of the country.

Mr. BOILEAU. Last year we passed the Home Owners' Loan Corporation bill, the bill which provided for refinancing loans on small homes, and that same argument was used—that we could not start at that time—and we provided for tax exemption of those bonds. The same thing came up when the farm-loan bonds were issued. When are we going to stop? The bill here will not penalize the small-home owner if we take off the tax-exempt feature.

Mr. CONNERY. It would penalize those who would benefit under this bill in general. I am not in favor of discriminating against this class in favor of others who have tax-exempt securities now.

Mr. CHRISTIANSON. Will the gentleman yield?

Mr. CONNERY. I yield.

Mr. CHRISTIANSON. Does the gentleman not think if these people get the benefit of tax exemption a limitation should be placed on the rates of interest they can collect on their mortgages?

Mr. CONNERY. Oh, I would let this go as it is, and will be glad to do anything to do away with all tax-exempt securities. I do not believe, however, in picking out this one bill to do it with, especially in these closing days of Congress, when it might be too late to bring all other tax-exempt securities in line with this.

I hope the amendment will be defeated.

[Here the gavel fell.]

Mr. CAVICCHIA. Mr. Chairman, I rise in opposition to the amendment. I shall be brief. I simply want to call the attention of the committee to the two amendments before you. One has to do with the tax-exemption clause. If you approve that amendment, you will have two types of debentures issued by the Home Owners' Loan Corporation; one will be tax exempt and the other will not be.

The second amendment is a very dangerous one. It strikes out line 12 to line 18. We have had experience in the past year with the first debentures issued by the Home Owners' Loan Corporation, which were guaranteed only as to interest, and not as principal, by the United States Government. The financial institutions did not want to have anything to do with that type of debenture. It was not until this Congress amended the law at this session, when the Government guaranteed both principal and interest, that the Home Owners' Loan Corporation really started to do that for which it was created. This second amendment will take us back to where we started a year ago; and if you accept this amendment, the law will not be worth the paper on which it is written. I hope you will defeat the amendment.

Mr. WEIDEMAN. Mr. Chairman, I move to strike out the last word. We have heard a lot of conversation about removing these tax-exempt securities from the protection we have thrown around them. I checked up one day, and I think there are 37 bills preventing issuance of tax-exempt bonds introduced for home consumption by Members of the House. There has been on the Speaker's table a petition to discharge the committee from consideration of one of those bills, to get it before the House for consideration, and there are only 15 names on that petition. These are some of the things I am anxious to bring to the attention of some of the Members of this House. I am going to vote for the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU] and not vote for the amendment offered by the gentleman from Texas [Mr. TERRELL], due to the experience of the Home Owners' Loan Corporation with its other bonds. Unless both principal and interest be guaranteed there is no sale for those bonds. But I see no necessity of also issuing tax-exempt bonds when the Government of the United States stands behind this issue.

Now, there are not so many good issues of securities going on the market for sale. Any bond that has the guarantee of the Government should be attractive enough to get some purchasers.

You say this is not the day to start. That same cry has been ringing through these legislative halls for years. When we were considering S. 2766, the Glass-Steagall bill, which allowed these very bonds to be deposited with the Federal Reserve Bank, and allowed them to get new currency issued for one-thirtieth of 1 percent, Members said that was not the time. Still we have heard the wail go through these Chambers for years and years. When the bill S. 2766 came before this House there were only 38 Members who voted against giving this bonus to the bankers. If we issue enough tax-exempt bonds it is the surest way of putting our people in subjugation, because the 10,000,000 bonds we are going to issue at this session of Congress will cost the taxpayers of the Nation $30,000,000 before they get through retiring the issue. If you think we can tax ourselves out of debt, you and I disagree.

Mr. DUNN. Will the gentleman yield?

Mr. WEIDEMAN. I yield.

Mr. DUNN. Did not some gentleman make the statement yesterday that this is not the time or the place to wipe out the slum districts?

Mr. WEIDEMAN. I did not hear that. They may have said it. We have heard a lot of talk about that. But we must start somewhere, and if you are going to vote the way you introduce bills and the way you talk to the folks back home, this is the time to do it. I suggest that we vote against the substitute amendment offered by the gentleman from Texas and vote in favor of the amendment offered by the gentleman from Wisconsin. Now and today is the time to start. I want to be able to go back home and tell my folks that I not only talked this 2 years ago, but I am willing to go down the line and give the fellow at the bottom of the heap a little actual relief by voting against more tax-exempt bonds, without continually paying subsidies to Wall Street bankers who tell us that if we do not give them these tax-exempt securities the Government will not be financed. I still have confidence that this Congress is capable of devising ways and means of remedying the situation we find ourselves in.

I yield back the rest of my time, Mr. Chairman.

Mr. STEAGALL. Mr. Chairman, the obligations to which the exemption would apply are direct obligations guaranteed by the Government of the United States. I do not think there is any good reason why that exemption should be withdrawn from such obligations. Alexander Hamilton taught, and such has been the generally accepted view, that it was inconsistent and unwise for the Government to undertake to put a tax on such obligations. Moreover, in practical operation, such plan would be a waste of effort. It would be like taking money out of one pocket and putting it into another. If the Government does not exempt its obligations from taxation, of course, the obligations will not command the same market value that they would with the exemption attached. Any tax collected would be covered by higher interest to be paid, and the cost of collection would have to be added.

The States and many subdivisions of government are permitted to issue tax-exempt obligations in the exercise of their sovereignty, and the Federal Government has not seen fit by a constitutional amendment to take away from the States and other subdivisions, this right. So long as that may be done, it would be a discrimination against the obligations of the Federal Government to place such a limitation upon the exercise of this right of the Federal Government. The States and other political subdivisions through the use of the right of issuing tax-free obligations are enabled to tap the sources of investment and the credit facilities of the country for the upbuilding of undeveloped sections and to provide necessary funds for the processes of growth and progress, which they could not obtain under as favorable conditions if they were not permitted to issue tax-free securities.

So this is a national problem if it be a problem. It cannot be cured by a simple amendment to this bill. The only way it can be reached, if it is desirable and wise to undertake such a reform is by an amendment to the Constitution of the United States covering the broad field of tax-exempt securities as it exists throughout the Nation. To single out this particular bill would, of course, put this system at a disadvantage in competing in the investment market with all the other agencies and activities of government which float obligations having tax-exemption advantages. This provision of the bill is indispensable to the success of the measure and I hope the House will vote down the amendment.

Mr. Chairman, I move that all debate on this amendment and the substitute amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Texas [Mr. TERRELL] for the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU].

The substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 44, noes 73.

Mr. BOILEAU. Mr. Chairman, I ask for tellers.

Tellers were refused.

The Clerk read as follows:

TITLE II—ADVANCES FOR CONSTRUCTION AND REPAIR

SECTION 201. The Home Owners' Loan Act of 1933 as amended is further amended by inserting after section 5 a new section as follows:

"SEC. 5½. (a) In order to contribute to the early employment of labor in the construction, repairing, and improving of homes and small business properties, and for refinancing existing mortgages, the Home Owners' Loan Corporation is authorized to subscribe for shares, stock, make deposits, buy certificates of deposit, investment certificates, or make loans as follows:

"(1) To subscribe from time to time for any amount of full-paid income shares of Federal savings-and-loan associations.

"(2) To subscribe for any amount or shares in building-and-loan associations, savings-and-loan associations, homestead associations, or cooperative banks organized and operated under State charter or under the supervision of the Comptroller of the Currency of the United States and which are members of a Federal home-loan bank: *Provided*, That no share shall be subscribed for if such institution accepts deposits or has any other shares which are preferred as to dividends or in liquidation to such shares so subscribed: *And provided further*, That the institution in which such shares are subscribed is in such financial condition as to be able in the judgment of the board of directors of the Corporation to pay dividends at a rate of at least 3 percent per annum.

"(3) To make deposits or purchase certificates of deposit or investment certificates in savings banks and building-and-loan associations, provided such institutions are members of a Federal home-loan bank and provided the same are in such financial condition as in the judgment of the board of directors of the Corporation to be able to earn and pay on such deposits, certificates of deposit, or investment certificates at the rate of at least 3 percent per annum.

"(4) To make loans to insurance companies which are members of a Federal home-loan bank to bear interest at the rate that such companies earn on their investment capital, provided such companies are in such financial condition as to be able to earn in the judgment of the board of directors of the Corporation at a rate of at least 3 percent per annum.

"(b) The funds authorized by this section to be invested, deposited, or loaned shall be invested, deposited, or loaned in the discretion of the board of directors of Home Owners' Loan Corporation so as to contribute to the employment of labor and the maintenance, repair, modernization, enlargement, building, financing, and refinancing of homes, and small business properties. All routine and customary procedure except the minimum forms required to evidence the investment of the Government, shall be eliminated in advancing these funds in order that they be made immediately available.

"(c) Such funds shall not exceed $500,000,000 and shall be invested, deposited, or loaned for the full term of 5 years and thereafter to be withdrawn, repurchased, or mature, as the case may be, at the discretion of the board of directors of the Home Owners' Loan Corporation but not to exceed an amount equivalent to 10 percent of the original amount of any such investment or deposit or loan in any one year."

Mr. STEAGALL. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: "On page 54, line 6, after the word 'homes', strike out the comma and the words 'and small business properties', and insert a period after the word 'homes.'"

The amendment was agreed to.

The Clerk read as follows:

SEC. 202. The Home Owners' Loan Act of 1933, as amended, is hereby further amended by striking out from section 4, subsection (c), thereof, "$2,000,000,000", and inserting in lieu thereof "$3,500,000,000."

Mr. SISSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SISSON: "On page 54, line 23, after '$3,500,000,000', insert 'Title III.—National Mortgage Association.'"

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the reading of this title III be dispensed with as it is substantially the same as title II of the original bill, which title was stricken out by the committee.

Mr. PATMAN. Mr. Chairman, reserving the right to object, I have an amendment which strikes out title II and proposes to insert title II of the original act.

I ask as a parliamentary inquiry whether this is a preferential amendment.

The CHAIRMAN. It is. The Clerk will report the amendment of the gentleman from Texas.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: "Strike out all of title II commencing in line 8, page 52, and ending in line 23, page 54, and insert title II of the original bill."

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to withdraw the amendment, under the circumstances.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LUCE. Mr. Chairman, I ask unanimous consent that the pending amendment may be read again.

The CHAIRMAN. Without objection, the Clerk will again read the pending amendment.

The Clerk read as follows:

Amendment offered by Mr. SISSON: Page 54, line 23, after "$3,500,000,000", insert "Title III—National Mortgage Association."

Mr. SISSON. Mr. Chairman, I ask unanimous consent that the reading of the amendment be dispensed with as it is substantially the same as title II of the original bill which came to the committee.

Mr. LUCE. Mr. Chairman, reserving the right to object, I desire first to know if the amendment offered to add something at the end of page 54 is pertinent at this time unless the section has not been read.

The CHAIRMAN. We have finished reading that section.

Mr. LUCE. Has the Clerk finished reading title II?

The CHAIRMAN. Yes.

Mr. DIRKSEN. Mr. Chairman, reserving the right to object, may I be informed whether the amendment precludes the offering of an amendment to title II as it is now carried in the bill?

The CHAIRMAN. It does. Title II has been passed.

Mr. DIRKSEN. Mr. Chairman, will the gentleman withhold his amendment for a minute until I offer an amendment to existing title II? I do not want to object, but if title II as it now stands is permitted to remain in the bill, then I do not want to be precluded from the right to offer this amendment.

Mr. SISSON. Mr. Chairman, I withhold it.

Mr. DIRKSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DIRKSEN: Page 52, line 13, after the comma following the word "properties", insert "the gradual elimination of uninhabitable, insanitary dwelling structures."

Mr. DIRKSEN. Mr. Chairman, I shall not impose upon the committee very long, except to say that section 5½ on page 52 is really a declaration of policy with respect to construction and repair. It occurs to me that we might just as well kill two birds with one stone and while we are going in for a program of modernization and renovation of existing homes and for the building of new structures we might just as well at the same time address ourselves to the social problem of eliminating some of these insanitary and unsightly structures that we find now in every city, village, and hamlet of the United States of America. They stand as so many eyesores. On a great many of these structures the taxes have been accruing for 15 or 20 years to the point where no one is willing to acquire such building or parcel of real estate, thereby depreciating the assessable value of real estate. They stand there as so many additional and extra fire hazards.

A certain policy might be effectuated under the provisions of this bill so that by way of construction and modernization we may eliminate some of these eyesores and some of these slatterns that stand out on the landscape more or less weather beaten to materially impair the appearance of the cities in which they stand. I see no place in the entire bill where there is a declaration of policy to the effect that it shall be the policy of the administrators of this bill that these unsightly, weather-beaten structures shall be eliminated, and I think it is absolutely necessary to include this feature somewhere in the bill so that there is at least a color of authority for those who are administering this bill and their various instrumentalities to carry out this program of elimination.

Perhaps this is as good an occasion as any to make reference to the fact that Mr. Harriman's name has been mentioned as opposing title II, and that the inference was that title II should therefore be acceptable to those who favor doing something for small home owners. I yield to no one in my solicitude for the small home owner, but I do believe it unfortunate to seek to curry favor in behalf of a provision by using an argument that seems founded on mere prejudice. By the same token, it might be said that Mr. J. M. Daiger, financial counselor to Mr. Walker, president of the National Emergency Council, who on June 9 issued a statement condemning the Banking and Currency Committee of the House for dismembering the bill by stripping it of title II, and who also stated that the House bill was the work of building-and-loan associations, can be cited as a good example of the same kind of argument. Mr. Daiger need not be so effusive with his left-handed compliments. The fact is that he was formerly in the real estate bond and mortgage loan investment field, and had for his clients bank and trust companies whose mortgages were guaranteed by large surety companies. One of the real estate guaranty firms who was one of Mr. Daiger's clients was the F. H. Smith Co., of Washington, whose president, Mr. G. Bryan Pitts, wound up in Lorton Penitentiary because of his nefarious financial practices. Mr. Daiger might well afford to refrain from throwing rocks at the building-and-loan associations, and at Mr. Bodfish, the executive vice president of the Building and Loan League. The fact is that Mr. Bodfish has for years served as a director for a building-and-loan association in Chicago, and for his services receives the munificent sum of $35 per year.

I would like to allude to the fact that throughout the discussion on this bill, the references to the building-and-loan associations would seem to imply that they were some kind of closely controlled, private enterprises, in the same class with other financial institutions. The fact is that when you speak of buildings and loans you speak of the people, because they are nothing more than cooperative home-building enterprises. The people own them, and when their representatives come and express concern about the unfairness of title II I am disposed to listen and give heed to their opinions, because it is the people who are speaking on these matters.

Let me point out also that the original bill, with title II intact, was in my judgment a big finance bill, seeking to hand the building-and-loan folks and the home owners over to the tender mercies of large financing institutions in large centers. Consider for a moment that, under the insurance provisions, insured institutions, which means the small building and loans and others, were restricted in their operations to a 50-mile radius. The National Mortgage Associations, however, which are to be set up under title II, must have capital of five million, can issue bonds up to seventy-five million, tax exempt, and can operate all over the United States. It means some more of this remote

and dangerous financing. Only the large cities can find the money to establish such associations, but, through glib agents and salesmen, they will operate at long range in my district; and if they run true to the form set up by some of the other mortgage houses of the past, it means that there is created the possibility of giving our people another handsome fleecing. I am unalterably opposed to that sort of business.

It was said that these associations would be carefully supervised. Did not they advance the same brand of persuasive talk when the joint-stock land banks were created? Did not they talk about the need for easy money at low rates? Did not they talk about the nice yellow and green bonds issued by these banks as "instrumentalities of the Government", when they were not Government bonds at all? It was rank deception. Did not they talk about Government supervision of these banks? Where are they today? In liquidation. In receivership. Look at the market page of the daily paper and note how those bonds have fallen to less than one-third of their value. And, on top of it all, they refuse to permit farmers to pay off their indebtedness to these banks with the bonds which such farmers bought at par. That is what you call a "high-pressure skin game", and I am opposed to any similar agency that has the power to duplicate that tragic and sordid experience.

I defy anyone to point out a single section of the bill creating such mortgage associations, which guarantees low interest rates. It looks suspicious, and, when coupled with authority to issue 15 times their capital in bonds plus the authority to operate in all of the 48 States, one is forced to the conclusion that this was not in the first instance a housing bill that would bring the maximum benefits to the small-home owner.

I sincerely hope that when the bill goes to conference, the conferees will show a rare discernment and eliminate what I consider to be provision in this bill which is of very doubtful merit.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The amendment was rejected.

The CHAIRMAN. Is there objection to the request of the gentleman from New York to dispense with the reading of the amendment and to print the amendment in the RECORD?

There was no objection.

The amendment is as follows:

Page 54, line 23, after "$3,500,000,000", insert the following:

TITLE III—NATIONAL MORTGAGE ASSOCIATIONS

SEC. 301. Any number of natural persons, not less than five, may associate to establish a national mortgage association for the purpose of (a) lending upon the security of mortgages or such other liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located; (b) purchasing, selling, and otherwise dealing in credit instruments secured by such mortgages or liens; (c) borrowing money for any of the foregoing purposes by the issuance of bonds or debentures.

SEC. 302. Every national mortgage association created under the provisions of this title shall have power—

(1) to have succession from the date of its organization until such time as it be dissolved by act of its shareholders or until its franchise becomes forfeited by order of the Federal Home Loan Bank Board as hereinafter provided, or until terminated by either a general or a special act of Congress, or until its affairs be placed in the hands of a receiver and finally wound up by him;

(2) to have and use a corporate seal;

(3) to sue and be sued, complain and defend in court of law or equity, as fully as natural persons;

(4) to conduct its business in any State of the United States or in the District of Columbia and to have one or more offices in any such States or in the District of Columbia, one of which offices shall be designated as its principal office;

(5) to do all such things as are necessary or incidental to the proper management of its affairs and the proper conduct of its business.

SEC. 303. Persons desiring to associate themselves together to establish a national mortgage association shall, under their hands, prepare articles of association, which shall specifically state—

(1) the name of the association, which shall be approved by the Federal Home Loan Bank Board;

(2) the place where its principal office or place of business is to be located;

(3) the amount of the capital stock; the classes of such stock to be issued; a statement of all or any of the designations and powers, preferences and rights, and the qualifications, limitations, or restrictions applicable to each class of stock; the number of shares and the par value of each of such shares of each class of stock to be issued; the minimum amount of capital with which the association will commence business, which shall be not less than $5,000,000; any provisions which the incorporators may choose to insert with reference to the management of the business and the conduct of the affairs of the association, and any provisions creating, defining, limiting, and regulating the powers of the association, the directors and the stockholders, or any class of stockholders; all such provisions to be subject to the approval of the Federal Home Loan Bank Board;

(4) the fact that the articles are prepared to enable such persons to avail themselves of the advantages of this title.

SEC. 304. The articles of association shall be signed and sealed by each of the incorporators and shall be acknowledged before a judge of any court of record, or a notary public; and shall be, together with the acknowledgment thereof authenticated by the seal of such court or notary, transmitted to the Federal Home Loan Bank Board, which shall record and carefully preserve the same.

SEC. 305. If the Federal Home Loan Bank Board shall be of the opinion that the incorporators transmitting to it articles of association as hereinbefore provided, are responsible persons and desire to create a national mortgage association for the purpose of doing business as heretofore provided, said Board shall issue or cause to be issued a certificate of approval; and the association shall become, as from the date of issuance of such certificate, a body corporate by the name set forth in its articles of association.

SEC. 306. No association shall transact any business except such as is incidental and necessarily preliminary to its organization until it has been authorized by the Federal Home Loan Bank Board to do so. The Federal Home Loan Bank Board shall not grant such an authorization to commence business until it is satisfied that capital stock of a par value of $5,000,000 has been subscribed for at not less than par and paid for in full in cash or Government securities, and until it is satisfied that all other conditions with respect to the organization of the association which it may impose have been met.

SEC. 307. The amount of bonds or debentures which any national mortgage association may have outstanding at any time shall not be in excess of either (a) 15 times the aggregate par value of its outstanding capital stock, or (b) the current value of mortgages held by it and insured under the provisions of the National Housing Act, plus the amount of cash and its equivalent and bonds or obligations of the United States which it holds. No national mortgage association shall issue any bonds or debentures except subject to the regulations of, and with the approval of, the Federal Home Loan Bank Board.

SEC. 308. Funds of any national mortgage association not invested in first real-estate liens shall be kept in cash or its equivalent or invested in bonds or other obligations of the United States or bonds or other obligations fully guaranteed as to principal and interest by the United States. National mortgage associations shall keep such reserves in cash or its equivalent as the Federal Home Loan Bank Board shall by regulation determine.

SEC. 309. Subject to such reasonable rules and regulations as the Federal Home Loan Bank Board shall from time to time declare, any national mortgage association shall have full power to, and may, manage properties purchased or turned over to it as the result of foreclosure proceedings. Such properties may be temporarily rented, rehabilitated, modernized, sold, or otherwise dealt in to assure a maximum financial return to the association.

SEC. 310. The Federal Home Loan Bank Board shall have full power to provide for the periodic examination of the affairs of every association organized under the provisions of this title, and shall have full power to terminate the existence of any such association and order its liquidation and the winding up of its affairs in the event that such Board finds the association to be violating any of the provisions of this title or any of the rules and regulations promulgated by such Board under authority granted to it by this title, or in the event such Board finds the association to be conducting its business in an unsafe and unbusinesslike manner. The Federal Home Loan Bank Board shall terminate the existence of any association organized under the provisions of this title and order the liquidation and winding up of its affairs in the event that such Board finds upon examination of the affairs of such association that the value of its assets is less than one-twentieth in excess of its outstanding liabilities and the amount of such deficiency has not been made up within 30 days after the Board has notified the association that such deficiency exists. Expenses of examination of any national mortgage association shall be assessed upon and paid for by the association being examined.

SEC. 311. The Federal Home Loan Bank Board shall have full power to provide by rules and regulations for the liquidation, reorganization, consolidation, or merger of national mortgage associations, including the power to appoint a conservator or a receiver to take charge of the affairs of any such association, and to require an equitable readjustment of the capital structure of the same, and to release any such association from the control of a conservator or receiver appointed by it and to permit its further operation.

SEC. 312. Such associations, including their franchises, capital, reserves, and surplus, and their loans and income, shall be exempt from all taxation now or hereafter imposed by the United States, and all shares of such associations shall be exempt both as to their value and the income therefrom from all taxation (except

surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States; and no State or political subdivision thereof shall impose any tax on such associations or their franchise, capital, reserves, surplus, loans, or income greater than that imposed by such State on competing financial corporations, domestic or foreign. Nothing herein shall be construed to exempt the real property of associations from taxation in any State or in any subdivision thereof to the same extent, according to its value, as other real property is taxed.

SEC. 313. Each national mortgage association, for the purpose of all actions by or against it, real, personal, or mixed, and all suits in equity, shall be deemed a citizen of the State in which its principal office is located.

SEC. 314. When designated for that purpose by the Secretary of the Treasury, any national mortgage association shall be a depositary of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and it may also be employed as a financial agent of the Government; and it shall perform all such reasonable duties as a depositary of public money or financial agent of the Government as may be required of it. Any national mortgage association may act as agent for any other instrumentality of the United States when designated for that purpose by such instrumentality of the United States.

SEC. 315. No individual, association, partnership, or corporation, except associations organized under the provisions of this title, shall hereafter use the words "National Mortgage Association", or any combination of such words, as the name or a part thereof under which he or it shall do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not exceeding $100 or imprisonment not exceeding 30 days, or both, for each day during which such violation is committed or repeated. The provisions of section 5243 of the Revised Statutes shall not apply to associations created under this title.

SEC. 316. The right to alter, amend, or repeal this title is hereby expressly reserved. If any clause, sentence, paragraph, or part of this title shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this title but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Mr. LUCE. Mr. Chairman, I make the point of order on the pending amendment that there is nothing in this bill as reported by the committee relating to the question of mortgage associations.

The CHAIRMAN. The Chair will hear the gentleman on the point of order.

Mr. LUCE. Mr. Chairman, I have nothing more to say.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. SISSON. Mr. Chairman, I did not hear the point of order.

Mr. LUCE. The point of order is that the amendment is not germane in that there is nothing in the bill that relates to this subject.

Mr. SIROVICH. Will the gentleman restate his point of order. We are not sure what the gentleman has in mind.

The CHAIRMAN. The point of order is that the amendment offered by the gentleman from New York is not germane.

Mr. SIROVICH. What amendment?

Mr. BLANTON. Against what amendment is the point of order raised?

The CHAIRMAN. Against the amendment offered by the gentleman from New York. The Chair is ready to rule.

The Chair is of the opinion that the amendment offered by the gentleman from New York is germane and therefore overrules the point of order.

Mr. PATMAN. Mr. Chairman, I offer a substitute amendment which I send to the Clerk's desk.

The Clerk read as follows:

Strike out all of title II, commencing on line 8, page 52, and ending with line 23, page 54, and insert title II of the original bill, which commences with line 13, page 11, and ends on line 1, page 19.

Mr. LUCE. Mr. Chairman, I raise the point of order that title II has been passed upon by the committee and approved. A motion to reconsider is not now in order.

Mr. BLANTON. Mr. Chairman, the committee has been perfecting title II, which must be done, before a substitute for it may be offered. Each title has to be perfected before a substitute may be offered. We have only been perfecting title II, and this is offered as a substitute.

Mr. LUCE. Mr. Chairman, as I stated before, all of title II has been read, passed on, and accepted by the House. We are now to the point of having a new title introduced. The gentleman cannot return to a section that has already been passed upon.

Mr. PATMAN. The gentleman from Massachusetts is mistaken about title II having been accepted. Title II has not been passed upon as yet. I offer this as a substitute for title II.

The CHAIRMAN. The point of order of the gentleman from Massachusetts [Mr. LUCE] is overruled.

NATIONAL MORTGAGE ASSOCIATIONS

Mr. PATMAN. Mr. Chairman, title II of the original bill commences on page 11. This is for the purpose of establishing or permitting the establishment of national mortgage associations.

The argument that was made against this title II yesterday was that the General Motors Acceptance Corporation representative had something to do with writing it and that a representative of Johns-Mansville Co. had something to do with writing it, therefore no good could come out of the proposition because there two gentlemen had something to do with writing it in the bill. That was the main objection registered against it, and one gentleman, the distinguished gentleman from Maryland, made the argument that if it should be passed the General Motors Acceptance Corporation and other similar acceptance corporations would be able to take their paper which they have on property like Frigidaires and have that paper discounted by this Corporation.

I want to convince you that this cannot be done. This title II of the original bill absolutely relates to homes and nothing else but homes.

If you will turn to page 11 you will find that the association may be organized for the following purposes:

(a) Lending upon the security of mortgages or such other liens as are commonly given to secure advances on real estate.

It says:

On real estate—

And then follows—

under the laws of the State in which the real estate is located.

(b) Purchasing, selling, and otherwise dealing in credit instruments secured by such mortgages.

Which mortgages? Mortgages relating to real estate only.

And (c) borrowing money for any of the foregoing purposes.

What purposes are the foregoing purposes? Mortgages and liens upon real estate only. Therefore the argument that is made that the liens or mortgages upon Frigidaires or anything that is not connected with the construction of a home and does not become a part of that real estate will be eligible for discount with these mortgage associations is a mistake. The argument falls to the ground and the main reason the committee struck this title II out of the bill is not a good reason, because the committee is wrong about it, if the language of the bill is taken at what it says.

Now, talking about who is fighting this legislation, let us see who is fighting it. Who wants title II stricken out? Representatives of concerns that want higher interest rates in this country want title II stricken out. Title II is a provision that, I understand, the administration wants reinserted in this bill. It is the provision that will not particularly help building-and-loan associations; it will not particularly help savings associations; it will not particularly help banks, but it will help the home owners of this country, because it will reduce the interest rates that they are forced to pay. Who are the people who want interest rates held up? Well, the president of the United States Chamber of Commerce appeared before the committee and he was the first man who found objection to title II. Do not forget this. Get a copy of the hearings and turn to page 122, where Mr. Harriman's testimony commences. Nobody raised any objection to title II until the representative of big business, big financiers, big banks, and money-lending agencies appeared on the stand, and he found great objection to it. What is

your objection to it, Mr. Harriman? He says, in effect, and you may read his testimony, he is afraid it will reduce interest rates too much; and if you will look at this testimony, you will see that he says, "I hope the Government holds interest rates up."

[Here the gavel fell.]

Mr. CARPENTER of Nebraska. Mr. Chairman, I ask unanimous consent that the gentleman from Texas may proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. PATMAN. Therefore, the people who want high interest rates are against title II, and whenever the chairman of this committee or anyone else—I do not believe the chairman of the committee will say it—gets up here and states that you should strike out title II because the General Motors Acceptance Corporation representative had something to do with writing it—which he did not—that is no excuse. Did you know that these acceptance corporations are receiving from the people, 15, 18, 22, and even 30 percent interest; and if title II is put back in the bill, any sales that are made, where the paper goes through this corporation, the interest rate will be reduced, I venture to say, below 5 percent? So if the General Motors representative did have something to do with writing it, and he is willing to reduce the interest rate that his company is receiving from 22 percent down to 5 percent or below, I say let him do it, and that is what will happen if this legislation is passed with all the paper handled through this mortgage association.

Now, there is some objection to these mortgage associations because they can expand loans on their capital stock 15 times. Is this very bad? It is slow paper. It is all frozen paper, in effect. Certainly, it is safer for them to extend their loans 15 times on their capital stock than it is for banks to extend them 10 times or the Federal Reserve banks 22½ times or 50 times, which they are doing. It is perfectly safe for the savings banks in my State—and they do it in other States—and under the Federal law if they are member banks of the Federal Reserve or national banks, they can do it. They can extend their loans 33⅓ times for every dollar. For every dollar in a savings account they can lend 33⅓ dollars on it. So where is there any big bugaboo about these concerns being able to extend their loans 15 to 1? The argument is not a good one.

If you vote for this amendment, you vote to cut out the title II that the committee put in the bill. Although I have the utmost confidence in the gentleman who wrote this amendment to title II in the committee's bill, I do not agree with them. They are trying to make these loans through the existing building-and-loan associations. Let us make loans through them. They are getting loans from the R.F.C. now in order that they may be helped, but let us not give them a monopoly on the home owners' paper of this Nation. There is plenty of room and plenty of business for these Federal associations that will be set up in New York and Chicago and Houston, Tex., and the other principal cities through the country, which will result in competition which the building-and-loan associations and the savings banks and the other banks do not want; and with this competition there will be a reduction of interest rates, which Mr. Harriman does not want and which these others do not want.

So if you want the administration's bill that was written by the men who have given serious thought and study to this legislation for weeks and months, trying to carry out the will of the people who will administer this law, in order to carry out what the President told you in his message a few days ago he wanted to do for this great country of ours, you will vote for this amendment and cut out title II put there by the committee, and reinsert title II that was sent here by the administration for us to pass.

Mr. LUCE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LUCE. My parliamentary inquiry is in two parts. Has section 202 of the bill been read?

The CHAIRMAN. It has been read.

Mr. LUCE. Has section 201 of the bill been read?

The CHAIRMAN. It has.

Mr. LUCE. Then this raises a case of novel impression. The Chairman, I am very sure, made a recent ruling that we were still considering section 201. I now renew the point of order, because the Chair's previous ruling was made under a wrong impression. My point of order is that section 201 had been read, and we had proceeded to section 202, and that no motion to strike out section 201 may now be considered.

The CHAIRMAN. This raises the same question that was raised before. The Chair was under the impression that section 202 had not been read. Owing to the fact that it has been read, if the gentleman insists on his point of order, the Chair will sustain it.

Mr. PATMAN. Do I understand that the Chair sustains the point of order?

The CHAIRMAN. Yes, section 202 had been read, and the Chair was not advised that it had been read.

Mr. PATMAN. Will the Chair hear me on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. PATMAN. The Chair will recollect that I offered to strike out title II a while ago, and the Chair asked me to withhold it. I offered it when section 201 was read. I am now asking to strike out section 202, which is a part of title II.

The CHAIRMAN. The amendment must be offered to the first section.

Mr. PATMAN. Mr. Chairman, I appeal from the ruling of the Chair.

Mr. BEEDY. Mr. Chairman, in order to keep the record straight, the gentleman from Texas will recall that he did not offer his amendment until the gentleman from New York [Mr. SISSON] had offered his amendment to strike out the title. That was subsequent to the reading of section 202.

Mr. PATMAN. Mr. Chairman, I withdraw the demand for an appeal.

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word. My purpose in discussing this matter is to clear up, if I may, the parliamentary situation. It was the plan of some Members, especially the gentlemen from New York [Mr. SISSON and Mr. PRALL] of the Banking and Currency Committee, to offer an amendment restoring title II of the original bill as desired by the administration. Title II of the original bill pertains to national mortgage associations. In the new bill, or the committee amendment now being considered by the House, the committee has inserted a new title II providing for loans to building-and-loan associations. It was not the intention, as I understand, of these Members who desire to carry out the wishes of the administration, to remove bodily the new title II pertaining to building-and-loan associations from the bill, but to leave that title in there, at least for the time being, and let the other body or the conference decide whether or not it should remain in the bill.

The gentleman from New York [Mr. SISSON] has offered an amendment restoring the original title II to the bill with one exception; that is, eliminating the tax-exemption feature as to income of those associations. That has been stricken from that amendment. Otherwise the amendment is the same as the original title II, which was in the bill which the administration desires, and still desires to be passed.

Mr. PRALL. Mr. Chairman, will the gentleman yield?

Mr. O'CONNOR. Yes.

Mr. PRALL. This is also a new section, is it not?

Mr. O'CONNOR. It becomes title III of the committee amendment.

Mr. SISSON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SISSON. As I understand it now, the amendment which I originally offered at the end of title II of the bill, under a new title, title III, national mortgage associations, is now before the committee. The Clerk started to read,

and I asked that the reading be dispensed with, inasmuch as in the original bill, that is the bill before the committee struck out the original title II, that title had been before the House.

The CHAIRMAN. If there are no further amendments to title II, that would be so.

Mr. BRUNNER. Mr. Chairman, I have an amendment.

Mr. STOKES. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

Mr. SISSON. Mr. Chairman, is not the amendment which I offered now before the House; that is, title III, at the end of title II?

The CHAIRMAN. That is pending, but this is a perfecting amendment to the present title II. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. STOKES: Page 54, line 23, strike out the period and insert in lieu thereof a comma and the following: "and by inserting after the word 'bond' in the next to the last line of such subsection 'not to exceed $2,000,000,000 in amount.'"

Mr. STOKES. Mr. Chairman, this amendment simply means that the two billion worth of home-loan bonds which have been issued are issued as tax exempt, but that the new $1,500,000,000 of bonds now proposed to be issued shall not be tax exempt. The Home Owners' Loan Act of 1933 would read as follows:

The bonds not to exceed $2,000,000,000 in amount issued by the Corporation under this subsection shall be exempt.

But the $1,500,000,000 of new bonds will not be exempt, so I appeal to those people here who are seeking to do away with tax-exempt bonds to adopt the amendment.

Mr. BROWN of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. STOKES. Yes.

Mr. BROWN of Kentucky. I did not understand the gentleman's amendment to mean that these other billion and a half dollars' worth of bonds would be tax exempt. Will the gentleman read his amendment?

Mr. STOKES. This is the section as amended:

SEC. 202. The Home Owners' Loan Act of 1933, as amended, is hereby further amended by striking out from section 4, subsection (d) thereof, "$2,000,000,000" and inserting in lieu thereof "$3,500,000,000", and inserting, after the word "bonds" in next to the last line of such subsection, "not to exceed $2,000,000,000 in amount."

That means that $2,000,000,000 in amount only shall be tax exempt and that these new bonds, $1,500,000,000, are not tax exempt. We are giving them a chance to issue $2,000,000,000 of bonds as tax exempt, and this new issue of $1,500,000,000 is not to be tax exempt. I happen to be in the bond business in Philadelphia in a small way and I can guarantee you that it will not make any difference to the home owners, except to help them. If these bonds are issued tax exempt, somebody has to pay the tax. Industry, business, and real estate will have to pay that tax. Taxes on real estate today are far too heavy in all the States, and that is one reason for it, because we are issuing these tax-exempt bonds. I appeal to you as fair- and square-minded Members of this House to sustain this amendment.

Mr. STEAGALL. Mr. Chairman, I do not desire to occupy the time of the House further than to say that this subject has been covered by the arguments heretofore made by different Members, including myself.

I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. STOKES].

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out all of section 202, page 54, and insert title II of the original act, commencing on page 11, line 13, and ending on line 11, page 19.

Mr. LUCE. Mr. Chairman, I make the point of order that the amendment as offered has no relation to anything contained within the four corners of section 202.

The CHAIRMAN. Does the gentleman from Texas desire to be heard on the point of order?

Mr. PATMAN. Mr. Chairman, section 202 relates to an appropriation that will go, through building-and-loan associations, to assist home owners. The section I have offered, title II, will do the same thing, practically, in a different way. It sets up a housing association. Section 202 relates to the Home Owners' Loan Act of 1933. The amendment I offered also relates to that act.

The CHAIRMAN. Does the gentleman from Massachusetts contend that section 202 may not be stricken and a new title inserted?

Mr. LUCE. Oh, there is no question that the gentleman may strike out that section; but to insert something wholly unrelated to the matter stricken seems to me not to be germane.

The CHAIRMAN (Mr. GLOVER). The amendment seeks to strike out the last section of title II of the bill and to insert a new title. The question is, then, Is it germane to the bill?

The Chair overrules the point of order.

PUT TITLE II OF ORIGINAL ACT BACK IN

Mr. PATMAN. Mr. Chairman, this is the same amendment I proposed a moment ago, and it is in order now, and I hope the House will adopt it for this reason: The question is, Are you in favor of the bill which the administration wants, which includes title II, or are you in favor of title II of the bill proposed by the Committee on Banking and Currency?

The Committee on Banking and Currency has disagreed with the administration in this: They believe that title II, which provides for these Federal mortgage associations to be set up, which will have for their purpose the reduction of interest rates all over this Nation, should be absolutely eliminated, and instead of that they have proposed that money be furnished to building-and-loan associations to assist home owners in that way. Of course, building-and-loan associations are given plenty of aid and assistance now through the Reconstruction Finance Corporation. They are doing possibly all that they can. We will admit for the sake of the argument that they are, but the building-and-loan field is large enough so that this new agency will do the people a substantial good. There is a demand for the services which this new agency will render.

Now, if you are in favor of title II, as I proposed, you are in favor of the administration's proposal, and you are opposed to what Mr. Harriman, of the United States Chamber of Commerce, wants—high interest rates. You will stand for low interest rates if you vote for this amendment. It is true you will be opposed to some of the building-and-loan associations which feel that this is competing with them and will cause them to reduce their interest rates unnecessarily. It will also be opposed by the savings banks. They are expanding their savings accounts $33⅓ to $1 now, but they will come here through their representatives and tell you it is unsound for the mortgage association to expand 15 to 1. If there is any logic or reason behind that kind of statement, I wish somebody would tell me what it is.

Furthermore, the depositors in the banks, 1 percent of the depositors owning 60 percent of the deposits, are opposed to this, because it will reduce interest rates; but while it is going contrary to the wishes of many building-and-loan companies, many savings banks, many depositors, and many insurance companies, it is lending substantial aid and assistance to the home owners and home builders of America by reducing interest rates, not only in New York and in Texas but in every State in this American Union. Therefore, I ask you members of this committee to vote for the amendment. Put title II back in the bill and let us have this housing program go forward as the administration wants it, and as those who will administer this act want it.

Mr. BROWN of Kentucky. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Kentucky. Will we not attain the same end if we adopt the amendment offered by the gentleman from New York [Mr. PRALL], who has a committee amend-

ment, and who has contested this all the way through the committee?

Mr. PATMAN. I do not know about that. This is a test between the administration's proposal, title II, and the committee's proposal, title II.

Mr. RAMSPECK. Will the gentleman yield?

Mr. PATMAN. I yield.

Mr. RAMSPECK. Where is there any guaranty of lowered interest rates or any limit whatever in this title II?

Mr. PATMAN. It is not guaranteed, but competition will make it so; and it will be supervised by the same organization that has brought the interest rates on homes down to 4½ percent. Certainly they will not permit these mortgage associations to charge more.

Mr. MARTIN of Colorado. Will the gentleman yield?

Mr. PATMAN. I yield.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. PATMAN. I ask you to vote for this amendment; and if it loses, I hope you will vote for the amendment that is offered by the gentleman from New York [Mr. SISSON].

Mr. HANCOCK of North Carolina. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Texas.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment close in 15 minutes.

Mr. PRALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PRALL. Do we understand that this motion is limited to the Patman substitute amendment?

The CHAIRMAN. It is.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. The amendment offered by the gentleman from New York [Mr. SISSON] contains the subject matter of the amendment offered by the gentleman from Texas. Upon the disposition of the substitute amendment offered by the gentleman from Texas, would the amendment offered by the gentleman from New York be in order?

The CHAIRMAN. It would be; yes.

The question is on the motion of the gentleman from Alabama.

The motion was agreed to.

Mr. HANCOCK of North Carolina. Mr. Chairman, I never enjoy disagreeing with my friend from Texas, whom I consider one of the most useful Members of this House. The amendment, however, which he has offered, to strike out section 202 of title II of this bill is an indirect procedure designed to destroy completely the effectiveness of all the provisions contained in title II. I must confess that I am at a loss to understand his attitude. As I stated on yesterday, the members of our committee worked diligently and faithfully for many days on this legislation. They have done their best to bring to the House a sound and workable measure, and it is the candid judgment of many that there is no part of this measure of more vital importance to the purposes of the bill than title II. The particular section which his amendment would strike out merely authorizes an increase in the bonding powers of the Home Owners' Loan Corporation from $2,000,000,000 to three and one-half billion dollars. Five hundred million of this amount is to be used by loans or investments as provided by section 5½ (a). This I thoroughly explained in my remarks here on yesterday. A billion dollars of this amount is to be used in carrying out the present program of aiding distressed home owners throughout the entire country. Applications with the Home Owners' Loan Corporation are already double the amount of funds available for refinancing. It is my recollection that the general counsel of the corporation advised our committee that in his judgment they would have loaned out all their funds by October 15 of this year provided they continued at the rate they are now making loans.

I admit that there is sound reason for differences of opinion regarding the merits of old title II, and that under the amendment proposed by the gentleman from New York [Mr. SISSON], new title II as it stands in the bill before us, together with the old title that was stricken out, would be an additional section. Many, many statements have been made here with respect to the administration's attitude toward various sections of the bill. I do not understand that the administration has expressed any opinion concerning the merits of any particular section as against another section. All of us know that the President wants to attack this great social and economic problem in an effective way, both as emergency and as long-range permanent planning. Who really has the authority to represent the President's view becomes more and more of a mystery here on the floor, and I cannot believe that all of those who have professed to speak for him have been officially deputized. The administration certainly wants a sound and workable bill that will carry out the major objectives as set out in the title. It is our duty, as I see it, to cooperate with them in getting the best legislation possible to do the job. This is what we have tried our best to do with the lights and information before us. Sitting beside me is the Chairman of the Committee on Banking and Currency, a man who is in pretty close contact with the administration. There are several other ranking members of our important committee who would probably be posted as to the wishes of the administration regarding certain provisions of the bill. I could understand how their views might be regarded as representing the administration's views, but I cannot conceive how all those who have spoken here today could claim the same authority.

Mr. MARTIN of Colorado. Right here in my hand is a copy of the President's message saying what he wants.

Mr. HANCOCK of North Carolina. Mr. Chairman, I am sorry, but I cannot yield.

If section 202 of title II is stricken from the bill, it will, in my judgment, bring about the liquidation and extinction of every private home-financing institution in America. It is doubtful, with the relief assured to these institutions by this section, whether they would be able to cope and compete with the big national organizations provided for in old title II, which would take the place of section 202 under Mr. PATMAN's amendment. I honestly believe that if you destroy the so-called "new title II" and thereafter incorporate old title II, you will be sending to the financial gallows those institutions which have cared for millions of our home owners throughout this depression and which have for many, many years encouraged small savings by all classes of our people.

Mr. Chairman, I had not intended to raise any further objection to old title II, though I have not felt that I could conscientiously support an amendment restoring the same to this bill. I feel it my duty, however, to call to the attention of the House some of the features of that section. In brief, it would enable the large mortgage companies to reset themselves up under national charters; a minimum capital of $5,000,000 would be provided, and they would have to meet the requirements laid down by the Federal Home Loan Bank Board before they could operate. They are given all the rights usually given Federal corporations, together with special rights and privileges in the way of taxation. The amount of interest that they might charge is not fixed. They could establish branch offices in every town and hamlet in the country.

Though it is quite probable that these companies would operate on a better and entirely different basis from the old companies, we cannot forget the grief and the loss that have come to American home owners and investors as a result of the mortgage lending and racketeering in this country. These companies under the original bill would be made direct lending agencies of any instrumentality of the Federal Government. They would be depositories for Government funds. They could lend, buy, or discount mortgages anywhere in the United States. If this title is to be restored, it should be materially amended in several important respects. It is my judgment that if the House permits these kinds of organizations to exist, the Federal Government will soon become an insurer of a large portion of the

urban mortgages in the United States. What the loss would be is a matter of conjecture, but it is certain that the Government would soon be involved with an ultimate liability running into the billions.

I therefore appeal to the House to vote down this amendment. If it is your judgment to restore the old title II for the sake of fair play and as a matter of justice, leave the new title II in the bill as it is written.

Mr. ELLENBOGEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I shall take only a few minutes to say that the amendment of the gentleman from Texas, now before the House, is not a test of title II as originally proposed.

One of the most useful sections inserted in this bill by the committee is section 202. This section increases the bonding power of the Home Owners' Loan Corporation from $2,000,000,000 to $3,500,000,000. Now, I am certain that anyone who understands the situation will not strike out section 202 because, as of June 5, the Home Owners' Loan Corporation had actually received applications totaling $4,555,000,000, but had authority to issue bonds to the extent of only $2,200,000,000.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. ELLENBOGEN. I yield to my friend.

Mr. CONNERY. Just to clarify this situation, I have had Members ask me—and I know the gentleman has had Members ask him—the effect of actually striking out section 202. The effect would be to take away from the Home Owners' Loan Corporation a provision which would enable them to take care of many more homes than they are doing now.

Mr. ELLENBOGEN. Exactly.

Mr. ZIONCHECK. That is not right.

Mr. ELLENBOGEN. Just a moment until I answer the gentleman from Massachusetts. If you strike out section 202, you will cripple the Home Owners' Loan Corporation and condemn thousands and thousands of home owners to the loss of their homes by sheriffs' sales. They would be thrown out of their homes and onto the streets.

Mr. CONNERY. That is what I mean.

Mr. ELLENBOGEN. And this would happen regardless of the President's housing program. We must increase the power of the Home Owners' Loan Corporation to issue bonds.

Mr. CONNERY. Mr. Chairman, if the gentleman will yield, any Member who votes against section 202 is voting against extending further relief to distressed home owners in every district of the United States.

Mr. ELLENBOGEN. Exactly. I want the committee to understand this: The question before the House on this motion is not as to original title II. That question will come up on the motion of the gentleman from New York.

The question is whether you want to condemn the home owners to lose their homes or want to give them a fair opportunity to retain them through the Home Owners' Loan Corporation.

Mr. ZIONCHECK. Will the gentleman yield?

Mr. ELLENBOGEN. I gladly yield to the gentleman from Washington.

Mr. ZIONCHECK. The $1,500,000,000 authorization to the Home Owners' Loan Corporation provides the funds to carry out the provisions of title 2.

Mr. ELLENBOGEN. It does not. The gentleman is mistaken. May I explain to the gentleman that it gives to the Home Owners' Loan Corporation an additional bonding power of one and one-half billion dollars. From that it may, if it so desires, use $500,000,000 of the one and one-half billion dollars to purchase stock in building-and-loan associations. I say the Home Owners' Loan Corporation may. The power is permissive and only extends to $500,000,000, whereas section 202 increases the power to issue bonds by a billion and a half dollars. I want the Members to realize that the applications already made total $4,555,000,000.

Mr. ZIONCHECK. We all know that. The Banking and Currency Committee is not the Appropriations Committee, in the first place.

Mr. ELLENBOGEN. The Banking and Currency Committee has always had charge of home-loan legislation, and therefore it properly inserted this section.

Mr. PATMAN. Does the gentleman realize that there is no objection in either the House or the Senate to giving $1,500,000,000 more to the Home Owners' Loan Corporation? I do not think this will affect it, because, if the gentleman is correct, it will go to the conferees, and they can put it back. No one will object to reinstating it if the gentleman is correct and the parliamentary situation has forced this proceeding for temporary expediency. No harm, in the long run, can possibly be done to the $1,500,000,000 authorization.

Mr. ELLENBOGEN. I do not know what the conferees may do. I have a duty to perform here. It would be detrimental to every home owner in the United States to strike out section 202, and the parliamentary situation does not make it necessary to do so.

Mr. HANCOCK of North Carolina. The gentleman understands that the testimony before our committee was to the effect that all funds now in the hands of the Home Owners' Loan Corporation would be exhausted by October 15 of this year if the loans continued at the same rate?

Mr. ELLENBOGEN. Yes; the gentleman is right; and therefore we must leave section 202 in the bill.

[Here the gavel fell.]

Mr. LUCE. Mr. Chairman, I do not wish to address myself to the main issue at this moment, but rise to call attention to an interesting statement by the gentleman from Texas who, after moving to deprive the Home Owners' Loan Corporation of a billion and a half dollars, went on to inform the House that there is not a man in either the House or Senate who wants it to be done. I sometimes wonder how it is possible to follow views in such contradiction. The gentleman asks us in one breath to strike it out and in the next says everybody wants it to remain.

Mr. PATMAN. Will the gentleman yield?

Mr. LUCE. Certainly.

Mr. PATMAN. The gentleman realizes that a parliamentary situation had to be dealt with and that is the only way we could get the amendment considered by the House. If the gentleman is correct in his contention, no one would object to reinstating any necessary language after my amendment is adopted. I certainly do not want the authorization for the large appropriation eliminated.

Mr. LUCE. I doubt if parliamentary consideration ever justified that type of procedure.

Mr. HANCOCK of North Carolina. And especially where the distressed home owners of America are concerned.

Mr. LUCE. Yes; distressed home owners by the thousands who are not yet helped. Yet the gentleman rises here and moves to deprive them of the benefits which he says everybody wants to give them. Mr. Chairman, I do not believe there is any need to comment further upon the intellectual vagaries of the gentleman from Texas.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. BRUNNER. Mr. Chairman, I offer an amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. BRUNNER: On page 54, line 23, after the figures "$3,500,000,000", strike out the period and insert "$6,000,000,000 and that $1,000,000,000 of this amount shall be loaned for new construction of homes."

Mr. BRUNNER. Mr. Chairman, I do not propose to delay final consideration of this measure because I know the tenure of the members of the Committee.

However, I represent a district of home owners second to none in the United States, and I welcome legislation of any nature which will in any way assist them. This bill as reported to the House will assist the home owner and I am duty bound to vote for it in any form it may finally be reported by the Committee of the Whole House, but I am frank to state that it does not go far enough. I am reliably informed that the sections which have been removed were so

removed to the displeasure of the President and the American Federation of Labor. In my opinion both these sources are better able to decide this question than the members of the Committee.

In the first place this is a bill not only to permit the home owner to make his home a more comfortable place to live, but it is primarily a bill to place back to work that class of men who have suffered most through this depression, namely, the building-trades employees. Who is in a better position to state than the members of the various building trades, all of whom are members of the American Federation of Labor, which is the best legislation for us to enact into law than possibly the President who through the Home Loan Board and various other agencies has been brought face to face with this great problem of unemployment. Both have recommended to this body the same method to lead us out of this dilemma, and I for one am more than willing to accept their judgment and hope that the sections removed by the Committee will be restored by the votes of the members of the Committee of the Whole House.

The bill should also be amended so as to increase the sum to six billion instead of three and a half billion. And one billion of this sum should be set aside for new construction.

I have no quarrel with the savings and loan lobby which operated so successfully with respect to this bill, in fact, it matters little to me whether the Home Owners' Loan Corporation or the savings and loan associations loan the money to the home owner and those who desire to make repairs and build homes. The ultimate result is the same because it puts people back to work and takes them off the relief rolls, but I do insist that if the savings and loan associations, banks, and so forth, are to have this money, the law should specify and insist that they comply with the same rules and regulations under which the Home Owners' Loan Corporation is now operating, especially with respect to interest rates, amortization payments, and terms of the mortgage. May I remind the members of this committee that we are today celebrating the first anniversary of the enactment into law of one of the greatest pieces of legislation ever passed in this or any other Congress. Just 1 year ago today the President signed the Home Owners' Loan Act and in that 1 year this act has done more to alleviate suffering, bring back happiness and encouragement to the American people than any one single act which has been performed during the present or any previous administration, and I can think of no more fitting time nor place to refer briefly to the record made by Vincent Dailey and his staff in administering the Home Owners' Loan Act in my own State.

Week ending June 8, 1934

NEW YORK STATE

	Number	Amount
Loans approved	1,721	$9,396,660
Total to date	38,480	210,147,835
Closings completed	1,703	9,120,142
Total to date	19,887	108,681,076

New York State:	
Applications to date	103,238
Preliminary appraisals completed to date	82,823
Mortgagees' consents obtained to date	60,372
Final appraisals completed	51,601
New York City (week ending June 8, 1934):	
Closings completed	952
Amount	$6,084,020.28
Taxes paid	$422,114.97

One of the most significant parts of this record, to my mind, is that part which shows that through the administration of this act the city of New York has received several millions in taxes. In my opinion, this was one of the most important factors in balancing the budget in our city, thereby making it possible to obtain P.W.A. loans and restoring the confidence of the bankers to such an extent that the interest rate on loans to our city had been materially reduced. I know I bespeak the sentiments of the entire Democratic delegation from New York when I say we are proud of the record made by Vincent Dailey and his staff in New York State.

I hope my amendment to increase the amount from three and one-half billions to six billions will prevail.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment do now close.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. SISSON. There is an amendment pending to title 3. May I ask whether the reading of my amendment was dispensed with?

The CHAIRMAN (Mr. BANKHEAD). The amendment was ordered to be printed in the RECORD.

Mr. WOLCOTT. Mr. Chairman, do I understand that the amendment of the gentleman from New York has been considered as read and is to be printed in the RECORD?

The CHAIRMAN. Yes. By unanimous consent it was agreed that the amendment may be printed in the RECORD.

Mr. WOLCOTT. Mr. Chairman, I make the point of order against the consideration of the amendment for the reason that the amendment offered by the gentleman from Texas [Mr. PATMAN] included all of the verbiage of the amendment offered by the gentleman from New York [Mr. SISSON], and therefore the Committee has already passed upon the subject.

The CHAIRMAN. The Chair overrules the point of order.

Mr. SISSON. Mr. Chairman, may I say for the benefit of the Members who are interested in building and loan associations and who believe that our interest in them should be shown to the extent of a loan from the Federal Government of $500,000,000, that while I frankly am not enthusiastic about that, and while frankly I feel in this bill by insuring their shares and insuring their mortgages, in addition to the other aid that has been given in the past to building and loan associations, that there may be some question as to whether this appropriation from the Treasury of $500,000,000 is necessary, I did not join in any effort to defeat this provision, and I certainly would not join in any effort to defeat the further appropriation of $1,000,000,000 to the Home Owners' Loan Corporation. I intended to have this question brought before the House and before this committee in a clean-cut, straightforward way; namely, to restore original title II as it came to us from the administration.

I will challenge any member of this committee—I am sorry to have to say this—to stand up here on his feet and say that this provision in this bill is not a vital part of the administration measure and that it was not requested by the administration. Gentlemen have risen here and have attempted to cast doubt upon it, but they know that the Chairman of the House Banking and Currency Committee called us back the other day and asked us to reconsider it, and I would not feel privileged to say what went on in executive session if it were not for the fact that it is well known to everyone of the Democratic members of this committee that that was by reason of the fact that it was understood the administration desired title II, which is the establishment of national mortgage associations.

I am getting rather tired of this shilly-shallying and wishy-washing on the part of certain Democratic members of my own committee. They come in here and appear to cast doubt upon whether this is a part of the administration measure.

I discussed the reasons yesterday, Mr. Chairman, why title II, the establishment of national mortgage associations, is necessary. We are not asking for any grant or any loan from the Federal Government to these national mortgage associations. These national mortgage associations will simply constitute reservoirs for the drawing of private capital from those districts where the supply of mortgage money exceeds the demand into districts where the demand exceeds the supply. They are absolutely necessary, and I want to impress this upon every Member of the House, my Democratic colleagues particularly, as a mechanism whereby slum

clearance and low cost housing projects may be financed and carried on.

I shall be more magnanimous than some of my colleagues on my own committee have been. I am perfectly willing to see this provision go forward for the benefit of the building and loan associations. I think they are desirable institutions.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SISSON. I am sorry I have not the time.

I am perfectly willing to have that provision in the bill, although I was not enthusiastic about it and it was not a part of the administration's program, but for the sake of what I regard as a greater result, I would not have supported the Patman substitute for my amendment, but I do ask you, because this does not involve the appropriation of a single additional dollar from the Treasury, inasmuch as you have already passed upon the matter of slum clearance and low cost housing projects, to give us the means and the mechanism to put this into effect.

[Here the gavel fell.]

Mr. SISSON. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SISSON. I want to call the attention of the committee to one other thing. There has been no substantial change made in this title III, which is the same as the original title II, as it came to us from the administration, except we have removed the provision providing for exemption from tax on the income. The bonds and debentures of this corporation are subject to the same provisions as the other obligations. There is no exemption asked for in this provision. We have taken that out in deference to the wishes of certain members of the committee, and I think they were entirely right in that respect. [Applause.]

Mr. MARTIN of Colorado. Mr. Chairman, I rise in support of the amendment.

The CHAIRMAN. If no Member seeks recognition in opposition to the amendment, the Chair recognizes the gentleman from Colorado.

Mr. MARTIN of Colorado. Mr. Chairman, the question was asked a moment ago as to who speaks for the administration. I think the gentleman from North Carolina, who is a member of the committee which is opposing the amendment said it is becoming a question in the House as to who speaks for the administration on the floor. I may say that in this case the administration, meaning thereby the President of the United States, speaks for himself, because I have in my hand a copy of the President's message on the housing bill just as it was delivered to the Members here on the floor and read from the Clerk's desk the day it was sent up, and I read from it as follows:

> The purpose of the program is twofold: First, to return many of the unemployed to useful and gainful occupations; second, to produce tangible, useful wealth in a form for which there is great social and economic need.

Now, listen to this:

> The program consists of four major, interrelated divisions:
>
> * * * * * * *
>
> 3. Mortgage associations.

Unquestionably this is just as vital a part of this program as any other part of the bill. No doubt this original bill introduced by the chairman of the committee was prepared with great care over a long period of time and we may assume by competent persons in whom the President has confidence and therefore it is just as essential to carrying out this great program as any other part of the bill.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Colorado. I have not the time to yield.

I just want to say that this is the last opportunity of this House to do a big thing, and to do it in a big way. I came into the House yesterday with an open mind on this subject of title II, "Mortgage Associations", without any opinion on it one way or the other.

It is my judgment, after listening to the debate up to now, and with this title cut out, that we are not doing a big thing in a big way. We have taken a great national housing bill, something to bring a great national industry out of stagnation, and have whittled it down to benefit the building and loan associations. That is what it amounts to—merely fattening the credit of the building and loan associations.

In my judgment, the measure in the form in which we now have it, will not create a ripple on the stagnated surface of the building-trade industry in this country. What that industry needs for rehabilitation is a great fresh current of finance to start it into circulation.

To show you how open my mind was, after listening to the gentleman from Maryland in his speech against title II I got the impression that perhaps the greatest benefit of this legislation would be the elimination of title II—that that outbalanced all the other benefits.

But as the debate developed, I put two and two together. When it transpired that there are 11,000 building and loan associations in the United States, and out of that 11,000 building associations, 1,000 are in the city of Baltimore—twice as many in the city of Baltimore as they have filling stations.

The gentleman from Maryland seemed to be afraid that we are going to set up a competition to that great local industry, and it occurred to me that if they have loan and building associations on every corner there will be no possibility of any competition, especially as they say they can get the service from these local associations cheaper than the Government can give it to them.

Apparently the head and front of the opposition to this section of the original bill is coming from the State of Maryland, in view of the fact that they have nearly one-tenth of all the building and loan associations within the borders of the country.

(The time of Mr. MARTIN of Colorado having expired, he was given 2 minutes more.)

Mr. MARTIN of Colorado. Now, gentlemen, like many other Members, I think I may have good reasons for keeping silent, because I received telegrams protesting against title II and against the insurance provisions from building and loan associations in my district. But when it developed that the bill requires $5,000,000 paid in capital in cash or Government bonds to initiate and organize one of these mortgage associations, I felt that the Third District of Colorado was perfectly safe, because I do not know of any town in it that can raise $5,000,000 for any such purpose. [Laughter.]

Mr. ARNOLD. Will the gentleman yield?

Mr. MARTIN of Colorado. I yield.

Mr. ARNOLD. Is there any danger of subdistrict offices being created under these $5,000,000 corporations?

Mr. MARTIN of Colorado. There is no provision for it in the bill. I confess to the gentleman that I am not familiar enough with all the provisions of the discarded administration bill to stand a cross-examination on it, but title II does not contain a word authorizing branch associations. I think the smaller districts in the country, like mine, may be entirely free from any apprehension that they are going to get any of these $5,000,000 mortgage associations, which have to put up $5,000,000 in cash to be established. The fact of the matter is that these associations will operate only in the large centers, and that is where they are needed.

But the point may be made that even if these mortgage associations are permitted to operate over an unrestricted area, the facts brought out in this debate show that there is plenty of room for them and plenty of need for them. The facts have been brought out that the real-estate mortgages in the United States, not including farm property, amount to $21,000,000,000, of which about $7,000,000,000, or about one-third, are handled by building-and-loan associations, leaving a vast field of operations for this new agency; in addition to which these new associations will

occupy an entirely undeveloped field, that of slum clearance and the building of decent, human, habitable homes for the people in all the cities of the country, a field wholly untouched by any existing agency in the country.

I was shocked today to hear a Member certify as an eyewitness that housing conditions in the larger cities of the United States are inferior to those of London, Paris, Berlin, or Moscow. This is a shame to our civilization. It will take these mortgage associations, which may expand their capitalization to $75,000,000, to handle any such conditions. After all, this is only anticipating a phase of one of the three major social-betterment objectives mentioned by the President in his great message a few days ago, that of decent homes for the people.

Mr. Chairman, the building-and-loan association is a great institution. The fact that it holds one-third of all the real-estate mortgages in the United States, and these mortgages are said to represent two-thirds of all the home owners of the United States, speaks for itself. The amendment offered by the gentleman from New York [Mr. PRALL] to restore title II on mortgage associations to the bill preserves everything of benefit to the building associations in the original bill and everything of benefit which has been put in the bill by the Committee on Banking and Currency in lieu of title II.

If this amendment is adopted and title II restored, they will get all that was in the original bill and all that is in the committee substitute, and I would support no amendment that took one bit of it away from them. They get five hundred millions of additional capitalization under this bill; they can get their capital stock and their loans insured just as bank deposits are now insured. The millions of home owners and investors in these associations are entitled to this protection, and we will have better and sounder associations as the result of it, just as we have better and sounder banks as the result of deposit insurance. It is not a question in my mind whether these new mortgage associations will unjustly compete with the building-and-loan associations so much as it is a question whether all of them combined will restore the great building trades and their allied industries to a status befitting this great Nation.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. MARTIN of Colorado. Mr. Chairman, I ask unanimous consent to proceed for 2 minutes more.

The CHAIRMAN. Is there objection?

There is no objection.

Mr. MARTIN of Colorado. Mr. Chairman, my sympathies go out to these gentlemen from the large centers such as New York, Chicago, Philadelphia, and the other populous centers of the country, because the 10-story tenements in New York which house hundreds of families are just as much a residential proposition as a one- or two-story house out in the smaller cities or towns of the country. It seems to me that we have an opportunity here for slum clearance that will give employment to thousands and tens of thousands of men throughout the big cities of the country and do something substantial, and for God's sake let us quit these little credit-fattening propositions. Ever since the R.F.C. was organized we have been credit-fattening something. We credit-fattened the railroads and the insurance companies and the banks, and now we are going to credit-fatten the building-and-loan associations, and, after we adjourn here in a few days and go home, the whole program of credit-fattening, so far as injecting new economic and industrial life into the country is concerned, will not amount to a damn, and it will be too late for us to do anything about it. [Applause.]

[Here the gavel fell.]

Mr. BEEDY. Mr. Chairman, I rise in opposition to the amendment. I did not intend to take any time of the Committee at this point, not that I did not realize the action we are about to take is of grave importance but because, first, I am fatigued, and, secondly, because I doubted whether the Committee is in a mood to listen to discussion opposing the bill.

The question just asked by the gentleman from Illinois [Mr. ARNOLD] prompts me to rise and call to the attention of the House one very important feature involved in the pending amendment. I am frank to say this, and of course it need have no influence on any other Member here, but if the original title II comes back into the bill I cannot vote for it. I have gone just as far as I can permit myself to go in authorizing this Government to set up one institution after another in the field of industry, to compete with private capital. I have come to the crossroads. I am through with that sort of thing. I do not know how much further you are going with your program of socializing industry. I saw in this morning's paper that the Government is going to run the mills and the factories of the Nation. Where are we going to stop, my friends? We must stop somewhere. You ought not to use public moneys to circumvent the established economic order. Do you really intend to upset our entire social order? If you do, keep on as you are now going. Set up these national mortgage associations, give them a Federal franchise, and exempt them from taxation as the administration desires.

The gentleman from Illinois [Mr. ARNOLD] asked if these mortgage corporations are authorized to set up branches and whether they can go into my small towns to compete with small private lending institutions. Yes, they can, I say to the gentleman from Illinois. If he will turn to page 12 of the bill he will see that the original section title II, which is the amendment now pending before the House, provides that these corporations can do business in any State, have one or more offices in any State, and designate one of its offices as a principal office.

I am not interest in any building-and-loan association, and no representative or anybody investing in any such association has ever written or approached me regarding this bill, but I do recognize in such associations the greatest friends that the poor man and the small-home owner has had ever since this depression struck the country. I want to strengthen their arms and enable them to go on with the splendid work that they have been doing. I do not want to assassinate them. If you put title II back into the bill, you may as well understand that you are going to set up these great Federal corporations with their principal offices in the various States, with their branch offices scattered hither and yon, and you are going to help destroy private industry in the form of building-and-loan associations, institutions set up by men with limited capital and coming to the aid of home builders and home owners at a low cost for service rendered.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Make your choice. But I beg of you to understand that the adoption of this amendment is but another step along this road that this administration is urging us to follow, a road that ultimately leads to the destruction of private industry in this country and brings us to the point where everything is going to be controlled by Government. If that is what you want, you can have it. I do not want it.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. BEEDY. Yes.

Mr. O'MALLEY. The gentleman inquires as to where we are going to stop. I want to say for myself that I think that we are not going to stop until we put everybody back to work that the gentleman's administration put out of work.

Mr. BEEDY. I will say to the gentleman that any thoughtful person knows that no administration at any time in this country's history, neither the gentleman's party or mine, ever did anything to put men out of work. Every administration seeks to do what it can to aid industry and promote the welfare of the whole people.

Mr. O'MALLEY. The country knows that the gentleman's party never did anything.

Mr. BEEDY. I do not yield further to the gentleman. Will the gentleman now be as courteous to me as I was to him in yielding in the first place?

We asked your party's cooperation when this world depression hit us. Many of you gave it. You asked ours when your President and my President took office in March 1933, and we gave it. I have gone with you step by step as far as I can go. True, I did not agree to going off the gold standard and I did not agree to the debasement of the dollar, but in other directions I have given the President as intelligent and helpful support as has the gentleman himself. I cannot go with you when it comes to taking more Government money, more of the people's money, to create a corporation to compete with private industry and to disrupt the entire economic and social structure. [Applause.]

The CHAIRMAN. The time of the gentleman from Maine [Mr. BEEDY] has expired.

Mr. PRALL. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I do not wish to take up the time of the committee, but I should like to call attention to the fact that the plan after which this legislation has been fashioned has been worked out by experts since last December. This is not a hurried proposition. It is something that has been well thought out, and we need have no fear of the dire results which the gentleman from Maine [Mr. BEEDY] predicts. We cannot go wrong by reinstating title II. I will say without any fear of contradiction that the administration desires title II replaced in the bill. It is a part of the whole structure embodied in the plan. I am sure you will not permit its destruction.

Mr. PATMAN. Will the gentleman yield?

Mr. PRALL. I yield.

Mr. PATMAN. If this amendment is adopted, and I favor its adoption, it will leave title II of the committee bill in, and it will reinsert title II of the original act, which was left out.

Mr. PRALL. The gentleman is correct.

I yield back the balance of my time, Mr. Chairman.

Mr. SISSON. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

Mr. LUCE. Mr. Chairman, I move to amend the motion. There are two gentlemen on the committee who desire to speak. I move that the debate close in 15 minutes.

Mr. SISSON. Mr. Chairman, I will withdraw my motion and move that all debate on this amendment close in 15 minutes.

The motion was agreed to.

Mr. REILLY. Mr. Chairman, I rise to support the amendment of the gentleman from New York [Mr. SISSON], to restore to the bill now before the committee, title II of the original bill, as considered by the Banking and Currency Committee for the organization of national mortgage associations.

The important section of the bill now before the committee is section 5 of title I, which provides for the insuring of home mortgages by the National Government up to 80 percent of the value of the mortgaged property on homes to be built after the enactment of this law, and 60 percent of the value of property on homes already built.

The insuring of mortgages is a new departure on the part of the National Government and can be justified only on emergency grounds. The building and mortgage situation is in a most depressing state today, and it is believed that under the terms of the pending bill with title II of the original bill included, that the Government, through the insuring of mortgages and the providing of a corporation or corporations under Government control for the purchasing or dealing in of insured mortgages, will help to revive the building industry by loosening up the mortgage situation, and making available hundreds of millions of dollars for that industry without any cost to the National Government.

I cannot agree with certain members of the Banking and Currency Committee and other critics of title II of the original bill, that the inclusion in the pending bill of said title II will afford an opportunity for the unloading on the National Government of worthless mortgages. Section 5 of title I that the committee has already approved, provides the machinery for unloading mortgages, good or bad, on the National Government. If such unloading will be possible, because under the terms of section 5, existing mortgages may be insured up to 60 percent of the appraised value of the mortgaged property, and such insuring will take place no matter whether or not title II of the original bill is made a part of the pending measure.

If the Government is going to insure worthless mortgages, under the terms of this bill, such insurance will have to result from incompetent and dishonest appraisals of property covered by mortgages sought to be insured. Under the terms of the Home Owners' Loan Corporation Act that same opportunity to defraud the Government exists. However, by the terms of the pending bill the Government insures existing mortgages only to the amount of 60 percent of the appraised value of the property, while under the Home Owners' Loan Act the Government may lend up to 80 percent of the appraised value of the property, and consequently the chances for defrauding the Government through dishonest or incompetent property appraisals is much less under the pending bill than under the Home Owners' Loan bill.

Now, if this bill is going to function and money is to be furnished to the building industries, some provision must be made for the organization of a corporation or corporations that will buy the mortgages insured by the Government, under the terms of the pending bill. Mortgages are insured for the purpose of giving them a market. If the pending bill is to function on any scale required to meet the present building situation, there must be organized either a corporation or corporations under State control, or a corporation or corporations under national control, for the purpose of dealing in these insured mortgages.

As the bill now stands the gathering of funds for the purpose of buying insured mortgages would be left to corporations organized by private individuals under State laws. Title II of the original bill, which the pending amendment would restore to the bill now before the committee, provides that such corporations shall be national corporations controlled by the National Government, under the said title II. The National Government will put up no money, take no responsibility, except to lay down the requirements for the organization of these corporations, and to see that when organized the corporations live up to the law.

One of the reasons for putting these corporations under the control of the National Government is to protect as far as possible the investors in the debenture and securities of these mortgage corporations that will be issued and sold to the public, by these corporations, whether organized under State or national laws.

Many members of the committee were of the opinion that corporations for the buying and dealing in of insured mortgages would be organized by private citizens under State charters, and that it was unnecessary for the National Government to become involved in any way with such corporations. It is possible that without title II of the old bill being added to the pending bill, that the private corporations might be organized to buy these insured mortgages, but on the other hand it is also possible that the general public would have more confidence in national corporations, and be more free to buy their debentures and securities, if they understood that the said corporations were to be supervised and controlled by the National Government instead of by the various State governments.

The framers of the original bill, the men who have given serious thought to this legislation, were of the opinion, and still are of the opinion, that this bill will work much better if the National Government is given authority to create and control the corporations that will deal in the insured mortgages, provided for in this bill.

Mr. Chairman, it is my intention at the proper time to offer an amendment to strike out from section 201 of title II of the original bill, which the amendment of the gentleman from New York proposes to make a part of the pending bill, the language that would give to these national mortgage associations the right " to lend upon the securities

of mortgages or such other liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located."

This language would make of these national mortgage corporations, mortgage-loaning institutions as well as mortgage-buying institutions. It is this provision of title II of the original bill that drew the fire and opposition of the building-and-loan people, the savings-bank people, in fact all the institutions in the country that are doing a mortgage-loaning business.

All the witnesses who had anything to do with the framing of the original housing bill, who appeared before our committee, stated or have stated since, that it was not their intentions to make these national mortgage associations, loaning associations, and thereby put them in competition with all the other loaning agencies of the country. They stated that these mortgage corporations, organized by the National Government were intended to deal in insured mortgages, and that they had no intentions of giving to such corporations the right to enter into the general loaning field.

Mr. O'CONNOR. Will the gentleman yield?

Mr. REILLY. I yield.

Mr. O'CONNOR. I agree with the gentleman that that provision should not be in there and it was not intended to be there, but that these mortgage associations are only supposed to purchase mortgages.

Mr. REILLY. That is correct.

Mr. MAY. Will the gentleman yield?

Mr. REILLY. I yield to my colleague from Kentucky.

Mr. MAY. Does the gentleman mean to say to the Committee that the Government is in no sense responsible for these mortgages as an underwriter or a guarantor of them?

Mr. REILLY. Yes, the Government is responsible for the mortgages that it insures but such responsibility comes to the Government under section 5 of title I of the pending bill and there is no additional responsibility laid on the National Government because of the including in this bill of title II as provided by the amendment of the gentleman from New York [Mr. SISSON].

I might say further that according to the opinion of experts who have studied the mortgage-insurance problem, the Government stands to lose nothing by insuring mortgages as provided for in this bill, for the reason that by the terms of the bill there is an extra interest charge of 1 percent a year on mortgages insured, and this additional premium, it is claimed, will more than make up for any losses that the Government might suffer.

Mr. LUCE. Mr. Chairman, an overwhelming majority of your Committee on Banking and Currency is opposed to the national mortgage associations. Against that is brought a report that the administration favors national mortgage associations. The great controversies of the world throughout all history have arisen from differences in definition, and while this may or may not be a great controversy, the very core of it is here, also the difference of definition.

What do you mean by "administration"? Were you acquainted with the history of this bill, you would realize that in the present instance the word "administration" means two or three admirable young gentlemen called in to advise the President, who are not fortunate enough to bring to the task the experience of years, the acquaintance with affairs, and the knowledge of human nature that is possessed by Members of the Congress of the United States. [Applause.] These young gentlemen having learned last Saturday that the committee had by an overwhelming vote rejected their proposal, resorted to the columns of the press, and two of the great metropolitan papers in New York each contained on Sunday a column and a half representing and reporting the anger of the "administration" against what we had done, namely, the anger of the two or three young gentlemen to whom I refer. They spread throughout the country the idea that the President of the United States was opposing what the committee had done, while the truth of the matter was that properly defined in this instance the word "administration" mean that two or three young zealots, enthusiastic but without experience, were cross because we had rejected their views.

Now, sir, there served on this committee of 25 not a few Members who have been here through the greater part of the life of one experiment along this same line, an experiment that has taught us bitterly what this new proposal means. The country has had experience now through 20 years with an institution of precisely the same general nature as that which it is proposed here to establish; an institution that has been the most disgraceful, the most scandalous, the most regrettable thing in the whole financial history of this country in the course of our lifetime. I refer to the joint-stock land banks. The story is that when the Federal Farm Loan System was adopted it was found necessary by way of concession in order to get the bill passed, to allow the creation of the joint-stock land banks. The purpose was the same as is in this National Mortgage Association, to gather capital from the wealthier parts of the country and take it to parts of the country that have a lesser supply of funds. The system was expected to receive the supervision of the United States, just as has here been promised within a few minutes. That supervision was of such a character that it permitted some of the most scandalous failures in our financial history.

Read the story of the Kansas City Joint Stock Land Bank. Do you not know that because Congress refused the money necessary for proper supervision, because the agencies of this Congress, the Farm Loan Board, failed to exercise such supervision, that bank and other banks failed and so were lost the thrift savings of thousands and thousands of our citizens? You have no assurance in this bill of any better supervision for this new institution of the same type.

These national mortgage associations are to be privately owned. They will be organized for purposes of private profit. As the mortgages they buy will be insured, there will be no motive of prudence to restrain them. They need give no attention to appraisals, pay no heed to the character or condition of mortgagors. They can put their branch offices in every corner of the land where there is a thrift institution, whether it be a savings bank, a cooperative bank, a building-and-loan association, or any other of the mutual agencies that now thrive because of the knowledge of neighbors. These cooperatives make no great profits. If the new institutions succeed, it can only be by a competition that will drive the mutuals to the wall. Thus you will destroy the most beneficent agencies for the encouragement of thrift mankind has yet devised.

Mr. LUCE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. The time has been limited by vote of the Committee.

Mr. LUCE. I understand, but I ask unanimous consent that I may be granted 5 additional minutes notwithstanding the limitation.

Mr. BYRNS. I have no objection, but I want 5 minutes on the amendment. I may say to the gentleman from Massachusetts that it was understood that debate was to be limited to 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. CARPENTER of Nebraska and Mr. McFARLANE objected.

Mr. BYRNS. Mr. Chairman, I have very great respect for members of the Committee on Banking and Currency, both the Democratic and the Republican members.

The gentleman from Massachusetts said that the overwhelming majority—I believe that was the expression he used—of that committee is opposed to this amendment. I have observed that only two members of that committee sitting in the Chamber have taken the floor against this amendment, and those are the gentleman from Massachusetts himself and the gentleman from Maine [Mr. BEEDY].

Mr. BEEDY. Mr. Chairman, having mentioned me, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. BEEDY. I know the gentleman does not want the RECORD to go uncorrected, so I would remind him that the gentleman from North Carolina spoke in opposition to the amendment.

Mr. BYRNS. The gentleman from North Carolina [Mr. HANCOCK] spoke in opposition to the amendment offered by the gentleman from Texas [Mr. PATMAN]. I am referring to the amendment now under consideration. The gentleman from North Carolina is on the floor and can speak for himself. I am not undertaking to indicate his position one way or the other. I am aware that he spoke vigorously on the Patman amendment, which involved the same question. He does not need the gentleman from Maine to defend his position.

Mr. Chairman, as I was about to say, it has grown to be the habit of many Members upon the minority side, when some reference is made to the administration, to say sneeringly that two or three young men have prepared the bills and have actually dictated the position of the administration upon them. That is not only untrue but it is a rank discourtesy and a reflection upon the great man who sits in the White House, and who has the confidence of the American people to an extent that no President in 100 years has had. [Applause.]

Something has been said here as to the administration's position with reference to title II. I am not in position to tell you what the administration thinks about it. I have no authority to quote the administration, and I am not going to do so. I know that men close to the administration and who are presumed to speak for the administration have said they wanted to see title II put into this bill; and one of them stated it was the very crux of the bill as originally presented to the committee.

I take it that no one upon this floor will deny that the primary purpose of the bill is to relieve the small home owner, the man who is in distress, the man who is in danger of losing his home, the man who is unable to raise money enough to repair and keep it in good condition. Certainly that is the primary purpose of the bill, and if it was not, there is no reason for its introduction and consideration in this House. The bill was not proposed here for building-and-loan associations, as some gentlemen seem to think. It was not proposed in the interest of banks. It was proposed for the relief of small home owners throughout the country and, incidentally, to put life into the great building trades of this country and those who furnish materials for the building and furnishing of homes. [Applause.]

What is this amendment? It is simply another source for the purpose of obtaining more money in order to relieve the home owners of this country, because these mortgage companies are organized to discount their mortgages. That is the purpose of the amendment, and that is the power which is given under this provision, thus releasing money and giving more money to the home owner back in your district and mine. [Applause.]

Mr. Chairman, I hope the amendment will be adopted.

[Here the gavel fell.]

Mr. REILLY. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. REILLY: In line 15, after the word "of" in line 18, strike out subtitle (a), the rest of line 18, and lines 19, 20, and 21 to and including the word "located" and change subtitle (b) to (a) in line 18 and subtitle (c) to (b) in line 23.

Mr. REILLY. Mr. Chairman, I offer the amendment to correct the amendment offered by the gentleman from New York.

Mr. McFARLANE. Mr. Chairman, a point of order. The amendment to the amendment is not germane.

The CHAIRMAN. The Chair overrules the point of order.

Mr. SISSON. Mr. Chairman, may I say that the amendment offered by the gentleman from Wisconsin to my amendment is satisfactory.

The CHAIRMAN. The question is on the amendment of the gentleman from Wisconsin to the amendment offered by the gentleman from New York.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York as amended.

The question was taken; and on a division (demanded by Mr. LAMNECK) there were—ayes 147, noes 90.

So the amendment was agreed to.

The Clerk read as follows:

FEDERAL SAVINGS & LOAN INSURANCE CORPORATION

SEC. 302. (a) There is hereby created the Federal Savings & Loan Insurance Corporation as a corporation under the laws of the United States to have succession until dissolved by act of Congress, which shall be an instrumentality of the United States, which shall have authority to sue or to be sued in a court of competent jurisdiction, Federal or State, and which shall be under the direction of a board of trustees, as is herein provided, and which shall have full power and authority to do all things provided in this title and full power to do all things necessary or incident to the carrying out of the purposes of this title.

(b) The management of the Insurance Corporation shall be vested in a board of trustees consisting of five members. The members of the Federal Home Loan Bank Board shall constitute the board of trustees of the Insurance Corporation and shall serve as such trustees without additional compensation. One of the members of said board of trustees shall be designated as the chairman.

(c) The Insurance Corporation shall have a capital stock of $100,000,000, divided into shares of $100 each. Such stock shall be subscribed for by the corporation and the corporation is hereby authorized to subscribe for and pay for such stock. Said stock may be paid for in bonds of the corporation. Said stock shall pay dividends which shall accrue, if unpaid, at a rate equal to the interest rate on such bonds. The Insurance Corporation shall issue to the Corporation receipts for payments on said stock which shall serve as evidence of the ownership of the same.

(d) The Insurance Corporation shall have power to select, employ, and fix the compensation of such officers, employees, attorneys, or agents as shall be necessary for the performance of its duties under this title, without regard to the provisions of the other laws applicable to the employment or compensation of officers, employees, attorneys, or agents of the United States. No such officer, employee, attorney, or agent shall be paid compensation at a rate in excess of the rate provided by law in the case of members of the Board. The Insurance Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government and shall determine its necessary expenditures under this title and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other law governing the expenditure of public funds. Nothing in this title or any other law shall be construed to prevent the Insurance Corporation from employing and compensating as its officer, attorney, or employee any officer, attorney, or employee of the Board or the Corporation, subject to the approval of the Board. The Insurance Corporation, with the consent of the Board or of any board, commission, establishment, or executive department or instrumentality of the Government, including any field service thereof, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this title, and any such information, services, or facilities are hereby authorized to be so made available.

Mr. STEAGALL. Mr. Chairman, I offer an amendment to correct a clerical error, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. STEAGALL: On page 56, line 23, at the end of the line, insert "carrying out the purposes of this title."

The committee amendment was agreed to.

The Clerk read as follows:

APPLICATIONS FOR INSURANCE AND THE PREMIUM

SEC. 305. (a) Eligible members of Federal home-loan banks are authorized as an incident to membership in a Federal home-loan bank to apply to the Insurance Corporation for the insurance of their accounts and all Federal savings and loan associations shall make such application and upon receipt of such application, the Insurance Corporation shall make such examinations and investigations as may, in its discretion, appear to be appropriate: *Provided, however*, That institutions eligible to insure their accounts under this title may apply for such insurance and be accepted whether or not they are members of a Federal home-loan bank. The Insurance Corporation shall decline the application of any applicant if its capital is impaired or if its financial condition, its financial policies, or its management are unsafe. The Insurance Corporation may decline the application of any applicant if, in the judgment of the trustees, the character of its management or its home-financing policy is inconsistent with sound and economical home financing or with the purposes of this title.

(b) (1) The insurance premium, payable upon acceptance of insurance by an applicant and annually thereafter until a reserve

shall have been built up in the Insurance Corporation to a total of 5 percent of all insured accounts plus other creditor obligations of all insured institutions, shall be a sum equivalent to one-half of 1 percent of the total amount in all accounts of the insured members, plus any other creditor obligations of the insured institution, which sum may, under regulations made by the Insurance Corporation, be paid on a semiannual basis and at any time such reserve falls below said 5 percent such annual premium shall at the next premium-payment date again be continued until the reserve is brought back to said amount. The amount in accounts of insured members and the amount of other creditor obligations may be determined from adjusted statements made within 1 year.

(2) In addition to the initial and annual premium provided in this subsection, the Insurance Corporation is authorized to assess each insured institution extra insurance premiums not exceeding in any one year a sum equivalent to one-fourth of 1 percent of the total amount in all accounts of the insured members, plus any other creditor obligations until the proceeds of such extra insurance premiums are equivalent to all losses and expenses theretofore ascertained.

(c) After examination, acceptable applicants shall be notified of their acceptance, and upon the payment of the initial insurance premium and the issuance of a certificate by the Insurance Corporation, shall become insured institutions and may so represent themselves. No institution not an insured institution shall represent itself as such in any respect whatsoever.

(d) The Insurance Corporation shall give full consideration to all factors entering into the financial condition of applicants and of insured institutions and shall have full power to make such adjustments in their financial statements as the facts may justify.

(e) Any member of any Federal home-loan bank shall have full power as an incident to such membership, upon a majority vote of the board of directors or other governing body, to make application for the insurance herein provided and to pay the premiums herein provided and to take such other action as may be necessary to carry out the provisions of this title or regulations made thereunder.

(f) Any applicant for insurance, after the first year of the operation of the Insurance Corporation, shall pay an admission fee which, in the judgment of the trustees, is an appropriate contribution.

Mr. CAVICCHIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CAVICCHIA: On page 61, line 17, strike out "one-half" and insert in lieu thereof "one-fourth."

Mr. CAVICCHIA. Mr. Chairman, the purpose of this amendment is to lighten somewhat the burden that is going to fall upon building and loan associations. You have already given them a deathblow by taking out title II entirely. This will help them to some extent, and I hope the amendment will be adopted.

Mr. BEEDY. Mr. Chairman, to what section is this amendment offered?

Mr. CAVICCHIA. Page 61, line 17.

Mr. BEEDY. Mr. Chairman, may we have the amendment again reported?

The Clerk again read the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was rejected.

Mr. ELTSE of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELTSE of California: On page 61, line 5, after the word "applicant", strike out "if its capital is impaired or."

Mr. ELTSE of California. Mr. Chairman, we have already sounded the death knell of building and loan associations in the United States by the adoption of title II. We have thrust the knife into the heart of that business this afternoon, if this measure is passed and signed.

We are setting up insurmountable hurdles for the conduct of private business through building-and-loan associations, and when you return here next January, if you do return, you will find what I have said as a prophecy fulfilled.

With respect to the amendment striking out the words "if its capital is impaired or", the purpose of the amendment——

Mr. STEAGALL. Mr. Chairman, if the gentleman will permit an interruption, the language embodied in the amendment we look upon as merely a clarification of the language originally written in the bill, and there is no objection to the amendment offered by the gentleman from California.

Mr. ELTSE of California. I thank the gentleman.

The amendment was agreed to.

AMENDMENT ADOPTED BY MISTAKE

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. I would like to have the attention of the chairman of the committee for just a moment. A while ago, before we adopted the Sisson amendment, there was an amendment offered by the gentleman from Wisconsin [Mr. REILLY], at page 11, line 15, striking out subsection (a).

I am under the impression this is a very material part of this bill, and I would like to know the effect that striking out that subsection will have on title II. As I understood the intent of this legislation, subsection (a) should remain in the bill.

Mr. STEAGALL. If the gentleman will permit, I think I can make quite clear to him just what is contemplated by the Reilly amendment.

Under (a) the association would be authorized to lend upon the security of mortgages and such other liens as are commonly given to secure advances on real estate under the laws of the State in which the real estate is located, and under (b) the association is authorized to engage in purchasing, selling, or otherwise dealing in credit instruments secured by such mortgages and liens.

Under the language of (b) they would have authority to do everything except to lend——

Mr. PATMAN. May I ask the chairman of the committee this question: What does the term "such mortgages" mean in line 20, after you strike out subsection (a)? As the gentleman knows, "such mortgages" refers back to subsection (a), and subsection (a) has been stricken out. In other words, the definition of your mortgages has been stricken.

Mr. REILLY. That is a matter that will have to be changed in conference. It was overlooked in offering the amendment.

Mr. STEAGALL. It may be necessary to add something to make the provisions of (b) fit the language of the bill with (a) eliminated, but the intention is perfectly clear and that will be corrected.

Mr. PATMAN. Was it the intention of the framers of the original bill to permit the national mortgage associations to make direct loans to home owners?

Mr. REILLY. I may say to the gentleman that the bill as written provides for such loans.

Mr. PATMAN. That is, title II.

Mr. REILLY. And all the people who came before the committee speaking for the bill, except one man, said they did not intend to do anything but buy and sell insured mortgages, and the other representative sent a note here today to have the amendment put in as I offered it.

Mr. PATMAN. He certainly would not have it refer here to "such mortgages" without any definition. What does "such mortgages" mean?

Mr. REILLY. As I have said, that will have to be cleared up in conference.

Mr. O'CONNOR. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. O'CONNOR. Of course, the language is not perfectly clear by reason of the striking out of certain language by the amendment of the gentleman from Wisconsin. It will need some perfecting with reference to "such mortgages", and I imagine that will be taken care of in conference.

Mr. O'MALLEY. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. Yes.

Mr. O'MALLEY. Many of us, including myself, who supported the restoration of the original title II believed that these mortgage associations would not only purchase, sell, and otherwise deal in old mortgages but would be in a position to make loans upon new obligations. With the striking out of these four lines, title II creates nothing but a rediscount corporation, and nobody can get any new money out of it for new construction.

Mr. STEAGALL. That is exactly what was desired, and that amendment was adopted before the title was voted on and adopted by the committee.

Mr. O'MALLEY. Why do you need another rediscount corporation? I was under the impression the last new mortgage corporation would provide money for new construction.

The CHAIRMAN. The time of the gentleman from Texas has expired. The Clerk will read.

The Clerk read as follows:

TERMINATION OF INSURANCE

SEC. 306. (a) Upon a majority vote of all those entitled to vote of the shareholders, stockholders, or other final controlling authority of an insured institution to withdraw from the classification as an insured institution, its relationship as such insured institution shall immediately cease and all rights of shareholders, certificate holders, or depositors under the insurance obligation shall terminate immediately, but the obligation to pay premiums as is provided in this title shall continue for 3 years.

(b) The Insurance Corporation shall have power to terminate the insured status of any insured institution at any time for the continued violation of any provision of this title or any regulation made under this title after 90 days' notice in writing from the Insurance Corporation to such insured institution, and, in the event of such termination of the insured status of an insured institution, it shall not thereafter advertise or represent itself as an insured institution, but insured accounts existing as of the date of such termination shall continue as insured accounts for a full period of 5 years, and such institution shall be obligated to continue the payment of the insurance premium herein provided for such period of 5 years. No insured institution shall (1) issue securities after becoming an insured institution the form of which has not been approved by the Insurance Corporation; or (2) violate such necessary and reasonable regulations made by the trustees for the protection of the Insurance Corporation.

Mr. BROWN of Michigan. Mr. Chairman, I ask unanimous consent to return to the Sisson amendment, section 312, and offer an amendment.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BROWN of Michigan. I offer the following amendment.

The Clerk read as follows:

Page 17 of the amendment, in line 15, after the figures "312", strike out all of lines 15 to 21 and the first four words of line 22.

Mr. BROWN of Michigan. If gentlemen will turn to page 17 of the committee bill and examine section 212, they will get the effect of the amendment. It will strike out all of lines 8 to 14 and the first four words of line 15.

The purpose of the amendment is to remove tax-exemption associations, franchises, capital reserves, and surplus, loans, and income.

Mr. BEEDY. And how will the section start if that amendment is adopted?

Mr. BROWN of Michigan. It will capitalize the word "no" in line 15.

Mr. BEEDY. The effect is to make the corporation subject to the Federal taxes like any other corporation.

Mr. BROWN of Michigan. Exactly, and it protects against any discriminatory State taxes.

The CHAIRMAN. The Clerk will read the words proposed to be stricken out.

The Clerk read as follows:

Such associations, including their franchises, capital, reserves, and surplus, and their loans and income shall be exempt from all taxation now or hereafter imposed by the United States and all shares of such associations shall be exempt both as to their value and the income therefrom from all taxation (except surtaxes, State, inheritance, and gift taxes) now or hereafter imposed by the United States and—

Mr. PATMAN. Mr. Chairman, I rise in opposition to the amendment for the purpose of asking a question. I would like to ask the gentleman, Does the gentleman know of any other case where the Federal Government has elected to levy a tax and deny the State the right to levy a tax?

Mr. BROWN of Michigan. I will say I know of no instance where a strictly private corporation, such as will be the National Mortgage Association here, is exempt from all forms of Federal taxation.

Mr. PATMAN. This, I presume, would exempt them from all taxation except real estate. They will be taxed on their real estate.

Mr. BROWN of Michigan. Mr. Chairman, does the gentleman understand that I am striking out all of section 212?

Mr. PATMAN. In other words, no State shall impose any taxes?

Mr. BROWN of Michigan. No State shall impose any tax on this corporation in excess of what the State imposes on corporations engaged in similar business.

Mr. PATMAN. That is all right. I notice that real property may also be taxed. I have no objection to the amendment.

Mr. BROWN of Michigan. Yes.

Mr. DONDERO. Does it not place the corporation exactly in the same category as any other private corporation?

Mr. BROWN of Michigan. As any other private financial corporation.

Mr. LUCE. Mr. Chairman, in my necessarily somewhat abbreviated remarks about this title, I did not have time to point out that one reason why the joint-stock land banks were able to mulct the public was that they were exempt from taxation and were enabled to announce themselves as instrumentalities of the Government, according to the language of the Supreme Court. In that way they deceived the public into thinking they were backed by the United States, and many investors bought their securities on the strength of this deception. The privileges in question have been continued in various of our enactments, because without making certain new institutions instrumentalities of the Government they could not have been exempted from taxation. The two things go together. To safeguard those who are thrifty and who are invited to buy the securities of such associations as these it seems to me of great importance that they shall not have official warrant for deceiving the public as to their nature. They are in fact essentially private organizations, created for profit, to make money, and, as in the case of the joint-stock land banks, these new associations will have the same opportunity to delude investors if the language remains in the bill as it now stands.

The experience with the joint-stock land banks ought to teach us that hybrid, mongrel banking institutions of this kind are neither safe nor wise. If the thing is to be done at all, it ought to be wholly a governmental affair. There should be in it not a jot of private profit. Better still would it be to leave home financing to the mutual institutions that the people themselves are so successfully developing. In this period of emergency help them with loans where needed, but for the long run let them alone. Remember that their self-help will be the best of all helps.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The Clerk read as follows:

SEC. 313. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

Mr. HANCOCK of North Carolina. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. HANCOCK of North Carolina: Page 69, after line 21, add the following new section:

"SEC. 314. There is hereby created a Federal Savings and Loan Advisory Council which shall consist of as many members as there are Federal home-loan bank districts. Each Federal home-loan bank, by its board of directors, shall annually elect a resident of such bank district interested in thrift and the financing of homes as a member of said council, who shall receive, subject to the approval of the board, such compensation and allowances as may be fixed and paid by the Federal home-loan bank of the district from which he is elected. The Federal Savings and Loan Advisory Council shall meet at Washington, D.C., at least four times a year and oftener if requested by the board or by the trustees. Said Council may meet at other times and other places as it may deem necessary and may select its own chairman and vice chairman and the secretary and adopt its own method of procedure. The directors of the Federal home-loan banks shall elect members of the Council annually for a 1-year term and shall fill any vacancies that may occur. The Federal Savings and Loan Advisory Council shall have power:

"1. To confer with the board or the trustees on general business conditions or special conditions affecting the Federal home-loan bank system or its members or the Insurance Corporation.

"2. To make representations concerning matters within the jurisdiction of the board or the trustees.

"3. To request information and make recommendations in reference to the Federal home-loan bank system or its members or the Insurance Corporation.

"4. To recommend the elimination of all unnecessary routine and procedure in the conduct of the home-loan bank system or the Insurance Corporation and make suggestions in the public interest as to the program and policies of these two operations. The recommendations here directed shall be printed as a part of the annual reports to Congress of the Federal Home Loan Bank Board and the Insurance Corporation."

Mr. O'CONNOR. Mr. Chairman, is that a committee amendment?

Mr. HANCOCK of North Carolina. No; it is not.

Mr. PRALL. Mr. Chairman, will the gentleman yield?

Mr. HANCOCK of North Carolina. Yes.

Mr. PRALL. Does the gentleman propose to pay these members of this council?

Mr. HANCOCK of North Carolina. They will be paid through their own district banks. There is no expense to the Federal Home Loan Bank Board.

Mr. PRALL. Are they to be selected by the association?

Mr. HANCOCK of North Carolina. By the directors of their own banks in the districts.

Mr. PRALL. I do not just understand the purpose of it.

Mr. HANCOCK of North Carolina. Merely to collaborate with the Federal Home Loan Bank Board, which constitutes the trustees of this insurance corporation. It is modeled after the same plan in effect with respect to the Federal Reserve System.

Mr. O'CONNOR. Does not the gentleman think that a long involved amendment like that, not reported by the committee, and which none of us has ever even heard read, is rather an innovation to bring in at this late hour?

Mr. HANCOCK of North Carolina. I do not think so. It is entirely up to the committee. I think it is a good amendment, and I believe it would be very helpful to the legislation.

Mr. PRALL. Will the gentleman yield?

Mr. HANCOCK of North Carolina. I yield.

Mr. PRALL. What are the duties of this board?

Mr. HANCOCK of North Carolina. They are clearly defined in the amendment. The council would meet four times a year to collaborate with the Board, to aid in expediting the provisions of the law, and to offer such advice, counsel, and recommendations as will be helpful in its administration. I think it has merit and should be adopted.

Mr. ELTSE of California. Mr. Chairman, I rise in opposition to the amendment. I should like to ask the gentleman more specifically about the expense of this board that it is proposed to set up under this amendment.

Mr. HANCOCK of North Carolina. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. HANCOCK of North Carolina. Such expense as may be incurred will be paid by each bank in the district. No expense whatever is assessed against the Federal Home Loan Bank Board. The funds of the different home-loan banks are made up of earnings from their members.

Mr. ELTSE of California. What are the expenses? Are there attorneys' fees and directors' fees?

Mr. HANCOCK of North Carolina. There would be no expense whatever, except a reasonable per diem and traveling expense while attending the meetings with the trustees.

Mr. ELTSE of California. Does the gentleman not think the annual report to Congress would provide the means by which Congress can make an examination?

Mr. HANCOCK of North Carolina. Such recommendations as may be made by this advisory council would be included in the report of the Home Loan Bank Board to Congress.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. ELTSE of California. I yield.

Mr. BROWN of Michigan. Is this the amendment which was presented to the committee for the establishment of an advisory council?

Mr. HANCOCK of North Carolina. This is the same amendment which I proposed to present to the committee, but, at the request of the chairman, did not present it to the committee.

Mr. BROWN of Michigan. It creates an advisory committee in the insurance corporation?

Mr. HANCOCK of North Carolina. That is correct. The gentleman will remember that I reserved the right in committee to offer this amendment or others to the bill.

Mr. ELTSE of California. May I further ask, Was there any discussion of this in the committee at all?

Mr. HANCOCK of North Carolina. I think there was but very little discussion. It was read, however, in full.

Mr. ELTSE of California. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. HANCOCK].

The amendment was rejected.

The Clerk read as follows:

SEC. 404. Section 6 of the Federal Home Loan Bank Act is amended by striking out "$1,500" in subsections (c) and (e) and inserting in lieu thereof "$500."

Mr. O'CONNOR. Mr. Chairman, I move to strike out the last word. At this point I had intended to introduce an amendment reenacting section 405 of the original bill, which is on page 41. Section 405 provides that—

Section 24 of the Federal Reserve Act, as amended, is amended by adding at the end of the third sentence thereof the following: "*Provided, however,* That in case of loans secured by real estate which are insured under the provisions of the Federal Mutual Mortgage Insurance Act, such restrictions as to the amount of the loan in relation to the actual value of the real estate and as to the 5-year limit on the terms of such loans shall not apply."

There is some difference of opinion about the merits or need of that section. The Federal Reserve bank, as I understand it, does not recognize as a member's proper reserve any mortgage on real estate in excess of 50 percent of the value of the property or any mortgage which runs for a term exceeding 5 years. Of course, under this bill this insurance corporation is going to insure the mortgages up to 60 percent of the value of existing property and up to 80 percent of the value of newly constructed property, and those mortgages may run for more than 5 years. Now, it seems to me that the member banks of the Federal Reserve ought to be permitted to have such collateral legally in their portfolios. I realize, however, the differences of opinion in respect to this subject; but I do hope that, in view of this new set-up which will extend the time of mortgages and will increase the amount at least for which they can be insured, the Banking and Currency Committee will consider the provisions of section 405 carefully and possibly work out some provision such as that section in the other body or in conference.

With the hope that that may be done, at this late hour I do not propose to offer the amendment.

[Here the gavel fell.]

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 406. Section 24 of the Federal Reserve Act, as amended, is further amended by adding at the end thereof the following:

"Loans made, however, to finance the construction of residential or farm buildings and having maturities of not to exceed 6 months, even though secured by a mortgage or similar lien on the real estate upon which the residential or farm building is being constructed, shall not be considered as loans secured by real estate within the meaning of this section but shall be classed as ordinary commercial loans: *Provided,* That no national banking association shall invest in, or be liable on, such loans in an aggregate amount in excess of 50 percent of its actually paid in and unimpaired capital. If accompanied by a valid and binding agreement of an acceptable person, association, partnership, or corporation to advance the full amount of the loan upon the completion of the building, notes representing such loans shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of the Federal Reserve Act, as amended."

ISSUANCE OF MONEY

Mr. PATMAN. Mr. Chairman, I move to strike out the last word. I will not take up much of the time of the Committee, but I want to invite attention to something that I have often discussed on the floor, about the issuance of money.

Under the provisions of section 406, if a farmer, John Doe, desires to borrow $1,000 to repair his home, he can go to the member bank of the Federal Reserve and give his note for $1,000. This member bank of the Federal Reserve will send the note to the Federal Reserve bank and get $1,000 in new money for that note. The money will be delivered to the local bank. The local bank will pay the rediscount interest rate of 1½, 2, or 2½ percent.

The Federal Reserve bank will get the money from the Bureau of Engraving and Printing here in Washington. The Government does not get a penny for the use of its credit. A Federal Reserve note—currency—is not guaranteed by the Federal Reserve bank. It is guaranteed by the Government of the United States. It is an obligation, a mortgage upon the property and the incomes of all the people of this Nation. It is guaranteed by the Government. Section 16 of the Federal Reserve Act states that when these notes are issued, or when the credit of the Government is extended, that the Government shall collect the rate of interest that may be assessed by the Federal Reserve Board. The Federal Reserve Board many years ago set the zero rate of interest. All these years, therefore, the credit of this Nation has been used absolutely free, without any charge whatsoever, the banks merely paying the cost of the printing of the money, which is 27 cents a thousand dollars, on the average. The Federal Reserve Board at that time had an excuse for saying that the interest rate should not be charged because the excess profits of the Federal Reserve banks at that time went into the Treasury of the United States; but one perfecting amendment after another of the Federal Reserve Act has corrected that to the satisfaction of the Federal Reserve banks, and now the Government of the United States does not get one penny of profit, excess profit or otherwise, from the operations of the Federal Reserve banks. They are private institutions. An individual does not own one penny of stock in them; neither does the Government of the United States. They are absolutely exempt from taxation of all kinds except upon the small amount of real estate that they own. They operate almost exclusively upon the credit of this Nation and do not pay one penny for its use.

I hope our splendid Committee on Banking and Currency, in line with the good and progressive legislation it has brought in in the past, will consider legislation along the line of making private corporations which have had the Government credit of this Nation farmed out to them, pay a reasonable price for its use, if the privilege is not taken away from them entirely. [Applause.]

By unanimous consent the pro forma amendment was withdrawn.

Mr. STEAGALL. Mr. Chairman, I ask unanimous consent that all Members who have spoken on the bill today may have 5 legislative days within which to extend their remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

SEC. 407. Section 407 of the Home Owners' Loan Act of 1933 is amended by striking out the word "renewable" from section 2, subsection (c), thereof and from section 4, subsection (d), thereof.

Mr. SABATH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SABATH: Page 76, after the period on line 24, insert the following paragraph:

"(c) That section 2 is further amended to read as follows:

"'(c) The term "home mortgage" means a first mortgage on real estate in fee simple or on a leasehold under a renewable lease for not less than 99 years upon which there is located one or two dwellings for occupancy of not more than eight families, one of which is occupied by the owner as a home, or held by him as his homestead, and having a value not exceeding $40,000: *Provided*, That any building a portion only of which is occupied by the owner as his home shall be included in this definition.'"

Mr. SABATH. Mr. Chairman, there is a restriction in the present law which makes it impossible for the owner of an old building housing five or six tenants, the building still in fairly good condition and used by the owner also as his own home, to obtain a loan. Or, it might be the case of a man who moved his old home to the rear of his lot and built on the front of a lot a new building or an addition to the old homestead.

The purpose of my amendment is to authorize the making of these loans to people who have improved their old homes and their premises. I feel that it is legislation in the right direction. We are today trying to legislate for people who up to this time have been discriminated against and neglected, these home owners and owners of properties occupied in part by small stores as well as being used as a home. They have not been able to obtain these loans.

Earlier in the day we accepted an amendment making possible the guaranteeing of such loans; but it is necessary that we also authorize the making of these loans if we are desirous of bringing relief to these people who, as a rule, are old settlers and builders who have worked their entire lives to build such homes and were industrious enough to improve them.

I have been requested by many Members to eliminate the restriction as to the amount.

Personally, I would be only too pleased if I could aid many hundreds, yes, thousands, of those who were carried away with assurances of continued prosperity when they invested their all in up-to-date apartment buildings and financed their purchase through the aid of their relatives, friends, and their local banks, and who did not utilize the loan services of the high-powered financiers as was the practice in investments in big apartment buildings in the large centers. This is a class of people that I feel with all my heart should be aided and relieved, but, unfortunately, I fear at this late hour it cannot be accomplished, and I do not wish to jeopardize other relief afforded by this bill for which I have contended and pleaded for months and months. I believe that these buildings, or tenements, houses of a type that are occupied by six or seven or eight tenants, are good investments and were not financed by these high financiers. I refer particularly to buildings that have been built by people of the middle class, by men who had confidence in the future of their communities, men who beyond any doubt were the men who have acquired a few thousand dollars that they have invested and who by honest toil and frugality and careful living accumulated sums of money that made possible the erection of such buildings which, in many States, were looked upon with pride in their communities and made possible more up-to-date living quarters. They, therefore, deserve and are entitled to our consideration.

Now, Mr. Chairman, I want to say one word to the Members from the rural sections of our country. Will you please bear with me for one moment? I have a tabulated statement here showing the amount of loans that have been made to farmers. Up to the present time we have loaned on the farms of our country the staggering sum of $2,332,924,000. Notwithstanding all the efforts we have put forth to try to help the home owners of the towns and cities, we have up to now loaned to them only $392,000,000, or about 12 percent of the amount we have loaned to farmers. I voted for all the bills providing for loans to farmers, and I hope you Members from the rural sections will not stand back and refuse to grant this little relief for these honest, thriving, industrious, and prudent people who, I know, will repay the Government as readily as do the farmers of the country. I therefore plead with you and ask you to adopt this amendment. I feel that if I had the time and opportunity to take it up with the committee that the committee would have agreed to the amendment.

Mr. Chairman, in conclusion, let me state that we have loaned money to bankers, insurance companies, railroads,

and to the farmers, and we are making an effort to loan to the home owners, and no one is happier than I that finally some relief is coming to the small-home owner. But that does not signify that we should not also take care of the middle class who, unfortunately, seems at all times to be discriminated against. As I stated, we have thousands upon thousands of our best citizens who have patiently waited in the hope that some day, in view of the relief we are giving to others, something would be done for them. This is our opportunity. Now, why should we not extend to them the relief and aid which is so magnanimously being given and provided for in this bill to others? I have talked to many Members from every section of our country and nearly all have expressed the hope that I would offer this amendment, and that they would be given an opportunity to vote for it, as they realize to the same extent that I do the duty we owe to that class of property owners in the United States. Please remember, this is not to aid the big apartment-house owners. This is simply to aid those who have invested their life's savings in four-, six-, and eight-flat buildings in which they themselves have their homes.

Mr. Chairman, for fear that some Members may be swayed by the attacks of the gentleman from Texas [Mr. TERRELL] against New York, let me call the attention of the gentleman from Texas, and all the Members, to the fact that the great States of New York, Pennsylvania, Illinois, Indiana, and Michigan combined have received less in farm loans than the State of Texas. I also wish to state that the great States of New York, Illinois, and Indiana combined have received less in home owners' loans than the State of Ohio. If I had time to read a comparative statement I have compiled of farm loans and home owners' loans to the various States, I know the Membership would be amazed as to the small amounts which so far have gone to States whose urban populations are greater than their rural populations, clearly demonstrating that I am not asking anything unreasonable but only appealing for fair treatment.

Mr. THOMASON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Is the gentleman a member of the committee?

Mr. ELTSE of California. No.

Mr. STEAGALL. Mr. Chairman, I move that all debate on this amendment close in 5 minutes.

The motion was agreed to.

Mr. ELTSE of California. Mr. Chairman, I simply call attention to the fact that if this amendment is adopted you are breaking away from the purposes of the act. You are going to finance semibusiness properties. It does not follow the spirit or the purpose of home financing. The rear-end homes to which the gentleman from Illinois has referred may be aided, but we are asked by this amendment to depart from the larger proposition of financing homes.

Mr. THOMASON. Mr. Chairman, I rise in support of the amendment.

Mr. MILLARD. Mr. Chairman, a point of order. The gentleman did not yield back his time; therefore there is no time left.

The CHAIRMAN. The point of order is overruled. The gentleman from Texas is recognized for the remainder of the 5 minutes.

Mr. THOMASON. Mr. Chairman, I hope this amendment will be adopted. I had prepared a similar amendment, but I accept this one. There is no class of property owners in the United States, in my judgment, who are in more distress today than apartment-house owners. I refer to owners of small apartment houses. They cannot borrow from the R.F.C., they cannot borrow from the Home Owners' Loan Corporation. This body refused to take care of them in the small industries bill, and now it seems there are some who refuse to take care of them in this bill.

In my city of El Paso, Tex., and I undertake to say that the same condition exists in all the cities throughout this country, there are dozens, perhaps hundreds of apartment-house owners, including many widows and old people, who have saved up a little money and put it into a two- or three-story apartment house with maybe six or eight apartments that rent for from $20 to $50 a month. That is a common thing in my city, where we have many visitors, tourists, and health seekers. I happen to know case after case of some fine, deserving widow, or poor man and his wife, living in an apartment house with 8 or 10 apartments, that cost perhaps $25,000 or $30,000, and on which they paid half, being all their life savings. Their loans are past due and they are being foreclosed. Nobody will renew their loans. If we propose to help people in distress, and these folks have ample security, and cannot get loans from anyone else, this amendment by the gentleman from Illinois should be adopted. These homes are all they have. I happen to know what this situation is because I have investigated it in my own city of El Paso and have personal knowledge of the distress of many fine citizens. I know what it is in Albuquerque. I know what the condition is in Tucson, in Dallas, Fort Worth, Houston, and the same condition exists in practically every little city in the country. I am not talking about the great big, fine, family hotel, or the 8- or 10-story apartment houses. I am talking about the little apartment house which is covered by the amendment offered by the gentleman from Illinois, an apartment house containing perhaps eight apartments and which did not cost over $30,000. I know that mortgage and loan companies as well as insurance companies have refused to refinance or renew these loans at all, and if they do entertain the proposition, they charge a fee that is out of all question, running the interest up to 12 or 15 percent. I think the amendment should cover at least 12 apartments and a value of $50,000, but since I know you would not pass that, I beg of you to adopt this amendment.

Mr. Chairman, this class of home owners in the United States is entitled to some relief. You have refused to give them relief in any bill that has come on the floor of this House, and I plead with you, in all fairness and in all justice, to help this class of our deserving citizens to obtain this relief. The security is ample, the loan is safeguarded in every way, and I feel sure from your response that you will vote for this amendment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and the Chair being in doubt, the Committee divided, and there were—ayes 79, noes 81.

Mr. SABATH. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. SABATH and Mr. STEAGALL.

The Committee again divided; and the tellers reported that there were—ayes 105, noes 81.

So the amendment was agreed to.

The CHAIRMAN. The question is on the adoption of the substitute committee amendment as amended for the original bill.

The substitute committee amendment as amended was agreed to.

Mr. STEAGALL. Mr. Chairman, I desire to announce that the gentleman from Maryland [Mr. GOLDSBOROUGH] is absent today because of his desire to be present at the graduation of his son.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GLOVER, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H.R. 9620, pursuant to House Resolution No. 434, he reported the same back to the House with an amendment adopted by the Committee.

The SPEAKER. The question is on the adoption of the amendment.

The amendment was agreed to.

The bill was ordered to be engrossed, read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 176, noes 19.

So the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

The title was amended to read as follows: "A bill to improve housing conditions; to provide employment; to provide for the insurance of mortgages; to insure the savings in savings-and-loan associations and similar institutions; to amend the Federal Home Loan Bank Act, Home Owners' Loan Act of 1933, the Federal Reserve Act, and the Farm Credit Act of 1933; and for other purposes."

EXTENSION OF REMARKS—H.R. 9620

Mr. YOUNG. Mr. Speaker, this housing bill which I support is a measure exceedingly close to the heart of our President. In his message he stressed the necessity of the enactment of a three-point program, including adequate and sanitary housing for our people, old-age security, and unemployment insurance. I gladly follow the President's recommendation.

There could be no better time than the present to give consideration to the needs of people of the congested districts of our cities. To those who say that cities such as New York, Chicago, Philadelphia, and Cleveland will be the only places helped by the passage of this housing measure, let me say that wherever in America there are men and women unemployed, and children inadequately clothed, or hungry, such unemployed and unfortunate will be helped by the enactment of this legislation, and as long as there are tenements infesting our cities and populated by underpaid or unemployed men and women and underprivileged and underfed children, the products of Ohio farms and of western ranches will remain unsold. Penniless families in the slum districts of cities cannot buy the products of farms. Let us hope that Members from the South and the West will join today with us who have among our constituents those who have heretofore been crowded in the slums of cities.

President Roosevelt's message to Congress laying down a constructive social program—old-age pensions, unemployment insurance, and housing designed to make it possible "for American families to live as Americans should"—will by future historians be regarded as the greatest state paper since the emancipation proclamation.

Representing, as I do, all of the people of Ohio, I support with all my energy and enthusiasm the administration housing bill now before us.

The slums of our cities—and unfortunately some of my constituents live in tenements and shacks unfit for human habitation—must be abated altogether. The President, in his great message to us of a few days ago, stated that the work of the Seventy-third Congress is a "splendid justification of the vitality of representative government." American faith in American institutions has, in fact, justification on the record of this Congress in enacting the great humanitarian recovery program of our President. I have supported the recovery program of this administration and, if I am returned here for a second term by my constituency, expect to continue to uphold the leadership of President Roosevelt.

In the city where I make my home we find that in the congested, closely built slum sections mortality from tuberculosis is 400 percent greater than in rural Ohio.

Children of our great cities will, under the beneficent auspices of the Administration Housing Act, in the future have wholesome places to live, grounds in which to play, a place to sit—not on the curbstone with feet on the pavement, but where their feet may touch good mother earth.

President Roosevelt, in his message, demanded elimination of slums and abatement of unsanitary city tenements.

We are voting on this important bill providing for slum clearance and additional funds for the Home Owners' Loan Corporation on the first anniversary of the enactment of the law creating this great humane corporation. This is a fitting sequel to our work which met presidential approval 1 year ago today. It is unfortunate that, as the President said in his great message, there are a few who would still go back, who would return to the old order and to the old deal. They face the setting sun; their shoes are nailed to the floor. We go forward with new hope to the new order of things.

In urging, Mr. Speaker, the passage of this housing measure, I am voting to bring more of God's sunlight into the lives of men, women, and children, giving employment and purchasing power to more of our people, saving homes for distressed home owners, relieving suffering and distress, and abating unsanitary and unfit habitations and replacing them by model apartments and homes. This is an act of social justice. It is an act that will make for better citizens in years to come. One of the first duties of Congress is to save the homes of our people. Homes have always been the bulwark of society and government.

As Congressman-at-large from Ohio, I have supported every bill that would feed the hungry and help provide employment for the unemployed. I supported the bill to impose the electrical tax on public utilities instead of on the people. I have spoken and worked for the expansion of the C.W.A. and P.W.A. Every man and woman who needs work should have work. Within a week we have created a Federal Deposit Insurance Corporation guaranteeing bank deposits to the amount of $5,000 for any one depositor. In passing, may I mention that there have been no bank failures whatever since President Roosevelt took a firm grasp on the banking situation. We have made available for the relief of depositors in closed banks of our country more than $1,000,000,000 to enable the Reconstruction Finance Corporation to purchase assets of closed banks. Congress provided that depositors will be paid off by purchase of these assets at a "liberal appraisal in anticipation of orderly liquidation over a period of years instead of on the basis of forced selling values in a period of business depression." This law will place more money in every county of Ohio, and in every nook and corner of our country. With the passage of this administration housing measure, we go forward to a better day for economic security, prosperity, and happiness for all of our people.

A colleague spoke awhile ago of criticism leveled at Congress. Most of the criticism leveled at Congress comes from some ambitious souls who while promising much, proclaiming patriotism and devotion to the public interest, have an eye out for their own selection to the place held by some hard-working Congressman. Some persons never praise the meritorious acts of a Congressman, but endeavor to stir up feeling in order to make room not for someone more capable but for themselves. The selection of Congressmen at large to represent Ohio is the duty of the people. I am placing my record before the Democratic Party of Ohio, and then before all citizens of my State. Let my record speak for itself.

I have filed my declaration of candidacy for Congress. This office belongs to the sovereign people of Ohio. It is not mine. If my constituents believe that some other agent will serve them better and more faithfully, they should retire me. If they approve my service in upholding President Roosevelt, they will retain me for a second term. They will not exchange experience for inexperience; loyalty for lack of faith. They know that length of congressional service and hard work determine the influence and effectiveness of a Congressman. They know that I responded to the call of duty in a time of grave national emergency. They will, I hope, return me for a second term to help complete the recovery program of our President and bring steady employment and economic security to all.

This bill, Mr. Speaker, will benefit every farmer in Ohio as well as people of our cities. During the special session of the Congress and also during this session, I have supported every measure for farm relief and for the betterment of agriculture. There is much more to be done. The economic condition of farmers of our section of the country is most distressing. It is my hope that the next Congress will provide a greater degree of relief to our farmers. I was born and brought up on a farm. Farmers are entitled to fair profits. Curtailment of production will never solve their

problems. We have no right to ask the farmer to sell his hogs for 3 or 4 cents a pound. No manufacturer of necessities is required to sell his product for less than cost. There can be no real prosperity until our farmers are contented. Let us restore our neighbors, in the country and in the cities, to prosperity. I am for recovery first and politics afterwards. No Congressman can listen to the despairing cries of farmers, bankrupt and facing foreclosure, and of city workers, jobless, without uttering in his heart a solemn prayer that the Almighty help him to better serve his constituents and his country. [Applause.]

AMENDMENT OF THE RAILWAY LABOR ACT

Mr. BANKHEAD, from the Committee on Rules, submitted the following privileged report for printing in the RECORD:

House Resolution 437

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H.R. 9861, a bill to amend the Railway Labor Act approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the Chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

THE LATE REPRESENTATIVE THOMAS C. COFFIN

Mr. MOTT. Mr. Speaker, I ask recognition to proceed briefly out of respect to our late colleague, THOMAS C. COFFIN.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. MOTT. Mr. Speaker, today, in his native State of Idaho, and just at this hour, for there is a 3-hour difference in the time, the body of our friend and colleague, THOMAS C. COFFIN, is being laid to rest. He is home now among those he loved and who loved him. He is among his own people whom he served so faithfully and well during his brief tenure as a Member of this House.

With him also today are four of his friends and colleagues appointed by the Speaker to attend the funeral as official representatives of the Congress of which he was a part. I had the honor of being one of those appointed to go upon this mission. Circumstances which I could not control prevented my making the long, sad journey which has ended today at our colleague's grave; but I wish to take occasion at this time here to pay a brief and humble tribute to my friend.

If someone were to ask me how long I had known TOM COFFIN, my first inclination would be to say that I had known him always, for he was one of those rare men whose friendship is such a real and such a living thing that it becomes a part of the very lives of those on whom it is bestowed, and to those fortunate ones it seems to have no beginning and no end.

The fact is that, as time is measured, my acquaintance with TOM COFFIN was brief, for it began only with the commencement of our service here as new Members of the Seventy-third Congress. But in that time, brief as it was, there grew up between us a friendship and an affection such as I have held for few men in my lifetime. It is a little hard for me to define it, but there are those here who will understand it, for many of my colleagues, I know, felt for TOM COFFIN the same affectionate regard that I did. Of him it may truthfully be said that to know him was to love him, and that those who knew him best loved him best.

The first time I really came to know TOM COFFIN was shortly after the session began. We had had a long discussion on politics, and on that subject, then as afterwards, we usually disagreed. This, however, made no difference, for, like all of his other friends, I had a very profound respect not only for his opinions and his convictions but for the sincere and courageous manner in which he advocated them. At the end of this discussion, I remember, he said, "Your first name is Jim, isn't it?" I said, "Yes." He said, "My name is Tom." And so our friendship, which I shall always remember as one of the finest things in my life, began, and so it continued up until a little while ago, when death came, unexpected, swift, and sudden, and took my friend away.

Mr. Speaker, I pay TOM COFFIN the highest tribute I can pay to any man when I say that he was thoroughly good—good in the highest and best sense. There was no meanness in him. There was nothing of littleness, nothing of selfishness. His greatest ambitions was to be of service to those who needed him, and to do good was a part of his religion.

It is hard for us to understand why a man like this, just on the threshold of a fine career—and those of us who knew him best were convinced that he had begun here a career not only of great usefulness but of great distinction—it is hard for us to understand why, in the very flower of his manhood, when he was needed most of all, he should be stricken down; but none of us may attempt to draw aside the veil nor seek to solve the riddle of eternity.

It may be that it was intended from the beginning that TOM COFFIN'S work should end here, and if that is so I think there is some satisfaction in knowing that even before he came to us his public life was such that he could have been called at any time during the past 5 years and still he would have left behind him a splendid and a victorious career.

Mr. Speaker, when my time shall come, when I shall go down to the river of death and its chill waters shall dampen my feet, may I express the hope that friends will be able to say of me as I now say of TOM COFFIN, "He has fought the good fight, he has finished his work, the world is better for his having lived in it."

Mr. GRIFFIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9410), that permanent appropriations be subject to annual consideration and appropriation by Congress, and for other purposes, disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection?

Mr. HASTINGS. Mr. Speaker, I want to call the attention of the Members of the House in the most earnest way to Senate amendment 209, placed in this bill, H.R. 9410, "providing that permanent appropriations be subject to annual consideration and appropriation by Congress", which is as follows:

SEC. 25. In addition to the regular estimates the President is authorized to submit to the Congress, for the fiscal years 1936 and 1937, in the annual budget for any department, independent establishment, bureau, or office, estimates of appropriations in alternate form whenever in his judgment such action would result in greater economy and efficiency in the control and use of public funds.

This is an amendment which has been presented over and over again. It is now dressed up a little differently. The Indian Bureau sponsored an act approved March 2, 1933, which had the same purpose in view, which is as follows:

That in addition to the estimates of appropriations for the Bureau of Indian Affairs transmitted in the Budget for the fiscal year 1935 in the customary order and arrangement, there shall be submitted for the consideration of Congress an alternate arrangement of such estimates with a view to simplification and clarity of presentation and consideration thereof.

After the hearings were concluded before the subcommittee on the Interior Department appropriation bill for 1935 and the members of the committee were ready to mark up the bill, the Commissioner of Indian Affairs and his budget officer appeared before the subcommittee and were accorded an extended hearing, but I regret that this hearing was not taken down by a stenographer and reported.

However, at this hearing an alternate budget was presented, as provided in the act of March 2, 1933, and the members of the subcommittee will confirm what I say when I state that in discussing the alternate budget plan neither

the Commissioner nor his budget officer contended that there would be any economy in public expenditures or any saving.

Repeated questions were asked of them on this point and neither contended that it was in the interest of economy, but they insisted that it was more scientific, or more flexible, and they dealt in generalities. However, after all that was said and done, what the Indian Bureau was trying to have the subcommittee do was to consolidate appropriations into lump sums.

For instance, in the printed bill containing estimates for the Indian Bureau, covering some 15 or 20 pages, directing in detail how the appropriations should be expended for educational purposes, the alternate budget plan, in a half dozen lines, made a lump-sum appropriation of $7,990,565, and left all the details covering the expenditure of the money to the Bureau of Indian Affairs.

As one having had a little experience on the Committee on Appropriations, permit me to warn the Members of the House against this alternate budget plan. At that time it was only requested that this plan should apply to the Bureau of Indian Affairs, but let us now follow the meanderings of the sponsors of this plan. When, after the detailed presentation of the matter to the subcommittee, which rejected the plan, these same representatives of the Indian Bureau went before the subcommittee of the Senate committee having the preparation of the Interior Department appropriation bill in charge, and there made an earnest appeal for the alternate budget plan. They were unable to secure the change by the Senate committee, but were able, as shown on pages 46 and 47, amendment 10 of the Interior Department appropriation bill for 1935, to have the estimates submitted in the alternate plan, as follows:

> For the fiscal year 1935 all expenditures by the Indian Service shall be segregated by functions of the Service and jurisdictions, such expenditures to be classified thereunder in accordance with approved character and object designation; and the estimates for the Bureau of Indian Affairs for the fiscal year 1936 and thereafter shall be prepared and submitted to the Bureau of the Budget and to Congress accordingly: *Provided*, That for the fiscal year ending June 30, 1936, in addition to the budget provided for by this paragraph, there shall also be prepared and submitted an alternate budget for the Bureau of Indian Affairs which shall follow the order and arrangement of the appropriations for the fiscal year ending June 30, 1935.

When the bill went to conference it was urged that the Bureau of Indian Affairs' representatives stated that the plan would be more scientific, and about the same arguments were used that were presented to the House subcommittee charged with the preparation of the bill. After an extended argument this amendment was rejected by the conferees.

It will be noted that that plan only applied to the estimates for the Bureau of Indian Affairs. The persistent representatives of the Indian Bureau, not content when the plan was rejected by the House subcommittee in charge of the Interior Department appropriation bill and by the Senate committee, secured the introduction of a bill, S. 2874, which has for its purpose the same object. The bill is as follows:

> That for the fiscal year ending June 30, 1936, in addition to the budget provided for by law, there shall also be prepared and submitted an alternate budget for the Bureau of Indian Affairs which shall be segregated by functions of the service and jurisdictions, such expenditures to be classified thereunder in accordance with approved character and object designation.

This bill came up in the House for consideration and was placed on the Consent Calendar, but after an explanation it was objected to in the House.

The representatives of the Indian Bureau, not to be thwarted, and with a persistence worthy of a better cause, went before the Senate Committee on Appropriations having in charge this deficiency bill (H.R. 8410) providing that permanent appropriations be subject to annual consideration and appropriation by Congress, and as a result the amendment above mentioned, number 209, was added.

I want to invite your attention to the broadened scope of this amendment. It does not stop with appropriations for the Indian Bureau, but this alternate Budget plan would apply to all estimates for each department of the Government. In other words, it would ask Congress to make appropriations in a lump sum and give the various departments, and the heads of divisions, a free rein in the expenditure of the money appropriated from the Public Treasury.

This is the most dangerous plan that has ever been presented to Congress in the 18 years that I have seen service here. It practically seeks to destroy the legislative will of Congress as to all appropriations. This amendment, of course, is a legislative rider. It is not germane to the bill, and the House conferees could not accept it without bringing it back to the House for a separate vote.

The sponsors of the plan, however, are gleeful in the hope that in the excitement and hurry incident to the closing hours of Congress, they may put the plan over. If the plan is adopted the Committee on Appropriations may as well fold up its tent and close its doors and confer upon the various departments and the heads of divisions the authority to use the money appropriated in a lump sum in any way they choose. This is what they want. This is what they are insisting upon, and what they hope to accomplish by this amendment to the pending bill. They will not get it by my vote. All of the members of the Committee on Appropriations know that in lump-sum appropriations all items are not gone into and examined with the same detail as when the appropriations are made in separate items.

Suppose, for the sake of argument, that Congress appropriates $7,790,565 for Indian education, in a lump sum, to be disbursed by the Bureau of Indian Affairs. This would practically turn over to the Bureau this vast sum to be expended under its direction. There are, as I recall, 46 Indian boarding schools, reservation and nonreservation. From year to year appropriations must be made for improvements and repairs. How is any Member of Congress going to be able to amend this bill if the lump-sum plan is adopted? At present each item appropriated is gone over by the subcommittee and detailed inquiries are made as to how the money is to be expended, and every dollar must be accounted for. Lengthy hearings are held, and these hearings are printed and indexed, and each Member of the House is able to find any item and how the money is expended.

Since I have been a member of the Committee on Appropriations no lump-sum appropriation has been added to or materially changed. In effect, this transfers the power of making appropriations to the heads of departments, because they make estimates in lump sums and these will not be inquired into with the same detail as they are if appropriated for separately.

If Congress adopts the alternate budget plan now, in my opinion, in the course of a few years all the annual appropriation bills will be reduced to a few pages. To illustrate, for the Interior Department there will be a lump-sum appropriation for the Secretary of the Interior and his office force, followed by lump-sum appropriations for the Indian Bureau, the General Land Office, the Reclamation Service, National Parks, and so on as to all activities under the Interior Department. Let me warn the Members of the House that that will be the result. The same will be true of every other department of the Government. Take the independent offices appropriation bill, and you will find lump sums will be asked covering all departments under that bill. The same will be true of the War Department, the Navy Department, and all other departments of the Government.

I am not going to vote for such a plan. I take no stock in the sugar-coated language in this amendment which closes with the following:

> Whenever in his judgment such action would result in greater economy and efficiency in the control and use of public funds.

Of course the head of every department will immediately recommend this plan because they do not want Congress to inquire into the details of the expenditure of the people's money. If this plan is adopted why not abolish the House and Senate Committees on Appropriations and permit esti-

mates prepared by the Budget Bureau to be sent up in lump sums and the money allocated to the various departments to be expended under their supervision?

Members of the House do not be deceived. That is exactly what the sponsors of this plan are attempting to accomplish. They know that few Members of the House have had opportunity to make a detailed study of this plan and their hope is that the Members do not understand it and that the plan will be accepted.

This amendment would not have been in order in the House. It is urged on behalf of the Senate committee that the amendment will do no harm. Yes; it will. It allows the "camel's nose to get under the tent." It is the beginning of the adoption of the lump-sum appropriation plan. If, after mature consideration, we believe this plan is not for our best interests, why vote for it? Why not strike it square on the head every time it shows up? That is what I have done and what I am going to do during the remainder of my term of service here.

I am giving the history of how this plan has been sponsored and how it has grown from an application of the Bureau of Indian Affairs until this amendment is made to the pending bill, so that it will extend the plan to every department of the Government.

In the days to come, if this plan is adopted, it cannot be said that I was deceived by it or that I did not have the courage to voice opposition to it.

Mr. BLANTON. Reserving the right to object, I want to say that there are two Senate amendments on this bill that should be eliminated, even if we have to hold this bill up until doomsday. One is the amendment that permits all of the fees collected from affiliated banks to pay the expenses of bank examiners and their salaries to be kept in the Federal Reserve banks to the credit of the Comptroller of the Currency, and which takes from the control of Congress this money, and the fixing of salaries of these bank examiners. The salaries paid are $20,000 to a New York bank examiner, $17,500 to another bank examiner, and so on, and it is an infamous outrage to permit these large salaries to continue. We must stop it. The other is the naval hospital amendment, and the gentleman from New York [Mr. GRIFFIN] ought to promise us that he will never agree to these two amendments but will bring them back to the House, if necessary.

What is the gentleman's attitude on that?

Mr. GRIFFIN. I do not think the gentleman ought to try to tie me down in advance.

Mr. BLANTON. The gentleman from New York has done such splendid work on this bill in abolishing these 367 backdoor appropriations that have been spent annually for many years with no control of Congress, and putting them back into the control of Congress, that I hope he is not going to let the Senate undo all of that splendid work.

Mr. GRIFFIN. We will do the best we can. We are going into a conference with the Senate tomorrow.

Mr. BLANTON. I hope the gentleman will go over there and make the Senate understand that it would be futile for it to insist on those two propositions because we here will vote down the conference report, if it comes back with them in it.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Chair appointed the following conferees: Mr. GRIFFIN, Mr. MCMILLAN, Mr. PARKS, Mr. CARY, Mr. GOSS, and Mr. WIGGLESWORTH.

SILVER

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 9745) to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes, with Senate amendments thereto, and consider the Senate amendments en bloc in the House.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Page 3, line 5, after "3" insert: ", and such certificates shall be placed in actual circulation."

Page 7, line 3, after "transfer." insert: "The Commissioner shall abate or refund, in accordance with regulations issued hereunder, such portion of any tax hereunder as he finds to be attributable to profits (1) realized in the course of the transferor's regular business of furnishing silver bullion for industrial, professional, or artistic use and (a) not resulting from a change in the market price of silver bullion, or (b) offset by contemporaneous losses incurred in transactions in interests in silver bullion determined, in accordance with such regulations, to have been specifically related hedging transactions; or (2) offset by contemporaneous losses attributable to changes in the market price of silver bullion and incurred in transactions in silver foreign exchange determined, in accordance with such regulations, to have been hedged specifically by the interest in silver bullion transferred."

Page 8, line 19, strike out ", and before the tax under this subdivision takes effect."

Mr. DOUGHTON. Mr. Speaker, I move to concur in the Senate amendments, and yield 5 minutes to the gentleman from Washington [Mr. SAMUEL B. HILL].

Mr. SAMUEL B. HILL. Mr. Speaker, amendment numbered 1 of the Senate amendments is purely clarifying, and makes certain that the certificates issued on the basis of the silver purchased under this act shall be placed in circulation. We think that the language of the act already insures that, but apparently there was some question in the minds of the Senate as to whether it did insure the placing of these certificates in circulation, hence the amendment.

Amendment numbered 2 is not a clarifying amendment. It is an addition to the act as passed by the House, and it exempts from the tax, or rather permits the Commissioner of Internal Revenue to rebate the tax, on certain transactions in silver which are not of a speculative character. It authorizes the rebatement under certain conditions of the tax when the silver is sold at a profit for industrial, professional, or scientific purposes, and not for speculation. That is, where the profit in the transaction is not by reason of the change in the market price of the silver sold, but by reason of the service rendered in furnishing the silver for the purposes named, independent of the change in the market. It also provides for the deduction of losses in this character of transaction where the loss occurs through a hedging process employed for the protection of the transferor of the silver bullion.

Mr. MARTIN of Massachusetts. Is it quite clear that this tax does not apply to the manufacture of silverware?

Mr. SAMUEL B. HILL. The tax does not apply in a case of that kind. This amendment further provides for an offset of losses from profits where the loss occurs in a hedging process to protect the transferor of silver bullion; for instance, in the case of a transfer or sale by a refiner or processor of silver to the manufacturer, if there is any such hedging and such loss. It also provides for the deduction of loss from profits when the loss occurs in a hedging process in transactions in silver foreign exchange. Unless there are other questions on this particular amendment, I will pass to amendment numbered 3.

Amendment numbered 3 on page 8, line 19, strikes out the following language after the figures "1934": "and before the tax under this subdivision takes effect."

The language stricken by this amendment was apparently an inadvertence in limiting that provision of the act to transactions completed before the effective date fixed in the act. By striking out the language in question it makes the provision applicable to wash sales, completed either before or after the effective date of the act.

Mr. Speaker, as a further explanation of this amendment for the RECORD I ask unanimous consent to extend my remarks in the RECORD by inserting a statement which I send to the reporter's desk.

The SPEAKER. Is there objection?

There was no objection.

The statement referred to is as follows:

The tax established under section 8 is designed to tax those profits arising from a change in the market price of silver. Without such a tax holders and dealers in silver would profit unduly

by reason of the Government's entering into the silver market to acquire silver. The principle of the tax is to assess what amounts to an unearned increment.

Persons regularly engaged in the business of furnishing silver for industrial, professional, and artistic purposes may profit by the increase in the market price of silver and such profit should be taxed. These persons, however, make a small additional profit attributable not to changes in the market price of silver but to the service they render, as, for instance, the service of a wholesaler in acquiring silver in large amounts and selling it in smaller lots to factories which use silver for different industrial purposes, the service of selecting silver from particular mines which has slight intermixture of other metals, making it valuable for certain specific purposes and the service of alloying with the silver certain metals necessary for particular industrial purposes. This profit proceeds from the efforts of the person engaged in this business and does not result from governmental action. This profit is subject to the regular income tax but should not be subject to the special transfer tax established under the Silver Purchase Act. The first part of the amendment provides for an abatement or refund of tax attributable to the special-service profits.

A number of persons furnishing silver for industrial, professional, or artistic uses are obliged to take a market position in silver during the period ranging from a few weeks to several months during which the silver is being refined or otherwise processed. Many of these refiners or processors seek to avoid speculating in silver by hedging against the market position they have been obliged to take. For instance, a refiner buys a million ounces of silver in crude silver-bearing materials. He calculates it will take 2 months to refine this. To avoid a market risk on the day he purchases the silver he sells an equivalent amount of silver out of inventory maintained for the purpose, or he enters into a contract for the delivery of silver at the time when he thinks the refining will be completed at a price fixed in the contract. The person who buys the silver for future delivery may be speculating in silver, and his profit should be taxed, but the refiner or processor, who sells silver is hedging. If the refiner or processor in the course of these hedging transactions makes a profit on one transaction he will make a corresponding loss on another transaction. It is this balancing of profit and loss which enables him to avoid speculating in silver. His net position shows no profit nor loss by reason of the changes in the market price of silver bullion. It would seem unfair in such transactions to tax the refiner on those profits which are offset by corresponding losses in related hedging transactions. The last part of the amendment authorizes the abatement or refund of that portion of the tax which is attributable to those profits against which there have been corresponding losses in hedging transactions.

In general the effect of the amendment will be to discourage speculation in silver by persons furnishing silver for industrial, professional, and artistic use by permitting regulatory provisions to make certain that a tax is paid on all speculative profits but not on business profits which arise independently of market changes or because of hedging transactions to prevent profit or loss from such market changes.

On page 8, line 19, strike out the comma and the words "and before the tax under this subdivision takes effect."

Mr. DOUGHTON. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, during the course of the consideration of the so-called "silver bill" in the House, I made some criticisms of the general counsel to the Secretary of the Treasury, and it was based on what I conceive to be a lack of knowledge on the general subject of the silver question. He was the only source of information that the Ways and Means Committee had, and I, for one, thought, as far as silver was concerned, that it was very weak information. We did have, as I stated then, information from a House Member, the gentleman from Texas [Mr. DIES], but so far as the Department itself is concerned, there was nothing of any constructive nature brought to the committee. I have, however, a higher regard for Mr. Oliphant as a lawyer than as an expert on silver, and here is what he says in a letter to Senator PITTMAN in connection with amendment numbered 1:

DEAR SENATOR PITTMAN: Section 5 of the silver bill directs the Secretary of the Treasury to issue silver certificates to an amount not less than the cost of the silver purchased under section 3. The legal effect under existing law of the words "to issue" silver certificates is that they must be not merely printed but also put into circulation.

Very truly yours,

HERMAN OLIPHANT,
General Counsel to the Secretary.

Accordingly this first amendment is absolutely unnecessary. The ruling of the Department is that the bills are actually in circulation. Therefore, why add this language? But if it will appease the feelings of the Senate or any Member of that body to do so, let them have it.

Amendment no. 2 is one that is a protection to industry, as designating between industry and speculation. It does protect the industrial use of silver from the tax provided for in the bill. The first portion of it, therefore, to my mind, is of value. The second part of it I am not so clear about, and I do not think any very definite explanation has been made of it, namely, the possibility of purchasing silver for hedging purposes from foreign countries. I am not going to offer any objection to it, but I am not at all certain that it is worth while.

With all due respect to my colleague from Washington, Mr. SAMUEL B. HILL, I really failed to grasp his explanation of the last amendment. The matter was considered in the Committee on Ways and Means this morning, and the expert drafting representative acknowledged that he did not know what it meant. If he did not know, I do not see how we can be expected to, and we might just as well take this amendment as we took the whole silver bill, swallow it whole, and let it go along just as it is. Therefore I hope that the amendments will be concurred in en bloc, as moved by the chairman of the committee.

Mr. McFADDEN. Will the gentleman yield?

Mr. TREADWAY. I yield.

Mr. McFADDEN. I notice in the morning press a continuation of the maneuvers looking toward cancelation of the war debts. The suggestion is definitely made by Secretary of State Hull to the British that we accept payment of the June 15 amount due from Great Britain in kind. "In kind", of course, means British goods. It means silver, as is already discussed in London today. I wish to ask the gentleman if it is contemplated by the administration to accept silver in payment of the war debts? I recall when we passed the tariff bill the other day the gentleman from Tennessee [Mr. COOPER] advised me that there was a provision in the tariff bill which would forbid discussion by the President of the purchase of merchandise or the mixing of the tariff question with the war debts, that the President was specifically forbidden to mix his tariff negotiations with war debts. Hardly before the ink is dry on the Tariff Act we find the Secretary of State mixing trade and war debts.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. TREADWAY] has expired.

Mr. McFADDEN. I was asking the gentleman from North Carolina whether or not the administration's policy is to now take silver as merchandise as part of the settlement in kind as suggested by the Secretary of State today in his note to the British Government?

Mr. DOUGHTON. I do not understand that inquiry to be at all pertinent to the matter under consideration now. If we go into speculation as to what might be in the mind of somebody, without knowledge or without any expression from the administration, we would be here until daylight tomorrow morning. The gentleman can form his own conclusions as far as that is concerned.

Mr. Speaker, I think the fact that the Senate made no substantial or material amendment to this bill, none but what we can readily accept, is a compliment to the work of the House in respect to this legislation. I think, furthermore, the fact that the gentleman from Massachusetts [Mr. TREADWAY] has no objection to these amendments is also a compliment.

Therefore, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were agreed to.

A motion to reconsider the vote by which the Senate amendments were agreed to was laid on the table.

TAXATION OF MANUFACTURERS, IMPORTERS, AND DEALERS IN CERTAIN FIREARMS AND MACHINE GUNS

Mr. DOUGHTON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 9741) to provide for the taxation of manufacturers, importers, and dealers in certain firearms and machine guns, to tax the sale or other disposal



of such weapons, and to restrict importation and regulate interstate transportation thereof.

The Clerk read as follows:

Be it enacted, etc., That for the purposes of this act—

(a) The term "firearm" means a shotgun or rifle having a barrel of less than 18 inches in length, or any other weapon, except a pistol or revolver, from which a shot is discharged by an explosive if such weapon is capable of being concealed on the person, or a machine gun, and includes a muffler or silencer for any firearm whether or not such firearm is included within the foregoing definition.

(b) The term "machine gun" means any weapon which shoots, or is designed to shoot, automatically or semi-automatically, more than one shot, without manual reloading, by a single function of the trigger.

(c) The term "person" includes a partnership, company, association, or corporation, as well as a natural person.

(d) The term "continental United States" means the States of the United States and the District of Columbia.

(e) The term "importer" means any person who imports or brings firearms into the continental United States for sale.

(f) The term "manufacturer" means any person who is engaged within the continental United States in the manufacture of firearms, or who otherwise produces therein any firearm for sale or disposition.

(g) The term "dealer" means any person not a manufacturer or importer engaged within the continental United States in the business of selling firearms. The term "dealer" shall include wholesalers, pawnbrokers, and dealers in used firearms.

(h) The term "interstate commerce" means transportation from any State or Territory or District, or any insular possession of the United States (including the Philippine Islands), to any other State or to the District of Columbia.

(i) The term "Commissioner" means the Commissioner of Internal Revenue.

(j) The term "Secretary" means the Secretary of the Treasury.

(k) The term "to transfer" or "transferred" shall include to sell, assign, pledge, lease, loan, give away, or otherwise dispose of.

SEC. 2. (a) Within 15 days after the effective date of this act, or upon first engaging in business, and thereafter on or before the 1st day of July of each year, every importer, manufacturer, and dealer in firearms shall register with the collector of internal revenue for each district in which such business is to be carried on his name or style, principal place of business, and places of business in such district, and pay a special tax at the following rates: Importers or manufacturers, $1,000 a year; dealers, other than pawnbrokers, $200 a year; pawnbrokers, $300 a year. Where the tax is payable on the 1st day of July in any year it shall be computed for 1 year; where the tax is payable on any other day it shall be computed proportionately from the 1st day of the month in which the liability to the tax accrued to the 1st day of July following.

(b) It shall be unlawful for any person required to register under the provisions of this section to import, manufacture, or deal in firearms without having registered and paid the tax imposed by this section.

SEC. 3. (a) There shall be levied, collected, and paid upon firearms transferred in the continental United States a tax at the rate of $200 for each firearm, such tax to be paid by the transferor, and to be represented by appropriate stamps to be provided by the Commissioner, with the approval of the Secretary; and the stamps herein provided shall be affixed to the order for such firearm, hereinafter provided for. The tax imposed by this section shall be in addition to any import duty imposed on such firearm.

(b) All provisions of law (including those relating to special taxes, to the assessment, collection, remission, and refund of internal-revenue taxes, to the engraving, issuance, sale, accountability, cancelation, and distribution of tax-paid stamps provided for in the internal-revenue laws, and to penalties) applicable with respect to the taxes imposed by section 1 of the act of December 17, 1914, as amended (U.S.C., supp. VII, title 26, secs. 1040 and 1383), and all other provisions of the internal-revenue laws shall, insofar as not inconsistent with the provisions of this act, be applicable with respect to the taxes imposed by this act.

SEC. 4. (a) It shall be unlawful for any person to transfer a firearm except in pursuance of a written order from the person seeking to obtain such article, on an application form issued in blank in duplicate for that purpose by the Commissioner. Such order shall identify the applicant by such means of identification as may be prescribed by regulations under this act: *Provided*, That, if the applicant is an individual, such identification shall include fingerprints and a photograph thereof.

(b) The Commissioner, with the approval of the Secretary, shall cause suitable forms to be prepared for the purposes above mentioned, and shall cause the same to be distributed to collectors of internal revenue.

(c) Every person so transferring a firearm shall set forth in each copy of such order the manufacturer's number or other mark identifying such firearm, and shall forward a copy of such order to the Commissioner. The original thereof with stamps affixed, shall be returned to the applicant.

(d) No person shall transfer a firearm which has previously been transferred on or after the effective date of this act, unless such person, in addition to complying with subsection (c), transfers therewith the stamp-affixed order provided for in this section for each such prior transfer, in compliance with such regulations as may be prescribed under this act for proof of payment of all taxes on such firearms.

(e) If the transfer of a firearm is exempted from the provisions of this act as provided in section 13 hereof, the person transferring such firearm shall notify the Commissioner of the name and address of the applicant, the number or other mark identifying such firearm, and the date of its transfer, and shall file with the Commissioner such documents in proof thereof as the Commissioner may by regulations prescribe.

(f) Importers, manufacturers, and dealers who have registered and paid the tax as provided for in section 2 (a) of this act shall not be required to conform to the provisions of this section with respect to transactions in firearms with dealers or manufacturers if such dealers or manufacturers have registered and have paid such tax, but shall keep such records and make such reports regarding such transactions as may be prescribed by regulations under this act.

SEC. 5. (a) Within 60 days after the effective date of this act every person possessing a firearm shall register, with the collector of the district in which he resides, the number or other mark identifying such firearm, together with his name, address, place where such firearm is usually kept, and place of business or employment, and, if such person is other than a natural person, the name and home address of an executive officer thereof: *Provided*, That no person shall be required to register under this section with respect to any firearm acquired after the effective date of, and in conformity with the provisions of, this act.

(b) Whenever on trial for a violation of section 6 hereof the defendant is shown to have or to have had possession of such firearm at any time after such period of 60 days without having registered as required by this section, such possession shall create a presumption that such firearm came into the possession of the defendant subsequent to the effective date of this act, but this presumption shall not be conclusive.

SEC. 6. It shall be unlawful for any person to receive or possess any firearm which has at any time been transferred in violation of section 3 or 4 of this act.

SEC. 7. (a) Any firearm which has at any time been transferred in violation of the provisions of this act shall be subject to seizure and forfeiture, and (except as provided in subsection (b)) all the provisions of internal-revenue laws relating to searches, seizures, and forfeiture of unstamped articles are extended to and made to apply to the articles taxed under this act, and the persons to whom this act applies.

(b) In the case of the forfeiture of any firearm by reason of a violation of this act: No notice of public sale shall be required; no such firearm shall be sold at public sale; if such firearm is in the possession of any officer of the United States except the Secretary, such officer shall deliver the firearm to the Secretary; and the Secretary may order such firearm destroyed or may sell such firearm to any State, Territory, or possession (including the Philippine Islands), or political subdivisions thereof, or the District of Columbia, or retain it for the use of the Treasury Department or transfer it without charge to any executive department or independent establishment of the Government for use by it.

SEC. 8 (a) Each manufacturer and importer of a firearm shall identify it with a number or other identification mark approved by the Commissioner, such number or mark to be stamped or otherwise placed thereon in a manner approved by the Commissioner.

(b) It shall be unlawful for anyone to obliterate, remove, change, or alter such number or other identification mark. Whenever on trial for a violation of this subsection the defendant is shown to have or to have had possession of any firearm upon which such number or mark shall have been obliterated, removed, changed, or altered, such possession shall be deemed sufficient evidence to authorize conviction, unless the defendant explains such possession to the satisfaction of the jury.

SEC. 9. Importers, manufacturers, and dealers shall keep such books and records and render such returns in relation to the transactions in firearms specified in this act as the Commissioner, with the approval of the Secretary, may by regulations require.

SEC. 10. (a) No firearm shall be imported or brought into the United States or any Territory under its control or jurisdiction (including the Philippine Islands), except that, under regulations prescribed by the Secretary, any firearm may be so imported or brought in when (1) the purpose thereof is shown to be lawful and (2) such firearm is unique or of a type which cannot be obtained within the United States or such Territory.

(b) It shall be unlawful (1) fraudulently or knowingly to import or bring any firearm into the United States or any Territory under its control or jurisdiction (including the Philippine Islands), in violation of the provisions of this act; or (2) knowingly to assist in so doing; or (3) to receive, conceal, buy, sell, or in any manner facilitate the transportation, concealment, or sale of any such firearm after being imported or brought in, knowing the same to have been imported or brought in contrary to law. Whenever on trial for a violation of this section the defendant is shown to have or to have had possession of such firearm, such possession shall be deemed sufficient evidence to authorize conviction unless the defendant explains such possession to the satisfaction of the jury.

SEC. 11. It shall be unlawful for any person who is required to register as provided in section 5 hereof and who shall not have so registered, or any other person who has not in his possession a

stamp-affixed order as provided in section 4 hereof, to ship, carry, or deliver any firearm in interstate commerce.

SEC. 12. The Commissioner, with the approval of the Secretary, shall prescribe such rules and regulations as may be necessary for carrying the provisions of this act into effect.

SEC. 13. This act shall not apply to the transfer of firearms (1) to the United States Government, any State, Territory, or possession of the United States, or to any political subdivision thereof, or to the District of Columbia; (2) to any peace officer or any Federal officer designated by regulations of the Commissioner; (3) to the transfer of any firearm which is unserviceable and which is transferred as a curiosity or ornament.

SEC. 14. Any person who violates or fails to comply with any of the requirements of this act shall, upon conviction, be fined not more than $2,000 or be imprisoned for not more than 5 years, or both, in the discretion of the court.

SEC. 15. The taxes imposed by paragraph (a) of section 600 of the Revenue Act of 1926 (U.S.C., supp. VII, title 26, sec. 1120) and by section 610 of the Revenue Act of 1932 (47 Stat. 169, 264), shall not apply to any firearm on which the tax provided by section 3 of this act has been paid.

SEC. 16. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

SEC. 17. This act shall take effect on the thirtieth day after the date of its enactment.

SEC. 18. This act may be cited as the "National Firearms Act."

The SPEAKER. Is a second demanded?

Mr. McFADDEN. Mr. Speaker, I demand a second.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. McFADDEN. I am.

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina [Mr. DOUGHTON]?

There was no objection.

The SPEAKER. The gentleman from North Carolina is recognized for 20 minutes and the gentleman from Pennsylvania [Mr. McFADDEN] is recognized for 20 minutes.

Mr. DOUGHTON. Mr. Speaker, this bill is sponsored by the Department of Justice and has a unanimous report from the Committee on Ways and Means.

For some time this country has been at the mercy of the gangsters, racketeers, and professional criminals. The rapidity with which they can go across State lines has become a real menace to the law-abiding people of this country. When the bill was first proposed by the Department of Justice it affected pistols and revolvers, but that provision was eliminated from the bill, and it now only relates to machine guns and sawed-off shotguns and rifles, or guns with barrels less than 18 inches in length, and to mufflers, and to silencers.

Mr. TREADWAY. Will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. TREADWAY. Is it not a fact that originally there was considerable opposition felt to this bill owing to the fact that pistols and revolvers were rated in exactly the same way as machine guns or mufflers?

Later on the Ways and Means Committee made the change whereby revolvers and pistols are distinctly exempted from the provisions of the act.

Mr. DOUGHTON. That is true.

Mr. TREADWAY. So that the type of opposition which came up in the first consideration of the bill was entirely removed and the opponents are in favor of the bill at the present time.

Mr. DOUGHTON. Those who opposed the bill as originally submitted to the Committee on Ways and Means by the Department of Justice, have withdrawn their opposition to the bill in its present form.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. SNELL. Mr. Speaker, will the gentleman instead of telling us what is excepted from the bill tell us what is covered by the bill?

Mr. DOUGHTON. Machine guns, sawed-off shotguns, rifles, silencers, and mufflers.

Mr. SNELL. Is the ordinary sporting rifle included in the bill?

Mr. DOUGHTON. It is not included at all.

Mr. SNELL. Just shotguns and machine guns?

Mr. DOUGHTON. Machine guns, sawed-off shotguns, rifles, silencers, and mufflers.

Mr. MAPES. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MAPES. Objections have been raised on the part of prominent women and women's organizations in my district to the action of the Committee on Ways and Means in taking from under the provisions of the bill pistols and revolvers. Will the gentleman tell the House why this was done?

Mr. DOUGHTON. Protests came to the committee from some ladies' organizations throughout the country objecting to the elimination of pistols and revolvers. The majority of the committee were of the opinion, however, that the ordinary, law-abiding citizen who feels that a pistol or a revolver is essential in his home for the protection of himself and his family should not be classed with criminals, racketeers, and gangsters; should not be compelled to register his firearms and have his fingerprints taken and be placed in the same class with gangsters, racketeers, and those who are known as criminals.

Mr. CHRISTIANSON. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CHRISTIANSON. Have we the gentleman's assurance that sportsmen's organizations have withdrawn the opposition they formerly expressed to the measure?

Mr. DOUGHTON. They have; and they heartily support the pending bill. The Department of Justice has agreed to an amendment which makes the bill acceptable to sportsmen and sportsmen's organizations. As the bill now stands, so far as I know there is no objection to it.

Mr. TERRELL of Texas. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. TERRELL of Texas. Does this bill in any way affect the rights of States to tax dealers in firearms?

Mr. DOUGHTON. It puts a tax of $1,000 on the importer and manufacturer of machine guns; a tax of $200 on the dealer, and a tax of $300 on the pawnbroker; and it provides that 60 days after the enactment of the law all those having possession of firearms of the character referred to in this bill, must register the same with the Commissioner of Internal Revenue.

Mr. TERRELL of Texas. Does the bill affect the right of States to deal with this subject.

Mr. DOUGHTON. It does not in any way interfere with the rights of the States.

Mr. TREADWAY. I should like to call the chairman's attention to an evident misprint on page 4, line 5. I think he would like to offer an amendment changing the word "acts" to "tax", which is apparently what it should be.

Mr. DOUGHTON. I understand that mistake was corrected in the last print of the bill.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. MOTT. Is there anything in the bill which would affect collectors of firearms; is there any provision which would prevent a collector from possessing weapons of a certain type? I have in mind a man in my district who has several hundred guns in his collection.

Mr. DOUGHTON. I think not; I do not think it would affect them at all.

Mr. CONNERY. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. CONNERY. As I understand, the primary purpose of the bill is to stop gangsters from getting hold of machine guns.

Mr. DOUGHTON. That is correct.

The SPEAKER. The question is on the motion of the gentleman from North Carolina to suspend the rules and pass the bill.

The question was taken; and two-thirds having voted in favor thereof, the rules were suspended, and the bill was passed, and a motion to reconsider was laid on the table.

THE COTTON INDUSTRY

Mr. BUCK. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H.J.Res. 369) to amend an act entitled "An act to place the cotton industry on a sound commercial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934.

Resolved, etc., That the act entitled "An act to place the cotton industry on a sound financial basis, to prevent unfair competition and practices in putting cotton into the channels of interstate and foreign commerce, to provide funds for paying additional benefits under the Agricultural Adjustment Act, and for other purposes" (Public, No. 169, 73d Cong.), approved April 21, 1934, is hereby amended by adding at the end thereof the following new section:

"SEC. 25. (a) No tax-exemption certificates shall be issued to any person not engaged in production of cotton in the crop year during which such certificates are issued.

"(b) Whenever after apportionment under sections 7 and 8 any surplus number of bales remain of the amount allotted to any county under section 5 (b) such surplus bales shall be allotted, in such quantities as the Secretary of Agriculture determines, to such other counties within the State as the Secretary of Agriculture determines have an insufficient allotment. Said bales shall be apportioned, pursuant to sections 7 and 8, within the respective counties to which allotted, but in no case shall any farm receive any of such allotment so as to receive a total allotment in excess of its estimated production for the crop year in which such allotment is made.

"(c) In computing the production of any State pursuant to section 5 (a) the total production of cotton for such State in the five-year period, 1928-32, inclusive, shall be used regardless of the length of staple of such production."

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. TARVER. Mr. Speaker, reserving the right to object, will the gentleman explain the reason for calling up this resolution in the manner in which it is being presented to the House, and also something about what the resolution provides? It seems to be a rather lengthy measure, and I should like to know something about it before I accede to the request.

Mr. JONES. May I say to the gentleman that the resolution only clarifies and makes clear what was intended in the original bill. It does two things. It provides that in California, where they have a specified allotment of 200,000 bales, they may shift the allotment from one county to another. This does not affect their general allotment nor the allotment of the other States.

In Arizona they have grown for a long while a considerable amount of long-staple cotton and gradually transferred into the other. This permits them to use their total cotton production in arriving at their total. This means only a difference of some 15,000 bales.

Mr. TARVER. Does the gentleman mean it would add that much to Arizona's allotment?

Mr. JONES. No; it would rather restore that much to Arizona's allotment, making it what it was intended to be. In view of the fact that a 5-year average is taken, Arizona's allotment will be materially reduced. I feel that she should have her average of the 5-year production, and that if she comes within the terms of the exception by the use of her entire production, this should be accorded her in view of the change in the character of cotton produced.

Mr. TARVER. I am of the opinion that Arizona and California were given preferential consideration by the adoption of certain amendments in the Senate over other cotton-producing States, and in view of what the gentleman states this resolution contains, I desire the opportunity to study it before I consent to its being passed by unanimous consent.

Mr. BUCK. May I say to the gentleman it is quite true that the Bankhead bill gave California, Missouri, and Arizona preferential treatment, but the Department of Agriculture, and they are supported in this by the Department of Justice, ruled that because we did not amend the subsequent sections providing for county allotments, in spite of the fact California was given a 200,000-bale allotment, owing to the migratory character of cotton planting in California, the allotment would be based on the last 5 years' average, which would be about 139,000 bales.

Mr. TARVER. Why is California entitled to any more?

Mr. BUCK. The Department has asked for this.

Mr. TARVER. Why are you entitled to any more? The other States have to get by with their allotments.

Mr. BUCK. May I say that in one county in California the 5-year history shows an average of 7,500 bales. The actual production at the present time is only 1,500 bales. Cotton planting has moved from certain areas to other areas. There will be no increase under this bill to the cotton allotment of California or Missouri and it will not interfere with the production of cotton in the gentleman's State or any other State.

The resolution has the unanimous report of the members of the committee and we are desirous of getting it through the Senate before we adjourn.

Mr. TARVER. This matter can be brought up tomorrow just as well. I do not feel willing to consent to the passage of the bill by unanimous consent when it is apparent that it is one of extreme importance to the cotton-producing areas of this country. I have not had the opportunity to read it, and I do not know what it contains. Therefore, I must object.

USE OF MAILS FOR SHIPMENT OF CERTAIN DRUGS

Mr. MEAD. Mr. Speaker, I ask unanimous consent that I may have until midnight tonight to file a report on the bill (S. 822) to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ADDRESS BY POSTMASTER GENERAL FARLEY AT CANISIUS COLLEGE, BUFFALO, N.Y.

Mr. MEAD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a speech delivered by the Postmaster General at Buffalo, N.Y.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MEAD. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following address of Hon. James A. Farley, Postmaster General of the United States, before the graduating class of Canisius College, Buffalo, N.Y., June 10, 1934:

It is with a deep sense of appreciation of the great honor bestowed that I come here today to take part in the ceremonies that mark the enrollment of these young men into the ranks of the alumni of this great institution. I am glad to have the distinction of being numbered among the members of this class. I am conscious of the fact that I am receiving my degree as a token, while the graduates are receiving a deserved recognition of the diligence with which they have devoted themselves to tasks intended to bring them, at this commencement of their careers, into habits of discipline, both mental and physical, that augur well for their future success.

The president and the faculty of Canisius College, together with parents and friends, can be justly proud today of your accomplishments. They have sacrificed to the end that you should receive all of the benefits accruing from a liberal education. They are happy to bestow upon you their praise and their congratulations. You now leave your alma mater inspired by the traditions which have grown up around its past, carrying with you its benedictions mixed with the confident hopes of your well-wishers.

It is well to remember as you go forth that you carry with you a responsibility. You have a duty to perform. Perform that duty well and your accomplishments will enhance the traditions of Canisius. Thus only can you repay those who have concurred to make this event for you possible.

And what a glorious opportunity opens before the young people of today, to be of service to themselves, their fellowmen, and their country. Unless all signs fail you are initiating your life's work simultaneously with the beginnings of a new era of history. For a score of years the whole world has been passing through upheavals generated by the clash of ideals of service against the time-worn ideas of selfishness. This has been precipitated by the widespread increase of knowledge flowing from the easy avail-

ability of education. Its solution is possible only to those who, having the benefits of education, are willing to dedicate their talents toward working out an equitable plan which will provide a civilization, unbending enough to maintain an orderly program of living and elastic enough to meet the conditions imposed by circumstances beyond the control of humans.

A quarter of a century ago I was about the age of you who are today being graduated. Looking back it seems but a short time but, if the historians delineate all that has occurred in those 25 years, with the same attention to detail as was followed by the historians of a century ago in the writing of their era, many volumes will be filled to every volume of early Americana. The greatest war in history; the greatest advances of science; the greatest conquests of space, both in the terms of communication and travel; the greatest period of industrial activity; the greatest upheaval in governments; the greatest spread of information; and the greatest extension of discoveries in every line of research, have all occurred only to have these tremendous events crowned by the greatest period of economic distress the world has experienced.

Looking back, it seems impossible that so much could have happened in so short a space of time. Looking ahead, can anyone prophesy what events will occur during an equal span of the future? That is the vista that opens before you and, if you consider the possibilities ahead, you should be thrilled with the prospect of entering into the work to be done—fortified by the training you have received from these devoted Jesuits who now look forward to your attaining success as their only reward for their service in preparing you for your duties.

I have heard something of the progress of Canisius on the gridiron. Consequently, I know that you will get the point of the homely comparison I am going to make in order to more clearly reveal the thoughts that have been running in my mind.

My position in the Cabinet of the great man who is today President of these United States has given me the opportunity of being in the center of the great events that are occurring. My 25 years spent in business and political life enable me to picture vividly things as they have been. Anyone of experience knows that changed conditions have brought about new problems which must be met with new methods if civilization is to survive. The leadership in solving these problems during the next quarter of a century will come from those who, seeing the changing conditions, attack these problems with originality, open minds, and a venversally played.

Twenty-five years ago the football supremacy of the country was seated in a few large universities in the East. For years the great gridiron teams each season represented one of a half-dozen schools. Then conditions changed and public opinion, abetted by the influence of the Roosevelt who was then President of the United States, compelled a change in the rules that opened up the game and produced new fields to be explored by the gridiron strategists. The great universities of the East stuck to the old game, but coaches of the smaller universities and the western schools studied the new rules and took advantage of the latitude of plays afforded by the introduction of open tactics. One fall, out of the West there came an eleven that broke into the invincible circle of great eastern teams, simply because they not only knew the new rules but utilized all the latitude afforded by them. Coaches everywhere then seriously took up the open game. As a result the popularity of football increased by leaps and bounds until today great teams are everywhere throughout the land because the new rules are universally studied and universally played.

So it is with the changes of the present. Many who are my age will refuse to recognize the changed aspects of today's conditions. Those who do will succeed as well under the new practices as they did under the old. You who are not handicapped by the customs and ideas and usages of yesterday have an advantage over those who will stubbornly resist these changes of progress. In this respect, your inexperience will be more valuable than their experience. I am not in accord with those who may sympathize with you because you are initiating your careers in these days when trouble still besets many not yet been returned to gainful occupations. Pessimists may regard the influx of new graduates as an additional load to impede recovery. I, however, am of the optimistic view that your freedom from prejudices, combined with your technical training and supported by the self-reliance of youth, will serve to benefit not only yourselves but will hasten the employment of many of your elders because of the new works which you will initiate.

Prosperity, contentment, and happiness are the fruits of national economic activity. The flow of commerce depends upon the demands of the multitudes for those things which make for better living. The satisfaction of the desire for improved conditions of living provide the very means by which the desires can be satisfied. In short, every period of prosperity has been brought about by the discovery of some new means of satisfying human wants. The very providing of those means has made work for the multitudes which provided the income by which all were able to enjoy the fruits of each succeeding contribution to a higher standard of living.

Our colonial fathers fought and died to provide the liberties which they enjoyed in the wooded expanse of a new country, little dreaming of the vast empire they had a hand in creating. Under conditions that would have been to us abhorrent, they found work to do, and because of their courage, their energy, and their adventurous spirit we today are enjoying what to them would have been luxuries beyond their brightest dreams. In finding and fighting the way out they handed down to us an example of fortitude and strength of character that we might well emulate.

Their descendants carried on and these United States grew and prospered. Through the years we assimilated millions who came to our shores to escape the fetters of older worlds. In America they found a place to forge ahead unhampered by the worn-out ideas of an archaic past. In the melting pot the blood of many races produced the kind of America that today is fighting its way upward to new accomplishments and new achievements. The depression has served to rekindle the spirit of America that permeates the ranks of those who welcome you today as a part of the movement forward. You bring with you the fresh viewpoint that so amply fits the needs of the hour. You have the attribute of youth and vigor and mental discipline that should serve well toward promoting our progress.

There are some who will say there is no way out. They deserve only your contempt. Remember that a little thing produced every period of prosperity and you can face the future with confidence. The invention of the steam engine has been responsible for the employment of millions down through the years. Franklin's kite in the thunderclouds presaged the employment of millions in the electrical industries. Morse ticked a message with a key and wired transmission of communications has ever since kept vast numbers at work. Edison created the incandescant lamp and unleashed employment for multitudes. McCormick with a reaper developed tasks for hordes while lightening the task of that half of our population engaged in agriculture. The disputed invention of the automobile provided gainful employment not only for its manufacture but for the building of the vast networks of roads necessitated by its universal use. The moving picture, the radio, and the talkies provide sustenance for industrious armies while at the same time providing amusement for all. These and other developments have made possible the increase of income that paralleled the longer hours of leisure which made their enjoyment possible.

Who can say what will be the great developments of the next 25 years? It may already be in existence awaiting only the demand that will flow from a purchasing power begotten of confidence. It may yet have to be brought forth by one out of the ranks of those who this month are being graduated from the colleges throughout the land. It may be a new invention that will make life more enjoyable, or it may be a new mode of living that will be promoted by greater leisure to enjoy the advantages of inventions already known. Whatever it may be, you can be confident that you who are young will find a better ordered civilization which will better insure the permanency of the prosperity attendant upon the harvest it provides. You are to be envied and congratulated. Yours is the opportunity of sharing in what will be an epochal development of history. Face your tasks with confidence in your country and faith in yourself and pursue them diligently, and your success will be rivaled only by the satisfaction that you will have in doing your part to preserve for the future the rich heritage of progress which the past is giving into your keeping.

There is just one final admonition that I would make. Your education has been accompanied by a religious training which should cause you to ever remember your dependence on your Maker. No finer example of the value of the spiritual side of our orderly emergence from distress can be presented than our President, whose inspiring words and firm actions have been responsible for the progress we are making. Read any of his messages and you will find contained therein spiritual thoughts that are inspiring. Consider deliberately all of his policies and you will find that they reveal a love for humanity so like the teachings of the Founder of Christianity that they are simply bringing forth anew principles tried by over 1,900 years of successful usage.

Peruse history from the ancients to the present and you will find every period of distress preceded by a period of decadent morality. People with plenty have always seemed to forget their dependence on the Great Provider. Wide-spread poverty awakens not only their interdependence but also the absolute futility of their position without spiritual guidance. Always the orderly way back to normal conditions has been shown by a leader who, seemingly by an act of Providence, appeared at the right time. Such a man was Washington. So, too, was Lincoln. In our own day we know of the aspirations of Wilson. Now we have the great humanitarian. Who will gainsay that his frank messages of confidence carried inspiration into every home by the miracle of the radio that prevented bloodshed punctuating the revival of our national economic balance? What he has done and is doing constitutes a living example which vividly portrays all the ideals I would leave with you. Nurture those ideals and guide your future by their light and your success is assured.

PROTECTION OF TRADE AND COMMERCE AGAINST VIOLENCE

Mr. OLIVER of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2248) to protect trade and commerce against interference by violence, threats, coercion, or intimidation, and put it upon its passage, with certain amendments recommended by the Judiciary Committee.

This is merely the creation of an extortion statute against those who extort money by force or violence from those engaged in interstate commerce. It is a part of the crime

program that had to be delayed because of various discussions or we would have had it up the last time. We now bring this bill up for immediate consideration.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the term "trade and commerce", as used herein, shall include trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

SEC. 2. Any person who, in connection with or in relation to any act in any way or to any degree affecting, burdening, hindering, destroying, stifling, or diverting trade or commerce or any article or commodity moving or about to move in trade or commerce—

(1) Commits or threatens to commit any act of violence, intimidation, or injury to a person or property, or commits any act which is declared to be unlawful by the criminal laws of the State, District, or Territory where the act is committed; or

(2) Extorts or attempts to extort money or other valuable considerations; or

(3) Coerces or attempts to coerce any person, firm, association, or corporation to join or not to join an association, firm, corporation, or group, or to buy or rent commodities or services from particular sources, persons, firms, or corporations, or to make payments directly or indirectly to any person, association, firm, corporation, or group except for a bona fide consideration; or

(4) Coerces or attempts to coerce any person, firm, association, or corporation to do an act which such person, firm, association, or corporation has a legal right not to do, or to abstain from doing an act which such person, firm, association, or corporation has a legal right to do—

shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment from 1 to 99 years, and, in addition, by a fine which shall be at least commensurate with the amount of the unlawful gain.

SEC. 3. Any person charged with violating this act may be punished in any district in which any part of the offense has been committed by him or his associates or his conspirators.

With the following committee amendment:

Strike out all after the enacting clause and insert the following:

"That the term 'trade or commerce', as used herein, is defined to mean trade or commerce between any States, with foreign nations, in the District of Columbia, in any Territory of the United States, between any such Territory or the District of Columbia and any State or other Territory, and all other trade or commerce over which the United States has constitutional jurisdiction.

"SEC. 2. Any person who, in connection with or in relation to any act in any way or in any degree affecting trade or commerce or any article or commodity moving or about to move in trade or commerce—

"(a) Commits or threatens or attempts to commit an act of physical violence or physical injury to a person or to the property of another, in furtherance of a plan, purpose, or attempt to fix or increase prices, or restrict or allocate production, purchases, or sales, or suppress competition; or

"(b) Obtains or attempts to obtain, by the use of or attempt to use or threat to use force, violence, or coercion, the payment of money or other valuable considerations, or the purchase or rental of property or protective services, not including, however, the payment of wages by a bona fide employer to a bona fide employee; or

"(c) Obtains the property of another, with his consent, induced by wrongful use of force or fear, or under color of official right; or

"(d) Commits or threatens to commit an act of physical violence or physical injury to a person or property in furtherance of a plan or purpose to violate sections (b) or (c) herein; or

"(e) Conspires or acts concertedly with any other person or persons to commit any of the foregoing acts; shall, upon conviction thereof, be guilty of a felony and shall be punished by imprisonment of from 1 to 99 years, and in addition, by a fine which shall be at least commensurate with the amount of the unlawful gain.

"SEC. 3. (a) As used in this act the term 'wrongful' means in violation of the criminal laws of the United States or of any State or Territory.

"(b) The terms 'property', 'money' or 'valuable considerations' used herein shall not be deemed to include wages paid by a bona-fide employer to a bona-fide employee.

"SEC. 4. Prosecutions under this act shall be commenced only upon the express direction of the Attorney General of the United States.

"SEC. 5. If any provisions of this act or the application thereof to any person or circumstances is held invalid, the remainder of the act, and the application of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 6. Any person charged with violating this act may be prosecuted in any district in which any part of the offense has been committed by him or by his actual associates participating with him in the offense or by his fellow conspirators: *Provided*, That no court of the United States shall construe or apply any of the provisions of this act in such manner as to impair, diminish, or in any manner affect the rights of bona-fide labor organizations in lawfully carrying out the legitimate objects thereof, as such rights are expressed in existing statutes of the United States."

Mr. OLIVER of New York. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment to the committee amendment, offered by Mr. OLIVER of New York: On page 3, line 22, strike out the paragraph beginning "(a)" down to and including the word "or" on page 4, line 2.

On page 4, line 20, strike out all after the words "from one to" down to and including the word "gain" on page 4, line 22, and substitute in lieu the following: "10 years or by a fine of $10,000 or both."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHIPPEWA INDIANS OF MINNESOTA

Mr. CHRISTIANSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 1735) to amend an act approved May 14, 1926 (44 Stat. 555), entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims."

I may say, Mr. Speaker, I have two bills here of minor importance except to the Chippewa Indians in northern Minnesota. Both of the bills have passed the Senate and companion bills in both instances, identical to the Senate bill, have been considered by the Committee on Indian Affairs and unanimously recommended. The bills have the endorsement of the Bureau of Indian Affairs and the Department of the Interior.

Mr. JENKINS of Ohio. Have these bills been on the Consent Calendar and objected to?

Mr. CHRISTIANSON. No; they have not.

Mr. JENKINS of Ohio. Have they ever been on the Consent Calendar?

Mr. CHRISTIANSON. They have never been on the Consent Calendar.

The SPEAKER. The Clerk will report the Senate bill S. 1735. The Clerk read as follows:

Be it enacted, etc., That section 1 of an act approved May 14, 1926 (44 Stat. 555), be, and the same is hereby, amended to read as follows:

"SECTION 1. That jurisdiction be, and is hereby, conferred upon the Court of Claims, with right of appeal to the Supreme Court of the United States by either party as in other cases, notwithstanding the lapse of time or statute of limitations, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims arising under or growing out of the act of January 14, 1889 (25 Stat.L. 642), or arising under or growing out of any subsequent act of Congress in relation to Indian Affairs which said Chippewa Indians of Minnesota may have against the United States, which claims have not heretofore been determined and adjudicated on their merits by the Court of Claims or the Supreme Court of the United States. In any such suit or suits the plaintiffs, the Chippewa Indians of Minnesota, shall be considered as including and representing all those entitled to share in the final distribution of the permanent fund provided for by section 7 of the act of January 14, 1889 (25 Stat.L. 642), and the agreements entered into thereunder: *Provided*, That nothing herein shall be construed to affect the powers of the Secretary of the Interior to determine the roll or rolls of the Chippewa Indians of Minnesota for the purpose of making any distribution of the permanent Chippewa fund or of the interest accruing thereon or of the proceeds of any judgments: *Provided further*, That nothing herein shall be construed to authorize the submission to the Court of Claims for determination of any individual claim or claims to enrollment with the Chippewa Indians of Minnesota or to share in the interest or principal of the permanent Chippewa fund or in any funds hereafter acquired: *Provided further*, That the qualifications necessary to such enrollment shall not be changed or affected in any manner by the provisions of this act."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

AMENDMENT OF ACT APPROVED JUNE 28, 1932 (47 STAT.L. 337)

Mr. CHRISTIANSON. Mr. Speaker, I make the same request with respect to the other bill I have referred to (S. 3147) to amend the act approved June 28, 1932 (47 Stat.L. 337), and the same statement applies to this bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the act approved June 28, 1932 (47 Stat.L. 337), be, and the same is hereby, amended by striking out in the eighth line thereof the word "three" and substituting therefor the word "five."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE VALUE OF THE CIVILIAN CONSERVATION CORPS

Mr. RANDOLPH. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. RANDOLPH. Mr. Speaker, for more than a year the Emergency Conservation Work organization, initiated by President Roosevelt during his first month in office, has been operating Civilian Conservation Corps forest camps successfully in all sections of the United States. Launched as an essential cog in the administration's general industrial recovery, relief, and employment program, this movement has evoked wide-spread commendation from the press and the public. Within the 12 months that it has been actively in operation this reforestation program has given jobs at one time or another to more than 650,000 persons, and afforded a measure of relief at all times to an average of 300,000 families. By giving healthful, outdoor work to undernourished and discouraged youths it has aided in the physical and spiritual rejuvenation of hundreds of thousands of our young men, many of whom were taken from the streets of our cities and villages and were provided with jobs, good wholesome food, and a chance to aid in the support of their families.

This movement has aided business recovery by supplying large orders for manufactured goods and foodstuffs to industries and wholesale houses. And in addition to these contributions to the national welfare, the men sent to the camps have accomplished an amazing amount of worthwhile work in the Nation's forests and parks—work which will aid in the conservation of our forest resources and pay big dividends to present and future generations in timber, recreational advantages, and reduced losses through soil erosion.

Now that the record of accomplishment for the first year of the forest camps is available, I want to call the attention of this Congress to a few of the salient facts in the history of this reforestation movement. It will be recalled that on March 20, 1933, the President first called upon Congress for aid in getting the forest-camp movement under way. At that time he sent a message in which he sought authority for the establishment of a great Nation-wide chain of forest camps, where a vast army of unemployed young men could be given healthful outdoor work on projects looking toward the conservation of the Nation's more than half a billion acres of forested lands.

I propose—

The President said—

to create a Civilian Conservation Corps to be used in simple work, not interfering with normal employment and confining itself to forestry, the prevention of soil erosion, flood control, and similar projects. I call your attention to the fact that this type of work is of definite, practical value, not only through the prevention of great present financial loss but also as a means of creating future national wealth.

More important, however, than the material gains will be the moral and spiritual value of the work. The overwhelming majority of unemployed Americans now walking the streets and receiving public or private relief would infinitely prefer to work. We can take a vast army of these unemployed out of unhealthful surroundings. We can eliminate to some extent at least the threat that enforced idleness brings to spiritual and moral stability.

The authority asked by the President was granted on March 31, 1933, with the passage of a bill entitled "An act for the relief of unemployment through the performance of useful public works, and for other purposes."

Five days after the bill was passed the President set up the organization of Emergency Conservation Work to carry out the provisions of the law. Robert Fechner, of Boston, was named Director, and the Secretaries of War, Interior, Agriculture, and Labor were directed by the President to cooperate with the Director in the establishment and operation of the camps.

Decision was reached at once to establish a forest camp organization of 250,000 men to be known as the Civilian Conservation Corps. Attendance at the forest camps was limited primarily to young unmarried men between the ages of 18 and 25 years and whose families were on the relief rolls of State, city, or local communities. It was decided also to establish a large number of small camps rather than concentrate the young forest workers at a few central points. The task of selecting the young men was turned over to the Labor Department, and this organization at once designated State agencies in each State to aid in this selection. Later, when it was decided to give the veterans a place in the E.C.W. program, the work of selecting this group was turned over to the Veterans' Administration. The War Department was made responsible for the enrollment, feeding, clothing, and general welfare of the men. Under the direction of the Secretary of War, this Department established the work camps, transported the new enrollees to these camps, and accepted the responsibility for their care from the time they entered the C.C.C. until they were discharged. The responsibility for planning and carrying out the forest- and park-work programs was placed squarely in the hands of the Departments of the Interior and Agriculture. The Forest Service of the Department of Agriculture and the National Park Service of the Interior Department have planned and supervised all work done in the camps with the exception of the Winooski Valley flood-control project, where 5,000 veterans have been working under the direction of the Army Corps of Engineers, and a few small projects. At the present time the Department of Agriculture has supervision over the work being done at 1,047 camps. The Department of the Interior supervises the work operations at 395 camps.

Within 2 weeks after the Emergency Conservation Work organization was set up on April 5, the first C.C.C. camp was established in the George Washington National Forest near Luray, Va. By July 1 the Labor Department had selected, and the War Department had enrolled, 250,000 young men and started them on the way to the forests. In addition, the Veterans' Administration had completed the selection of 25,000 veterans. Before the middle of July a total of 1,468 camps occupied by young men, war veterans, and locally enrolled woodsmen were in operation in the forests and parks. On that date there were 300,000 men enrolled and in the camps. Each camp was occupied by 200 enrolled men. Since that time the E.C.W. organization has maintained an average of 1,468 camps, each State having not less than two camps. The average enrolled strength maintained during the past year has exceeded 285,000 men.

In order to afford work for Indians needing relief, the President approved a plan allowing 14,400 Indians to be enrolled for work on Indian reservations. These camps have been conducted by the Office of Indian Affairs independently of the C.C.C. In addition, smaller independent units of camps have been established in Puerto Rico, Hawaii, and Alaska. Puerto Rico now has 1,250 men in forest camps; Hawaii, 777; and Alaska, 325.

The major accomplishments of the Emergency Conservation Work program, as they have been outlined in reports submitted by officials of the organization to the President, can be grouped under five major headings. These include benefits in the field of unemployment, in the field of relief, in the business field, in the rehabilitation of young men, and in the conservation of our forested lands.

In the field of unemployment, jobs have been given to approximately 600,000 enrolled men, the big majority of them young men between the ages of 18 and 25. About

8,000 reserve officers of the War Department have been employed at one time or another in the camps. Work has been given to an average of 14,000 foresters and technicians, indicating that at least 18,000 men in this category have been employed for varying periods of time. In addition, employment has been given for short periods of time to at least 40,000 skilled and unskilled workmen. No definite figures are available as to the exact number of men who have been furnished work indirectly through orders given to industry for supplies, but it is believed an accurate tabulation would show many thousands were given work in this manner.

In the field of relief, funds have been supplied indirectly to an average of 300,000 families since the work was actively under way. The men are paid $30 a month on condition that they allot a large portion of their cash allowances to their families. These allowances are sent direct to the families by the War Department. On the average, the War Department mails out 300,000 checks each month, the total cash involved amounting to between $6,500,000 and $7,000,000. This monthly relief aid is in addition to the pay checks which are sent direct to the Indians, to many of the veterans, and all the experienced woodsmen who are enrolled locally when camps are established. All told, more than $80,000,000 has been paid out direct to families of enrolled men since the E.C.W. work began and up to April 30.

Tests conducted by the Office of the Surgeon General of the War Department, as well as examinations made at the camps, have disclosed that phenomenal health gains have been registered by the undernourished and often discouraged boys sent to the camps. One test of 10,000 men selected at random by the Surgeon General's Office showed the men had gained an average of 7.28 pounds per man during the first 6 months. Many gains of from 15 to 20 pounds have been recorded. Officers at the camps, as well as State officials who have visited the camps, have reported to Director Fechner that the good food, outdoor work, and freedom from worry have substantially increased the morale of all the men who have entered the camps.

Purchases made for the Emergency Conservation Work forest camps have aided hundreds of industries. The figures show that up to April 30 of the current year more than a hundred million dollars had been expended for supplies needed to keep the corps in operation. The purchases include such items as trucks, clothing, foodstuffs, heavy machinery, building materials, stoves, and equipment for the barracks and fire extinguishers. The food bill for this period was $35,000,000. During the same period $24,000,000 was expended for shelter and $40,000,000 for clothing. Railroads were aided through increased passenger and freight business. Farmers and retail stores in the vicinity of the camps also were afforded a better market for their produce.

The intimate relations of the forest resources to the Nation's economic and social well-being is brought home to the public by the record of useful work achieved by the men of the corps during their first year in the woods. Achievements for the first 12 months can now be appraised in cold figures of miles, acres, and man-days of work performed. The record shows that for the first time in the Nation's history massed man-power has been made available for forest protection on a scale which should result in reducing substantially the huge losses normally caused each year by forest fires, disease, tree-attacking insects, and rodents.

The great bulk of the field activities of the Corps has been directed toward protecting the forests from fire, insects, and disease; the improvement of timbered areas through thinning out undesirable trees and undergrowth; the prevention of soil erosion; tree planting and the improvement of National and State park areas for recreational use. Among the achievements which stand out in the completed program is the work done in the field of forest protection. This included the construction of trails through the forests and parks over which fire-fighting units could be operated speedily in event of fire; the construction of fire breaks to check the spread of forest fires; the cleaning out of fire hazards, such as inflammable dead trees and underbrush, the cleaning up of road and trail sides; the construction of lookout towers; fire-guard cabins, shelter for fire-protection equipment; the laying of telephone wires to connect lookout houses with fire-fighting units; and the carrying on of campaigns against such menaces to healthy forest growth as the white-pine blister rust, a fungus disease now menacing millions of acres of white pine; and the hordes of insects and pests which attack trees.

Hundreds of millions of acres of timberlands have been improved by thinning out undesirable trees from valuable timber stands. The grazing lands on nationally owned lands have been improved by the eradication of plants poisonous to livestock; by the killing of rodents; by the revegetation of depleted lands, and the construction of fences and the development of better, or new, sources of water supply. Erosion control, watershed protection, and flood-prevention work have been major activities of the corps.

Major items of work accomplished during the first year are shown in the following table:

Classification, units, and total amount of Emergency Conservation work, completed Apr. 5, 1933, to Mar. 31, 1934; all services in continental United States, Alaska, Hawaii, and Puerto Rico

NEW CONSTRUCTION

Classification no.	Type of job	Unit	New Work
1	Telephone lines	Miles	15,241
2	Firebreaks	do	18,531
3	Reduction of fire hazards	Acres	542,650
4	Roadside clearing, fire prevention	Miles	12,053
5	Trailside clearing, fire prevention	do	3,564
6	Lookout houses	Number	274
7	Lookout towers	do	355
8	Fighting forest fires	Man-days	686,709
9	Fire presuppression	do	226,023
10	Fire prevention	do	32,802
11	General clean-up other than fire prevention	Acres	25,150
12	Forest-stand improvement	do	953,313
13	Roads:		
	(a) Truck trails	Miles	25,413
	(b) Minor	do	813
	(c) Highway	do	262
14	Trails:		
	(a) Horse	do	3,259
	(b) Foot	do	2,474
15	Driveways for livestock	do	342
16	Dwellings at permanent stations	Number	481
17	Dwellings at temporary stations	do	491
18	Tool houses and boxes	do	4,614
19	Barns at permanent stations	do	220
20	Barns at temporary stations	do	150
21	Offices	do	464
22	Public camp-ground clearing	Acres	16,006
23	Public camp-ground buildings	Number	972
24	Public camp-ground latrines	do	2,983
25	Public camp-ground water systems:		
	(a)	Feet	208,865
	(b)	Number	720
26	Public camp-ground waste disposal:		
	(a)	Feet	55,096
	(b)	Number	1,889
27	Other public camp-ground facilities	do	15,464
28	Other structures	do	4,378
29	Fences, other than ranges	Miles	802
30	Fences, range:		
	(a) Wire	do	2,761
	(b) Log	do	70
	(c) Stake and rider	do	56
31	Water systems:		
	(a) Storage facilities	1,000 gallons	91,705
	(b) Pipe lines	Feet	618,757
	(c) Wells and water holes	Number	1,340
32	Spring or well development for livestock	do	1,168
33	Reservoirs, water for livestock	do	932
34	Planting	Acres	98,593
35	Nursery	Man-days	138,906
36	Experimental plots	Number	1,173
37	Range revegetation	Acres	6,939
38	Seed collection:		
	(a) Conifers (cones)	Bushels	16,906
	(b) Hardwoods and other	Pounds	259,591
39	Insect-pest control:		
	(a) Tree	Acres	1,666,637
	(b) Other	do	203,479
40	Rodent control	do	4,405,785
41	Elimination of useless range stock	Number	44,068
42	Tree and plant disease control	Acres	2,757,419
43	Eradication, poisonous and other plants	do	67,935
	(a) Lineal	Miles	28,194
	(b) Topographic	Acres	2,039,396
44	Survey:		
	(c) Timber estimating, forest type range special use, etc.	do	5,013,558
	(d) Model or relief maps	Square feet	582
45	Ground-water surveys	Acres	891,209

Classification, units, and total amount of Emergency Conservation work, completed Apr. 5, 1933, to Mar. 31, 1934; all services in continental United States, Alaska, Hawaii, and Puerto Rico—Con.

NEW CONSTRUCTION—Continued

Classification no.	Type of job	Unit	New Work
46	Erosion control (includes sloping and planting):		
	(a) Dams	Number	420,633
	(b) Land benefited	Acres	764,624
	(c) Bank protection	Square feet	110,020,183
	(d) Ditches, drainage, diversion, etc	Linear yards	53,614
47	Bridges:		
	(a) Foot	Number	2,528
	(b) Horse	do	381
	(c) Vehicle	do	11,620
	(d) Stock	do	543
48	Water improvement:		
	(a) Lake, pond, or beach	Acres	26,788
	(b) Stream	Miles	695
	(c) Restocking fish	Number	1,220,989
49	Ponds for fish and birds	do	1,170
50	Dams, recreational	do	864
51	Corrals	do	290
52	Flood control:		
	Surveys:		
	(a) Lines and grades	Linear feet	11,512,251
	(b) Topographic	Square feet	48,838,059
	(c) Dam site	do	3,633,131
	Clearing:		
	(d) River bank	Square feet	18,538,873
	(e) Channel	Linear yards	196,812
	(f) Earth fill	Cubic yards	1,078,388
	(g) Stripping of site	do	98,164
	(h) Earth excavation	do	355,911
	Dams:		
	(i) Rock excavation	do	56,062
	(j) Concrete	do	29,542
	(k) Rock fill	do	128,765
	(l) Steel	Pounds	1,060,261
	Channel enlargements:		
	(m) Earth excavation	Cubic yards	312,623
	(n) Rock excavation	do	85,678
	Reconstruction of existing dams:		
	(o) Rock excavation	do	36,164
	(p) Earth excavation	do	14,150
	(q) Concrete removal	do	157
	(r) New concrete	do	1,775
	(s) Steel	Pounds	69,115
	(t) Levees	Cubic yards	345,181
	(u) Cribbing, including riprap filling	Linear feet	211,300
53	Landscaping	Acres	16,697
54	Landing fields, airplane	do	1,887
55	Fighting coal fires	Man-shifts	12,210
56	Guard rails	Miles	51
57	Searching for missing persons	Man-days	4,917
58	Mosquito control:		
	(a) Ditching	Linear yards	275,087
	(b) Staking	do	207,622

Extracts from official letters written to the President by Director Fechner; George H. Dern, Secretary of War; Henry A. Wallace, Secretary of Agriculture; Harold L. Ickes, Secretary of the Interior; and Frances Perkins, Secretary of Labor, on the occasion of the completion of the first year of the C.C.C., point clearly to the advantages that have accrued from this reforestation program.

In my opinion—

Director Fechner said in his communication—

operation of the forest camps has clearly enhanced the value of our forests and parks, relieved an appreciable amount of distress and spurred business recovery by furnishing an active market for the sale of food, clothing, manufactured goods, automotive equipment, and other supplies needed to keep the conservation program in operation. The hundreds of thousands of young men and war veterans who left city and village streets to enter the healthful environment of the forest camps, entered their work on a purely voluntary basis. No military training was involved. All of these men have been improved physically. Almost every man has increased in weight. Most of them have developed new self-respect, greater self-reliance. There is evidence that their morale, as well as the morale of their dependents, has been lifted. Thousands of young men have been taught how to work. The camp movement has shown that young men would rather work than go on relief.

Discussing the value of the C.C.C. to the forested sections of the country, Secretary Wallace said:

The presence of the Civilian Conservation Corps, representing an immediately available supply of man power, was a large contributing factor in reducing fire-fighting expenditures, acreage burned, and damage to national-forest lands. The fire record for 1933 is one of the best ever recorded in the history of the national forests. Damage was held to approximately $325,000, which is less than 17 percent of the average annual loss during the previous 5-year period. Also, through the construction of numerous lookout houses and towers, telephone lines, roads and trails, the detection, communication, and transportation systems, essential to fire control, were perfected on a scale far in excess of that reached ordinarily within a decade.

In his letter Secretary Ickes stressed the value of the work done in the National and State parks. He said, in part:

The field officers of this Department report that the presence of the enrollees has enabled the planned recreational program for our areas to be carried forward in an effective manner, and results have been accomplished that would have taken more than 10 years to achieve in normal circumstances.

The assignment of Emergency Conservation Work camps to the National Park Service, General Land Office, Office of Indian Affairs, and to the Territory of Hawaii offered an opportunity for the Department of the Interior to participate in the constructive accomplishments of this unique conservation venture of the current administration.

The specific projects which have been completed will aid field officers of this Department in an effective manner to conserve and preserve natural features in our distinctive national parks and monuments and in the public domain and Indian reservations. Protection against fire and insect infestation, blister rust and tree disease, and roadside fixation and erosion control have been major accomplishments. The availability and utilization of Emergency Conservation Work enrollees for fire fighting to a large degree accounts for a 37-percent reduction in fire losses in 1933 as compared to the previous year in our national parks. Further detailed description of the several classes of projects would include activities that tend to protect, develop, and perpetuate existing natural areas, preserve forest cover, prevent soil erosion, reduce fire hazards, and establish the means for our citizenship to reach and utilize the scenic and primitive areas without despoiling them. The work has been national in character and the results have thoroughly justified the public trust.

The effective manner in which the Office of Indian Affairs has extended the Emergency Conservation Work program to our Indian reservations has been of a very spectacular nature. The program has been carried out in a unique manner with Indians, to a large degree, used to supervise the work on the various projects. A maximum amount of direct relief has been extended to the Indians on the reservations.

In conclusion, I wish to express once again the belief that this work has been of untold benefit. Its continuance will further demonstrate to our people the splendid program which not alone rebuilds our physical resources but which also rebuilds hundreds of thousands of this Nation's men.

UPPER CAROLINA DEVELOPMENT ASSOCIATION

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, undoubtedly the vision of brighter and better days laid before us by the message of the President on June 8 is the solemn promise of "a President who gets things done", of the realization of a just and fair economic system for the American people. The burning words of the President bring out into bold relief in my mind thoughts that have been somewhat hazy and uncertain for many years.

During these years I have contemplated for upper South Carolina a great movement of cooperation for its development through diversified industry and diversified agriculture. Now is the time for us to act. If we will organize as hereinafter indicated and present to the President at the next session of Congress a definite and concrete plan for carrying out his great program, then I have every confidence that our section will be among the first to receive the stimulus and benefits that he intends to confer here and there, until finally the whole Nation will be organized into one mighty cooperative movement among all people, all industries, and all activities, and thereby all American citizens enjoy to the fullest measure possible that "life, liberty, and the pursuit of happiness" contemplated by the American Declaration of Independence.

Below are some brief extracts from that wonderful message of the President which to my mind seem to indicate that he had our section of South Carolina before him as a picture and object lesson when he was thinking out this wonderful message. Whether or not it was specifically before him, it certainly is before my mind as I read and recall his message, and I believe that I can draw the picture so distinctly to the President that he will see that in the piedmont section of South Carolina is certainly one of the next

parts of the Nation to begin a section-wide movement for bringing prosperity and happiness to all the people within our bounds.

Here is the express language of our great President:

Hence I am looking for a sound means which I can recommend to provide at once security against several of the great disturbing factors in life—especially those which relate to unemployment and old age. I believe there should be a maximum of cooperation between States and the Federal Government.

Roosevelt is a President who makes his dreams for social justice come true:

These three great objectives—the security of the home, the security of livelihood, and the security of social insurance—are, it seems to me, a minimum of the promise that we can offer to the American people. They constitute a right which belongs to every individual and every family willing to work. They are the essential fulfillment of measures already taken toward relief, recovery, and reconstruction.

This seeking for a greater measure of welfare and happiness does not indicate a change in values. It is rather a return to values lost in the course of our economic development and expansion.

Ample scope is left for the exercise of private initiative. In fact, in the process of recovery, I am greatly hoping that repeated promises that private investment and private initiative to relieve the Government in the immediate future of much of the burden it has assumed will be fulfilled. We have not imposed undue restrictions upon business. We have not opposed the incentive of reasonable and legitimate private profit. We have sought rather to enable certain aspects of business to regain the confidence of the public. We have sought to put forward the rule of fair play in finance and industry.

INSURANCE AGAINST UNEMPLOYMENT AND OLD AGE

President Roosevelt believes that government under the modern conditions under which we live is the people's agency to carry out the people's will and to bring about social justice between man and man.

The third factor relates to security against the hazards and vicissitudes of life. Fear and worry based on unknown danger contribute to social unrest and economic demoralization. If, as our Constitution tells us, our Federal Government was established among other things "to promote the general welfare", it is our plain duty to provide for that security upon which welfare depends.

Next winter we may well undertake the great task of furthering the security of the citizen and his family through social insurance.

We need a plan and program for upper Carolina.

Unlike most of the leading nations of the world, we have so far failed to create a national policy for the development of our land and water resources and for their better use by those people who cannot make a living in their present positions. Only thus can we permanently eliminate many millions of people from the relief rolls on which their names are now found.

We have land and water to master and use.

The extent of the usefulness of our great natural inheritance of land and water depends on our mastery of it. We are now so organized that science and invention have given us the means of more extensive and effective attacks upon the problems of nature than ever before. We have learned to utilize water power, to reclaim deserts, to recreate forests, and to redirect the flow of population. Until recently we have proceeded almost at random, making many mistakes.

Let upper Carolina organize now and be ready to take advantage of the President's proposal just as soon as it is enacted into law.

The rate of speed that we can usefully employ in this attack on impossible social and economic conditions must be determined by business-like procedure. It would be absurd to undertake too many projects at once or to do a patch of work here and another there without finishing the whole of an individual project. Obviously, the Government cannot undertake national projects in every one of the 435 congressional districts, nor even in every one of the 48 States. The magnificent conception of national realism and national needs that this Congress has built up has not only set an example of large vision for all time but has almost consigned to oblivion our ancient habit of pork-barrel legislation; to that we cannot and must not revert. When the next Congress convenes I hope to be able to present to it a carefully considered national plan, covering the development and the human use of our natural resources of land and water over a long period of years.

Finally Roosevelt concludes that we, all men and women, all Americans, must carry on the fight for homes and home life, for a chance to work and to earn a fair wage, and for security against the hazards of the old, unstable, undependable economic order.

It is true that there are a few among us—

He refers to Republicans—

who would still go back. These few offer no substitute for the gains already made nor any hope for making future gains for human happiness. They loudly assert that individual liberty is being restricted by Government, but when they are asked what individual liberties they have lost they are put to it to answer.

We must dedicate ourselves anew to a recovery of the old and sacred possessive rights for which mankind has constantly struggled—homes, livelihood, and individual security. The road to these values is the way of progress. Neither you nor I will rest content until we have done our utmost to move further on that road.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 8, 1934.*

NATURE'S WONDERFUL SOIL

The soil of this section, like the soil of any country, is the foundation upon which its economic condition must rest. The soil in the piedmont section of South Carolina is capable of being made the richest in the world. It represents the disintegration of gneiss and granite that was rich in phosphorus, potash, copper, iodine, iron, and many other minerals indispensable to human life, highly essential to human life, and promotive of that energy and vigor in human life so essential to progress.

OUR CLIMATE UNSURPASSED

The second indispensable element in the natural advantages of this section of South Carolina is its climate. Those who have lived there all their lives do not realize the wonderful blessing they have in the climate. The altitude ranges from an elevation of about 500 feet above the sea to 1,500 feet, near the foot of the mountains; and this means that it is never oppressively hot in summer and never extremely cold in winter. Furthermore, the very situation prevents extremes of temperature. In the first place, during the summer the nearby presence of the high mountains, ranging from three to five thousand feet in elevation, cools the air and thus causes it to be heavier than the warm air along the eastern slopes of the mountains. As a result, the warm air rises and is replaced by cool air drifting down from the lofty mountain tops. By a remarkable coincidence these very mountains which cool our climate in summertime also protect us from blizzards and extremes of cold in wintertime. The blizzards blowing from the great Northwest strike the Appalachian and Blue Ridge Mountain Ranges and are either broken or deflected to either the north or the south. The piedmont section of South Carolina is shielded by these mountains and sudden fluctuations in temperature and sudden falls in the mercury are thereby prevented.

PURE WATER AND ABUNDANT WATER POWER

The next factor in the physical set-up for any civilization is water. The water in the piedmont section is pure freestone, being filtered through the gravel and clay and accumulated in reservoirs below and running out in springs of the purest, freshest, and coolest water. These waters, gathering from a thousand springs, make rivers which, in tumbling from the higher altitudes to the plains below, make a vast water power available. Much of this water power has already been developed, but much of it remains undeveloped to this day, and if harnessed, as it should be, it would become the means of building our cities, towns, industrial centers, and farms into a very prosperous section.

OUR VIGOROUS WHITE POPULATION

The next factor, and perhaps the most important after all, is the quality of the white population living in this section of the State. Approximately 75 percent of the population is white, of which at least 99 percent is native born, drawn from that hardy, vigorous, and noble-minded race called the Anglo-Saxon, and more specifically the Scotch-Irish. The other 25 percent, the native-born Negro population, is generally amenable to the leadership of the white people, and can usually be led and guided into becoming highly useful workers in the fields and in certain forms of industry.

The white population is of the same stock that won the Battles of Kings Mountain and Cowpens. It is of the same stock that won the Battle of Bull Run on July 21, 1861, and a hundred other battles on Southern soil. It is the same stock that suffered unutterable and indescribable woes, miseries and privations after the inevitable surrender at Appomattox. It is the stock of those people who went back to their farms with their broken war horses and produced the means of subsistence for their loved ones. It is the same stock of folks who finally, in spite of carpetbaggers and scalawags, took possession of all the governments in the Southern States, as they did in South Carolina under Wade Hampton in 1876, and since have maintained the purest, the most economical, and the most efficient forms of government anywhere in the United States. These people cannot be submerged forever, or fail to win their prosperity and happiness, if given a chance to work and to win independence.

OUR WONDERFUL PIEDMONT SECTION

This marvelous piedmont section of South Carolina is already well supplied with ample railroad transportation facilities, being intersected by one of the greatest double-track systems of the Nation, with ample feeder and tributary lines and systems. In addition, splendid hard-surfaced roads intersect the entire area and make it possible for a farmer to deliver his produce of fruits, vegetables, poultry and eggs, milk and cream within an average of 1 hour after leaving the farm until reaching the farm-marketing center.

OUR GREAT TEXTILE CENTER

Already numerous textile industries are to be found. The greatest concentration of textile activities in the Nation is in this favored piedmont section. So many plants at and near Fall River, Mass., are closed or curtailed in activity as to make our section the greatest textile center in the Western world. What we need now is a greater diversification of industries. We need industries to supply all forms of machinery and equipment for the existing textile plants. We need industries to use the cloth from existing plants and process the same in a hundred ways in which cotton cloth may be used. But in order to induce these new industries to come we need encouragement to capital in the form of cheaper power, capital at lower interest and on long terms—that feature will be discussed later. These things the President has promised, and we can and should get them first.

HOW TO DIVERSIFY

Of equal importance as the diversification of industry is the diversification of farm products. To make such farm diversification possible cash markets for every form of farm product must be provided. That is why I am urging the establishment of farm-marketing centers in every county in this section of the State.

In fact, some of the larger counties might well have two or three such marketing centers so as to bring them close to the producers. Each marketing center might vary slightly from the others, both in capacity and in the nature of business carried on, but in general they will be of one type. That type will mean a modern cannery, conducted in a scientific way, so as to preserve fruits and vegetables in such a way that they will command the top prices in the best markets of the Nation. Also, there will be included a creamery, where milk and cream may be promptly converted into butter and all forms of cheese. They will also include small packing houses for converting cattle and hogs into all forms of meat products. In like manner there will be ample cold storage to preserve the foregoing products until they are shipped in carload lots, and also to preserve eggs and dressed poultry until the same shall be shipped in refrigerated cars, or in cold-storage shipping crates, to the great centers of population. This means land will again rise in price and ever be the best investment and best security in the world.

PLANS FOR FUTURE PROGRESS

This program of diversification of both industry and agriculture will call for additional subsistence homestead projects. The three projects already authorized for the piedmont section will be multiplied many times in bringing about a coordination between agriculture and industry. This diversification and coordination will undoubtedly result in the complete control of soil erosion that has been sapping the fertility of our fields. In like manner these fields will begin to grow more fertile, by reason of not being exclusively planted from year to year in cotton but in food and feed crops to be used for the subsistence of man and beast, and for the surplus of such food and feed crops to be shipped to the northern markets. When the fields stop washing, then the creeks and rivers will no longer fill up with sand and mud and the power plants that will be found in every stream, one below the other, in close succession, will constitute flood-control agencies, will hold the water back until it is fed gradually through the power wheels, with but little waste; and this will mean that drought will be stayed by the hand of nature, destructive floods will be no longer common, the rainfall will soak into the soil and come out through the springs, vegetation of all forms will cover the now naked hills; and those who shall be living 25 years from the beginning of this coordinating and cooperating program will see the piedmont section of Carolina one of the richest parts, if not the very richest part, of the whole world.

Land prices will be high and steady, good houses and automobiles will be found upon every farm, the small towns will prosper because they will have a prosperous back country to trade with, and the cities will prosper because both small towns and country will constitute a reservoir of wealth from which the cities may draw resources for the service that they render in the manufacture and distribution of the products of the section.

ROOSEVELT'S BUGLE CALL TO PROGRESS

This will call for rural electrification. It will mean that all these small industries and all of these modern farms will be using vast quantities of electric energy to carry on their projects. The supplying of electric power in such large quantities will justify the sale of same at lower prices. If the existing power company or companies fail to meet this reasonable demand for cheaper power when used in such large quantities, then it will be the privilege and power and duty of the people themselves to establish ways and means for obtaining cheaper power. This can be done. The message of President Roosevelt of June 8, 1934, is a clarion call to the people of the whole country, and especially, it seems to me, to the people of our section, to use the land and water—that is, the soil and water power—for the uplift, enrichment, and happiness of the people themselves. I extract these brief quotations from that message of the President. We who have been in close contact with President Roosevelt know that he does not "talk through his hat."

During the years of affliction when he was fighting disease, he was also working out in his mind and heart great plans for leading the masses of the American people into the paths of peace and prosperity and contentment. This great message of June the 8th, one of the greatest ever delivered by any President of the United States, is a promise that the President proposes to fulfill. He proposes that all the people who try to cooperate in this Nation-wide program shall enjoy security of home, security of means of living, and security by social insurance from the hazards and perils of unemployment and old age. He thus notifies the American people that he and his immediate helpers are working upon this program and will have definite plans for the consideration of the next Congress. We of the piedmont (Carolina) should be working beforehand with the President and on the same line. I rejoice in the fact of cooperating with the President in the enactment into law of some of the chief pieces of legislation setting forth the outline of the great program of recovery and the reestablishment of prosperity and happiness. One of the most important of these is the Tennessee Valley Authority. Sections 22 and 23 of that act picture the ideal of the President for the entire American Nation. He hopes to help set in motion agencies

that will bring into every nook and corner of the Nation organizations and instrumentalities for fostering an orderly and proper physical, economic, and social development of the country.

COOPERATION AMONG ALL PEOPLE AND GROUPS NECESSARY

We of upper South Carolina should begin to plan now to have a place in this great program of President Roosevelt. Our various civic bodies and chambers of commerce, and fraternal organizations, and labor unions, and farm unions, and cooperative associations, and other patriotic and civic societies should take this matter under consideration, send delegates to a section-wide convention, and begin the organization of a concrete and definite plan and program to submit to the President, and through the President, to the next Congress for carrying out a mighty ideal of development for our beautiful and promising part of the Nation. If we will do this and get in on the ground floor with something definite, I believe it will be easy to enlist the help of the President, and therefore make it possible to put through Congress such a program. We know what great blessings the people of the Tennessee Valley are beginning to enjoy because the President became interested in that section. Already nearly $50,000,000 have been expended in power development and in carrying out plans for the improvement of the country, and especially of the people living in that area. If we lay plans such as the people of the Tennessee Valley did, if we organize as they did, if we present a solid front to the President as they did, then we too can and will obtain results.

OUR PLAN FOR MARVELOUS PROGRESS

In fact, we of the piedmont (Carolina) can present a more fascinating and attractive picture to the President than did the Tennessee Valley. I was largely influential through a period of 12 years in saving the power of Muscle Shoals and of the Tennessee River, generally, for the people. I know that others are entitled to equal or more credit; but I was at least one of those constantly on the job, as abundant records will prove. The President knows this, and I can present to him the possibilities of a more rapid demonstration of economic and social development, if applied to our section, than was possible for the Tennessee Valley. We have a more progressive population. We already have a large measure of industry. We have a most marvelous soil. We have transportation and communication lines in abundance. We have a climate unrivaled anywhere in the world. Therefore we can start now and be several jumps ahead of where the Tennessee Valley will be 10 years from now.

With the expenditure of not over $30,000,000 covering a period of 10 years, in the construction of farm marketing centers, in the extension and enlargement of soil-erosion-control projects, in the expansion of reforestation, and in the establishment of the national forest reserves; in the multiplication of subsistence homesteads, in the payment of salaries to a sufficient number of technical leaders and advisers to carry on the diversification program in both industry and agriculture, and in the promotion of schools not only for young people but even for adults, not merely to teach the elements of the three R's, which is already being done but also to instruct the young men and young women, and adults below middle age, in the arts of canning, and of planting and cultivating fruits and vegetables for canning; in the erection and management of creameries, in the making of butter and cheeses, and in the producing of milk on the farm, involving breeding, feeding, management, and handling of milch cows in the management and operation of small packing houses for the slaughtering and manipulation of all kinds of cattle, and the putting up of the meat into suitable and attractive marketable forms, and in the production upon the farm and in the manufacture at the farm-marketing centers of products of all sorts of nuts and grains; in the production, drying, and curing of potatoes in large quantities for the local markets, as well as northern markets—all this is education of a substantial kind.

This is the kind of education that was and is being carried on in Denmark. In a period of 75 years it lifted the people of Denmark from a state of abject peasantry, of utter illiteracy, and of pitiful poverty to the point where they are now the most prosperous per capita, from an agricultural point of view, anywhere in the world. I visited Denmark in the summer of 1929 for the purpose of studying conditions at first hand. There I found people, and especially teachers, from nearly all the countries of the world. Denmark is a great object lesson in the possibilities of practical education and cooperation in the production and marketing of farm products. Seventy-five years ago those who now own the lands were miserable tenants upon the lands belonging to hereditary families. The people took charge of the government and the government declared that the people should have a chance to own the lands which they worked; the large landowners sold their lands to the government, and the government in turn cut it up into small tracts and sold it upon long terms of 20 to 40 years, at very low rates of interest, to those who wished to work it with their own hands.

Naturally, the soil of Denmark is poor. As compared with that in our section of Carolina it is miserably poor. But by their processes of cultivation, the use of clover, by abundant livestock, and by rotation of crops, they have converted that terribly poor soil into what appears to be a garden from one side of the country to the other. In every small town is what I would call a farm-marketing center. These belong to the various cooperative societies. They produce the best butter and cheese, the best hams and bacon, the best chickens, turkeys, and eggs to be found on the markets of Berlin, Paris, and London. They demand a high standard of quality, and every farmer must bring this high-quality product to the farm-marketing center; and if he does not, his product is turned back upon his hands. Consequently Danish products command the top price in the markets of the world.

Mr. Speaker, this is no idle dream. It is an effort to apply to one pare of the country what the Fathers, who signed the Declaration of Independence, intended should be applied to all parts of the country. I am a Jeffersonian Democrat, not of the sort that says that government must keep its hand off of those individuals who would seek to monopolize the natural resources of the country for their own private profit. I am not the kind of Democrat that says that society is likened to a jungle where the strongest may subject the weakest to his will at any time. I draw my ideals of Jeffersonian Democracy from all of Jefferson's messages and letters and state papers, contained in 20 volumes in my library. But I hold that the supreme and controlling expression of all of Jefferson's philosophy of government is found in the Declaration of Independence, which was drafted by his own hand. In that Declaration, as the pivot around which the whole proposition revolved, we find these words:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness. That to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed; that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or abolish it, and institute in its stead new government, laying its foundation on such principles, and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness.

The fathers, who fought through 7 long years to make that declaration good, believed in that truth, and many of them laid down their lives on such battlefields as Cowpens and Kings Mountain to seal their devotion to that ideal. In like manner those fathers, having the same faith, who survived the bloody struggles of the Revolution and met in Philadelphia in 1787 and formulated the framework of a Federal Government under a Federal Constitution, intended that this great Constitution should be the means of accom-

plishing the aims and ideals of the Declaration of Independence.

In the preamble to that great Constitution, those who drew it in the Convention, and those back home who ratified it in every State, declared that their purpose was "to form a more perfect Union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity." Thus the Declaration of Independence, also Jefferson's great struggle to abolish the law of primogeniture in Virginia, his mighty achievement in securing the passage of the statute for religious liberty in Virginia, his negotiating the purchase of the Louisiana Territory under the implied powers of the Constitution, his last great life work in organizing the University of Virginia to set the minds of men free from every form of slavery, these are the sources from which I draw my understanding of Jeffersonian democracy; and for that reason I believe that the message of President Franklin D. Roosevelt, delivered on June 8, 1934, is in furtherance of the spirit, aim, and ideals that dominated the heart and life of Thomas Jefferson.

The following summary of objects and results that can and should be accomplished by the organization of an upper Carolina development association, in order to be ready to offer a definite program to President Roosevelt and the next Congress, is as follows:

First. More subsistence homestead projects situate near all the cities, towns, and large industrial establishments.

Second. Ample financial assistance to city and industrial workers to establish themselves on small and independent farms, with ample conveniences of light and water.

Third. Financial help to heads of families in building, rebuilding, and improving homes, whether situated in cities, towns, suburbs, or country.

Fourth. Financial aid for the establishment of new, small, and diversified industries.

Fifth. Financial assistance to small industries and business concerns to keep them going, to employ labor, and to enlarge their activities.

Sixth. More projects of demonstration in soil-erosion control and in soil building and in converting waste land into grazing land.

Seventh. Additional projects of reforestation on submarginal lands bought by the Government to be taken out of production.

Eighth. Employment and use in sufficiently large numbers of leaders and instructors in all forms of diversified agriculture, such as fruits, vegetables, milk, cattle, grain, grasses, and so forth.

Ninth. Farm marketing centers, at least one in each county, including canneries, creameries, meat processing plants, cold storage and egg and poultry assembling plants, to give a market at the top price any day in the year for anything the farmer has to sell.

Tenth. Coordination through plans and committees for cooperation between merchants, farmers, factories, schools, and all other public enterprises, to insure the highest efficiency in every enterprise and project included within the association.

Eleventh. Cheaper power, cheaper fertilizer, lower rates of interest, better prices for all products, and steady employment for all persons willing to work, even including students during vacation season, when canneries are busy.

Twelfth. Consequently, we will have for upper Carolina better schools and churches, better homes in the city, town, and country, all finally free from mortgages, and as a result of the whole program a prosperous and happy people.

OUR ANTIQUATED POOR RELIEF AND PAUPER LAWS; THE ANCIENT ATROCITIES THEY PERPETUATE—A NATIONAL PROBLEM FOR SOLUTION BY THE SEVERAL STATES

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, contemplated and suggested plans to abolish poverty, and the consideration of problems of so-called "social insurance" have again been brought forcefully to our attention by the recent message of President Roosevelt. That they should command our earnest consideration and attention cannot be gainsaid. We should realize that of all the English-speaking countries we are the most backward in the adoption of constructive care for the aged. We are definitely left in the ruck by European countries and take our place with India and China as countries who have failed to forge ahead insofar as social insurance is concerned.

There is no escape from the responsibility that rests upon us as a people. These problems must be met and a solution evolved, since they can no longer be avoided, should not be evaded. They present a Nation-wide situation, affecting every town, city, county, State, and the individual taxpayers therein. A way out should be and must be found.

NOT TO BE SOLVED BY FEDERAL STATUTE

National in scope and involvement, it is nevertheless true that they should not be solved by the enactment of Federal statutes nor the assumption by the Federal Government of the burdens they impose. Such assumption is not a proper function of the Federal Government. Such usurpation and exercise by the Federal Government of undelegated powers jeopardize the entire American plan for the protection of human freedom. Such an attempt vests unlimited governmental agents with limitless powers and proposes the enlargement of the functions of government beyond its proper purpose.

Plans for the relief of human need, suffering, and misery are wisely advocated, but to attempt to utilize the power of Federal Government as the means for the accomplishment of the end sought is to undermine the foundations on which the American structure of liberty has been reared. The age-old question may again be cogently asked, "If the foundations be destroyed, what can the righteous do?"

Venerable Samuel Williams, a Vermonter, writing in the distant year of 1794, said:

> It has ever been the case that government has had an universal tendency to increase its own powers, revenues, and influence. Upon what, then, can the people depend for the support and preservation of their rights and freedom? Upon no beings or precautions under heaven but themselves. Ye people of America, behold here the precarious foundation upon which ye hold your liberties. If you should lose that spirit of industry, of economy, of knowledge and virtue, which led you to independence and empire, then, but not until then, will you lose your freedom.

This might have been written yesterday rather than 140 years ago.

The safety of America and its ideals lies in the reestablishment of our plan and theory of government, in the restoration and enforcement of constitutional limitation in government, and in forcefully resisting all attempts at unwarranted extensions of Federal power. America and Americans need a reeducation in and rededication to fundamental principles.

RESPONSIBILITY OF THE STATES

The solution of problems to which I have had reference is essentially the prerogative of the people of the several States. The responsibility is theirs, not that of the Federal Government. Those who would discard our theory of government, who would permit the unwise concentration of power in Washington, or would establish the sovereignty of government over the people, are helping in the process of disintegration, in the process of destroying their very own liberties.

Believing as I do that the solution of these questions rests primarily and essentially on the people of the several States, I have interested myself to obtain and to have compiled certain data and information with respect thereto, which I submit for your consideration.

The magnitude of the problem can no longer be minimized. Striking emphasis is added when we take cognizance of the fact that the number and proportion of aged persons in the United States have been steadily increasing.

Year	Total population	65 years and over	
		Number	Percent of total population
1870	38,558,371	1,153,649	3.0
1880	50,155,783	1,723,459	3.4
1890	62,622,250	2,417,288	3.8
1900	75,994,575	3,080,498	4.0
1910	91,972,266	3,949,524	4.3
1920	105,710,620	4,933,215	4.7
1930	122,775,046	6,633,865	5.4

NOTE.—U.S. Census figures.

The observations of a student of this subject tell us in forceful language that, "Despite its shifty population, the poorhouse in many of our States is a 'catch-all' institution and frequently is still the sole place of refuge for a heterogeneous group of young and old victims of misfortune. It shelters together the feeble-minded and epileptics, the cripples and imbeciles, the prostitutes and abandoned babes, the retired criminals and the wornout drunkards, the victims of loathsome diseases, and the superannuated toilers."

OUR POOR-RELIEF LAWS AND THE ANCIENT ATROCITIES THEY PERPETUATE

In January of the coming year the State legislatures of 44 of the 48 States will be in session. At this time one of the most important problems facing them will be the modernization of some of their obsolete poor-relief laws. Those good citizens of your States and of my own State of Vermont who, through no fault of their own, now find themselves dependent upon outside aid to provide the necessities of life are some of the finest people in the United States. Penniless amid great plenty, they are in no way paupers in the old sense of the word. To have nothing is not poverty. In reviewing the poor-relief laws which now exist in the various States I have been astounded to discover how little cognizance is taken of changing social conditions, and I am taking the opportunity of bringing this situation to the attention of the Congress, with the earnest plea that you use your influence to bring about a modernization of the poor-relief laws in each of your States. The laws which now exist in some of our States are a positive disgrace in this day and age. "Poverty is shunned and persecuted all over the globe."

Poor relief laws, whether called "pauper laws", "support of the poor", "poor laws", or by newer terminology, have one thing in common—they are generally poor laws, in another sense. Most of them are survivals of the oxcart period. Few changes in poor relief statutes have been made. "The poor laws of most of our States are practically modeled after the ancient English poor law system which has undergone considerable changes in the mother country. Their language, in many of our States, is almost identical with that of the Elizabethan poor law of 1601. The entire plan was brought over to this continent by the early English settlers and after nearly 300 years remains practically unchanged", says Abraham Epstein in his monograph, Old Age Security. Instead, new statutes have provided special forms of relief, such as mothers' aid, old-age pensions, and blind pensions much more in harmony with modern social work, with special machinery set up for administration usually without relationship to the older poor laws. The question whether poor relief statutes should be repealed and new laws enacted, or whether they should be amended to the extent of bringing about fundamental changes, is of immediate interest.

The burden of relief that has resulted from wide-spread unemployment has focused attention on the existing situation and makes this a very fitting time to consider change of name, codification of law, and the development of a unified administrative organization for all forms of direct assistance. This is desirable from the standpoint of those who will require assistance and the taxpayer also, who is entitled to effective and economical administration instead of a myriad of overlapping and duplicating agencies.

Local government responsibility for public assistance is incorporated in the old poor laws, with townships or counties usually responsible for administration. Antiquated settlement laws are also involved in this ineffective system, which has resulted in poor standards for both administration and relief. Few States have provided any effective machinery for State supervision, if such there should be, of either indoor or outdoor relief, and State financial responsibility has been limited to a few States, and even there to the care of the State poor who have no settlement locally.

The old terms "pauper" and "poor law" are the rule, and modern terminology such as "public assistance law" or "public welfare law" the exception. Many questions are involved in making the desired fundamental changes in the present laws, some of which definitely require a knowledge of present practice in order to determine what should be the desirable principles to incorporate in new public assistance laws. With this in mind, and because of the present interest in the subject, I am taking the liberty of bringing to your attention some of the most glaring deficiencies reported to me as existing in these laws in the several States.

LIMITATION OF SUFFRAGE

In 13 States the laws provide that those receiving public aid shall be deprived of their rights as citizens. These States are: Delaware, Louisiana, Maine, Massachusetts, Missouri, New Hampshire, New Jersey, Oklahoma, Rhode Island, South Carolina, Texas, Virginia, and West Virginia.

The legal provisions limiting their suffrage are as follows:

DELAWARE

No pauper shall enjoy the right of an elector (constitution, art. 5, sec. 2). (See also Laws 1925, ch. 106, sec. 9 (VII).)

LOUISIANA

The following persons shall not be permitted to register, vote, or hold office or appointment of honor, trust, or profit in this State, to wit: * * * those who are inmates of any charitable institution. * * * (constitution, art. 8, sec. 6).

MAINE

Paupers are not allowed to vote (constitution, art. 44, sec. 1, as amended).

MASSACHUSETTS

Paupers are disqualified as voters (Gen. Laws 1932, ch. 51, sec. 1, constitution, amended, III).

MISSOURI

No person, while kept in any poorhouse at public expense * * * shall be entitled to vote (constitution, art. 8, sec. 2).

NEW HAMPSHIRE

Paupers (defined for this purpose as those assisted within 90 days prior to the meeting in which they claim the right to vote) do not have the right to vote in the town meeting (ch. 23, secs. 1, 2. (See constitution, art. 28.)

NEW JERSEY

No pauper shall enjoy the right of an elector (Comp. Stat. 1910, constitution, art. II, sec. 1).

OKLAHOMA

No person, while being kept in a poorhouse or other asylum at public expense * * * shall be entitled to vote at any election under the laws of the State (Stats. 1931, constitution, art. 3, sec. 1).

RHODE ISLAND

Paupers are not allowed to register or vote (constitution, art. II, sec. 4).

SOUTH CAROLINA

Paupers are disqualified from voting (constitution, art. 2, sec. 6).

TEXAS

Paupers supported by the county are not allowed to vote (art. 2954).

VIRGINIA

Paupers are excluded from registering and voting (constitution, art. 2, sec. 23).

WEST VIRGINIA

Paupers are disqualified as voters (constitution, art. 4, sec. 1).

These ancient survivals have no justification under present-day conditions. In these days if we were to recognize the principle that those who are recipients of public aid in one form or another should be disfranchised, we could abolish Congress and hold a town meeting here in Washington of the few stray souls who alone of all the people in these United States would be entitled to vote.

THE POOR ON THE AUCTION BLOCK

Even more archaic than the restriction upon suffrage are those which permit, and in some States require, the counties to put the poor up for auction and sell them "down the

river" to the lowest bidder. We can scarcely believe that such a situation still exists, but let me read you some of the present State laws in many cases now being enforced.

ARIZONA

The county board of supervisors must "let the care of indigents of the county, including medical attendance, medicine, food, lodging, clothing, and other supplies, to the best responsible bidder" (sec. 811, as amended, Laws, 1929, ch. 33; secs. 81, 817).

ARKANSAS

Where no poorhouse is established, the county court, after published or public notice, may annually let out the poor to the lowest responsible bidder, under his bond, who must contract to house, clothe, feed, and furnish medicine and medical attendance to all persons placed in his charge by such court. Counties are not to be liable for the support of any pauper who may refuse to accept county aid in the manner here provided (sec. 8158).

IDAHO

The board of county commissioners may contract for the care and maintenance of the indigent sick or other dependent poor (sec. 30–2901).

ILLINOIS

Where there is no poorhouse the support of the poor may be let out on contract by the overseers of the poor (ch. 107, sec. 21).

IOWA

The board of supervisors may make a contract with the lowest responsible bidder for the support of any or all the poor of the county for 1 year at a time (sec. 5334).

MAINE

Persons chargeable to the town shall not be "set up and bid off at auction", either for support or service, but the town at their annual meeting may contract for the support of the poor for a term not exceeding 5 years (sec. 11). Overseers may set to work or by deed bind to service upon reasonable terms for a term not exceeding 1 year persons having settlement in the town or having none in the State, upward of 21 years, having no means of support, and living idly; and all persons liable to be sent to the house of correction (sec. 20).

OHIO

When more than temporary relief is required, the support of such persons must be let under contract to a "suitable" person for not more than 1 year (secs. 3488–3489).

OKLAHOMA

In counties where there is no poorhouse, the overseer must contract for the support of the poor yearly (sec. 7557).

MONTANA

The board may let out the support of the poor under contract to the lowest responsible bidder annually (secs. 4525, 4526, as amended laws 1933, ch. 50, sec. 4528).

SOUTH DAKOTA

In counties where no poorhouse is established, it is the duty of the commissioners to contract for the maintenance of the poor (sec. 10040).

TENNESSEE

The county court may let out the support of the poor with the use of the poorhouse and farm for a period not exceeding 3 years, or may contract for the support of any or all of the poor for a period not exceeding 1 year (secs. 4816–4817).

WASHINGTON

The board of county commissioners may contract for the necessary maintenance of the poor or appoint such agents as they may deem necessary. They may establish and maintain a workhouse and make regulations for its management (secs. 9984, 9991).

WYOMING

They may make contracts for the necessary maintenance of the poor or appoint the necessary agents (secs. 29–1202).

Other State laws deprive the unfortunate of the dignity of living in their own homes, even though they must receive aid. In Indiana, for example, the poor laws provide:

All persons who become permanent charges on the county must be removed to such asylum (sec. 12298). It is the duty of the overseers of the poor and superintendents of county asylums to bind out such poor children as fall under their care (sec. 12307).

A Michigan law provides:

All permanent charges must be maintained in the county infirmary (sec. 6236).

A New Jersey laws provides:

Those requiring permanent relief shall be committed to the almshouse or welfare house (secs. 161, 162).

A South Dakota law provides:

All permanent charges on the county must be maintained in the poorhouse when established (sec. 10057).

BREAK-UP OF HOMES

In some States we have the spectacle of aged people being committed to State hospitals for the insane merely to save the counties the expense of their keep. This fate is what the unfortunate in some States may look forward to instead of an honorable and respected old age. Present State laws which permit counties to shift the cost of the dependent to the State by committing them to State institutions for the defective and delinquent have no place in modern society. As long as such laws prevail we will continue to have, also, the spectacle of little children committed to reformatories and other State correctional institutions merely to relieve localities of the expense of their care.

Modern social ideals emphasize the importance of keeping families together in their own homes, but in a number of States vicious poor laws are resulting in the needless breaking up of families and in the stunting of child lives away from family influence in order that children may be supported in State institutions and thus relieve the counties of the cost of mothers' aid.

For the collection and compilation of the material which I have presented I am indebted to the American Public Welfare Association, whose representatives are in touch with public-welfare legislation in every State throughout the country. Their advisory and consultant services are available gratis to any Congressman or other public official who is genuinely interested in welfare legislation.

I bring these laws to your attention, not with the desire to disparage the provisions for the care of the unfortunate in any State but because I sincerely believe that you should know about these things. I believe that the time has come when a fundamental change in our State laws should take place. I know of no group of men who can be more influential and effective in this work than you, my colleagues.

CONGRESS WILLIAM W. HASTINGS

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Speaker, it is a very common thing for us to say when a Member retires that his place will be hard to fill. In all my experience here I do not recall any Member to whom this is so eminently applicable as in the case of our retiring colleague from Oklahoma.

For many years Congressman Charles D. Carter, of Oklahoma, and our colleague were our guardians of everything pertaining to the Indians throughout the United States; and since the retirement of Mr. Carter, 8 years ago, this very great responsibility has devolped upon Mr. Hastings of Oklahoma. He has been our never-failing guide upon the thousands of questions that arise pertaining to the Indians. He has known the Indians from his birth. He is absolutely honest and absolutely fair. He thoroughly knows what is right between our Government and the something like a hundred different tribes of Indians. No one can ever estimate the value of his painstaking, industrious, and conscientious services to our country and to the American Indians. Many of us have Indian constituents, but no one in this House can at all take his place.

Trusting the House will pardon a personal reference, I speak from intimate knowledge of this matter, because as members of the Interior Department appropriation subcommittee, handling all the funds that go to the Indians and all the thousands of other matters coming under the Interior Department, from the Arctic Circle to the Equator, he and I have been closely and constantly associated together for many years. He is one of the very highest type of representative in Congress. He has character, good judgment, very exceptional efficiency, energy, and a world of personal knowledge and actual experience.

It is really with profound sadness that I realize that from now on neither our country, nor the House, nor that committee will have the incalculable benefit of his services. It is really a tremendous loss. I predict that the future historians of the Red Man will place the name of Congressman WILLIAM W. HASTINGS along with that great Cherokee Indian Sequoyah as one of the greatest real friends and benefactors that the American Indians have ever had. [Applause.]

But that is only one of his many activities. He has always been an alert and hard-working Member of this House along a wide field of activities, and it is with the greatest regret that we older Members learn of his retiring from this body. We all certainly wish him many years of happiness and success. He has served his country nobly and well. He has been an honor to Oklahoma and to this House. He has manfully played the game of life on the square. We are all genuinely proud of him and we reluctantly bid him an affectionate good-bye and godspeed. [Applause.]

ON OUR WAY; BUT WHERE?—100,000,000 PEOPLE OUGHT TO KNOW

Mr. SNELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. SNELL. Mr. Speaker, the first session of this Congress and the second, which now draws to a close, have conferred upon an American President and, I may add, upon a multitude of officials, corporals to generals—but all with authority, more powers and control over the destinies of the American people than were even conferred upon President Lincoln in the battle to preserve our Republic, or upon President Wilson for our part in the greatest war of all history.

We have all done our best in this session of Congress to aid in a tremendous necessity of recovery from a great depression. He indeed must be low in courage or ignoble in motive who, as a Member of this Congress, has not made a sincere effort to do his share.

Our duty here, particularly at this time, is to give every facility to the administration to meet the dire necessities of our people, yet we are equally here to exercise our judgment in seeking to modify or prevent the passage of measures which we may not honestly regard as sensible or which we may look upon as inimical to the interests of our country.

I wish to submit that it has been unfair, unjust, and even unwise to have applied to men of substance, sincerely striving to do their share, epithets such as "traitors", "scribes", "Pharisees", "demagogues" "nation wreckers", or "public enemies", scourging those who have dared to raise their voices in honest criticism of measures which affect so directly the destinies of 130,000,000 people. Those who have dared to criticize have been castigated because they offer a criticism without accompanying it with a "constructive alternative."

Where one body of men is doing all the planning and retains all the power of execution, it is neither incorrect nor is it misleading to say that any criticism which may help to avert or correct destructive measures, whether it be by a business man or just a plain Republican, is in itself constructive. It is a "constructive alternative" to prevent destructive acts. Perhaps some politically minded Members of this august body would prefer to have those who oppose blind acceptance of legislative emanations of experienced young zealots sit back in their seats and do nothing and say nothing, but that is not why we are sent to Congress, and we do not have to defend our criticism before reasonable people.

Our memories must indeed be short if we so soon forget the "wolf, wolf!" heard so often from our soldier-salvationist, General Johnson. Are his wolves real, or are they poodles stuffed with sawdust?

Perhaps some of us may suffer reproach in 1936 or 1937, if by then the country has gone completely to the bowwows, why we did not speak out and give some word of warning.

In the first session of this Congress the social experimentation of the "new deal" took form in a number of sweeping legislative measures. In this second session Congress, the press and the people have been inundated with a perfect flood of new and complicated power-broadening measures. Some of them are worthy reforms which transcend political or sectional lines. Some of them attempt assistance to certain classes of population at the direct expense of other equally large classes. Some of them are designed to have the Government regulate the activities of certain kinds of individuals who committed the crime of having a "profit motive." Others appropriate sums of money for relief, public works, and other extraordinary spendings on a scale far more vast than that ever attempted by any government in the whole history of the world. Others confer, or would confer, upon one man or his appointees the powers that are fundamental in the modern world—powers of currency manipulation, control of trade, credit, banking, investments, and dealings in securities or commodities. Others, again, are manifestly to put into irrevocable experiment social, if not socialistic, theories. Still others are merely stop-gaps or the fulminations of the mind of some social theorist who cannot quite explain his theories so they are understood by people of ordinary intelligence.

No one man, even be he of highest intelligence and be he able to spend his whole time studying all these legislative measures of the first session, as they have been prolonged and extended in the second session, would be able to achieve even a fair understanding of the social and economic implications of all these bills. It is doubtful, indeed, if any one man has even read them all in any analytical way.

In addition, and in the meantime, the various administrative agencies of the Government, with new commissions, corporations, boards, committees, and authorities, have been whirling about in concentric circles, intensely engaged in attempts to carry into effect the powers and mandates conferred in the new laws which passed during the first session. If any one man tried to keep track of their activities as well, he would find himself soon scheduled for a prolonged stay in the sanitarium.

The object of my remarks today is to attempt to impress upon the Members of Congress, as well as on their constituents, the great mistake that we will make if we consider our duty done with the passage of these laws or that we have completed our duty in offering such resistance as we severally may have to their passage. I would state that I consider it our most serious duty to familiarize ourselves with all of the important measures passed by this Congress and particularly to keep track of the manner in which they are administered and closely to watch the actions carried out under the powers they confer.

The time for blind acceptance of experimental measures has passed. The time for critical supervision of the acts of the administrators has come.

Are the reforms enabled by these laws to be put into effect by a motley group of social reformers who have records of little previous practical achievement, hurrying and scurrying about molding the conditions of human existence under the vague and inchoate ideals of abundancy in a workless life? Is the mere passage of a law, followed by the fanfare of trumpets of innumerable publicity agents, to mislead us into believing that regardless of common-sense principles developed down through the ages that happy days are here forever if we only try anything once? Are these vast projects to make Americans "larger, brighter, gayer, and better-looking"—in the words of one "new dealer", a former "expert on wind vibration in high buildings"—as soon as we recognize the profundity of his statements that "everything we were taught in school is exactly wrong, truth is no longer a virtue, saving for a rainy day makes it rain all the harder"?

Are we to avoid facing realities because another, formerly an expert in the study of the habits of plant lice, shows us the way to get around realities? As the summer and fall pass behind us, are we going to see vestiges of business recovery of a common-sense order, along the lines we used to think of as normal before having been subjected to the dazzling hypnotism of a new intellectual order—or are we to get dizzy trying to follow frantic efforts first in this direction, then in that, dropping one measure after another, trying still more experiments, and then come back to Congress in 1935 to again be swamped with another avalanche of emergency legislation?

It behooves us to keep most careful track of these fervid mystic guides to the promised land way up high above the

clouds. I sincerely hope that our precocious young "brain trusters" will lay off thinking up new legislation during the summer and will apply their extraordinary qualities to actually trying out some of these laws, so we can get some idea what they are going to do for us. I hope that they will not find too many of them unworkable at all, or, if they do, they will find it out before more machinery is smashed. Anyway, we are tired of emergency legislation. We are glad not to have to keep worrying for a while about weird legislative experiments which we know are going to be passed anyway with or without debate or with or without our "yea" or "nay."

PLANNED ECONOMY OR ECONOMIC PLANNING?

For many years I have been stumbling around in the dark trying to get some lucid idea of what is this planned economy. The papers have been full of it. After studiously perusing Mr. Tugwell's words of wisdom, I confess I am not much better off. I do understand, from an address of his before the American Society of Editors, that the new deal does not stand for communism, socialism, or fascism and that there is no regimentation, but that instead the new deal is trying with might and main to strengthen the democratic process in place of what he called the "industrial regimentation" of the past. I confess with some difficulty I try to discover the details of how the new deal is going about its job of breaking up individualistic control of industry and finance, but can only assume from his remarks that somehow by some method some Government agency is undertaking this task. Maybe he means that the cumulative powers of the N.R.A., A.A.A., Securities Act, Stock Exchange Control Act, Bankhead Cotton Act, T.V.A.—and I do not know how many other laws—are consciously being applied to getting private business out of business and putting the Government in. But he elsewhere denies that he favors economic planning. In the Senate committee he said:

> I believe in the kind of planning we are doing now, but not in a planned economy, which is best defined by reference to the Russian system.

In another place he wrote:

> The experiments commenced in 1933 in the United States are worth-while beginnings—they are not economic planning, but they afford new opportunities for working out plans.

I am ashamed that I do not understand these statements.

On the stand Dr. Tugwell states as between the Constitution and the ideal of planning there would be inconsistency "if we are going to have a planned economy * * * but I do not favor it." Before coming to Washington Professor Tugwell had said, "The challenge of Russia to America does not lie in the merits of the soviet system, although they may prove to be considerable. The challenge lies in the idea of planning, of purposeful, intelligent control over economic affairs. This, it seems, we must accept as a guide to our economic life to replace the decade of notions of laissez faire." In the hearing Dr. Tugwell declared himself to be "as much an advocate of decentralization as anybody could be." I confess inability to reconcile that with another statement of Professor Tugwell that "few intelligent people doubt that dependency to intrust more and more activities to the Government will continue to grow. We should recognize the advantages of the new trend * * *." The doctor at one point rather plaintively queries, "Why is it that my word cannot be accepted?"

I do not say or even impute that it would be a disgrace for a professor to advocate economic planning. They ought to, with no feeling of shame. I just wonder how we can find out what these things mean if the professors will not explain them so that ordinary people can understand.

In my searches to discover planned economy, or economic planning, or Government planning, or whatever you want to call it, I have had a faint glimmering that if the Government wanted to do some coordinated planning it might in normal times do it by calling a Cabinet meeting, perhaps with a special invitation to the Director of the Budget. I admit that might not quite work out now. It would be a convention rather than a conference if all the alphabetical agency heads were there. A mere Cabinet meeting would not be nearly enough, for Cabinet members cannot be blamed if they are not thoroughly aware of exactly what the alphabetical agencies are doing.

We have heard of a National Emergency Council organized to coordinate all these things. Congress or the people would be interested in the coordination of the national plan. What has N.E.C. coordinated?

In spite of all our fine reform measures, will we be blamed if during the summer we wonder how many millions will be unemployed next winter? Some expect there to be almost as many millions as last winter, but this seems like blasphemy in the presence of "new dealers'" promises to carve out of the jungle of a world depression an economic paradise, protected against the wicked natural elements of business by a camouflaged roof of planned economy, landscaped with regimented hedges and subsistence factories producing rum and streamlined post-office furniture, tended by an army of gardeners recruited from a legion of "ism" schools of sociology, and fertilized by generous spreadings of public-relations propaganda.

May we not, in fact, soon suspect that the ukases which govern life in such a Pollyanna paradise will, instead of being signed by some such name as Rex Tugwell, bear some such as Tugwell, Rex?

GOVERNMENT REGULATION OF BUSINESS AFFAIRS

Federal regulation in its spreading out to major activities of the country in the short space of slightly more than a year has accomplished rather surprising results. The regulation of the farmers under the A.A.A. has given them higher prices with which to pay for even higher prices of goods they need produced under the N.R.A. The workers may have joyously found higher wages under the N.R.A., but when they have gone to their stores have slightly lost enthusiasm because of the even higher prices they have had to pay for necessities produced under the N.R.A. and the A.A.A.

Of course, the monetary policy has been aimed to keep a jump ahead of these differentials, and in some respects it has. At times the statistics show a paper recovery, immediately and quite effectively released to the press to be blazoned under exaggerated headlines for popular consumption.

Everyone feels very much encouraged, but those who look beyond the headlines "unpatriotically" wonder how long the jockeying of one price element against another can go on before another inflation of currency will have to be introduced to readjust the unequal advances of economic planning.

Raise industrial prices by raise of wages to increase workers' purchasing power. Curtail food production to give the farmer more income to pay higher prices for other commodities. If in this manipulation either the farmer or the worker has to pay proportionately more for his necessities, lower the value of money so all prices will go up and while they go up we will all be happy and gay reading of the miracles to happen.

When individual bankruptcy occurs, do not fear—the Federal Government will take over the mortgages, tell the courts to disregard the creditors, or assume the principal of the debt as the only "honorable" thing to do, and then we start all over again.

Of course, the man who lent the money or who bought the stock in a mortgage bank has something to think about, but that is about all he can do. The man who lent the money is largely someone who has thus invested small savings, simple people who seek to protect their old age by taking out insurance, investing in "rock-solid" mortgage-loan companies, or trustingly putting their money into savings banks.

Let us draw the curtain over this distressful scene, as Mark Twain once so descriptively said, as we drive the money changers out of the temple. While staging this dramatic act, secure in righteous moral virtue, we need not





stop the noble work to think of the selfishness of the small investor who constitutes the majority of stockholders in American corporations.

Presumably when their investments are gone they may engage in subsistence-farming homesteads on the bounty of the Government, or perhaps they may apply to the authorities for employment on made work. These are happy solutions. They will not feel they are getting something for nothing. They will feel glorified to have contributed to the upbuilding of a new order by performing useful work, by doing their share.

Planned economy, in short, possibly means that the people no longer need suffer from the mental worry of deciding what they will produce, whether it be hogs, or corn, steel, woven materials, cotton, or shoes. A beneficent Government in Washington has set up large offices of experts, administrators, deputy administrators, assistant experts, clerks, and typists, equipped with charts, adding machines, and slide rules, to decide these things for us all. They really mean business, too, for he who violates the code risks the penalty of heavy fines or jail sentences.

It is old-fashioned and reactionary to think the public is better off under a free economic system with industry elastically regulated under antitrust and other laws. The more abundant life can only be attained by compulsory labor unions, Government-fostered trusts, production restriction by edict, compulsory price-fixing, and new departmental rules coming out daily from a host of bureaus.

Business men who claim no affiliation whatever with Wall Street have said that the stock-exchange control bill sets up prying control over all business. They should beware! Their secret motive may be discovered. We are only just a pawn in a scheme of systematic propaganda engineered by the naughty men in Wall Street.

One of the wicked brokerage firms in New York took the pains of putting a large advertisement in a Washington paper, reprinting the Declaration of Independence, "because legislative and administrative tendencies in Washington suggest that too few of our elective representatives are familiar with the principles enunciated in the Declaration of Independence; and second, because it seemed truly to offer contradiction to the apparent "new deal" philosophy that engaging in business for a profit is unlawful; that criticism of administration policies is "lese majeste" and that all protests against intolerant legislation are motivated by greed and selfishness.

In accord with the rules of the New York Stock Exchange, its business-conduct committee had first to approve the advertisement. It might be interesting to look forward to a time when some Federal securities exchange committee could exercise its powers to protect the people by not permitting publication of such insidious propaganda.

THE THEORIES BEHIND THE POLICIES

If a government insists on introducing an extended series of extraordinary innovations touching every phase of the life of its citizens, but would not wish them to be subject to wide public discussion, then the only alternative would be to make its program so punitive as to squash and squelch by strict censorship and persecution all who dared to speak their thoughts.

We might even think, if we were not too reactionary, that the conscious molding of public opinion could be attempted to the extent of adopting repressive measures of censorship and intimidation. Other countries have done it: Spain during the Inquisition, Russia under the Czar and under the Bolshevists, Germany under Hitler, Italy under Mussolini, and many South American revolutionary governments. Why should it be unthinkable that it be applied to free-thinking and free-acting America in this new enlightened age?

We indeed must have courage to be so improper as to ask that we be informed fully on just what actions the administration is taking on these many measures that have just been passed by this Congress. Would it be presumptuous to ask whether specific administrative measures permitted under these acts are to be invoked because of abnormal conditions of emergency, or as part of a social and political reform program? In the latter case are we exceeding our prerogatives as legislators and citizens if we inquire just what that social and political reform program is in each specific case? Are we disloyal to expect a Democratic and elective government to explain novel experiments by giving reasons on which they are predicated and which have not yet been disclosed? Could we ask that the language of such explanation be not clouded with classroom ideology, that we not be answered with invective, or threatened tacitly or openly with cracking down on the questioner or the critic?

How foolhardy and misplaced courage was it for the editors of the Washington Herald to say:

> We trust we shall not be accused of prying with profane eyes into the recesses of policy. Such reverence for our governors can hardly be expected of Americans.

GROWTH OF GOVERNMENT BUREAUCRACY

No one need to presume to be a spokesman for the Democratic Party by expressing sympathy with the mental dilemmas and uncertainties which a great many Democrats are now undergoing. Has it not been a constant principle on the part of Democrats for years, nay generations, to fight against tendencies toward growth of Federal commissions, bureaus, control agencies, and meddling officeholders? In the face of the bewildering array of new alphabetical agencies established to carry out the extension of Federal powers over business, trade, and production, many Democrats wander around bewildered in search of lost traditions.

Having formed habits of thought from lifelong inculcations of Democratic opposition to the intrusion of government into private business, is it any wonder that many Democrats find themselves in a haze of bewildered wanderings in search of justification for the control established in new government powers in such an array as is laid before us? In the coming months will not the search for Democratic Party principles by those Democrats throughout the country who are not clairvoyant seers into transcendental political concepts become more and more confused in contemplation of what Congress and a Democratic administration have proposed, permitted, or actually carried out?

Perhaps we may list a few:

Stratification of industry under the N.R.A. controlling by sanctions and supervision limitation of production, setting of wages, and fixing of prices.

Divesting Congress of its constitutional authority to appropriate money and direct its use in the Public Works section of N.I.R.A.

Creation of two bureaus where but one existed before without reference to the civil-service rules, many of them directly competing with private enterprise.

Delegation to the Executive of the power of Congress "to coin money" and "to fix the value thereof" in the Thomas inflation amendment to the Agricultural Adjustment Act and the Gold Reserve Act.

Power to levy taxes and to make treaties without the advice and consent of the Senate in the Reciprocal Tariff Act.

Concentration of Federal authority over production and socialistic control of private enterprise in the Agricultural Adjustment Administration.

Placing an agricultural product under absolute political control in the Cotton Control Act.

Prohibiting any individual from holding gold under penalty of seizure and fine, in the Gold Reserve Act.

Establishment of a highly developed State capitalism in the Muscle Shoals Act in which the Government goes directly into the fertilizer business, holds power of expropriation of private investors' and insurance companies' capital in public utilities, and deprives investors of their rights to inventions.

Powers of a Government corporation to run all the business of the Virgin Islands.

Unrestricted power to spend given the Executive through the Civil Works Administration.

Government assumption of weak investments in which it can nationalize property and become an absentee landlord or factory owner, powers to impair moral validity of all contractual obligations, powers to confiscate savings and enter into State capitalism through one or another of the R.F.C., A.A.A., Emergency Farm Mortgage Act, Home Owners' Loan Act, Emergency Banking Act, and so forth.

Conferring wide powers on a Federal commission over internal management of American industry by the Securities Act and the Exchange Control Act.

Practically dictatorial authority over a key industry in the Emergency Railroad Transportation Act.

Potential rights of censorship of a vast means of transmitting news and exchanging opinion—the radio—in the Communications Control Act.

Powers of Government entry into real-estate-finance business, providing Federal insurance for building-and-loan associations, and lending money for home renovation and repair.

A law further intruding the Government into private banking by authorizing the Federal Reserve banks and the R.F.C. to lend money to industrial concerns.

Power of the Treasury to nationalize silver as part of our monetary system, with permissive right to alter the base of our currency.

Control of sugar production by which great industries in continental United States and in insular possessions may be subjected to administrative decree.

Relaxation of bankruptcy laws by which all creditors in farm bankruptcy may be swept aside, scrapping a long-established principle, and taking a long step toward cancelation of all obligations.

Would it be treasonable to quote an eminent Democrat, John W. Davis, once the party's choice for the Presidency, speaking this year of Government control and policies of the present administration?

> Is it conceivable that American farmers or American citizens will submit to that sort of thing? Are they ready to support the army of Government agents, employees, inspectors, reporters, and spies that would be used to carry it on? Have they not enough of these already? Are they willing to bow their necks to the flood of rules, regulations, proclamations, and edicts that would be issued in order to fit their daily lives and conduct to the prescribed system * * *?
>
> If there are to be orders, someone must give them. Without impugning the high purpose and integrity of the great majority of our public servants, are we so sure of their constant wisdom, their disinterestedness, their ability to resist temptation, their freedom from political influences that we are willing to trust them with unlimited power * * *?
>
> Ever since the blow fell we have been looking for scapegoats and hoping for short cuts to recovery. I much doubt that we shall find either the one or the other. I do not look for miracles to save us, or hope for gold at the foot of the rainbow. I have more faith in the prosaic process of following paths marked out by reason, common sense, and the past experience of mankind.

Let not any of these words be taken as hostility to the President. His excessive labors deserve the highest admiration and help. Nor should they be taken as lacking in appreciation of the earnest endeavors of countless administration members who work night and day to the accomplishment of their tasks. All I wish humbly to suggest in conclusion is that the Government of the United States might wait until times are less critical before turning it into an intermediate training school for social theorists, and to postpone, or keep separate from the urgent practical necessities of the times, laboratory experiments that hold the dangers of blowing up the works at almost any moment.

TRAFFIC IN CONTAINERS OF DISTILLED SPIRITS

Mr. DOUGHTON. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H.J.Res. 370) to protect the revenue by regulation of the traffic in containers of distilled spirits.

Mr. JENKINS of Ohio. Mr. Speaker, reserving the right to object, what does this provide?

Mr. DOUGHTON. This is a bill that came from the Treasury Department with respect to better enforcement of the prohibition law and the collection of the internal-revenue tax on distilled spirits. The committee unanimously reported the resolution.

The Clerk read the title of the joint resolution.

Mr. CELLER. Mr. Speaker, reserving the right to object, I should like to have an explanation of the bill. May I ask the chairman if this applies to various dealers and manufacturers and prescribes penalties for violations of permits?

Mr. DOUGHTON. As I understand, the bill applies to containers and those who deal in illicit liquor and purchase standard brands of containers, including those that are labeled on the bottle, and then they deceive the purchaser and lead him to believe he is purchasing tax-paid liquor, when the fact of the matter is he is purchasing liquor on which the tax has not been paid.

Mr. JENKINS of Ohio. This is the bill that is called the "bottle bill"?

Mr. CELLER. Yes; but there is more than the bottle involved in this bill. The permits are involved; and as I read it very cursorily, this is going back to the obnoxious regulations we had during prohibition, and I think the matter ought to be considered more carefully.

Mr. COOPER of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. DOUGHTON. I yield.

Mr. COOPER of Tennessee. This is a bill sent up by the Treasury Department and urgently requested as being necessary to protect the revenue of the Government.

Mr. CELLER. I know the Treasury Department, and I have great confidence in it, but the Treasury Department has been working hand in glove with the Federal Alcohol Control Administration; and my information, only as late as yesterday, is that Mr. Choate and his colleagues on the F.A.C.A. have devised a scheme——

Mr. RANKIN. Mr. Speaker, I ask for the regular order. It is now 6:30 o'clock, and I do not care to listen to a wet speech.

Mr. CELLER. I am not making a wet speech.

Mr. RANKIN. The gentleman is not giving any information or asking for it.

Mr. CELLER. I object.

TO AMEND SETTLEMENT OF WAR CLAIMS ACT OF 1928

Mr. COOPER of Tennessee. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 365, to amend the Settlement of War Claims Act of 1928, as amended.

The Clerk read the bill, as follows:

Whereas the joint resolution of the Congress of the United States, approved July 2, 1921, provides in part as follows:

"SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, * * * shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government * * * shall have * * * made suitable provision for the satisfaction of all claims against said [Government] * * *, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents * * * since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, * * *, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise * * *."

Whereas the treaty between the United States and Germany of August 25, 1921, incorporated said provision of such joint resolution and also provided in article I thereof as follows:

"Germany undertakes to accord to the United States and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the Treaty of Versailles which the United States shall fully enjoy notwithstanding the fact that such treaty has not been ratified by the United States."; and

Whereas by the agreement of August 10, 1922, between Germany and the United States, a Mixed Claims Commission was estab-

lished to adjudicate claims of American nationals against Germany arising out of the World War; and

Whereas under the terms of the debt-funding agreement between Germany and the United States dated June 23, 1930, Germany agreed to pay to the United States in satisfaction of Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, the sum of 40,800,000 reichsmarks for the period September 1, 1929, to March 31, 1930, and the sum of 40,800,000 reichsmarks per annum from April 1, 1930, to March 31, 1981; and

Whereas Germany is now in arrears in payments due under said debt-funding agreement between Germany and the United States, and has, accordingly, failed to make suitable provision for the satisfaction of the said claims against Germany: Now, therefore, be it

Resolved, etc., That so long as Germany is in arrears in any payments of principal or interest, including interest at the rate of 5 percent per annum on principal installments not paid when due, under the debt-funding agreement between Germany and the United States, dated June 23, 1930, with respect to Germany's obligations remaining on account of awards, including interest thereon, entered and to be entered by the Mixed Claims Commission, United States and Germany, any or all payments, conveyances, transfers, or deliveries of money or property or the income, issues, profits, and/or avails thereof authorized or directed to be made under the Trading with the Enemy Act, as amended, or the Settlement of War Claims Act of 1928, as amended, whether or not a judgment or decree has been entered with respect thereto, shall be postponed and the money or property, or the income, issues, profits, and/or avails thereof reserved: *Provided, however*, That such of the funds as are from time to time available (without taking into consideration interest thereafter accruing) under the Settlement of War Claims Act of 1928, as amended, for the payment of principal and interest upon awards of said Mixed Claims Commission shall be applied when available to the payment of principal and interest upon such awards in the same manner and to the same extent as though certain of the payments provided for in said act had not been postponed under this resolution: *Provided further*, That the President may, in his sole discretion, remove the restriction as to any of the cases or classes of cases in relation to which payments, conveyances, transfers, or deliveries have been postponed: *And provided further*, That the action of the President in determining the period or periods in which Germany is in arrears in the payments hereinbefore described shall not be subject to judicial review.

With the following committee amendments:

Page 4, line 14, after the word "postpone", insert the words "under this resolution: *And provided further*."

On page 4, line 15, after the word "that", strike out the words "the action of the President in determining the period or periods in which Germany is in arrears in the payment hereinbefore described shall not be subject to judicial review" and insert the following: "The President is authorized to determine for the purpose of this resolution the period or periods in which Germany is in arrears in the payment hereinbefore described and in the determination thereof shall not be subject to judicial review."

The SPEAKER. Is there objection?

Mr. JENKINS of Ohio. Reserving the right to object, I want to ask the gentleman if this is a unanimous report from the Ways and Means Committee?

Mr. COOPER of Tennessee. This is one bill I feel confident that there would not be a voice in the entire House raised against its passage. It comes with a unanimous report from the Committee on Ways and Means. In a word, it means that out of the funds held in the Treasury Department for claims for the people of Germany shall be held until they make proper provision for the payment of claims to American nationals.

Mr. JENKINS of Ohio. Mr. Speaker, I withdraw my reservation of objection.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

BRIDGE AT PORT ARTHUR, TEX.

Mr. DIES. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H.R. 9526, with Senate amendments, to authorize the city of Port Arthur to construct and maintain a bridge, and concur in the Senate amendments.

Mr. JENKINS of Ohio. Mr. Speaker, I reserve the right to object. Has that bill been on the Consent Calendar, and has it been objected to?

Mr. DIES. No; the bill passed the House and went to the Senate and the Senate amended it.

The SPEAKER. Is there objection?

There was no objection.

The Clerk read the Senate amendments, as follows:

Page 1, lines 5 and 6, strike out "any commission designated by it" and insert "the Port Arthur Bridge Commission (hereinafter called the 'commission') hereby created."

Page 1, line 6, strike out "and assigns."

Page 2, lines 7 and 8, strike out "any commission designated by it, and its successors and assigns" and insert "the commission hereby created and its successors."

Page 2, lines 20 and 21, strike out "any commission designated by it, and its successors and assigns" and insert "the commission hereby created and its successors."

Page 3, after line 20, insert:

"SEC. 5. There is hereby created a body corporate and politic to be known as the 'Port Arthur Bridge Commission', which shall consist of five members approved by the mayor of Port Arthur subject to the approval of a majority of the city commission."

Page 3, after line 20, insert:

"SEC. 6. The commission shall consist of five members appointed by the mayor of Port Arthur, and shall be a body politic and corporate constituting a public-benefit corporation and shall be deemed a public body within the meaning of the National Industrial Recovery Act. The commission shall elect a chairman from its members and may establish rules and regulations for the government of its own business. Each member shall serve for a term of 5 years and until his successor has been appointed and has qualified, except that the initial terms of the members shall be respectively 1, 2, 3, 4, and 5 years. The initial term of the member elected chairman shall be 5 years, and the commission shall determine by lot the initial terms of the other members. The mayor of Port Arthur, with the approval of a majority of the city commission, may appoint a successor to hold office for the unexpired term of any member in whose office a vacancy shall occur by death, resignation, or otherwise. Each member shall qualify by giving such bond as may be fixed by the governing body of the city of Port Arthur conditioned for the faithful performance of all duties required by this act. Three members shall constitute a quorum for the transaction of business. No member shall receive a salary for his services as member, but each member shall be paid his actual expenses not exceeding $5 per day in the performance of his duties hereunder. Members of the commission may be removed for cause by the mayor of Port Arthur and the majority of the city commission. The commission may employ a secretary, treasurer, engineers, attorneys, and such other experts, assistants, and employees as it may deem necessary, who shall be entitled to receive such compensation as the commission may determine. All salaries and expenses shall be paid solely from the funds provided under the authority of this act."

Page 3, after line 20, insert:

"SEC. 7. The commission shall have all the powers and authority necessary or convenient for the carrying out of the purposes of this act, including (but without limitation) the following rights, powers, and authority:

"(a) To have perpetual succession as a corporation;

"(b) To sue and be sued, implead and be impleaded, complain and defend in all courts of law and equity;

"(c) To adopt, use, and alter a corporate seal;

"(d) To acquire, purchase, hold, use, lease, mortgage, sell, transfer, and dispose of any property, real, personal, or mixed, tangible or intangible, or any interest therein;

"(e) To make bylaws for the management and regulation of its affairs;

"(f) To appoint officers, agents, employees, and servants, to prescribe their duties and to fix their compensation;

"(g) To fix, alter, charge, and collect tolls and other charges and other evidences of indebtedness of the commission, and to

"(h) To borrow money, make and issue negotiable notes, bonds, and other evidences of indebtedness of the commission, and to secure the payment of such obligations or any thereof by mortgage, lien, pledge, or deed of trust upon all or any of the property of the commission, and to make agreements with the purchasers or holders of such obligations, or with others in connection with any such obligations, issued or to be issued, as the commission shall deem advisable, and in general to provide for the security for said obligations and the rights of the holders thereof;

"(i) To make contracts of every kind and nature and to execute all instruments necessary or convenient for the carrying on of its affairs; and

"(j) Without limitation of the foregoing, to borrow money from the United States Government or any corporation or agency created, designated, or established by the United States and to enter into contracts with the United States or such corporation or agency."

Page 3, after line 20, insert:

"SEC. 8. Without limiting any powers anywhere in this act granted to the commission, the commission is hereby authorized to provide for the payment of the cost of the bridge and its ap-

proaches and the necessary land, easements, and appurtenances thereto by an issue or issues of negotiable bonds of the commission and to secure the payment of all or any such bonds by mortgage, lien, pledge, or deed of trust upon all or any of its property. Said bonds shall be authorized by resolution of the commission and shall bear such date or dates, be in such forms and contain such provisions as the commission may determine and as may be provided in such resolution or in the mortgage or deed of trust or other instrument securing said bonds. Any resolution or resolutions authorizing such bonds may contain provisions, which shall be part of the contract with the holders of such bonds, as to (a) the rates of tolls and other charges to be charged by the commission for transit over or use of the bridge, (b) the registration of the bonds as to principal only or as to principal and interest, and the interchangeability and exchangeability of such bonds, (c) the issuance of temporary bonds or interim receipts pending the preparation of definitive bonds, and the terms and provisions of such temporary bonds or interim receipts, (d) the redemption of the bonds, and the price or prices, not exceeding 105 and accrued interest, at which they shall be redeemable, (e) the setting aside of reserves or sinking funds and the regulation and disposition thereof, (f) limitations upon the issuance of additional bonds, (g) the terms and provisions of any mortgage, deed of trust, or other instrument under which the bonds may be issued or by which they may be secured, and (h) any other or additional agreement, with the holders of such bonds. The bonds shall be signed by such officers as the commission shall determine, and coupon bonds shall have attached thereto interest coupons bearing the facsimile signature of the treasurer or other corresponding officer of the commission. Any such bonds may be issued and delivered, notwithstanding the fact that one or more of the officers signing such bonds, or the treasurer or corresponding officer whose facsimile signature shall be upon the coupons or any thereof, shall have ceased to be such officer or officers at the time when such bonds shall actually be delivered.

"The commission may enter into any mortgages, deeds of trust, indentures, or other agreements with any bank or trust company or other person or persons in the United States having power to enter into the same, including the United States Government or any corporation or agency designated or created by it, as security for the bonds, and may transfer, convey, mortgage, or pledge all or any of the property of the commission thereunder. Such mortgage, deed of trust, indenture, or other agreement may contain such provisions as may be customary in such instruments or as the commission may authorize, including (but without limitation) provisions as to (a) the terms and provisions of the bonds or the resolution providing for the issuance of the same, (b) the construction, operation, maintenance, repair, and insurance of the properties of the commission and the duties of the commission with reference thereto, (c) the application of funds and the safeguarding of funds on hand or on deposit, (d) the rights and remedies of such trustee and the holders of the bonds (which may include restrictions upon the individual right of action of bondholders), and (e) possession of the properties covered by such mortgage, deed of trust, indenture, or other agreement.

"The bonds of the commission may be sold in such manner, at such time or times, but no such price or prices as the commission may determine, but no such sale shall be made at a price which would make the interest cost to maturity on the money received therefor, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, exceed 6 percent per annum. The cost of the bridge shall be deemed to include interest during construction of the bridge, and for not exceeding 12 months thereafter, and all engineering, legal (architectural, traffic-surveying, and other expenses incident to the construction of the bridge and the acquisition of the necessary property, and incident to the financing thereof, including the cost of acquiring existing franchises, rights, plans, and works of and relating to the bridge, now owned by any person, firm, or corporation, and the cost of purchasing all or any part of the shares of stock of any such corporate owner if, in the judgment of the commission, such purchases should be found expedient. If the proceeds of the bonds issued shall exceed the cost as finally determined, the excess shall be placed in the sinking fund hereinafter provided."

Page 3, after line 20, insert:

"SEC. 9. After payment of the bonds and interest and discharge of any other obligations of the commission, or after a sinking fund sufficient for such payment and discharge shall have been provided and shall be held for that purpose, the commission shall be authorized to deliver deeds or other suitable instruments of conveyance of the interest of the commission in and to the bridge, that part within the State of Texas to the State of Texas or any municipality thereof or any agency of said State or any such municipality as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the 'Texas interests') and that part within the State of Louisiana to the State of Louisiana or to any municipality thereof or any agency of said State or any such municipality as may be authorized by or pursuant to law to accept the same (hereinafter referred to as the 'Louisiana interests'), under the condition that the bridge shall thereafter be free of tolls and be properly maintained, operated, insured, and repaired by the Texas interests and the Louisiana interests, as may be agreed upon; but if either the Texas interests or the Louisiana interests shall not be authorized to accept or shall not accept the same under such conditions, the commission may transfer the bridge to either of said interests which shall so accept the same, and if neither interest shall so accept the same, then the bridge shall continue to be owned, maintained, operated, insured, and repaired by the commission, and the rates of tolls shall be so adjusted as to provide a fund not to exceed the amount necessary for the proper maintenance, repair, insurance, and operation of the bridge and its approaches under economical management, including reasonable reserves, until such time as the Texas interests or the Louisiana interests, or both, shall be authorized to accept and shall accept such conveyance under the conditions aforesaid."

Page 3, after line 20, insert:

"SEC. 10. Nothing herein contained shall be construed to authorize or permit the commission or any member thereof to create any obligation or incur any liability other than such obligations and liabilities as are dischargeable solely from funds provided by this act. No obligation created or liability incurred pursuant to this act shall be an obligation or liability of any member or members of the commission, but shall be chargeable solely to the funds herein provided, nor shall any indebtedness created pursuant to this act be an indebtedness of the United States."

Page 3, after line 20, insert:

"SEC. 11. All provisions of this act may be enforced, or the violation thereof prevented, by mandamus, injunction, or other appropriate remedy brought by the attorney general for the State of Texas, or by the attorney general for the State of Louisiana, or by the United States district attorney for the district in which the bridge may be located, in part, in any court having competent jurisdiction of the subject matter and of the parties."

Page 3, line 21, strike out "5" and insert "12."

Amend the title so as to read: "An act authorizing the city of Port Arthur, Tex., or the commission hereby created and its successors, to construct, maintain, and operate a bridge over Lake Sabine, at or near Port Arthur, Tex."

The SPEAKER. The question is on agreeing to the Senate amendments.

The Senate amendments were concurred in; and a motion to reconsider the vote by which the Senate amendments were concurred in was laid on the table.

LOANS MADE TO RECEIVERS OF CLOSED BANKS

Mr. BROWN of Michigan. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H.R. 9904) to amend section 5 of Public Act No. 2 of the Seventy-second Congress, as amended, which I send to the desk and ask to have read.

The Clerk read as follows:

Be it enacted, etc., That section 5 of Public Act No. 2 of the Seventy-second Congress, as amended, be amended by adding the following sentence at the end of the second paragraph: "The limitation herein contained shall not apply to loans made to the receivers or other liquidating agents of closed banks, when made for the purpose of liquidation or reorganization."

With the following amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That section 5 of Public Act No. 2, of the Seventy-second Congress, as amended, be amended by striking out the period at the end of the second paragraph thereof and inserting in lieu thereof a colon, and the following: '*Provided*, That such limitations shall not apply to advances to receivers or other liquidating agents of closed banks when made for the purpose of liquidation or of reorganization.'"

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. SNELL. Mr. Speaker, the gentleman spoke to me about this bill, and from what he said I thought there was nothing to object to. I should like to have an explanation of the bill before it goes through by unanimous consent.

Mr. BROWN of Michigan. The Committee on Banking and Currency unanimously reported out the bill.

Mr. SNELL. Is this the bill that the gentleman from Massachusetts [Mr. LUCE] spoke about?

Mr. BROWN of Michigan. Yes.

Mr. SNELL. Then I guess it is all right.

Mr. BROWN of Michigan. This has been approved by the ranking minority member of the Committee on Banking and Currency and by the chairman of that committee.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to; and the bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

TRADING WITH THE ENEMY ACT

Mr. CELLER. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, S. 852, to amend the Trading With the Enemy Act.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of the bill S. 852, which the Clerk will report.

The Clerk read the bill.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I object. This bill is too involved to consider at this time.

PUBLIC GRAZING LANDS

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 6462) to stop injury to the public grazing lands, by preventing overgrazing and soil deterioration, to provide for their orderly use, improvement, and development, to stabilize the livestock industry dependent upon the public range, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read as follows:

Strike out all after the enacting clause down to and including "thereof", page 2, line 4, and insert "That in order to promote the highest use of the public lands pending its final disposal, the Secretary of the Interior is authorized, in his discretion, by order to establish grazing districts or additions thereto and/or to modify the boundaries thereof, not exceeding in the aggregate an area of 80 million acres of vacant, unappropriated, and unreserved lands from any part of the public domain of the United States (exclusive of Alaska), which are not in national forests, national parks and monuments, Indian reservations, revested Oregon & California Railroad grant lands, or revested Coos Bay Wagon Road grant lands, and which within his opinion are chiefly valuable for grazing and raising forage crops."

Page 2, line 7, strike out all after "thereof." down to and including "not" in line 9 and insert "Nothing in this act shall be construed in any way to diminish, restrict, or impair any right which has been heretofore or may be hereafter initiated under existing law, and which is maintained pursuant to law except as otherwise expressly provided in this act, nor to."

Page 2, line 11, after "State" insert ", nor as limiting or restricting the power or authority of any State as to matters within its jurisdiction. Whenever any grazing district is established pursuant to this act, the Secretary shall grant to owners of land adjacent to such district, upon application of any such owner, such rights-of-way over the lands included in such district for stock-driving purposes as may be necessary for the convenient access by any such owner to marketing facilities or to lands not within such district owned by such person or upon which such person has stock-grazing rights."

Page 2, line 18, after "471)," insert "as amended,".

Page 2, line 21, after "specify." insert "Before grazing districts are created in any State as herein provided, a hearing shall be held in the State, after public notice thereof shall have been given, at such location convenient for the attendance of State officials, and the settlers, residents, and livestock owners of the vicinity, as may be determined by the Secretary of the Interior. No such district shall be established until the expiration of 90 days after such notice shall have been given, nor until 20 days after such hearing shall be held: *Provided, however*, That the publication of such notice shall have the effect of withdrawing all public lands within the exterior boundary of such proposed grazing districts from all forms of entry of settlement. Nothing in this act shall be construed as in any way altering or restricting the right to hunt or fish within a grazing district in accordance with the laws of the United States or of any State, or as vesting in any permittee any right whatsoever to interfere with hunting or fishing within a grazing district."

Page 3, line 8, strike out all after "range" down to and including "lands" in line 9.

Page 3, line 14, after "any" insert "willful."

Page 3, line 15, after "or" insert "of."

Page 3, lines 15 and 16, after "thereunder", insert "after actual notice thereof."

Page 3, line 16, strike out all after "$500" down to and including "court" in line 18.

Page 3, line 25, and page 4, line 1, strike out "under his authority."

Page 4, line 4, strike out all after "and" down to and including "for" in line 10 and insert "to groups, associations, or corporations authorized to conduct business under the laws of the State in which the grazing district is located. Preference shall be given in the issuance of grazing permits to those within or near a district who are landowners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights, as may be necessary to permit the proper use of lands, water or water rights owned, occupied, or leased by them, except that until July 1, 1935, no preference shall be given in the issuance of such permits to any such owner, occupant, or settler, whose rights were acquired between January 1, 1934, and December 31, 1934, both dates inclusive, except that no renewal of any such permit shall be denied, if such denial will impair the value of the livestock unit of the permittee, if such unit is pledged as security for any bona fide loan. Such permits shall be for."

Page 4, line 21, strike out all after "exists:" down to and including "safeguarded", page 5, line 4, and insert "*Provided further*, That nothing in this act shall be construed or administered in any way to diminish or impair any right to the possession and use of water for mining, agriculture, manufacturing, or other purposes which has heretofore vested or accrued under existing law or which may be hereafter initiated or acquired and maintained in accordance with law. So far as consistent with the purposes and provisions of this act, grazing privileges recognized and acknowledged shall be adequately safeguarded, but the creation of a grazing district or the issuance of a permit pursuant to the provisions of this act shall not create any right, title, interest, or estate in or to the lands."

Page 5, line 10, after "approve.", insert "Permittees shall be required by the Secretary of the Interior to comply with the provisions of law of the State within which the grazing district is located with respect to the cost and maintenance of partition fences."

Page 5, lines 13 and 14, strike out all after "occupant" down to and including "shall", in line 16, and insert "the reasonable value of such improvements to."

Page 5, line 20, strike out "may" and insert "shall."

Page 6, line 5, after "the", insert "acquisition,".

Page 6, line 6, after "rights-of-way", insert "within grazing districts."

Page 6, line 8, strike out "nor" and insert "and."

Page 6, line 9, after "developing,", insert "mining,".

Page 6, line 10, strike out "valuable."

Page 6, line 24, after "*Provided,*", insert "That upon the application of any person qualified to make homestead entry under the public-land laws, filed in the land office of the proper district, the Secretary of the Interior shall cause any tract not exceeding 320 acres in any grazing district to be classified, and such application shall entitle the applicant to a preference right to enter such lands when opened to entry as herein provided."

Page 6, strike out all of line 25 and down to and including "section", in line 4, page 7.

Page 7, line 7, strike out "be, and he hereby is, authorized, in his discretion," and insert "is authorized and directed."

Page 7, lines 10 and 11, strike out "hereby authorized, in his discretion," and insert "authorized and directed."

Page 7, line 12, after "any", insert "privately owned."

Page 7, line 13, strike out "district" and insert "district,".

Page 7, line 14, after "of" where it occurs the first time, insert "surveyed."

Page 7, line 15, after "State", insert "or within a distance of not more than 50 miles within the adjoining State nearest the base lands."

Page 7, line 18, after "published", insert "by the Secretary of the Interior."

Page 8, line 19, after "thereon.", insert "Upon application of any State to exchange lands within or without the boundary of a grazing district the Secretary of the Interior is authorized and directed, in the manner provided for the exchange of privately owned lands in this section, to proceed with such exchange at the earliest practicable date and to cooperate fully with the State to that end, but no State shall be permitted to select lieu lands in another State."

Page 8, line 22, after "stockmen", insert ", State land officials, and official State agencies engaged in conservation or propagation of wild life."

Page 8, line 23, strike out all after "districts" down to and including "minorities", page 9, line 1.

Page 9, line 3, after "for", insert "local hearings on."

Page 9, line 3, strike out "decision" and insert "decisions."

Page 9, line 4, after "charge", insert "in a manner similar to the procedure in the land department."

Page 9, line 19, after "available", insert ", when appropriated by the Congress."

Page 9, line 21, strike out "an additional."

Page 10, line 5, strike out all after "therein" down to and including "Congress.", in line 7.

Page 10, line 24, strike out "agreements, the" and insert "agreements. The."

Page 11, line 8, strike out all after "interest" down to and including "met", in line 13, and insert "interest."

Page 11, line 22, strike out all after "United States" down to and including "hereby" in line 25, and insert "is."

Page 12, line 1, after "administration", insert "in any State where national forests may be created or enlarged by Executive order."

Page 12, line 17, after "act.", insert "Nothing in this section shall be construed so as to limit the powers of the President (relating to reorganizations in the executive departments) granted by title 4 of the act entitled 'An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes', approved March 3, 1933."

Page 12, after line 17, insert:

"SEC. 14. That section 2455 of the Revised Statutes, as amended, is amended to read as follows:

"'SEC. 2455. Notwithstanding the provisions of section 2357 of the Revised Statutes (U.S.C., title 43, sec. 678) and of the act of August 30, 1890 (26 Stat. 391), it shall be lawful for the Secretary of the Interior to order into market and sell at public auction, at the land office of the district in which the land is situated, for not less than the appraised value, any isolated or disconnected tract or parcel of the public domain not exceeding 760 acres, which, in his judgment, it would be proper to expose for sale after at least 30 days' notice by the land office of the district in which such land may be situated: *Provided*, That for a period of not less than 30 days after the highest bid has been received, any owner or owners of contiguous land shall have a preference right to buy the offered lands at such highest bid price, and where two or more persons apply to exercise such preference right the Secretary of the Interior is authorized to make an equitable division of the land among such applicants, but in no case shall the adjacent land owner or owners be required to pay more than three times the appraised price: *Provided further*, That any legal subdivisions of the public land, not exceeding 160 acres, the greater part of which is mountainous or too rough for cultivation, may, in the discretion of the said Secretary, be ordered into the market and sold pursuant to this section upon the application of any person who owns land or holds a valid entry of lands adjoining such tract, regardless of the fact that such tract may not be isolated or disconnected within the meaning of this section: *Provided further*, That this section shall not defeat any valid right which has already attached under any pending entry or location. The word "person" in this section shall be deemed to include corporations, partnerships, and associations.'"

Page 12, after line 17, insert:

"SEC. 15. The Secretary of the Interior is further authorized in his discretion, where vacant, unappropriated, and unreserved lands of the public domain are situated in such isolated or disconnected tracts of 640 acres or more as not to justify their inclusion in any grazing district to be established pursuant to this act, to lease any such lands to owners of lands contiguous thereto for grazing purposes, upon application therefor by any such owner, and upon such terms and conditions as the Secretary may prescribe."

Page 12, after line 17, insert:

"SEC. 16. Nothing in this act shall be construed as restricting the respective States from enforcing any and all statutes enacted for police regulation, nor shall the police power of the respective States be, by this act, impaired or restricted, and all laws heretofore enacted by the respective States or any thereof, or that may hereafter be enacted as regards public health or public welfare, shall at all times be in full force and effect."

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were concurred in.

PROCTORS' AND MARSHALS' FEES AND BONDS

Mr. KENNEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill, H.R. 9091, to amend the laws relating to proctors' and marshals' fees and bonds and stipulations in suits in admiralty.

Mr. SNELL. Mr. Speaker, I reserve the right to object. I do not think we ought to bring up legislation like that at this hour.

Mr. KENNEY. That is a bill in which the bar associations of the country are interested.

Mr. SNELL. But I am not going to allow legislation to come up at this late hour which I am not familiar with. If I knew the bills, I would not object.

Mr. KENNEY. Will the gentleman reserve his objection?

Mr. SNELL. I will.

Mr. KENNEY. This bill came up the other day and was passed over without prejudice. It was explained to the House. The gentleman from Ohio was the only Member who asked for it to go over, and since then he has withdrawn any objection that he may have thought he had at that time.

This is a bill to reduce the cost of litigation. Today we have a situation where a vessel or other property is libeled and you are required to put up a bond in twice the amount. This reduces it to the amount of the claim——

Mr. SNELL. Now, who is here who knows about that bill? Some member of the Committee on the Judiciary?

Mr. KENNEY. Yes. It is reported favorably by the Committee on the Judiciary. As I understand, the bar associations would like to get it passed.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey [Mr. KENNEY]?

Mr. BLANCHARD. Mr. Speaker, I object.

Mr. SNELL. Mr. Speaker, I am going to make a point of no quorum, if we are going to continue this kind of legislation at this late hour of night.

The SPEAKER. Will the gentleman withhold his point of order for a moment?

Mr. SNELL. Yes; I will withhold it temporarily.

EXTENSION OF REMARKS

Mr. GUYER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point on the bill H.R. 7997.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. GUYER. Mr. Speaker, the unfavorable economic conditions now prevailing have produced a crisis in the affairs of a large number of colleges and universities not supported by taxation, institutions which depend upon the generosity of individuals and organizations moved by impulses of public welfare or scientific research. Into these institutions of learning have been poured the lives and money of self-sacrificing men and women ever since the beginning of civilized life on this continent. These institutions have lifted from the shoulders of the American taxpayer over half of the cost of higher education in this country. To these institutions this Nation owes an incalculable debt of gratitude for the superlative training of mind and crystallization of character which has been for years and is today the product of the unselfish devotion to the ideals of life and character which prevails in these colleges and universities.

At least 50 percent of the Membership of this House remembers with deathless gratitude the contribution of one of these colleges or universities to his exalted ideals, his character, and his success. There, where all our ambitions were cradled. There, where some great and beloved teacher flung the benediction of his shadow across the pavement of our lives. There, where, amid incomparable moral environment, habits of right thinking and right acting were indelibly impressed upon plastic mind and soul. The fact that many of us are here is evidence of our everlasting obligation to some one of these institutions now staggering under a load of debt not due to extravagance nor lack of intelligent and efficient administration, but to the economic conditions which alike have dragged down industry and private enterprise.

Teachers never adequately paid for their unselfish devotion to their work have had to suffer reductions in even the diminutive pittance formerly allowed in order to keep alive the torch of learning in these institutions. In the memory of every one of us who is an alumnus or alumna of one of these colleges is the recollection of some heroic teacher who, in his devotion to duty, has, figuratively at least, taken the vow of poverty and raveled out his life like a prodigal spendthrift in an unselfish devotion to humanity. His reward endures in the love and gratitude of those whose lives have been enriched by his immolation on the altar of duty. This Nation probably will never properly appreciate the debt it owes to these colleges, but it may, if Congress so decrees, help to perpetuate these institutions without in the end suffering any financial loss.

I have introduced in this Congress H.R. 7977, which seeks to amend the Reconstruction Finance Corporation Act so that this great governmental organization may be authorized to do for private colleges and universities what it has so constructively been doing directly for self-liquidating public enterprises such as bridges, waterworks, and like undertakings, and indirectly for private and corporate institutions which furnish material, and labor which does the work. While these institutions are financially embarrassed at present by reason of reduced income, it does not follow that they are without valuable properties and vast endowments.

Thousands of philanthropists of wealth have poured out their money like water into the treasuries of these colleges and universities, and other hard-working, self-sacrificing thousands have denied themselves many of the pleasures

and luxuries of life that they might make investments here that would live and bear fruit long after their humble names were forgotten. These institutions are not only rich in the sacrifices of myriads whose benevolences have blessed them, but in the finely husbanded resources accumulated in the progress of the years.

For the information of the House I insert here a comparison of the physical assets of these institutions with those of the public, tax-supported institutions:

	Public institutions (State controlled, tax supported)	Private institutions (nontax supported)
Buildings and grounds	$470,000,000	$1,000,000,000
Productive funds	122,000,000	1,225,000,000

This comparison demonstrates the fact that these institutions, though pressed desperately to keep up their very valuable and necessary work, are able to give ample security for loans which the Government, through the Reconstruction Finance Corporation could extend.

There are several distinct causes for the crisis which has overtaken these colleges:

First. Assets which heretofore have produced revenue have become unproductive, such as farm mortgages, the favorite investment for endowments.

Second. A large group of generous and regular contributors can now only respond with sympathetic letters of regret.

Third. Students fighting a losing battle at home with poverty and unemployment are unable to pay tuition and must be carried by the college.

These conditions have forced boards of trustees to reduce the salaries of teachers from 15 to 35 percent, and then these teachers are forced to wait months for their pay checks. Even in the old pioneer days of such educational institutions there were no more heroic sacrifices than are experienced by the devoted instructors of this present emergency.

The work of these colleges and universities is highly creative and constructive. A brief survey of the occupation or vocation followed by the alumni and alumnae of these colleges shows that a great preponderance enters the profession of the teacher. The teacher is the master builder. He molds and shapes the plastic mind and character of those entrusted to his care with more enduring results than anyone else with the possible exception of the mother. I have selected a few colleges where an analysis of the vocations followed by graduates shows the tendency to gravitate to the profession of teaching:

	Teaching	Medicine	Law
Huron College, Huron, S.Dak	202	14	9
Centre College, Danville, Ky	205	71	124
Coe College, Cedar Rapids, Iowa	650	67	35
Grove City College, Grove City, Pa	700		
Hamilton College, Clinton, N.Y	676	200	802
Hanover College, Hanover, Ind	437	85	144
College of Wooster, Wooster, Ohio	1,701	581	
James Millikin University, Decatur, Ill	225	7	12

These records from scattered colleges illustrate the preponderance of teachers as compared to those trained for other of the so-called "learned professions."

Most of the private colleges are owned and governed by churches, though not all of them. Their supreme object is to form and fix character along with instruction in science and art. I think we can readily agree that there was never a time in the history of this country when it needed more than it needs now the ballast of crystallized character and integrity of manhood and womanhood.

The psychology and the aftermath of the World War have profoundly influenced the moral life of this country as they have of the whole world. We do not admit that our condition is like that of continental Europe where moral and social standards have been revolutionized completely. Europeans tell us we are just as bad as they are, only not equally frank. In this they are mistaken for we who know our America at the grass roots know that the great mass of Americans still love virtue and respect decency as a rule of life.

A writer of wide fame and of undoubted information tells us that, by reason of economic conditions coupled with the sort of moral vacation that obtained in one country of continental Europe during the World War, marriages in the first half of 1931 showed a decrease of 70,000 from what would have been the normal figure. The same period showed a decrease in births of 45,000 compared with the same period in 1930. Young men and girls live together outside of wedlock without in the least losing social caste or business standing. He intimates that like conditions prevail in a preponderant proportion of continental Europe. We are all familiar with conditions in Soviet Russia. We know that no such modification of morals has taken place in this country and we covet no such condition. But we cannot deny that there has been a subtle change in the attitude of our people toward matters involving morals. Topics of conversation once whispered in the sacred precincts of the ancient and honorable but now extinct livery stable, the pool hall and the barnyard, and which refinement once banished and gentle breeding once rebuked, are now not only tolerated but invited at the dinner table and in the drawing room.

What shall I say of our art? Of our music? Of our drama, if we possess anything worthy of the name? Of our literature? These things of the spirit should reflect our national life. Although our people are starved for good music, our music as we hear it on the radio and most other places is largely a jangling nightmare of jazz. Art? Do you recall a painting of the past decade which has captured the gaze of the public eye with its beauty or thought? With the exception of Borglum's creations at Stone Mountain and Mount Rushmore, which rival the massive and majestic grandeur of ancient Egypt, our art for a quarter of a century has produced nothing worthy of serious notice.

Literature? Books? One is inclined to resort to the veil of charity here. There is no end of books, but what about their quality and the moral tendency they provoke? I have in mind two books that will serve as examples of the great mass of current popular literature. One was written by a man and the other by a woman. Both were very widely read. Both were best sellers. The former, critics declare, is one of the great books of recent years, yet it contains descriptions of what was once considered unprintable outside the limits of purely pornographic literature. It was a best seller in the most respectable communities. The latter was very highly praised by the critics, but was so vile that a reputed heathen nation protested parts of it pertaining to the country involved. It, too, was a best seller. I do not intend to declare that this is the rule with all of our current books, nor intimate that to be read a book must be risque. I am merely calling attention to some best sellers which should indicate the public taste.

The cinema or movie? The so-called "silver screen"? Sensuality enthroned! Sex deified! Vice lionized! We should not blame too much the picture industry. Its business is to give the public what the public wants. The product of that industry is like a stream that reflects very accurately the demands of the movie-picture public. We must not blame the stream if, when we gaze upon its surface, it reflects a picture of diabolism and lechery. Art, music, drama, and literature form the mirror in which we can read the life and soul of a people. At times these become distorted by temporary tides of emotion and are soon normally adjusted and we get back to sanity and our old-time good taste and a sense of the eternal fitness of things.

I know of no better agent to care for such a situation than these colleges where character is at a premium and where high ideals obtain. I know of no better antidote for our seeming retrograde movement since the World War than these colleges which today, in many cases, are in danger of collapse. This is no reflection on our fine State universities, though it would seem that some of our great eastern institu-

tions were sometimes the rendezvous of inimical propaganda and subversive instruction.

In conclusion, I want to add that I can think of no finer investment which promises safer security than these colleges which have been one unmixed benediction to this great country from its infancy to its ripe maturity.

JENNIE BRUCE GALLAHAN—VETO MESSAGE FROM THE PRESIDENT (H.DOC. NO. 401)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith without my approval H.R. 2035, entitled "An act for the relief of Jennie Bruce Gallahan."

This act would authorize and direct the Secretary of the Treasury to pay to the said Jennie Bruce Gallahan, from the Federal Treasury, the sum of $5,000 as compensation for the death of her husband, Samuel L. Gallahan, late lieutenant of the District of Columbia Fire Department, while engaged in the performance of his official duties.

I am advised that Mrs. Gallahan is now receiving from the Policemen and Firemen's Relief Fund of the District of Columbia the maximum pension of $60 per month for her personal use and $10 per month for a child under the age of 16 years. This fund was created for the express purpose of affording relief to dependent widows and children of policemen and firemen who unfortunately suffer death in the performance of their official duties. In reporting upon this bill the Board of Commissioners of the District of Columbia made the following statement, with which I concur:

> The Commissioners regret that it is necessary for them to oppose the passage of this bill. Its enactment into law would create a very bad precedent and there would be a flood of requests for special legislation of like character in every instance where death or injury to policemen or firemen occurred in line of duty. The pension system was created to cover the cases of the death or injury of policemen and firemen, and Mrs. Gallahan is receiving the maximum sum permitted under the law.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 13, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BLACK. Mr. Speaker, I move that the President's veto message be referred to the Committee on the District of Columbia and ordered printed.

The motion was agreed to.

RICHARD A. CHAVIS—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H.DOC. NO. 402)

The SPEAKER laid before the House the following message from the President of the United States:

To the House of Representatives:

I return herewith without my approval H.R. 2032, "An act for the relief of Richard A. Chavis."

This bill provides that in the administration of any laws conferring rights, privileges, and benefits upon honorably discharged soldiers, Richard A. Chavis, who served as a member of Company L, Second South Carolina Volunteer Infantry, shall hereafter be held and considered to have been honorably discharged from said service on the 19th day of April 1899: *Provided*, That no pension, pay, or bounty shall be held to have accrued by reason of the enactment of this act: *Provided further*, That the rights, privileges, and benefits conferred upon Richard A. Chavis by reason of the enactment of this act shall be limited to admission to a soldiers' home under the regulations governing such admission: *And provided further*, That he shall be entitled to such medical care as is usually accorded inmates of such home while resident therein.

The official records of the War Department, as set forth in the House committee report on this bill, No. 136, show that Chavis was a deserter, was apprehended, tried by a summary court, and sentenced for desertion; that his service was not honest and faithful and that he was discharged without honor.

I am advised by the Administrator of Veterans' Affairs that if this bill should be approved, the present regulations of the Veterans' Administration will not permit the extension of domiciliary care to this veteran, since he entered the service on the date following the termination date for service in the Spanish-American War.

The right of this veteran to domiciliary care is not dependent, therefore, upon his honorable discharge from the service, for that right is not enjoyed by many men whose service was honest and faithful, but who entered service after the termination of war.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *June 13, 1934.*

The SPEAKER. The objections of the President will be spread upon the Journal.

Mr. BYRNS. Mr. Speaker, I move that the veto message and the bill be referred to the Committee on Military Affairs and printed.

The motion was agreed to.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SWANK, at the request of Mr. JOHNSON of Oklahoma, indefinitely, on account of important business.

To Mr. HAINES, for 3 days, on account of funeral.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Horne, its enrolling clerk, announced that the Senate had passed without amendment bills, a joint resolution, and a concurrent resolution of the House of the following titles:

H.R. 206. An act for the relief of Pierre E. Teets;

H.R. 363. An act for the relief of James Moffitt;

H.R. 387. An act donating bronze trophy guns to the Cohoes Historical Society, Cohoes, N.Y.;

H.R. 452. An act for the relief of Laura B. Crampton;

H.R. 471. An act for the relief of Physicians and Surgeons Hospital, Ltd.;

H.R. 529. An act for the relief of Morris Spirt;

H.R. 740. An act for the relief of Wade Dean;

H.R. 1133. An act for the relief of Silas B. Lawrence;

H.R. 1306. An act for the relief of Clarence A. Wimley;

H.R. 1308. An act for the relief of John Parker Clark, Sr.;

H.R. 1345. An act for the relief of John Parker Clark, Jr.;

H.R. 1354. An act for the relief of C. V. Mason;

H.R. 1503. An act to amend the act entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California", approved March 1, 1893, as amended;

H.R. 1567. An act amending section 1 of the act of March 3, 1893 (27 Stat.L. 751), providing for the method of selling real estate under an order or decree of any United States court;

H.R. 1731. An act to make provision for suitable quarters for certain Government services at El Paso, Tex., and for other purposes;

H.R. 1766. An act to provide medical services after retirement on annuity to former employees of the United States disabled by injuries sustained in the performance of their duties;

H.R. 1769. An act for the relief of Jeannette S. Jewell;

H.R. 1792. An act for the relief of Michael Petrucelli;

H.R. 2038. An act for the relief of Jeanie G. Lyles;

H.R. 2326. An act for the relief of Emma R. H. Taggart;

H.R. 2416. An act for the relief of Mrs. George Logan and her minor children, Lewis and Barbara Logan;

H.R. 2632. An act for the relief of Wilson G. Bingham;

H.R. 3054. An act for the relief of Christopher Cott;

H.R. 3084. An act authorizing the sale of portions of the Pueblo lands of San Diego to the city of San Diego, Calif.;

H.R. 3161. An act for the relief of Henry Harrison Griffith;

H.R. 3176. An act for the relief of Ernest Elmore Hall;

H.R. 3243—An act for the relief of Harry E. Good, administrator de bonis non of the estate of Ephraim N. Good, deceased;

H.R. 3295. An act for the relief of the estate of White B. Miller;

H.R. 3296. An act for the relief of Carl F. Castleberry;

H.R. 3318. An act to reimburse Earl V. Larkin for injuries sustained by the accidental discharge of a pistol in the hands of a soldier in the United States Army;

H.R. 3595. An act for the relief of St. Ludgers Catholic Church of Germantown, Henry County, Mo.;

H.R. 3606. An act for the relief of William Sheldon;

H.R. 3705. An act for the relief of Julia E. Smith;

H.R. 3748. An act for the relief of Mary Orinski;

H.R. 3791. An act for the relief of Gustav Welhoelter;

H.R. 3793. An act for the relief of Anthony Hogue;

H.R. 3912. An act for the relief of Roland Zolesky;

H.R. 4082. An act for the relief of John J. Corcoran;

H.R. 4224. An act to authorize the Postmaster General to hire vehicles from postal employees;

H.R. 4387. An act for the relief of Mary A. Rockwell;

H.R. 4446. An act for the relief of E. E. Hall;

H.R. 4579. An act for the relief of Dr. Charles T. Granger;

H.R. 4659. An act for the relief of Carleton-Mace Engineering Corporation;

H.R. 4666. An act for the relief of Jerry O'Shea;

H.R. 4670. An act for the relief of Lyman D. Drake, Jr.;

H.R. 4838. An act for the relief of the Massachusetts Bonding & Insurance Co., a corporation organized and existing under the laws of the State of Massachusetts;

H.R. 4952. An act for the relief of Theodore W. Beland;

H.R. 4957. An act for the relief of F. M. Peters and J. T. Akers;

H.R. 5018. An act to correct the naval records of former members of the crews of the revenue cutters *Algonquin* and *Onondaga;*

H.R. 5031. An act for the relief of Edith L. Peeps;

H.R. 5344. An act granting a franking privilege to Grace G. Coolidge;

H.R. 5357. An act for the relief of Alice M. A. Damm;

H.R. 5584. An act for the relief of William J. Kenely;

H.R. 5606. An act for the relief of W. R. McLeod;

H.R. 5809. An act to provide compensation for Robert Rayford Wilcoxson for injuries received in citizens' military training camp;

H.R. 6864. An act to authorize the payment of expenses of delegates of the Yakima Confederated Tribes of Indians while on a mission to represent such tribes before Congress and the executive departments at the seat of government, and for other purposes;

H.R. 5947. An act authorizing adjustment of the claim of the Western Union Telegraph Co.;

H.R. 6037. An act to exempt from taxation certain property of the National Society of the Sons of the American Revolution;

H.R. 6238. An act for the relief of M. R. Welty;

H.R. 6284. An act for the relief of John R. Novak;

H.R. 6324. An act for the relief of Mabel Carver;

H.R. 6350. An act for the relief of Arthur Smith;

H.R. 6366. An act making appropriation to restore water of high mineral content on land owned and controlled by the Federal Government;

H.R. 6497. An act for the relief of James Henry Green;

H.R. 6622. An act authorizing the Secretary of Commerce to lease certain Government land at Woods Hole, Mass.;

H.R. 6625. An act for the relief of Charles Farr;

H.R. 6696. An act for the relief of William T. Roche;

H.R. 6781. An act to authorize appropriations to pay the annual share of the United States as an adhering member of the International Council of Scientific Unions and associated unions;

H.R. 6898. An act authorizing the city of Atchison, Kans., and the county of Buchanan, Mo., or either of them, or the States of Kansas and Missouri, or either of them, or the highway departments of such States, acting jointly or severally, to construct, maintain, and operate a free highway bridge across the Missouri River at or near Atchison, Kans.;

H.R. 6998. An act for the relief of Capt. Frank J. McCormack;

H.R. 7067. An act for the relief of St. Anthony's Hospital at Michigan City, Ind.; Dr. Russell A. Gilmore; Emily Molzen, nurse; and the Hummer Mortuary;

H.R. 7107. An act for the relief of Frank Baglione;

H.R. 7121. An act authorizing the Secretary of the Treasury to pay Dr. A. W. Pearson, of Peever, S.Dak., and the Peabody Hospital, at Webster, S.Dak., for medical services and supplies furnished to Indians;

H.R. 7161. An act to provide for the refund or abatement of the customs duty on altar candlesticks and cross imported for the Church of the Good Shepherd, Memphis, Tenn.;

H.R. 7230. An act for the relief of J. B. Hudson;

H.R. 7264. An act for the relief of M. N. Lipinski;

H.R. 7272. An act for the relief of John W. Adair;

H.R. 7348. An act to amend section 3937 of the Revised Statutes;

H.R. 7372. An act for the relief of Donald K. Warner;

H.R. 7387. An act for the relief of Royce Wells;

H.R. 7428. An act providing for the transfer of certain lands from the United States to the city of Wilmington, Del., and from the city of Wilmington, Del., to the United States;

H.R. 7631. An act for the relief of Arthur A. Burn, Sr., and J. K. Ryland;

H.R. 7670. An act relating to conveyance of letters by private hands without compensation, or by special messenger employed for the particular occasion only;

H.R. 7697. An act for the relief of William Chinsky;

H.R. 7781. An act for the relief of Rosemund Pauline Lowry;

H.R. 7816. An act for the relief of Oswald H. Halford, Hunter M. Henry, William C. Horne, Rupert R. Johnson, David L. Lacey, William Z. Lee, Fenton F. Rodgers, Henry Freeman Seale, Felix M. Smith, Edwin C. Smith, Robert S. Sutherland, and Charles G. Ventress;

H.R. 7893. An act for the relief of Ralph LaVern Walker;

H.R. 7953. An act for the relief of the Dallas County Chapter of the American Red Cross;

H.R. 8108. An act for the relief of Jeannette Weir;

H.R. 8115. An act for the relief of May L. Marshall, administratrix of the estate of Jerry A. Litchfield;

H.R. 8328. An act for the relief of the heirs of C. K. Bowen, deceased;

H.R. 8460. An act to amend section 392 of title 5 of the United States Code;

H.R. 8513. An act to authorize the coinage of 50-cent pieces in commemoration of the boyhood home of Gen. Thomas J. (Stonewall) Jackson;

H.R. 8514. An act authorizing the Secretary of the Treasury to convey a part of the post-office site in San Antonio, Tex., to the city of San Antonio, Tex., for street purposes, in exchange for land for the benefit of the Government property;

H.R. 8587. An act to extend the benefits of the Employees' Compensation Act of September 7, 1916, to William Thomas;

H.R. 8644. An act to provide warrant officers of the Coast Guard parity of promotion with warrant officers of the Navy;

H.R. 8650. An act for the relief of B. J. Sample;

H.R. 8688. An act for the relief of Stella E. Whitmore;

H.R. 8700. An act to establish a code of laws for the Canal Zone, and for other purposes;

H.R. 8727. An act for the relief of the First State Bank & Trust Co., of Mission, Tex.;

H.R. 8728. An act authorizing the Secretary of War to lease or to sell certain lands and buildings, known as Camp Eagle Pass, Tex., to the city of Eagle Pass, Tex.;

H.R. 8833. An act to authorize the coinage of 50-cent pieces in commemoration of the three hundredth anniversary of the founding of the Colony of Connecticut;

H.R. 8909. An act to authorize the Secretary of the Treasury to amend the contract for sale of post-office building and site at Findlay, Ohio;

H.R. 8930. An act to provide for the construction and operation of a vessel for use in research work with respect to ocean fisheries;

H.R. 9007. An act to amend section 11 of the District of Columbia Alcoholic Beverage Control Act;

H.R. 9234. An act to amend section 601(c)(2) of the Revenue Act of 1932;

H.R. 9326. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near York Furnace, Pa.;

H.R. 9371. An act to authorize the incorporated town of Douglas City, Alaska, to undertake certain municipal public works, including construction, reconstruction, enlargement, extension, and improvements of its water-supply system; and construction, reconstruction, enlargement, extension, and improvements to sewers, and for such purposes to issue bonds in any sum not exceeding $40,000;

H.R. 9401. An act granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a toll bridge across the Susquehanna River at or near Middletown, Dauphin County, Pa.;

H.R. 9402. An act to authorize the incorporated town of Fairbanks, Alaska, to undertake certain municipal public works, including construction, reconstruction, and extension of sidewalks; construction, reconstruction, and extension of sewers; and construction of a combined city hall and fire-department building, and for such purposes to issue bonds in any sum not exceeding $50,000;

H.R. 9571. An act granting the consent of Congress to the county commissioners of Essex County, in the State of Massachusetts, to construct, maintain, and operate a free highway bridge across the Merrimack River, in the city of Lawrence, Mass.;

H.R. 9617. An act to authorize the reduction of the required distance between liquor distilleries and rectifying plants and to authorize higher fences around distilleries;

H.R. 9645. An act to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Washington, Mo.;

H.R. 9646. An act to authorize the acquisition of additional land for the Upper Mississippi River Wild Life and Fish Refuge;

H. R. 9721. An act authorizing the Spencer County Bridge Commission, of Spencer County, Ind., to construct, maintain, and operate a toll bridge across the Ohio River between Rockport, Ind., and Owensboro, Ky.;

H.J.Res. 341. Joint resolution authorizing an appropriation for the participation of the United States in the International Celebration at Fort Niagara, N.Y.; and

H.Con.Res. 43. Concurrent resolution authorizing the printing of the proceedings held in connection with the unveiling of the statue of William Jennings Bryan in Washington, D.C., May 3, 1934.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S.Con.Res. 21. Concurrent resolution establishing a joint committee to investigate the question of participation by the Government in the Centennial of the Independence of the Republic of Texas.

The message also announced that the Senate agrees to the amendment of the House to a bill of the following title:

S. 3230. An act creating the Florence Bridge Commission and authorizing said commission and its successors and assigns to construct, maintain, and operate a bridge across the Missouri River at or near Florence, Nebr.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S.Con.Res. 20. Concurrent resolution authorizing the printing of additional copies of the hearings held before the Committee on Foreign Relations of the Senate on the resolution (S.Res. 278), "St. Lawrence waterway", Seventy-second Congress, second session.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 541. An act for the relief of John P. Leonard;

H.R. 2439. An act for the relief of William G. Burress, deceased;

H.R. 3032. An act for the relief of Paul Jelna;

H.R. 4460. An act to provide for the payment of compensation to George E. Q. Johnson;

H.R. 7982. An act to establish a national military park at the Battlefield of Monocacy, Md.;

H.R. 8525. An act to amend the District of Columbia Alcoholic Beverage Control Act to permit the issuance of retailers' licenses of class B in residential districts;

H.R. 9002. An act to provide relief to Government contractors whose costs of performance were increased as a result of compliance with the act approved June 16, 1933, and for other purposes; and

H.R. 9745. An act to authorize the Secretary of the Treasury to purchase silver, issue silver certificates, and for other purposes.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2347. An act to amend the Inland Waterways Corporation Act, approved June 3, 1924, as amended.

ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 47 minutes p.m.) the House adjourned until tomorrow, Thursday, June 14, 1934, at 12 o'clock noon.

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503. Under clause 2 of rule XXIV, a letter from the Secretary of the Treasury, transmitting a draft of a proposed joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits, with recommendation for its enactment, was taken from the Speaker's table and referred to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JAMES: Committee on Military Affairs. H.R. 9562. A bill granting certain lands to the University of Utah in Salt Lake County, Utah; with amendment (Rept. No. 1970). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOUGHTON: Committee on Ways and Means. House Joint Resolution 370. Joint resolution to protect the revenue by regulation of the traffic in containers of distilled spirits; without amendment (Rept. No. 1972). Referred to the Committee of the Whole House on the state of the Union.

Mr. MOTT: Committee on the Public Lands. S. 2987. An act to restore homestead rights in certain cases; without amendment (Rept. No. 1976). Referred to the Committee of the Whole House on the state of the Union.

Mr. KENNEY: Committee on Interstate and Foreign Commerce. S. 3553. An act to provide for the creation of a commission to examine into and report the clear height above the water of the bridge authorized to be constructed over the Hudson River from Fifty-seventh Street, New York, to New Jersey; without amendment (Rept. No. 1977). Referred to the House Calendar.

Mr. ROGERS of Oklahoma: Committee on Indian Affairs. S. 1948. An act amending the act entitled "An act authorizing the Court of Claims to hear, determine, and render judgment in the civilization fund claim of the Osage Nation of Indians against the United States", approved February 6, 1921 (41 Stat. 1097); with amendment (Rept. No. 1979).

Referred to the Committee of the Whole House on the state of the Union.

Mr. HAINES: Committee on the Post Office and Post Roads. H.R. 9756. A bill to authorize the establishment and maintenance of an industrial plant at Reedsville, W.Va.; with amendment (Rept. No. 1980). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. H.R. 3829. A bill to regulate the importation of milk and cream and milk and cream products into the United States for the purpose of promoting the dairy industry of the United States and protecting the public health; without amendment (Rept. No. 1981). Referred to the Committee of the Whole House on the state of the Union.

Mr. DOXEY: Committee on Agriculture. S. 3113. A bill to add certain lands to the Malheur National Forest in the State of Oregon; without amendment (Rept. No. 1982). Referred to the Committee of the Whole House on the state of the Union.

Mr. MEAD: Committee on the Post Office and Post Roads. H.R. 9867. A bill amending the Independent Offices Appropriation Act of 1935; with amendment (Rept. No. 1983). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of West Virginia: Committee on the Post Office and Post Roads. H.R. 9355. A bill to increase the postage charge for the return of dead letters and to provide for the collection of a registry fee upon such letters when containing money; without amendment (Rept. No. 1986). Referred to the Committee of the Whole House on the state of the Union.

Mr. CROSSER: Committee on Interstate and Foreign Commerce. H.R. 9911. A bill to provide a retirement system for railroad employees, and thereby to provide unemployment relief, and for other purposes; with amendment (Rept. No. 1988). Referred to the Committee of the Whole House on the state of the Union.

Mr. MUSSELWHITE: Committee on the Post Office and Post Roads. S. 822. An act to amend the act entitled "An act to amend section 217, as amended, of the act entitled 'An act to codify, revise, and amend the penal laws of the United States', approved March 4, 1909", approved January 11, 1929, with respect to the use of the mails for the shipment of certain drugs and medicines to cosmetologists and barbers; without amendment (Rept. No. 1989). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. McFARLANE: Committee on Naval Affairs. H.R. 7999. A bill to extend to Sgt. Maj. Edmund S. Sayer, United States Marine Corps (retired), the benefits of the act of May 7, 1932, providing highest World War rank to retired enlisted men; without amendment (Rept. No. 1973). Referred to the Committee of the Whole House.

Mr. KNIFFIN: Committee on Naval Affairs. H.R. 8939. A bill for the relief of Herbert L. Stafford; without amendment (Rept. No. 1974). Referred to the Committee of the Whole House.

Mr. MOTT: Committee on the Public Lands. H.R. 9610. A bill for the relief of Ivan H. McCormack; without amendment (Rept. No. 1975). Referred to the Committee of the Whole House.

Mr. DREWRY: Committee on Naval Affairs. H.R. 7386. A bill for the relief of George Francis Grundy; without amendment (Rept. No. 1978). Referred to the Committee of the Whole House.

Mr. KENNEDY of Maryland: Committee on Claims. H.R. 5568. A bill for the relief of A. W. Duckett & Co., Inc.; without amendment (Rept. No. 1984). Referred to the Committee of the Whole House.

Mr. COLLINS of California: Committee on Indian Affairs. H.R. 9446. A bill authorizing the Court of Claims to hear, consider, adjudicate, and enter judgment upon the claims against the United States of J. A. Tippit, L. P. Hudson, Chester Howe, J. E. Arnold, Joseph W. Gillette, J. S. Bounds, W. N. Vernon, T. B. Sullivan, J. H. Neill, David C. McCallib, J. J. Beckham, and John Toles; without amendment (Rept. No. 1985). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. STEAGALL: A bill (H.R. 9915) to amend section 12B of the Federal Reserve Act, as amended; to the Committee on Banking and Currency.

By Mr. CALDWELL: A bill (H.R. 9916) to amend the Reconstruction Finance Corporation Act so as to extend the provisions thereof to private corporations to aid in constructing and maintaining facilities for the marketing, storing, warehousing, and/or processing of forest products; to the Committee on Banking and Currency.

By Mr. REECE: A bill (H.R. 9917) to exclude from the Great Smoky Mountains National Park the lands of Charles Murphy and Horace Murphy; to the Committee on the Public Lands.

By Mr. KNUTSON: A bill (H.R. 9918) to place an embargo on rye; to the Committee on Ways and Means.

By Mr. GUYER: A bill (H.R. 9919) to amend section 3 of the act entitled "An act for the retirement of employees of the classified civil service, and for other purposes", approved May 22, 1920, and acts in amendment thereof, to extend benefits of retirement legislation to employees of the clerk of the Supreme Court of the District of Columbia; to the Committee on the Civil Service.

By Mr. BANKHEAD: Resolution (H.Res. 437) for the consideration of H.R. 9861, a bill to amend the Railway Labor Act, approved May 20, 1926, and to provide for the prompt disposition of disputes between carriers and their employees; to the Committee on Rules.

My Mr. SIROVICH: Resolution (H.Res. 438) stating that the Government of the United States, in its executive department, is a great business enterprise with a capital, number of employees, and scope of functions beyond any commercial organization in the Nation; to the Committee on Expenditures in the Executive Departments.

By Mr. McSWAIN: Resolution (H.Res. 439) authorizing the expenditure of not to exceed $20,000, in addition to the amount authorized by House Resolution 284, Seventy-third Congress, second session, to continue the investigation authorized and directed by House Resolution 275, Seventy-third Congress, second session; to the Committee on Accounts.

By Mr. HESS: Joint resolution (H.J.Res. 372) to authorize the Attorney General of the United States to transfer certain documents to the Library of Congress; to the Committee on the Library.

By Mr. DOUGHTON: Joint resolution (H.J.Res. 373) to protect the revenue by requiring information concerning the disposition of substances used in the manufacture of distilled spirits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOWELL: A bill (H.R. 9920) for the relief of Merton E. Bent; to the Committee on Claims.

By Mr. FADDIS: A bill (H.R. 9921) for the relief of Sarah Elizabeth Ballentyne; to the Committee on Claims.

By Mrs. GREENWAY: A bill (H.R. 9922) for the relief of Annie E. Daniels; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

5127. By Mr. ANDREW of Massachusetts: Petition adopted by the General Court of Massachusetts, favoring legislation providing for a system of retirement for railroad

employees; to the Committee on Interstate and Foreign Commerce.

5128. By Mr. CONDON: Petition of the Cranston Branch, Young Men's Democratic League of Rhode Island, supporting House bill 9177, authorizing the Reconstruction Finance Corporation to loan the sum of $12,000,000 to the Respess Aeronautical Corporation, of Cranston, R.I., for the construction and operation of two suspension-bridge-type airships in trans-Atlantic service; to the Committee on Banking and Currency.

5129. By Mr. JAMES: Petition in the nature of a request of the Iron River Mine Workers, No. 125, through J. T. Sutherland, of Stambaugh, Mich., requesting that a committee be appointed for the purpose of investigation of the metalliferous mining industry to the end that some measure of justice may be had for the workers engaged in this hazardous and unhealthful occupation; to the Committee on Labor.

5130. By Mr. LEHR: Petition of the Michigan Chapter of International Federation of Catholic Alumnae, urging Congress to pass Senate bill 2910, with amendment 301 unchanged, which would allocate 25 percent of all radio facilities to nonprofit organizations; to the Committee on Merchant Marine, Radio, and Fisheries.

5131. By Mr. LINDSAY: Petition of the Port of New York Authority, New York City, opposing the passage of House bill 9201 and Senate bill 3553; to the Committee on Interstate and Foreign Commerce.

5132. Also, petition of Post & McCord, Inc., A. J. Post, president, New York City, opposing the enactment of the Wagner labor-disputes bill (S. 2926); to the Committee on Labor.

5133. Also, petition of the Tisdale Coal Co., Inc., Astoria, Long Island, N.Y., opposing the amended Wagner labor-disputes bill; to the Committee on Labor.

5134. Also, petition of the Pilgrim Laundry, Inc., Brooklyn, N.Y., opposing the Industrial Adjustment Act; to the Committee on Labor.

5135. Also, petition of the American Train Dispatchers Association, Yonkers, N.Y., urging enactment of House bills 9861 and 9596 before adjournment; to the Committee on Interstate and Foreign Commerce.

5136. By Mr. MARTIN of Massachusetts: Memorial of the General Court of Massachusetts, favoring enactment of the Hatfield-Wagner bill; to the Committee on Interstate and Foreign Commerce.

5137. By Mrs. ROGERS of Massachusetts: Petition of the Senate and House of Representatives of the State of Massachusetts, memorializing Congress in favor of legislation providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.

5138. By Mr. RUDD: Petition of the Tisdale Coal Co., Inc., Astoria, Long Island, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5139. Also, petition of the Pilgrim Laundry, Inc., Brooklyn, N.Y., opposing the Wagner disputes bill; to the Committee on Labor.

5140, Also, petition of Post & McCord, steel construction, New York City, opposing the Wagner disputes bill; to the Committee on Labor.

5141. Also, petition of the Port of New York Authority, New York City, opposing House bill 9201 and Senate bill 3553; to the Committee on Interstate and Foreign Commerce.

5142. By Mr. TRAEGER: Petition of the American Technotax Society, urging legislation appropriating $100,000, or as may be required, to conduct a comprehensive survey of the man power or man displacement of machines and equipment used in mass production; that the survey be conducted by recognized economists and technicians appointed by the President with a view to furnishing data which the Congress of the United States may use as a factual basis for the enactment of graduated taxes on mass-production machinery to benefit and protect American workers and stabilize industrial progress; to the Committee on Appropriations.

5143. Also, petition of the Echo Park Post, No. 414, the American Legion, Los Angeles, Calif., urging that the entire operation of the State emergency relief administration be opened to Federal investigation immediately in order to determine the following desired information: (1) Names of officials, salaries received, employment capacity, and qualifications; (2) previous payments to said officials out of public funds for relief work; and (3) length of time spent on paid-relief work also on Civil Works Administration assignments; to the Committee on Banking and Currency.

5144. By Mr. WIGGLESWORTH: Petition of the General Court of Massachusetts, memorializing Congress in favor of legislation providing for a retirement system for railroad employees; to the Committee on Interstate and Foreign Commerce.